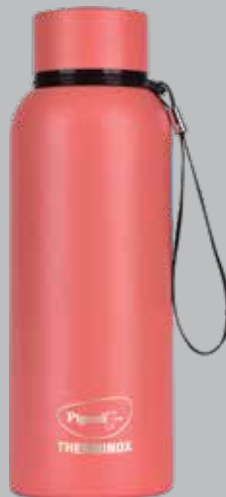




ENHANCING  
STRENGTHS.  
ADVANCING  
GROWTH.



# ENHANCING CUSTOMER TOUCHPOINTS. ADVANCING REACH AND SKL FOOTPRINT.

In June 2022, Stove Kraft opened its first company-owned and company-operated retail store in Bengaluru. The milestone signifies a pivotal moment in our growth journey. Since then, we have rapidly expanded, establishing 54 such stores in the southern markets of India in FY 2022-23. We are committed to leveraging the insights from the opening of these stores to accelerate our expansion nationwide.



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#### The Stove Kraft Story

Enhancing kitchens and homes.  
Advancing happiness.



#### Operational Highlights

Enhancing enablers.  
Advancing performance.



#### Managing Director's Message



Read this report online or  
download it at [www.stovekraft.com](http://www.stovekraft.com)



# WELCOME TO STOVE KRAFT'S ANNUAL REPORT, WHERE WE INVITE YOU TO JOIN US ON OUR CAPTIVATING JOURNEY OF ENHANCING STRENGTHS AND ADVANCING GROWTH.

From the very beginning, our focus has been on building a strong foundation rooted in customer satisfaction, inspiring us to push the boundaries of innovation. This year, we expanded our product portfolio and ventured into new categories, always keeping our customers at the core.

As a customer-centric business, accessibility is crucial. We have strategically expanded our presence across various channels, including general trade, modern trade, e-commerce, institutional and exports. Our foray into direct retail through company-owned and managed stores has further strengthened our accessibility and deepened our connection with customers. The overwhelming response has motivated us to expand our store reach even further.

Our journey towards growth doesn't stop there. We have invested in strengthening our in-house manufacturing capabilities, which increased our

production capacity, enhanced quality control, and optimised cost efficiency. This has made us more competitive, enabling us to deliver exceptional products at attractive prices. With a strong focus on brand salience and effective marketing strategies, we are continuously reaching new audiences.

We have also bolstered our management team with a future-ready structure consisting of 7 CXOs (Chief Revenue Officer, Chief Growth Officer, Chief Human Resources Officer, Chief Operating Officer, Chief Marketing Officer, Chief Financial Officer & Chief Technology Officer) who shall under the leadership of our MD, lead our transformational growth into the future. The CXOs managing our Commercial Operations are ably assisted by Product Heads, Channel Heads as well as Marketing Managers. Successful integration of our newly-acquired businesses put us in a stronger position to accelerate our performance.

THE RESULTS ARE QUITE OBVIOUS AND INSPIRE US TO DO EVEN BETTER IN THE COMING YEARS. WE ACHIEVED REMARKABLE MILESTONES, WITH RECORD-BREAKING REVENUE AND INCREASED MARKET SHARE ACROSS MULTIPLE PRODUCT CATEGORIES AND CHANNELS. BY OPTIMISING COSTS AND STREAMLINING OPERATIONS, WE WEATHERED THE STORM OF HIGH INPUT COSTS AND FURTHER IMPROVED OUR MARGINS.

LOOKING AHEAD, WE REMAIN COMMITTED TO SURPASSING THE EXPECTATIONS OF OUR CUSTOMERS, EMPLOYEES, PARTNERS, INVESTORS AND STAKEHOLDERS. OUR PROVEN STRATEGY OF ADVANCING GROWTH THROUGH ENHANCING STRENGTHS WILL CONTINUE TO GUIDE US ON THIS JOURNEY OF VALUE CREATION.

ENHANCING  
STRENGTHS.  
ADVANCING  
GROWTH.



# **PURPOSE**

To provide quality products at affordable prices, thereby enhancing the lives of our customers



# **VISION**

To be a leader in the kitchen, home and consumer lighting solutions in India





# PHILOSOPHY

Customer First

## THE STOVE KRAFT STORY

# ENHANCING KITCHENS AND HOMES. ADVANCING HAPPINESS.

Established in 1999, Stove Kraft Limited is one of India’s leading manufacturers and retailers of a wide range of kitchen solutions, as well as an emerging home and lighting solutions brand. We offer products under our own brands and in-licensed brands. Alongside our strong presence in India, we also have a growing global reach with our products being retailed in the US, Mexico, South East Asian countries, and Gulf nations.

At Stove Kraft, we are driven by our Purpose “To Provide Quality Products at affordable prices, thereby enhancing the lives of our customers”. Our kitchen solutions encompass a diverse array of cookware, small appliances. Additionally, we have multiple brands in home and consumer lighting. Well-recognised brands, fully integrated manufacturing facilities, extensive distribution network, and dedicated after-sales services, are the hallmark of our operations as we try and enhance our market footprint.

Since inception, we have maintained a steadfast focus on product innovation and delivering exceptional value. By offering high-quality products at attractive prices, we have fostered a virtuous cycle of positive consumer experiences, strong brand loyalty, portfolio expansion, and diversification into new categories. This approach has enabled us to grow our business and strengthen our position in the kitchen and home solutions industry.

### PROUDLY SERVING INDIAN KITCHENS AND HOMES



Market leadership in free-standing hobs.



Market leadership in cooktops.



Market leadership in non-stick cookware.



Formidable player in pressure cookers business.

### MULTI-BRAND PORTFOLIO SERVING DIFFERENT MARKET SEGMENTS



Value  
Kitchen and Home Solutions



Semi-Premium  
Kitchen Solutions



Premium  
Kitchen and Home Solutions



Premium  
Home Solutions



## BY THE NUMBERS AS ON 31 MARCH 2023

**2**

Manufacturing facilities with 20 Plants ISO 9001:2015 certified.

**71 Mn**

Manufacturing capacity per annum

**15+** years

Market presence of flagship brands Pigeon and GILMA

**600+**

Distributors

**82,767+**

Retail touchpoints

**54**

Company-owned company-operated Pigeon retail stores

**59**

Exclusive GILMA stores

**9**

Carrying & forwarding agents

**14**

Export countries

**26%**

Energy consumption met through captive resources

**5,316**

Employees



## OUR INVESTMENT STORY

# ENHANCING EDGE. ADVANCING VALUE.

With a robust and proven business model, which is being further strengthened through focussed actions, we are well-positioned for future growth and to enhance stakeholder value. Here are seven compelling reasons that support our clear investment case.



### STRONG BRANDS

Our well-recognised brands span market segments, thus resonating with diverse households and propelling growth. Our extensive range of high-quality products caters to varied customer needs, fostering brand loyalty. Through a diverse range of marketing and branding activities, we enhance brand visibility, further strengthening our market presence. As income levels rise, urbanisation speeds up, and e-commerce flourishes, the kitchen and home solutions market offers immense growth potential. Customers are increasingly inclined towards branded products that align with their aspirational lifestyles. Leveraging the strength of our brands, we are strategically positioned to seize these opportunities, making all StoveKraft brands a favourite for our customers. We are also a partner of choice for our other stakeholders and industry associates.



### MANUFACTURING ADVANTAGE

In-house manufacturing and robust backward integration, with 40 manufacturing lines in 20 different plants at our facilities in Bengaluru (Karnataka) and Baddi (Himachal Pradesh), drive our operational efficiency and reduce dependency on external suppliers and original equipment manufacturers (OEMs). Additionally, our Bengaluru manufacturing site has further room for expansion, with approximately 10 acres of available land. These ISO 9001:2015 certified facilities ensure adherence to stringent quality standards, reinforcing our commitment to delivering excellence in every aspect of our manufacturing processes.



### CUSTOMER-FOCUSED

Harnessing our in-house R&D capabilities, we consistently deliver relevant product innovations. These innovations stem from deep consumer and market insights. Furthermore, we offer high-quality products at very attractive prices, enhancing their appeal. Rigorous quality measures are ingrained throughout our value chain, from vendor qualifications to product development and manufacturing. Products sourced from third-party OEMs undergo meticulous inspection by our dedicated sourcing and quality assurance teams. Our centralised consumer relationship management (CRM) system and call centres enable swift and efficient customer service. Complemented by a dedicated service team and brand-specific mobile APP, we prioritise superior consumer support to foster exceptional experiences and build brand loyalty.



### GROWING DISTRIBUTION NETWORK

Our supply chain and distribution network seamlessly align with our manufacturing facilities, ensuring smooth operations. Dedicated networks for Pigeon, Gilma, BLACK+DECKER, and Pigeon LED products enable us to achieve cost efficiencies, expand our customer reach, and ensure swift delivery. Our products are accessible through diverse channels, encompassing independent retail stores, brand outlets, retail chains, e-commerce platforms, social media, and brand websites. As we introduce new products and expand our channel presence, we unlock a multiplier effect, contributing significantly to our overall revenue. This distribution scalability presents promising growth opportunities for the future.



### NEW SYNERGISTIC BUSINESSES

Through strategic acquisitions, we have ventured into new synergistic businesses such as branded modular kitchens, as well as electrical switches & accessories. These businesses align seamlessly with our existing operations, leveraging our manufacturing capability, distribution network, and brand recognition. The acquisitions present new growth levers for our Company. Drawing on our extensive experience in kitchen solutions, we are well-positioned to penetrate into the untapped market of affordable branded modular kitchens. Additionally, our LED business has exhibited rapid growth, making the inclusion of electrical switches and accessories a natural extension to our product portfolio.



### EXPERIENCED LEADERSHIP AND TALENT MANAGEMENT

As a professionally-run organisation, we uphold strong corporate governance and maintain robust internal controls. Our senior management team, with an average of over two decades of experience, provides seasoned leadership. They are dedicated to talent identification, development, diversity, and succession planning to drive our success. While core functions are centralised, we have specialised management teams overseeing distinct brand portfolios. Our product heads possess extensive expertise in their respective categories, enabling us to deliver exceptional quality and innovation.



### PROVEN TRACK RECORD

We have consistently achieved robust growth by expanding our brand portfolio, strengthening our distribution network, optimising procurement costs and deploying technology. Our focus on operational efficiencies and a streamlined supply chain has resulted in better control over expenses. Building upon our existing logistics, supply chain network, and integrated manufacturing facilities, we have effectively leveraged our capital. Over the past few years, we have invested in manufacturing and warehousing infrastructure, scaled up our retail franchise operations, diversified our product categories, and entered into new segments. These strategic initiatives have helped us establish a solid foundation for future growth.

## OUR BRANDS

# ENHANCING APPEAL. ADVANCING SATISFACTION.

Through our well-recognised brands that span market segments and offer innovative, high-quality products, we are committed to reaching out to millions of customers and improving their lives in meaningful ways.

Our brands, Pigeon, Gilma, and BLACK+DECKER, cater to different consumer segments: value, semi-premium, and premium, respectively. This strategic positioning enables consumers to associate with a brand specifically designed to meet their budget and lifestyle requirements.

Pigeon and Gilma, our flagship brands, have made their mark in the market for over 15 years, garnering strong brand recall among consumers for their quality and exceptional value for money.

Additionally, we offer lighting solutions under the Pigeon LED brand, further expanding our product portfolio.

Our strategic partnership with Stanley Black & Decker, Inc. and The Black and Decker Corporation, a renowned global provider of hand tools, empowers us with the exclusive retail rights for BLACK+DECKER kitchen and home appliances in India. This collaboration allows us to provide discerning customers with a distinguished brand known for its excellence and performance.

## PIGEON

### Cookware

Pressure cooker, wonder cast cookware, non-stick cookware, electric rice cookers and titanium hard anodised cookware

### Small appliances

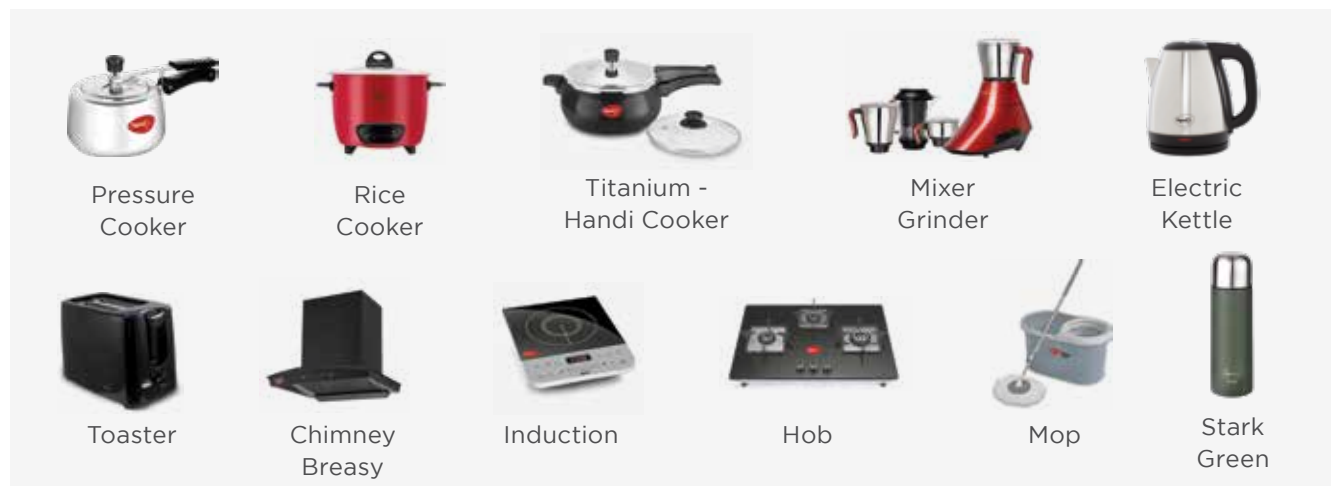
Mixer grinders, rice cookers, electric kettles, toasters, sandwich makers, knives, steam irons, juicers, air fryers and electric grills

### Cooktops and other kitchen solutions

Hobs, glass cooktops, stainless steel cooktops, induction cooktops and chimneys

### Other products

Emergency lamps, water bottles, flasks and mops



**GILMA**

LPG Stoves



Chimney Hobs



Cooktops

**BLACK + DECKER****Small appliances**

Food processors, juicers, hand blenders, hand mixers, mini choppers, oven toaster grills, rice cookers, coffee makers, toasters, sandwich makers and kettles

**Other products**

Steam irons, dry irons, water heaters and oil fin radiators



Food processor



Juicer



Hand Blender



Hand Mixer



Mini Choppers



Oven toaster grills



Coffee maker



Toaster



Sandwich maker



Kettle



Steam iron



Garment steamer



Radiator

**PIGEON LED**

LED bulbs



Battens



Downlights Panels



Emergency Lamps

## NEW PRODUCT LAUNCHES

# ENHANCING OFFERINGS. ADVANCING MARKET SHARE.

We keenly listen to customer preferences to drive innovations that resonate. Our thoughtfully designed products are easily accessible across multiple channels, enabling us to carve a larger market share.

### PRESSURE COOKERS

- Introduced a new product series in the tri-ply stainless steel cookers segment, showcasing our exceptional in-house manufacturing expertise.
- Additionally, we unveiled a line of unique 'handi shaped' cookers in the stainless steel series, further expanding our product offerings.
- Our pressure cooker segment has demonstrated rapid growth, generating a revenue of ₹ 345 Crore and achieving a strong growth of 24% compared to FY 2021-22.
- Pigeon pressure cookers have earned immense customer satisfaction, reflected in their status as the No. 1 bestsellers on leading e-commerce platforms. Notably, on one of these platforms, our pressure cookers have significantly increased their market share to 40%.
- In the general trade market, our pressure cooker business witnessed robust growth, with sales increasing from ₹ 94 Crore to ₹ 145 Crore, representing a remarkable growth of 51%.



### ELECTRIC RICE COOKERS AND KETTLES

- Revamped the electric rice cooker category and increased distribution across major channels, resulting in a significant growth of 350% compared to FY 2021-22.
- Strategically positioned the multi-function kettle at the sub-category level, attracting new customer segments and driving an impressive growth of 100% compared to FY 2021-22.



### GAS STOVES

- Launched a new range of budget segment gas stoves, exclusively for the e-commerce channel. This resulted in a 20% increase in gas stove sales on a leading e-commerce platform and now represents approximately 40% of all Pigeon Gas Stove sales on the e-commerce channel. The series has successfully created a competitive advantage in price-sensitive segments.
- Launched a line-up of zero maintenance auto-ignition gas stoves for the trade channel. This launch has enhanced brand perception and further reinforced the popularity of our existing Ayush series of gas stoves.



### AIR FRYERS

- Launched air fryers in August 2022, and within a short span, this category has become one of the key drivers of e-commerce revenues for Stove Kraft. We are the No.1 best seller on e-commerce platforms, and our air fryers hold a substantial market share of 50% across two leading e-commerce channels.



### GARMENT CARE

- Revamped the Garment Care category, delivering the hallmark 'Made at Stove Kraft' quality at very attractive prices. We also expanded our presence across all channels, offering a comprehensive range of dry irons, steam irons, and steamers.

### FOOD PROCESSING

- Launched the budget-friendly ORB Mixer Grinder - 750W model ahead of the festive season in FY 2022-23. This model made a significant contribution, accounting for over 50% of all Pigeon 750W mixer grinders in the general trade segment.



### HOME SOLUTIONS

- Launched a new category featuring flasks, bottles, tiffin boxes, idli makers, and casseroles, with SKUs designed for both the low budget and high budget segments. This strategic expansion has significantly contributed to a topline revenue of nearly ₹ 38 Crore in FY 2022-23.



### LED LIGHTING SOLUTIONS

- Introduced innovative 3-step dimming emergency bulbs in 9 watts and 12 watts versions. This first-of-its-kind technology offering extended backup time of up to 5 hours (compared to 3 hours earlier) and enhanced battery cycles, setting a new industry benchmark.



## OPERATIONAL HIGHLIGHTS

# ENHANCING ENABLERS. ADVANCING PERFORMANCE.

We consistently enhance our core strengths, including our distribution network, manufacturing capabilities, and brand visibility. These focussed efforts enable us to advance our performance and create greater value for our stakeholders.



### LAUNCHING DIRECT RETAIL STORES

During the year, we made a successful entry into physical retail by opening company-owned and operated stores for the Pigeon brand. The first store debuted in Frazer Town, Bengaluru in June 2022 and we have since expanded to 54 retail outlets across southern markets. These stores showcase our complete product range, including cookware, cooktops, small appliances, modular kitchens and LED products.

This foray marks a significant milestone in our growth journey, enhancing accessibility for our customers. Our retail stores also provide valuable insights into customer preferences, enabling us to develop products that cater to their evolving needs. The response from customers has been overwhelmingly positive, motivating us to further expand our store network in FY 2023-24.

### STRENGTHENING OUR MANUFACTURING EXPERTISE

We established a dedicated toughened glass manufacturing facility within our Bengaluru manufacturing premises. This addition to our in-house capabilities provides us with enhanced flexibility

and capacity to meet market demand efficiently. The captive manufacturing of toughened glass will also enable us to ensure cost-effectiveness without compromising on quality.

We set up a new bottle manufacturing plant with a production capacity of 30 lakh bottles per year. The facility offers customisation and printing solutions, enabling us to cater to diverse customer preferences, further enhancing our market presence and customer satisfaction.

We also achieved complete backward integration of the air fryer category within a span of ten months, making Pigeon Air fryers the first-ever holistically 'Made in India' air fryers. This has streamlined the supply chain and ensured greater control over the production process.

### AMPLIFYING BRAND VISIBILITY

The organisation has a full-fledged marketing team that strategises all customer and channel partner communication.

The team is focussed on creating brand awareness and communicate with the target audience on both, the existing product portfolio as well as new launches. The marketing team is constantly in touch with the existing customer segments, which acts as one of the various sources that the organisation uses for product feedback and to also understand the changing consumer needs.

The organisation's large in-house consumer communication team consisting of Content Ideators, Content Writers, and Content Designers, who constantly create product communication for the customers surfing the company's social media pages.

The organisation uses almost all communication channels to address its target audience, namely outdoor, print media and digital.



**FY 2022-23 PERFORMANCE HIGHLIGHTS**

**₹1,284 CRORE**  
 Achieved highest-ever revenue

**13%**  
 year-on-year

**10%**  
 increase in sales volume

**₹420 CRORE**  
 Achieved highest-ever gross margin

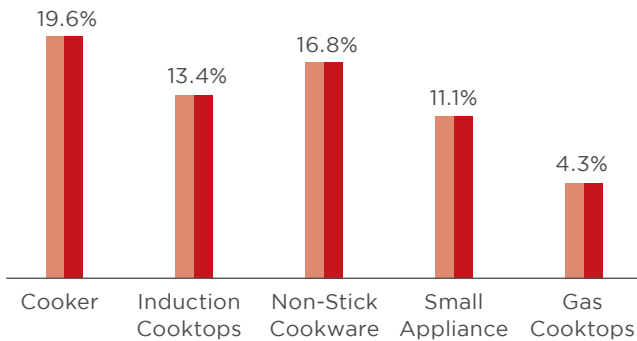
**15.8%**  
 year-on-year

**ADDED 3,767+**  
 more outlets (total outlets 82,767) to further strengthen brand presence across the country

**₹99 CRORE**  
 Achieved EBITDA

**4.4%**  
 year-on-year

**ANNUAL GROWTH IN PRODUCT CATEGORY**



**REVENUE DIVERSIFIED ACROSS PRODUCT CATEGORIES**



- 23.5% Pressure Cookers
- 6.1% LED
- 12.5% Induction Cooktop
- 9.2% Gas Cooktop
- 17.9% Non-stick Cookware
- 30.8% Mixers/Small Appliances/Others



# MANAGING DIRECTOR'S MESSAGE



**At Stovekraft, our sharp focus on product innovation and diversification into new product categories at attractive price points for consumers, enabled us to capitalise on the growing market demand for kitchen and home solutions.**

## DEAR SHAREHOLDERS,

I am pleased to report that Stovekraft delivered yet another commendable performance during the financial year 2022-23. Our sustained performance vindicate the success of our efforts towards prioritising growth by enhancing our business strengths with Customer Centricity at the core of whatever we do.

## ECONOMIC ENVIRONMENT

The year commenced on a positive note with pandemic challenges receding and economic activity returning to normalcy. As we progressed into the second and third quarters, consumer demand gained momentum, driven by the festive season.

However, the year was not without its challenges. The ongoing Russia-Ukraine conflict continued to disrupt supply chains and had a significant impact on inflation and interest rates worldwide. In India, high commodity costs exerted a pressure on operations of manufacturing businesses while sustained inflationary trend, especially notable during the first half of the year, dampened the demand for entry level products.

## PERFORMANCE REVIEW

At Stovekraft, our sharp focus on product innovation and diversification into new product categories at attractive price points enabled us to capitalise on the growing market demand for kitchen and home solutions. We expanded our distribution network across channels and strengthened brand visibility through a wide range of marketing strategies.

These concerted efforts have resulted in yet another year of better than industry average growth for Stovekraft at 13% with our revenues reaching ₹ 1,284 Crore. Our growth has been broad-based, with all product categories registering volume growth ranging from 8% to 16%. We also successfully increased our market share across various product categories and distribution channels.

In a challenging year characterised by high raw material inflation and supply chain disruptions, our robust manufacturing capabilities allowed us to mitigate the impact of these obstacles. This is reflected in our EBITDA of ₹ 99 Crore, representing

a 4.4% year-on-year growth. However, our EBITDA margins experienced a moderate decline to 7.7% from 8.3% in the previous year, primarily due to increase in finance costs, employee expenses, tax expenses etc.

## OPERATIONAL HIGHLIGHTS

Our commitment to innovation and our Cost Leadership with Quality has played a pivotal role in maintaining our customer competence and industry leadership. During the year, we launched several exciting products across price segments, including air fryers, auto-ignition gas stoves, three-step dimming emergency bulbs, and a new category of home solutions. We also revamped categories such as Garment Care and Electric Rice Cookers, attracting new market segments and driving impressive growth.

The thrust on in-house manufacturing and increased backward integration has strengthened our business agility while ensuring quality and cost efficiency. Notably, we established a dedicated toughened glass manufacturing facility, providing us with greater flexibility and capacity to meet market demands. Moreover, the introduction of our latest bottle manufacturing facility, capable of producing 30 lakh bottles annually, brings about improved economies of scale and allows us to cater to personalised product and solution needs. Additionally, in a remarkable feat, we successfully achieved complete backward integration of the air fryer category within a mere 10 months, making Pigeon Air fryers the pioneering 'Made in India' air fryers. This achievement reinforces our dedication to delivering top-notch products at reasonable prices and enhancing the well-being of our valued customers.

As a customer-centric business, we understand the importance of easy product availability and a first-hand understanding of evolving customer needs. In line with this, we ventured into physical retail by opening our first company-owned and managed store. We successfully opened 54 stores in the southern region during the year, which received an overwhelming response from customers. We are committed to utilising our learnings and experiences to expand this retail channel nationwide, with a target of opening 75 to 100 odd stores in southern states of the country in next 12-18 months.

We have strengthened our presence across general trade, modern distribution, and e-commerce platforms. The addition of 3,767 new retail outlets, highlights our focus on expanding our distribution footprint. To cater to the needs of online shoppers, we focussed on key aspects such as product availability, competitive pricing, faster despatch, and a seamless end-to-end experience on multiple e-commerce platforms.

Our newer business segment in the consumer electrical space through the acquisition of SKAVA Electric has complemented & enhanced our presence in the electrical solutions market. The integration of the SKAVA team into Stovekraft is complete, and we have commenced captive production of SKAVA range products. Leveraging our extensive distribution network, we are confident of charting an exciting growth path for the brand, showcasing the strategic fit of this natural extension to our Pigeon LED business.

Our Gilma brand offers a unique modular kitchen experience in the semi-premium segment sold through exclusively branded outlets owned and operated by franchisees.

We export products to 14 countries across the globe with 11% of sales generated through exports. We also have 12 distributors for export products. We have also established OEM partnerships in the USA and Mexico.

### **WAY AHEAD**

As we are at the cusp of yet another exciting FY 2023-24, we are highly optimistic of our future given that the commodity prices have softened, macroeconomic indicators across advanced nations look positive, softening inflation with recovery on the horizon. Meanwhile India's economy remains resilient and the country is on course to become the fastest growing major economy. Further, India's consumption story with an expanding, highly aspirational middle class with increased purchasing power, make it a promising market for retail businesses. Growing internet penetration and the rise of e-commerce further strengthen prospects for India's retail sector.

At Stovekraft, we are energised by these favourable macroeconomic conditions. Guided by our unwavering commitment to customer-centricity, we will continue driving product innovation to meet the ever-evolving needs of our customers. We also recognise the potential to foray into new product categories and cater to a wider range of customer preferences. Simultaneously, we are determined to further enhance our distribution network, enabling us to reach more customers and unlock new avenues of growth.

Our focus on brand visibility remains steadfast. We understand the importance of building strong brand equity and will continue to invest in strategies that elevate the presence and recognition of Stovekraft in the market. Furthermore, our emphasis on capacity expansion and backward integration is supported by our robust financial position, empowering us to make strategic investments in our capabilities and drive sustainable performance.

### **CLOSING THOUGHTS**

In conclusion, I would like to express my appreciation to our employees for their efforts throughout the year. Their commitment has been integral to our success. I also take this opportunity to extend my sincere gratitude to our esteemed Board Members for their invaluable guidance. Finally, I acknowledge the continued support of our stakeholders, including customers, channel partners, investors, and the wider community, to our growth and success.

At Stovekraft, we remain committed to delighting our customers and doing all that it takes to deliver on our purpose. As we progress on this path, we are confident of accelerating value creation and ushering in a better, stronger future for all stakeholders.

Warm Regards,

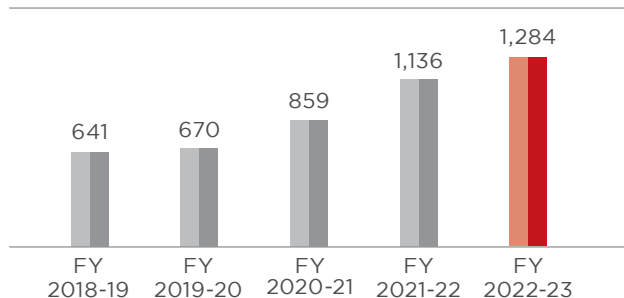
**Rajendra Gandhi**

Managing Director

# FINANCIAL HIGHLIGHTS

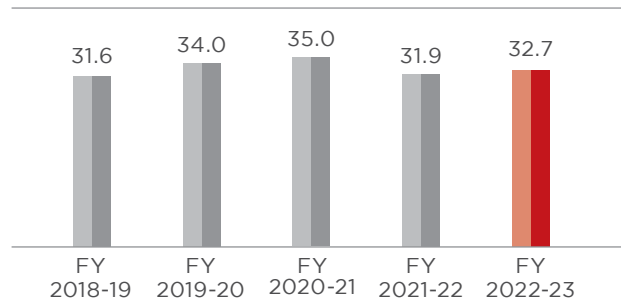
## REVENUES

(₹ Crore)



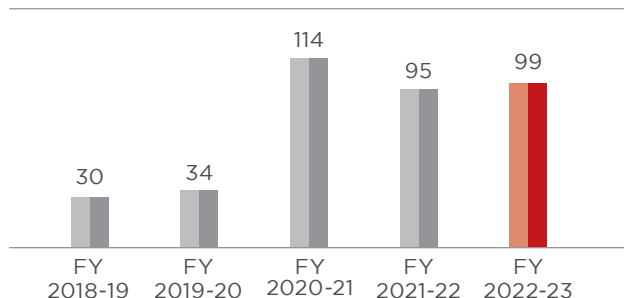
## GROSS PROFIT MARGINS

(%)



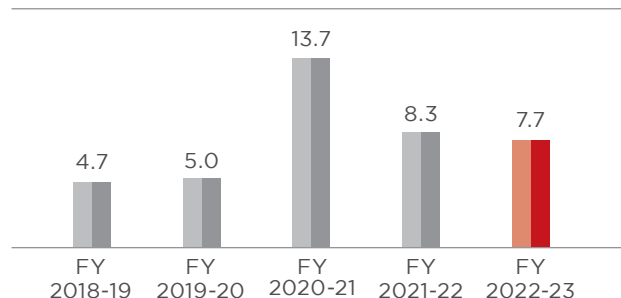
## EBITDA

(₹ Crore)



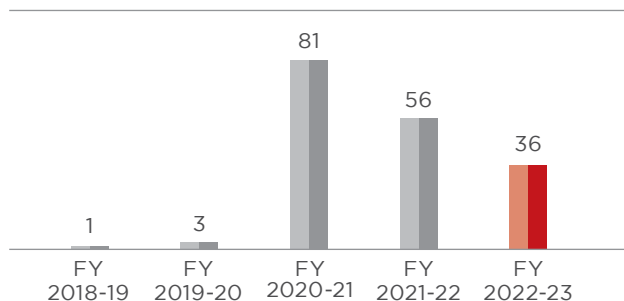
## EBITDA MARGINS

(%)



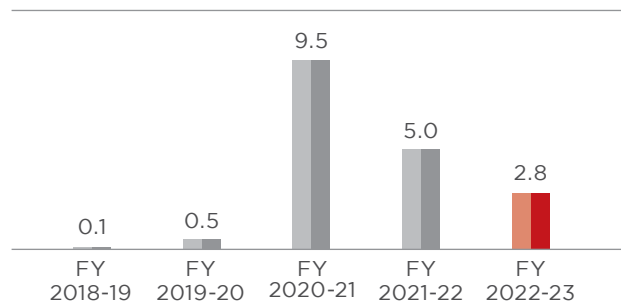
## PAT

(₹ Crore)



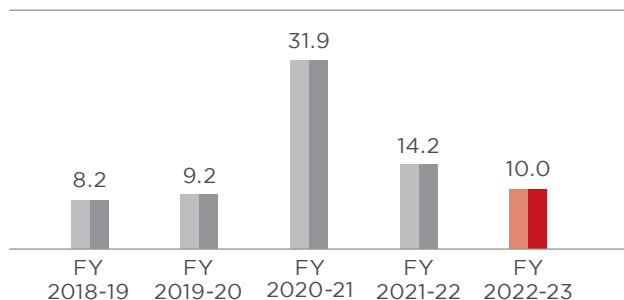
## PAT MARGINS

(%)



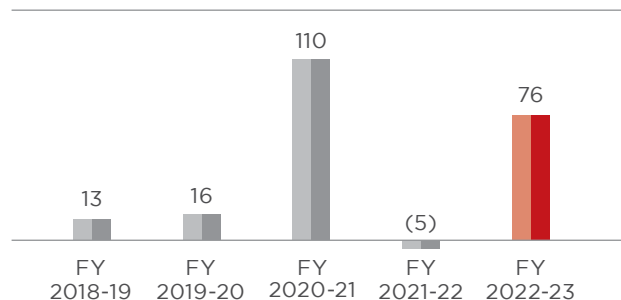
## ROCE

(%)



## CASH FLOW FROM OPERATIONS

(₹ Crore)



## CORPORATE SOCIAL RESPONSIBILITY

# ENHANCING LIVES. ADVANCING INCLUSIVE GROWTH.

As a responsible enterprise, we understand the significance of contributing to the communities in which we operate, fostering societal well-being and growth. Our key areas of focus encompass healthcare, education (including special education), and skill development.

### CONTRIBUTION TO KARNATAKA MARAWADI YOUTH FEDERATION (KMYF)

Operated by KMYF, the Dr. Ranka Dialysis Centre at Jayanagar, Bengaluru provides free dialysis to economically challenged patients. During the year, our support to KMYF empowered numerous individuals in need to access vital dialysis treatment and prioritise their health and well-being.

### CONTRIBUTION TO SOCIETY FOR AUTISTICS IN INDIA (SAI)

The Society for Autistics in India (SAI) is a charitable trust established in September 1995 with a primary focus on providing therapy for children with autism and related disorders. Our financial support to SAI during the year furthered their mission of offering vocational training assistance to older children, enabling them to develop valuable skills for their future.

### SUPPORTING NATIONAL SCHEMES FOR SKILL DEVELOPMENT

As a strong advocate for skill development, we support the government's initiatives in this area. We

actively participate in the NAPS (National Apprentices Promotion Scheme) launched by the Ministry of Skill Development & Entrepreneurship, as well as the NATS (National Apprentices Training Scheme) launched by the Ministry of Human Resource Development. In the past year, we employed apprentices under these schemes, contributing to the development of a skilled workforce in our country.

### CONTRIBUTION TO BHAGWAN MAHAVEER MEMORIAL JAIN TRUST

Bhagwan Mahaveer Memorial Jain Trust, established in 1975, empowers the economically disadvantaged by providing affordable assistance. The Trust's commendable initiatives include offering free dialysis, healthcare for the impoverished, and other charitable activities. Through our contribution, we positively impacted the lives of numerous underprivileged individuals, ensuring they receive the necessary support for their living and healthcare requirements.



# BOARD OF DIRECTORS



## **MRS. SHUBA RAO MAYYA**

Chairperson and  
Independent Director

Mrs. Shuba 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, Ace Designers Limited, Happiest Minds Technologies Limited, Le Travenues Technology Limited and Confirm Ticket Online Solutions Private Limited.



## **MR. RAJENDRA GANDHI**

Managing Director

Mr. Rajendra Gandhi is the founder of our Company and has over 22 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. NATRAJAN RAMKRISHNA**

Independent Director

Mr. Natrajan Ramkrishna is a Chartered Accountant with over forty years of experience in accounting. His expertise lies in Generally Accepted Accounting Principles (GAAP), IFRS, IndAS, and auditing. With a proven track record, he has worked across sectors such as Information Technology, Financial Services, and FMCG.

For detailed profile please refer AGM notice.



## **MR. AVINASH GUPTA**

Independent Director

Mr. Avinash Gupta is an execution-focussed senior leader with a strong global background. With over three decades of experience and a vast network of business relationships, he has a proven track record in financial services, including M&A, equity and debt financing, private equity placement, and advisory.

For detailed profile please refer AGM notice.



## **MR. ANUP S SHAH**

Independent Director

Mr. Anup Shah is an 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.



## **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 Viacom18 Media Private Limited.



## **MRS. SUNITA RAJENDRA GANDHI**

Non-Executive Director

Mrs. Sunita Rajendra Gandhi is a Non-Executive Director of the Company. She completed her senior secondary certificate examination from SS Jain V High School, Secunderabad. She is a promoter of the Company. She also held the position of director of the Company from 10 July 2004 till 30 September 2016.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Mrs. Shuba Rao Mayya

Chairperson and Independent Director

### Mr. Rajendra Gandhi

Managing Director

### Mr. Natrajan Ramkrishna

Independent Director

### Mr. Avinash Gupta

Independent Director

### Mr. Anup S Shah

Independent Director

### Mrs. Neha Gandhi

Executive Director

### Mrs. Sunita Rajendra Gandhi

Non-Executive Director

## KEY MANAGERIAL PERSONNEL

### Mr. Ramakrishna Pendyala

Chief Financial Officer

### Mr. Shrinivas P Harapanahalli

Company Secretary & Compliance Officer

## STOCK EXCHANGES

1. The National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> Floor, Bandra-Kurla Complex,  
Bandra (E), Mumbai-400051.  
Trading Symbol: 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](mailto: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 & ANALYSIS (MD&A)

## GLOBAL ECONOMIC REVIEW

Following a turbulent year in 2022, the global economy is seen demonstrating signs of resilience in 2023. The geopolitical tensions caused by the prolonged Russia-Ukraine war, supply chain disruptions, higher inflation, and tighter monetary conditions derailed the economic recovery in 2022. The unexpected failures of two specialised regional banks in the United States in mid-March 2023 have triggered concerns of recession in the world economy. The International Monetary Fund (IMF) has projected global Gross Domestic Product (GDP) growth to decline from 3.4% in 2022 to 2.8% in 2023 before rising to 3.0% in 2024. The economic conditions have started improving since early 2023, supported by the reopening of the Chinese economy as the country unshackled itself from pandemic-related restrictions. Advanced economies grew at 2.7% in 2022 and are expected to grow at 1.3% in 2023 and 1.4% in 2024. The Emerging Market and Developing Economies (EMDE) fared better and grew at 4.0% in 2022. For 2022 and 2023, the emerging economies are expected to grow at 3.9% and 4.2%, respectively, with China and India leading the growth. (Source: IMF World Economic Outlook April 2023)

## INDIAN ECONOMIC REVIEW

The Indian economy has demonstrated remarkable resilience to external shocks and has positioned itself among the world's fastest-growing economies in FY 2022-23. India's gross domestic product (GDP) grew by 7.2 per cent in FY 2022-23 as against 9.1% growth recorded in FY 2021-22.

The IMF projects the Indian economy to grow at 5.9% in FY 2023-24 before rising to 6.3% in FY 2024-25. The positive growth stems from factors such as strong investment activity bolstered by the government's push for infrastructure development, rebound in private consumption, improvement in capacity utilisation, technology-enabled development, and revival in credit growth. (Source: IMF Report- World Economic Outlook April 2023)

The Reserve Bank of India (RBI) has also increased the repo rate by 250 basis points to 6.50% in FY 2022-23 to control inflation and boost economic growth. Government's favourable policies such as the production-linked incentives (PLI) schemes and

emphasis on self-reliance will augur well for India in the coming years.

## INDUSTRY OVERVIEW & DEVELOPMENTS

Kitchen appliances include devices such as cookers, cooktops, cookware, ovens, refrigerators, stoves, blenders, dishwashers, food processors, coffee makers, which are intended for utilization in the kitchen to cook, clean and store food. These appliances are primarily operated using electricity, cooking fuel, and solar energy. In addition, they aid in saving time, costs, and energy, and are available in numerous colors, styles, materials, sizes, and mechanisms. Kitchen appliances find extensive applications in the residential and commercial sectors across India.

The global kitchen appliances market was valued at US\$ 376.22 billion in the year 2021. With the advancement of technology, the concept of the kitchen has significantly changed, with a heavy emphasis on improving kitchen efficiency and reducing the amount of time spent cleaning and cooking. The quick changes in lifestyle have increased the demand for kitchen appliances that make living more convenient and comfortable.

Domestic kitchen appliances improve the quality of cooking and make food storage safer. Advanced cooking is becoming increasingly popular, especially in developed economies. Factors such as rising urbanization, growing population, followed by replacement of ageing appliances and technological development are factors driving the market growth. 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.

Source: <https://www.researchandmarkets.com/reports/5625018/global-kitchen-appliances-market-2022-edition>

The home appliances market in Asia Pacific region is expected to register a CAGR of more than 4% during the forecast period, 2021-2026, due to rising economies and evolving consumer lifestyles. The COVID-19 pandemic has disrupted the global supply chain of

major home appliances and consumer electronic brands. China is one of the largest consumers and producers of various home appliances and consumer electronics products. The shutdown of production in China has forced other consumer electronics makers based in the United States and Europe to temporarily hold the production of the finished goods leading to an increase in the supply and demand gap.

Technological advancements have led to the development of smart appliances and are expected to drive market growth. Smart appliances offer advanced features and are more energy-efficient. The rise in consumer disposable income, high living standards, and the need for comfort encourage consumers to upgrade their existing appliances to smarter versions, which is further expected to enhance the market demand. Consumers widely purchase home appliances as they offer ease, reduce efforts, and save time. Product innovation, new product development, and integration of numerous value-added features are further expected to catapult the market demand over the next few years.

The home appliance market offers significant growth opportunities as they are easy to use and help improve the quality of life. Moreover, the market is beholding new trends in terms of sustainability and energy efficiency, thereby simplifying several household tasks while endorsing well-being. High-quality materials and aesthetically pleasing designs combined with innovative and diverse functionalities offer avenues for market growth.

Source: <https://www.mordorintelligence.com/industry-reports/global-home-appliances-market-industry>

Based on the product structure, the market is bifurcated into large, small, and other categories. The large appliances consist of primarily refrigerators, dishwashers, 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 impacting consumers' buying preferences are cost, quality, energy efficiency, and technological advancements.

### Small Cooking Appliances

The global small kitchen appliances market was valued at US\$ 16.66 billion in 2021 and is expected to expand at a CAGR of 4.2% from 2022 to 2028. The growth in the small kitchen appliances market is attributable to rising nuclearization, rapid urbanization, increasing

penetration of e-commerce channels, growing penetration of branded products, and awareness about energy-efficient and eco-friendly appliances, and huge technological advancements in small kitchen appliances. Advancements such as the introduction of smart coffee makers, air fryers, induction cooktops, and others are boosting the adoption of small kitchen appliances. Along with that, significant growth in the consumer electronics industry in emerging economies such as China, India, and others is further expected to provide significant potential in the near future.

Source: <https://www.grandviewresearch.com/industry-analysis/small-kitchen-appliances-market-report>

### Others

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

### Growth Drivers and Outlook of Indian Kitchen Appliances Market

The kitchen appliances market is driven by various factors such as the increasing number of single-person households, rising disposable incomes, increasing number of smart homes, growing online purchases, and greater penetration of Internet of Things (IoT) technology in house appliances. The launch of cutting-edge household appliances and the rising adoption of artificial intelligence and the IoT are driving growth in the global household appliances market.

The COVID-19 pandemic has had a significant impact on consumer behavior as well as purchasing trends in the smart kitchen appliances market. The worldwide lockdown that made millions of people stay at home changed how people interact and live in their houses, causing them to rearrange their physical areas to accommodate the new functional requirements and increase demand for kitchen appliances.

The rising need to reduce human intervention and automate cooking has triggered several innovations in household cooking appliances. Latest technologies are being leveraged into modern appliances to

encourage household consumers to replace their conventional cooking appliances with modern cooking appliances. Introduction of modular and energy-efficient kitchen equipment, such as induction cooktops, speed cooking ovens, and dishwashers, is also contributing to the market growth.

The increased demand for modular kitchens and improving living standards has led to a rise in the popularity of smart cooktops and cookware in the residential and commercial sectors. To reduce electricity costs, consumers are choosing energy-efficient kitchen appliances. Moreover, rising prices of conventional cooking fuel, enhanced safety features, and wider availability of sensors and bluetooth-enabled connectivity are major attributes that will propel growth in this segment. The latest trend is smart kitchen appliances which can be connected to wireless, internet, or bluetooth based devices that can be controlled remotely. 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.

There is rising consumer demand for eco-friendly, smart kitchen appliances with a range of features and functions. With e-commerce platforms improving consumer access to foreign brands, the adoption of smart kitchen appliances has further increased. Moreover, new players entering the market are offering competitively priced products that either become affordable alternatives or viable options for consumers buying smart kitchen appliances for the first time.

Source: <https://www.grandviewresearch.com/industry-analysis/smart-kitchen-appliances-market>

## COMPANY OVERVIEW

Stove Kraft Limited (the Company) is amongst India's leading manufacturers of a wide range of kitchen appliances and an emerging home solutions brand. With over two decades of strong presence in the Indian kitchen appliances market, 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 the outskirts of Bengaluru, Karnataka, the Company has established a strong pan India presence in 27 states and 5 Union territories. It exports its products to 14 countries across the globe with 11% of sales generated through exports. The Company has also established OEM partnerships in the USA and Mexico.

The Company manufactures and sells its products under 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 varied 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 and is synonymous with superior quality in the cookware segments. 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.

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, 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 for 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 82,767 outlets, which is facilitated by its distribution network consisting of 9 C&F (Clearing and Forwarding) agents and over 600 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 its technicians. The Company has built a separate distribution network for Pigeon, Gilma, Black+Decker and Pigeon LED.

Last year (FY22), the Company through a business transfer agreement acquired the business of SKAVA Electric Private Limited through a slump sale. This acquisition enabled the Company to expand its footprint in the low voltage switchgear solutions market like electrical switches, sockets, distribution boards, switchboards, MCB, bulb holders, and more. SKAVA has a robust brand recognition and a widespread distribution network in Tier-I and Tier-II

cities in Southern India, which will complement the Company's existing distribution network.

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

### **Retail stores**

The Company has entered a new distribution channel by establishing direct retail stores. During FY23, 54 stores were opened and within the next 12-18 months, the Company plans to inaugurate further 75 to 100 retail stores across the southern states of the country. These stores will provide a comprehensive range of products, including cookware, cooktops, small appliances, and LED products sold under the Pigeon brand.

### **Manufacturing Units**

The Company has two manufacturing facilities in 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 unit comprising multiple manufacturing units spanning across 46 acres of land. Of this area, 10 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 2022-23, it had an aggregate production capacity of 68Mn units per annum. The facility is 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 has an annual installed capacity of 3 Mn units per annum. The Company manufactures LPG stoves and glass cooktops at this facility. The Company has set up additional plants as part of its backward integration strategy. These plants include manufacturing of glass lid, weight valves, vent tubes and gaskets.

The Company has a dedicated, in-house R&D facility 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**

- The Company offers a complete range of kitchen solutions under One Roof catering to diverse consumer preferences with consistent innovation.
- The Company is backed by a professional management team with a proven track record and supported by experienced board members.
- The Company undertakes extensive branding and marketing initiatives to strengthen its market position.
- The Company's manufacturing capabilities are robust, with efficient backward integration and a focus on quality.
- The Company has a wide and well-connected distribution network, covering multiple retail channels, and a dedicated after-sales network.

### **OPERATIONAL REVIEW - OPERATIONAL AND FINANCIAL PERFORMANCE**

The Company recorded revenue from operations of ₹ 1284 Cr in FY2022-23 compared to ₹ 1,136 Crs in FY 2021-22, an increase of 13% led by strong demand for kitchen appliances. Volume growth was 10% in FY 2022-23 compared to 18% in FY 2021-22 accompanied by 3% increase in selling price. Offline revenues witnessed strong growth backed by the contributions from retail touchpoints during the year. FY23 saw no lockdowns on account of COVID and this saw a shift in the demand from online to offline channels. During the year Ecommerce channel witnessed a mild degrowth while offline revenues grew at 20%.

The company has consistently improved its product lineup for customers by introducing various options

in cookware, cooktops, and appliances, which have been widely embraced by the market, resulting in increased revenues. Following its planned strategy, the company has continuously reduced reliance on imports over time, leading to improved profit margins and a faster turnover of working capital.

Despite taking price increases, the Company could not adequately align them with the inflationary pressure experienced in the raw material sector, resulting in a tightening of profit margins. Additionally, other expenses such as employee costs, marketing and advertising expenses, and travel expenses witnessed significant increases throughout the year. Gross margin stood at 32.8% (PY was 31.9%) while EBITDA margin (excluding other income) stood at 7.7% (PY was 8.3%).

For increasing operational efficiency, the Company is continuously working on backward integration. The power generation started two years through additional solar panels and windmill at Chitradurga has reduced power cost by 26% in FY 2022-23 and will continue to cater to power requirement. It contributes to around 26% of total power requirement of the Company. The PAT margin stood at 2.8% in FY 2022-23 compared to 4.9% in FY 2021-22. The ROCE stood at 10% compared to 14.1% in previous year. The Company's net debt as on 31<sup>st</sup> March 2023 stood at 232 Crs with working capital of 35 days as compared to 32 days in FY 2021-22. Please refer Note 45, Notes to Financial Statements for more information on other ratios.

## RISK MANAGEMENT

The Company has a robust risk management framework which forms an integral part of the strategy and planning process. The Company proactively identifies potential risks and devises action plans to mitigate any such risks which may impact 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 SEBI (LODR) Regulations. The Committee is entrusted with the responsibility of identifying and undertaking appropriate mitigation measures for various types of external and strategic risks, as below:

### Competition Risk

Given the favourable growth prospects of the kitchen appliances industry, the Company faces the risk of enhanced competitive pressure from new players as well as existing players. 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.

### Commodity Price Risk

Volatility in the price of key commodities like aluminium, aluminium derivatives, copper, plastics and steel may lead to increase in inputs costs 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 quarterly lag. A proficient procurement team keeps a close watch on the 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 to access 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 and Hedging**

The Company enjoys natural hedge to foreign currency for its imports as well as for 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 mitigate 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**

Stovekraft recognizes the significance of its Human Resources as an Organisation Specific Critical Success Factor. Our leader has manifested utmost care & concern for employees as well rewarded the highly committed employees since the inception of the company in 1999. With 70% of our workforce constituting women employees, Stovekraft has by design demonstrated Diversity & Inclusion. We have drawn upon the commitment of employees to progress thus far. However, the company being at the cusp of transformation recognizes the importance of appropriate structure and competencies to drive Level Next growth and carve our path to be the best in class Home, Kitchen and Consumer Lighting solutions provider over the next few years.

We have on boarded a very reputed professional management team consisting of 7 CXOs who will under the guidance & mentoring of our MD navigate the company in pursuit of our Purpose "To Provide Quality Products at affordable prices, thereby enhancing the lives of our Customers" & our vision "To be a leader in the kitchen, home and consumer

lighting solutions in India". CHRO shall in partnership with the Sr Management team chart the course of the organisation by carefully selecting resources to improve our Leadership capabilities & beyond, align and integrate people, instill purpose as well as develop capabilities. We are in the process of establishing contemporary policies, systems, technology landscape to manage change and put on the organisation in a higher growth path.

As on March 31, 2023, the Company had a total of 5316 employees.

### **INTERNAL CONTROLS**

The internal financial controls of the Company 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 Audit Committee of Directors approves the audit plan and reviews the internal audits reports on quarterly basis.

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 line with the nature of business 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. To ensure adequate safeguard of sensitive data, the Company has strong IT systems.

The management keeps close control on the internal control system by regular reviews. 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. An independent internal audit firm conducts company-wide internal audits. It also helps to keep under check the robustness of the audit process. Applicable Accounting Standards are strictly followed while recording transactions. To ensure real-time reporting of key financial metrics, the Company deploys strong MIS systems

## OUTLOOK

The Company remains optimistic about long-term business growth for the home and kitchen category products. Rising discretionary incomes, growing urbanization, and young demographics are the key drivers for growth of the home and kitchen products market in India. Increased internet penetration, growing adoption of e-commerce and influence of social media channels are also contributing to market growth. India's urban population is increasingly seeking technologically advanced kitchen products that are not just functional tools but a perfect fit for their aspirational lifestyles that make cooking easy and modular kitchens that make best use of limited space. All these factors augur well for the Company's home and kitchen appliances products.

The Company intends to expand its channels and products. 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 to enable greater cost and quality advantage.

### 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.

# BOARD'S REPORT

To the members,

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report of the Company and the Audited Statements for the financial year ended 31 March 2023.

## CIRCULATION OF ANNUAL REPORTS IN ELECTRONIC FORM

Pursuant to Ministry of Corporate Affairs' ('MCA') circulars dated December 08, 2021, May 05, 2022, December 28, 2022 read with SEBI Circular dated January 5, 2023 relaxation has been granted to the companies in respect of sending physical copies of annual report to shareholders, for general meetings held through electronic mode till 30 September 2023.

Accordingly, the financial statements (including Boards' Report, Corporate Governance Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Auditors' Report and other documents) are being sent only through electronic mode to those shareholders whose email addresses are registered with the Depository Participants / Company's Registrar and Share Transfer Agent viz., KFin Technologies Limited ('KFin'), and whose names appear in the register of members as on 19 August 2023. The Annual Report for FY2023 is also available on the website of the Company at <https://www.stovekraft.com/investors/>

## FINANCIAL HIGHLIGHTS

Particulars	(₹ in Million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	12,838.47	11,363.59
Other income and Other gains/ (losses)	(35.05)	(15.66)
Total Income	12,803.42	11,347.93
Less: Total expenses	11,848.45	10,415.20
Profit before interest and Depreciation	954.97	932.73
Finance cost	165.32	110.11
Depreciation & Amortisation expenses	316.85	197.22
Profit before tax	472.80	625.40
Net Tax expense	115.10	63.25
Profit for the year	357.70	562.15
Total other comprehensive income for the year	6.86	(1.66)
Total comprehensive income for the year	364.56	560.49

## FINANCIAL AND BUSINESS PERFORMANCE

A detailed analysis of the financials and business performance of the Company during the year under review is detailed in Management Discussion and Analysis which is provided separately in the Annual Report.

## 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 and 24 of the SEBI Listing Regulations, can be accessed on the Company's website at [https://stovekraft.com/wp-content/uploads/2023/05/Material\\_Subsiidiary\\_Policyfinal-tol-upload.pdf](https://stovekraft.com/wp-content/uploads/2023/05/Material_Subsiidiary_Policyfinal-tol-upload.pdf)

## DIVIDENDS

No dividend recommended by the Board of Directors for the year.

Dividend Distribution Policy: Regulation 43A of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, requires top 1000 listed companies based on market capitalization to formulate a Dividend Distribution Policy. In compliance with the said requirement, the Dividend Distribution Policy formulated by the Board is posted on the Company's website. The web-link to access the said policy is as follows:

<https://stovekraft.com/wp-content/uploads/2022/03/Dividend-Distribution-policy-2.pdf>



## ENVIRONMENTAL SUSTAINABILITY

Water is important resource and in this context, the Company has Sewage Treatment Plant and Effluent Treatment Plant. The treated water is used for gardening / plantations. Further rainwater harvesting recharge pits have been established at various places in the plants to recharge the ground water. Rain water harvesting is being done by routing roof water to water recharge pits.

Over three acres land in plant has been developed as green belt and the Company is planning to plant more than 200 saplings in green belt area going forward.

## OCCUPATIONAL HEALTH & SAFETY

Occupational Health and Safety (OH&S) is given utmost importance in the Company. The Plant Heads begin the day with safety meetings wherein important safety aspects are discussed with employees. Employees were imparted safety induction trainings, refresher courses and job specific trainings by Plant Heads as well as by Safety Officer. Each month

Safety Head refreshes employees about safety aspects to ingrain the importance of the safety. Fire safety lectures and drills are conducted to workers batch wise. Plants of the Company are certified ISO 9001:2015 - Quality Management Systems.

## TRANSFER TO RESERVES

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

## SHARE CAPITAL

As on 31 March 2023, the Authorized Share Capital of the Company is INR 400,000,050/- divided into 40,000,005 Equity Shares of INR 10/- each and the Issued, Subscribed and Paid-up Share Capital of the Company is INR 330,268,950/-.

Change in Authorized, Issued, Subscribed and Paid-up Share Capital of the Company for the year 2022-23 are as follows:

Sl. No	Particulars	March 31, 2023		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 capital	33,026,895	330,268,950	32,867,867	328,678,670

## EMPLOYEES' STOCK OPTION PLAN

Pursuant to the resolution passed by the Board of Directors on July 10, 2018 and resolutions passed by shareholders on September 10, 2018 and on September 29, 2018 respectively the Company has adopted the Stove Kraft Employee Stock Option Plan 2018 ("ESOP Plan"). Pursuant to the ESOP Plan, options to purchase 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's objectives, and for promoting increased participation in the growth of the Company.

Pursuant to the resolution passed by the Nomination and Remuneration Committee on 21 September 2018, ESOP pool of 813,000 options under the ESOP Plan was approved.

As on March 31, 2023 - 564,479 options were exercised at ₹150 per share.

The disclosure as stipulated under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on March 31, 2023 is attached 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. BMP & Co. LLP, Secretarial Auditors have issued a certificate certifying that the scheme has been implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the resolutions passed by the shareholders and same will be available for inspection during AGM.

## CREDIT RATING

During the year ICRA Ltd reaffirmed Credit Rating of A- with stable outlook in respect of long term borrowings.

## 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 Annual Report. The Board has accepted all the recommendations of the Audit Committee made during the year.

## 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 were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions during the year that required shareholders' approval.

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 2022-23.

## 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.

## 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.

## DIRECTORS

### Appointment of Non-Executive Non-Independent Director

The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee, at its meeting held on 02 February 2023 has appointed, Mrs. Sunita Rajendra Gandhi as an Additional Director in the category Non-Executive Non Independent. Pursuant to provisions of Regulation 17(1C) of Listing Regulations the approval of shareholders for appointment of Mrs. Gandhi on the Board of Directors has been taken on April 18, 2023 within a time period of three months from the date of her appointment, through Postal Ballot resolution.

### End of tenure of Independent Director

The tenure of five years of Mr. Lakshmikant Gupta, Chairperson and Independent Director comes to an end on 31 May 2023. Accordingly he cease to be director of the Company with effect from close of business hours on 31 May 2023.

The Board places on record its appreciation for the guidance and direction provided by Mr. Lakshmikant Gupta as Chairperson of the Board since 2018.

The Board at its meeting held on 29 May 2023 has appointed Mrs. Shuba Rao Mayya, Independent Director as Chairperson w.e.f. 01 June 2023 in place of Mr. Lakshmikant Gupta.

### Appointment of Independent Directors

On recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 29 May 2023 appointed Mr. Avinash Gupta (holding DIN 02783217) and Mr. Natrajan Ramkrishna (holding DIN 06597041) as Additional Directors in the category of Non-Executive Independent Director for a period of five years from 29 May 2023 to 28 May 2028, subject to the approval of shareholders.

In the capacity of additional directors, Mr. Avinash Gupta and Mr. Natrajan Ramkrishna hold office up to the date of the ensuing Annual General Meeting. The Company has received notices under section 160(1) of the Companies Act, 2013 from members proposing their appointment as directors in the ensuing AGM. Their brief profile is given in the Notice of AGM. Mr. Avinash Gupta and Mr. Natrajan Ramkrishna have submitted declarations to the Company that they fulfil the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board opines that Mr. Avinash Gupta and Mr. Natrajan Ramkrishna, newly appointed Independent Directors possess the desired integrity, expertise and experience (including the proficiency) that is required from them as an Independent Director. The Board recommends their appointment by the members in the ensuing AGM.

At the meeting held on 29 July 2023, based on recommendation of Nomination and Remuneration Committee and also on the basis of report of performance evaluation, the Board has reappointed Mrs. Shuba Rao Mayya as Independent Director for a 2<sup>nd</sup> term of five years from 30 August 2023 to 29 August 2028, subject to the approval of shareholders. Mrs. Shuba Rao Mayya has submitted declarations to the Company that she continue to fulfil the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board is of view that Mrs. Shuba Rao Mayya has immensely contributed to the proceedings of the Board and its Committees, and further believes that her continued association would be of immense benefit to the Company. Therefore, it is desirable to continue to avail her services as a Non-Executive Independent Director for a second term. The skills, background and experience in the

field of strategic planning, finance, accounts, audit, compliance, corporate governance, etc., are aligned to the role and capabilities identified by the Nomination & Remuneration Committee. The Board opines that Mrs. Shuba Rao Mayya possess the desired integrity, expertise, experience and proficiency that is required from her as an Independent Director. The Board recommends her reappointment by the members in the ensuing AGM.

Pursuant to the provisions of Section 149 of the Act, Mr. Anup Shah Sanmukh, Independent Director has also submitted declarations that he meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). During the year, there here has been no change in the circumstances affecting the status of 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 01 February 2023.

#### **Retirement by rotation:**

Pursuant to the provisions of section 152 of the Companies Act, 2013, Mr. Rajendra Gandhi retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his appointment.

#### **KEY MANAGERIAL PERSONNEL (KMP):**

As on 31 March 2023, Mr. Rajendra Gandhi, Managing Director; Mrs. Neha Gandhi, Executive Director; Mr. Balaji A S, Chief Financial Officer and Mr. Shrinivas P Harapanahalli, Company Secretary & Compliance Officer were the Key Managerial Personnel of the Company

#### **Changes in KMP during the year:**

Mr. Elangovan. S, resigned and relieved as Company Secretary and Compliance Officer of the Company w.e.f. 15 September 2022.

Mr. Rajiv Nitin Mehta resigned and relieved from the position of CEO & Whole-time Director with effect from close of business hours on 02 February 2023.

The Board has appointed Mr. Shrinivas P Harapanahalli as the Company Secretary and Compliance Officer of the Company w.e.f. 02 February 2023.

Mr. Balaji AS resigned and relieved on 13 July 2023 from the position of Chief Financial Officer.

The Board has appointed Mr. Ramakrishna Pendyala as Chief Financial Officer of the Company w.e.f. 29 July 2023.

#### **SENIOR MANAGEMENT PERSONNEL:**

As on 29 July 2023 senior management personnel of the Company comprised following:

1. Mr. Rohit Mago, Chief Revenue Officer;
2. Mr. Janardhanan N, Chief Human Resources Officer;
3. Mr. Vikash Gupta, Chief Operating Officer;
4. Dr. Manu Nanda, Chief Marketing and Product Officer;
5. Mr. Mayank Gupta, Chief Growth Officer;
6. Mr. Navin Singhanian, Chief Technology Officer;
7. Mr. Ramakrishna Pendyala, Chief Financial Officer;
8. Mr. Venkitesh N, Corporate Planning Head;
9. Mr. Senthil Kumar R, Head Procurement;
10. Mr. Hemant Kumar Kothari, Chief Business Analyst; and
11. Mr. Shrinivas P Harapanahalli, Company Secretary and Compliance Officer.

#### **BOARD EVALUATION**

The Board carried out annual evaluation of its own performance, performance of its committees, the Chairperson and the Directors individually. A detailed note on the manner of evaluation forms a part of the Corporate Governance Report.

#### **POLICY FOR APPOINTMENT AND REMUNERATION OF DIRECTORS**

Pursuant to the provisions of Section 178 of the Act and Rules made thereunder and Regulation 19 of SEBI (LODR) Regulations, the Board on recommendation of Nomination and Remuneration Committee has formulated Nomination and Remuneration Policy. The policy inter alia lays down the criteria for determining qualifications, attributes and independence of potential candidates for appointment as directors and determining their remuneration. The brief details of the Policy have been provided in Corporate Governance Report. The said Policy has been posted on website of the Company and the web link to access the said policy is as follows <https://stovekraft.com/wp-content/uploads/2023/04/Final-NRC-Policy-1-1.pdf>

The Board has also adopted a 'Board Diversity Policy', which requires the Board to ensure appropriate balance of skills, experience and diversity of perspectives in its own composition.

### **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(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this report as Annexure - 2. In accordance with the provisions of Section 136 of the Act, the Board's Report and the financial statements for the financial year ended 31 March 2023 are being sent to the members and others entitled thereto, excluding the details to be furnished under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which are available for inspection by the members at the Registered Office of the Company during business hours on all working days up to the date of the ensuing Annual General Meeting. If any member desires to have a copy of the same, he may write to the Company Secretary in this regard.

### **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.

### **STATUTORY AUDITORS**

Members of the Company at the 22<sup>nd</sup> 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 for a term of 5 consecutive years from the conclusion of 22<sup>nd</sup> Annual General Meeting until the conclusion of 27<sup>th</sup> Annual General Meeting.

The Statutory Auditors' Report for the Financial Year 2022-23 does not contain any qualification, reservation or adverse remark.

### **SECRETARIAL AUDIT**

The Board of Directors had appointed BMP & Co LLP, Bengaluru Practicing Company Secretaries, to conduct Secretarial Audit of your Company for FY2022-23. The Secretarial Audit Report for the Financial Year 2022- 23 is attached to this report as Annexure - 3.

### **In their report Secretarial Auditors have made following observation:**

Non-Compliance of Regulation 21(3C) of SEBI (LODR) Regulations 2015: During the FY 2022-23, the Risk Management Committee met twice in the year 30<sup>th</sup> December 2022 and 01 February 2023 in compliance with the provisions of Regulation 21(3A) and Regulation 21(3B). However, the gap between two risk management committee meetings exceeded more than one hundred and eighty days by 145 days as the previous committee meeting of Risk Management Committee was held on 08 February 2022 and the next meeting was held on 30<sup>th</sup> December 2022.

Board's Response to the comments of Secretarial Auditor: The non-compliance was unintentional and took place during the transition of previous Company Secretary. Further upon becoming aware of this default, a Risk Management Committee meeting was held immediately on 30 December 2022. Another meeting of RMC was held on 01 February 2023. We further assure that henceforth RMC meetings will be held in compliance with listing regulations.

### **Secretarial Compliance Report**

Pursuant to Regulation 24A of the Listing Regulations, BMP & Co. LLP, Practicing Company Secretaries, have issued Annual Secretarial Compliance Report for FY2022-23. The said Report has been placed on website of the Company and the web link to access the same is <https://stovekraft.com/wp-content/uploads/2023/06/AnnualSecretarialComplianceReportSIGNED.pdf>

The observations and explanations provided to observations made is the Annual Secretarial Compliance report are as under:

1. Non-compliance with Regulation 21(3C) of SEBI (LODR) Regulations 2015 which requires the listed companies to hold Risk Management Committee meetings (RMCM) in such a way that the gap between two such meetings does not exceed 180 days. RMC meeting of the Company met on 08 February 2022 and next RMC meeting was held on 30 December 2022. The non-compliance was unintentional and took place during the transition of previous Company Secretary. Further upon becoming aware of this default, a RMC meeting was immediately held on 30 December 2022. Another meeting of RMC was held on 01 February 2023.

- During FY 2022-23 the Audit Committee had ratified related party transactions entered from 01 April 2022 to 29 May 2022. Prior approval of Audit Committee was required for transactions with related parties namely, Shinag Allied Services Pvt. Limited and Pigeon Appliances Private Limited, which was not taken as required under Regulation 23(2) of SEBI LODR Regulations. The said RPTs took place due to business exigency and occurred inadvertently.

### REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditors have reported to the audit committee, any instances of fraud committed against the Company by its officers or employees.

### COST AUDIT

Your Company is maintaining Cost Records as specified by the Central Government as per Section 148(1) of the Act and the rules framed thereunder. The Cost Audit for FY2021-22 was conducted by M/s. GS & Associates, Cost Accountants and the Cost Audit Report for FY2021-22 was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the cost accounts of the Company for FY2022-23 is also being conducted by the said firm and the Report will be filed within the stipulated time.

Your Directors on the recommendation of the Audit Committee, reappointed M/s. GS & Associates, Cost Accountants to audit the cost records of the Company for FY 2023-24 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 ratification. 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 Board recommends the aforesaid resolution for approval of the members.

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

Your Company continues to comply with the provisions relating to the 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 received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaint was pending at the beginning and end of FY 2022-23.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has in place a Vigil Mechanism / Whistle Blower Policy to provide a platform to the Directors and Employees of the Company to raise genuine concerns regarding any irregularity, misconduct or unethical matters / dealings within the Company. It also provides protection to employees or Directors against victimization who report genuine concerns. The Policy can be accessed at the link <https://stovekraft.com/wp-content/uploads/2023/07/Whistle-Blower-Policy-updated-2023-1-1.pdf>.

### 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 Management Discussion & Analysis which forms part of the Annual report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility Policy has been hosted on the Website of Company. The Annual Report on CSR activities together with brief outline of CSR Policy of the Company is annexed herewith as 'Annexure - 4'.

### INTERNAL FINANCIAL CONTROLS

The Company has in place relevant internal controls, policies, and procedures to ensure orderly and efficient conduct of its business. Standard Operating Procedures (SOPs) and Risk Control Matrix (RCM) have been designed for critical processes across all operations. The internal financial controls are tested for operating effectiveness through management's ongoing monitoring and review processes. In our view the internal financial controls are adequate and are operating effectively.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Financial Statements are prepared in accordance with the Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

Pursuant to Section 134 of the Companies Act, 2013 the Directors state that:

- a) in the preparation of the annual accounts for the Financial Year ended 31 March 2023, 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 31 March 2023 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.

## **OTHER INFORMATION**

### **Management Discussion & Analysis**

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

## **Business Responsibility and Sustainability Report (BRSR)**

As per the market capitalization based on 31 March 2023, the Company is within the purview of top 1000 companies. BRSR is attached and forms part of the Annual Report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached to this report as Annexure - 5.

## **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 forms part of this Annual Report. The certificate from BMP & Co LLP, Bengaluru Practicing Company Secretaries confirming compliance with the conditions of corporate governance is attached to the Corporate Governance Report.

A certificate furnished by Mr. Rajendra Gandhi, Managing Director and Mr. Balaji A S, Chief Financial Officer in respect of the financial statements and the cash flow statement for the financial year ended 31 March 2023 is annexed as 'Annexure-6' to this Report.

## **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.

## **Listing**

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited. Annual listing fee for the Financial Year 2023-24 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 Rule 12 of the Companies (Management and Administration) Rules, 2014, draft of the Annual Return of the Company for financial year 2022-23

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 and the Management Discussion & Analysis 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.

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

### Others

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

Place: Harohalli, Bengaluru  
Date: 29 July 2023

**Note:** At the meeting held on 29 May 2023 the Board has approved the Board's Report for the financial year ended 31 March 2023. The said report was revised by the Board on 29 July 2023 only to include reappointment of Mrs. Shuba Rao Mayya as Independent Director, changes in the Key Managerial Personnel and disclosure of Senior Management Personnel. There are no changes in annexures and hence their date remains unchanged.

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 are thankful to all stakeholders including Customers, Bankers, Suppliers, Distributors, Dealers, and Contractors for their continued assistance, co-operation, and support. The Directors wish to place on record their sincere appreciation to all employees for their commitment and continued contribution to the Company. The Directors are grateful for the confidence, faith and trust reposed by the shareholders in the Company. We are thankful to the Central Government and Government of Karnataka for their continued support and co-operation.

For and on behalf of the Board

**Rajendra Gandhi**  
Managing Director  
DIN: 01646143

**Neha Gandhi**  
Executive Director  
DIN: 07623685

## 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 AND SWEAT EQUITY) REGULATIONS, 2021 AS AT 31 MARCH 2023**
**I. DETAILS RELATED TO THE SCHEME:**

As on 31 March 2023, the Company has in place the Stovekraft Employee Stock Option Plan 2018 (ESOP 2018 Plan). ESOP 2018 Plan is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Companies Act, 2013.

**A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.**

Please refer Note No. 38 Share-based Payment Arrangements, Notes to the Standalone Financial Statements forming part of the Annual Report.

**B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.**

Earnings Per Share (EPS) pursuant to issue of Equity Shares on exercise of stock Options calculated in accordance with applicable accounting standard is as under

Basic: ₹ 10.87

Diluted: ₹ 10.86

**C. Details related to ESOP Plan 2018**
**(i) Description of ESOP Plan 2018 including the general terms and conditions, are as under -**

S. No	Particulars	Details
1	Date of Shareholders' Approval:	10 September 2018 (At EGM)
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 issue of shares of the company
7	Variation in terms of ESOP	During the year there were no variation in ESOP Plan 2018
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.	



## (ii) Method used to account for ESOS: Fair Value Method using Black-Scholes Model

(iii) 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. The impact of this difference on profits and on EPS of the company shall also be disclosed.

For the year ended 31 March 2023, an amount of ₹ 5.15 million is debited to employee cost as share based compensation.

## (iv) Option Movement During the FY 2022-23

Sl. No	Particulars	ESOP 2018 FY 2022-23	Weighted Average Exercise Price(₹)
1	Number of Options Outstanding at the Beginning of the Year	3,71,706	150
2	Number of Options Granted during the Year	78,660	571.40
3	Options Forfeited / lapsed during the Year	1,44,520	150
4	Options Vested during the Year	1,66,802	150
5	Options Exercised / settled during the Year	1,59,028	150
6	Options Outstanding at the End of the Year	1,46,818	150
7	Options Exercisable at the End of the Year	37,159	150

(v) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.

Refer note 38 of the Financial Statement.

## (vi) Employee-wise details of options granted during the financial year 2022-23:

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

S. No.	Name of Senior Management Personnel and Designation	No. of Options granted
1.	Mr. Balaji AS, Chief Financial Officer	17790
2.	Mr. Rohit Mago, Chief Revenue Officer	25290

(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.

Mr. Mayank Gupta, Head Retail was granted 35580 options.

(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant

During the year no employee was granted options equal to or exceeding 1% of the issued capital.

## (vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Refer note 38 of the Financial statement.

(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;

Refer note 38 of the Financial Statement.

(b) the method used and the assumptions made to incorporate the effects of expected early exercise;

Not Applicable

- (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and

Not Applicable

- (d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

Not Applicable

## 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 2022-23 The Percentage Increase In Remuneration Of Each Director, Chief Financial Officer And Company Secretary During The Financial Year 2022-23:

Sl. No.	Name Of Director/KMP And Designation	% Increase In Remuneration in Financial Year 2022-23	Ratio of Remuneration of Director To Median Remuneration of Employees in Financial Year 2022-23
1	Mr. Rajendra Gandhi (Managing Director)	10	45.05:1
2	Mrs. Neha Gandhi (Executive Director)	10	9.83:1
3	Mr. Lakshmikant Gupta (Independent Director)	-	8.55:1
4	Mrs. Shuba Rao Mayya (Independent Director)	-	8.55:1
5	Mr. Anup Shah Sanmukh (Independent Director)	-	1.97:1
6	Mrs. Sunita Rajendra Gandhi (Non-Executive Non - Independent Director)	-	-
7	Mr. Rajiv Nitin Mehta CEO & Whole-time Director, (Resigned w.e.f. 02 February 2023)	10	-
8	Mr. Balaji AS Chief Financial Officer	-	-
9	Mr. Elangovan S, Company Secretary (Resigned w.e.f. 15 September 2022)	8	-
10	Mr. Shrinivas P Harapanahalli Company Secretary & Compliance Officer (Appointed w.e.f. 02 February 2023)	-	-

- (ii) Percentage increase in the median remuneration of employees in the financial year ended on 31.3.2023:

There was 5.4% increase in the median remuneration of employees in FY2022-23.

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

There were 5316 permanent employees on the rolls of Company as on 31.3.2023.

- (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 10 % Average increase in salaries of employees other than managerial personnel is 7.5%.

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.

**Annexure -3****FORM NO. MR-3  
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2023**

[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 Ramanagara 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, 2023 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, 2023, 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
- v. 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 Based 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 except to the extent as mentioned below.

- a) Non-Compliance of Regulation 21(3C) of SEBI (LODR) Regulations 2015: During the fiscal year 2022-23, the Risk Management Committee convened twice, on December 30, 2022, and

February 1, 2023, in accordance with the provisions of Regulation 21(3A) and Regulation 21(3B). However, it is important to note that the gap between these two committee meetings exceeded the stipulated maximum duration of one hundred and eighty days, as outlined in Regulation 21(3C). There was a delay of 145 days between the previous committee meeting held on February 8, 2022, and the subsequent meeting held on December 30, 2022.

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: 29<sup>th</sup> May 2023  
Peer Review Certificate  
No: 736/2020

Pramod S M  
Partner  
FCS No: 7834  
CP No: 13784  
UDIN: F007834E000404285

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 Ramanagara 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

Pramod S M  
Partner

Place: Bangalore

Date: 29<sup>th</sup> May 2023

Peer Review Certificate

No: 736/2020

FCS No: 7834

CP No: 13784

UDIN:F007834E000404285

**ANNUAL REPORT ON CSR ACTIVITIES FOR THE  
FINANCIAL YEAR ENDED 31 MARCH 2023**

**1 Brief outline of CSR policy of the Company.**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Board of Directors of the Company has on recommendation of the CSR Committee approved a CSR Policy.

**Brief outline of the said Policy is given below:**

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.

The Policy is placed on the Company's website and the web link to access the same is:

<https://stovekraft.com/wp-content/uploads/2021/11/CSR-Policy.pdf>

**2 Composition of CSR Committee as on 31 March 2023:**

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rajendra Gandhi	Chairman/Managing Director	4	4
2	Mrs.Shuba Rao Mayya	Member	4	4
3	Mr. Lakshmikant Gupta	Member	4	4

**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.**

The web-link to access composition of CSR committee, CSR Policy and CSR projects as approved by the Board are as under:

**Composition of CSR Committee:-**

<https://stovekraft.com/wp-content/uploads/2023/03/Board-Composition.pdf>

**CSR Policy:-**

<https://stovekraft.com/wp-content/uploads/2021/11/CSR-Policy.pdf>

**Projects:-**

<https://stovekraft.com/wp-content/uploads/2023/07/CSR-website-FY-2022-23.pdf>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.**

Not Applicable

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

INR 16,15,000



- 6 Average net profit of the Company as per section 135(5) i.e., for last three financial years (FY2019-20, FY2020-21 and FY2021-22): INR 49,69,53,333
- 7 (a) Two percent of average net profit of the company as per section 135(5): INR 99,39,067  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: INR 16,15,000  
 (d) Total CSR obligation for the financial year (7a+7b- 7c): INR 84,79,482
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (INR )	Amount Unspent (in INR)				
	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
100,94,482	Nil				

b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
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 State District	Project duration	Amount allocated for the project (INR)	Amount spent in the current financial Year (INR)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (INR)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation - Through Implementing Agency CSR Name Registration number
NOT APPLICABLE										

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
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. State District		Amount spent for the project (INR)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency. Name CSR registration number
1	Setting-up of RO Water Plant	I	Yes	Karnataka and Rajasthan	Siwana, Balmer, Ramanagara	2,95,000	Yes	- -
2	Skill Development- NAPS & NATS FY2022-23	II	Yes	Karnataka	Ramanagara	15,84,482	Yes	- -
3	Donation in Karnataka Marawadi Youth Federation (KMYF) - Free Dialysis	I	Yes	Karnataka	Bangalore	30,00,000	No	Karnataka Marawadi Youth Federation CSR00003457
4	Donation to Society for Autistics in India	I	Yes	Karnataka	Bangalore	25,00,000	No	Society for Autistics in India CSR00025296
5	Donation to Bhagwan Mahaveer Memorial Jain Trust	I	Yes	Karnataka	Bangalore	11,00,000	No	Bhagwan Mahaveer Memorial Jain Trust CSR00003259
<b>Total</b>						<b>84,79,482</b>		

(d) Amount spent in Administrative Overheads -Nil

- (e) Amount spent on Impact Assessment, if applicable Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) (INR) 100,94,482
- (g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (INR)
(i)	Two percent of average net profit of the company as per section 135(5)	99,39,067
(ii)	Total amount spent for the Financial Year	100,94,482
(iii)	Excess amount spent for the financial year [(ii)-(i)]	155,415
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	155,415

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (INR)	Amount spent in the reporting Financial Year (INR)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (INR)
				Name of the Fund	Amount (INR)	Date of transfer	
Nil							

- (b) Details of CSR amount spent in the financial year for ongoing projects of preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (INR)	Amount spent on the project in the reporting Financial Year (INR)	Cumulative amount spent at the end of reporting Financial Year (INR)	Status of the project -Completed /Ongoing
Nil								

- 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): Nil

- (a) Date of creation or acquisition of the capital asset(s). Not applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset. Not applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Not applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Not applicable

- 11 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

Date: 29 May 2023  
Place: Bangalore

**Rajendra Gandhi**  
Managing Director  
Chairman - CSR Committee

## 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 Rs. 223.90 Million on Solar & Wind Turbine in FY 21-22. In FY 2022-23, total generation from Solar & Wind Turbine was 6.16 million Units.
(ii) Steps taken by the Company for utilizing alternate sources of energy	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.
(iii) Capital investment on energy conservation equipment	Company has purchased 9.59 million Units from above mentioned sources.  Company has consumed 23.72 Million Units of Power in FY 22-23 out of which 15.72 Million Units is from renewal sources saving around 7858 carbon footprints i.e. 66.3% of power consumption.

### (b) Technology absorption

(i) Efforts made towards technology absorption	Company has invested in another automated line of Glasslid, SS Bottle, Electric Kettle, Air Fryer & Electric Rice Cooker to reduce dependency from PRC (People of Republic of China)
(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)	NA
(a) Details of technology imported	-
(b) Year of import	-
(c) Whether the technology been fully absorbed	-
(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)	
		FY2022-23	FY2021-22
(i)	Earnings in Foreign Currency	1381.59	998.98
(ii)	Expenditure in Foreign Currency	3649.19	2743.64

**COMPLIANCE CERTIFICATE**

To,  
The Board of Directors  
Stove Kraft Limited

Dear Sirs,

Subject: Managing Director & CFO's certification

We, Rajendra Gandhi, Managing Director and Balaji AS, Chief Financial Officer of Stove Kraft Limited, to the best of our knowledge and belief, certify that:

- A. We have reviewed the financial statements for the financial year ended 31 March 2023 and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter which are fraudulent, illegal or violate the Company's code of conduct;
- C. We are responsible for establishing and maintaining internal controls for financial reporting and these controls are being continuously evaluated for effectiveness by the Company as well as internal auditors, statutory auditors and other Agencies. We shall continuously evaluate the effectiveness of internal control systems of the Company pertaining to financial reporting and we shall disclose to the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. During the quarter end 31 March 2023 there were no:
- (1) significant changes in internal control over financial reporting
  - (2) significant changes in accounting policies, save and except for what is disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date: 29 May 2023  
Place: Bengaluru

**Rajendra Gandhi**  
Managing Director

**Balaji AS**  
Chief Financial Officer

# REPORT ON CORPORATE GOVERNANCE

## 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.

The Company is compliant with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"). The details of compliances, for the financial year ended 31 March 2023, are as follows:

## BOARD OF DIRECTORS

### Composition of the Board:

The Board has an optimum combination of Executive and Non-Executive Directors including Independent Directors. As on 31 March 2023, the Company's Board comprised six Directors out of which four were Non-Executive Directors (including two Independent Directors, an Independent Woman Director and a Non-Executive Director) and two Executive Directors (a Managing Director and an Executive Director). The Chairperson of the Board is an Independent Director.

Mrs. Sunita Rajendra Gandhi is spouse and Mrs. Neha Gandhi is daughter of Mr. Rajendra Gandhi. None of the other Directors of the Company are related to each other.

The composition of the Board as on 31 March 2023 is in conformity with Regulation 17 and 17A of the SEBI 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 Directorship in other public limited companies	No. of Memberships and Chairpersonship in Committees of other public companies
Mr. Rajendra Gandhi DIN 01646143	18,269,115	E, P	5/5	Yes	-	-
Mr. Rajiv Nitin Mehta DIN 00697109	1,42,022	E	3/4	Yes	-	-
Mrs. Neha Gandhi DIN 07623685	1	E, P	4/5	Yes	-	-
Mr. Lakshmikanth Gupta DIN 07637212	-	NEC, I	5/5	Yes	-	-
Mrs. Shuba Rao Mayya DIN 08193276	-	NE, I	5/5	Yes	4	Membership - 4 Member and Chairperson - 2
Mr. Anup Shah Sanmukh DIN 00317300	285	NE, I	2/5	Yes	4	Membership - 2 Member and Chairperson - 2
Mrs. Sunita Rajendra Gandhi DIN 01676100	2,00,000	NE, P	1/1	NA	-	-

# NEC = Non-Executive Chairperson, E = Executive Director, I = Independent Director, NE = Non-Executive Director, P = Promoter

Note:

- Directorships in Private Limited Companies, Foreign Companies and Companies governed by section 8 of the Companies Act, 2013 are excluded for this purpose. Only Audit Committee and Stakeholders' Relationship Committee have been considered for the purpose of the Committee positions as per SEBI Listing Regulations.
- None of the Directors on the Board hold directorships in more than ten public companies and seven listed companies. Further none of them hold membership of more than ten committees or chairmanship of more than five committees across all the public companies (including listed companies).
- 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.

4. Except Mr. Rajendra Gandhi, Mrs. Sunita Rajendra Gandhi & Mrs. Neha Gandhi, none of the other Directors are related to each other.
5. Mrs. Shuba Rao Mayya is a Non-Executive Independent Director in Happiest Minds Technologies Limited (a listed company).
6. Mr. Anup Shah Sanmukh is a Non-Executive Independent Director in Sobha Ltd and Purvankara Ltd (listed companies)
7. Mr. Rajiv Nitin Mehta resigned and relieved with effect from close of business hours on 02 February 2023.
8. Mrs. Sunita Rajendra Gandhi was appointed as Non-Executive Non-Independent Director of the Company w.e.f. 02 February 2023.

### 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 Directors of the Company are professionals with extensive experience and expertise in their respective functional areas. In terms of requirement of SEBI Listing Regulations and given the Company's size, scale and nature of business, the Board of Directors of the Company has identified core skills, expertise and competencies of the Directors for effective functioning and long-term value creation. The table given below shows the varied skills, expertise and competencies possessed by directors:

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.	Mrs. Neha Gandhi		✓	✓	✓	✓	✓
3.	Mr. Anup Shah Sanmukh		✓	✓	✓	✓	✓
4.	Mr. Lakshmikant Gupta		✓	✓	✓	✓	✓
5.	Mrs. Shuba Rao Mayya		✓	✓	✓	✓	✓
6.	Mrs. Sunita Rajendra Gandhi			✓			

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.

We, confirm that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

There is no resignation of any independent director before the expiry of his [/her] tenure during the year under review.

### DETAILS OF BOARD MEETINGS HELD DURING F.Y 2022-23

During the year under review the Board met five (5) times on 30 May 2022, 04 August 2022, 08 November 2022, 02 February 2023 and 29 March 2023. The maximum time gap between any two consecutive board meetings was less than 120 days. Attendance of Board of Directors at the Board Meetings during FY2022-23 has already been given earlier.

### BOARD LEVEL COMMITTEES:

The Company has the following Board Level Committees:

- Audit Committee;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility Committee;
- Nomination and Remuneration Committee; and
- Risk Management Committee

The Board of the Company takes all decisions with regard to constituting/reconstituting, assigning, co-opting, delegating and fixing the Terms of Reference of the Committees. Recommendations / decisions of the Committees are submitted / informed to the Board for approval / update.

### Audit Committee

As on 31 March 2023, Audit Committee comprised 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.

During the year under review the Audit Committee met five times on 30 May 2022, 03 August 2022, 07 November 2022, 02 February 2023 and 29 March 2023. The time gap between any two meetings of Audit Committee was less than 120 days. The quorum for the meetings of the Audit Committee is one-third of the members of the Committee, subject to a minimum of two independent directors present at the meeting. The composition as well as terms of reference of the Audit Committee are in line with the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The Terms of Reference of the Committee are available on the website of the Company, [www.stovekraft.com](http://www.stovekraft.com). The Composition of Audit Committee along with the attendance is given below:-

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

### Stakeholders Relationship Committee

The Stakeholders Relationship Committee is responsible to look into various aspects of interest of security holders. The terms of reference of Stakeholders' Relationship Committee are in line with the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The terms of reference of the Committee inter alia includes redressal of shareholders' grievances and to review other matters relating to investors' servicing. The Terms of Reference of the Committee are available on the website of the Company, [www.stovekraft.com](http://www.stovekraft.com).

During the year under review the Committee met three times on 27 May 2022, 03 August 2022 and 01 February 2023. The Composition of Stakeholders' Relationship Committee as on 31 March 2023 along with the attendance of members is given below:-

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

Mr. Shrinivas P Harapanahalli, Company Secretary & Compliance Officer acts as Secretary to the Committee. During the period under review thirty complaints were received and resolved. There were no pending investor complaints as on 31 March 2023.

### Nomination and Remuneration Committee

As on 31 March 2023, the Nomination and Remuneration Committee comprised three independent directors. The terms of reference of the Committee are in line with the provisions of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013 and the Rules made thereunder. The Terms of Reference of the Committee are available on the website of the Company, [www.stovekraft.com](http://www.stovekraft.com)

During the year under review, the Nomination and Remuneration Committee met seven times i.e. 30 May 2022, 07 November 2022, 15 December 2022 (adjourned) and again held on 30 December 2022, 10 January 2023, 21 January 2023, 02 February 2023 and 29 March 2023.

The Composition of Nomination and Remuneration Committee along with the attendance is given below:-

Sl. No	Name of the Member	Position held in the Committee	Attended
1.	Mr. Anup Shah Sanmukh	Chairperson	2/7
2.	Mrs. Shuba Rao Mayya	Member	7/7
3.	Mr. Lakshmikant Gupta	Member	7/7

### Nomination and Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee (NRC) has approved and amended, from time to time, the Nomination and Remuneration Policy for Directors and Senior Management Personnel and other employees. The said policy provides that while considering a proposal for appointment of a Director, NRC shall inter alia consider his/her qualifications, positive attributes, areas of expertise, independence and the number of directorships and memberships in Board level committees held by such person in other companies. NRC shall also evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.

The Board considers the recommendations of NRC and takes appropriate decisions. The said Policy also provides that while determining the remuneration it should be ensured that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, senior management personnel and other employees. The remuneration is divided into two components namely, fixed component comprising salaries, perquisites, allowances, retirement benefits etc., and the variable

component or performance-based incentive. Appropriate balance between fixed and variable pay is maintained so as to be focused on both short term as well as long term performance objectives.

The annual increments and performance incentives are decided through a structured performance management system. The Nomination and Remuneration Policy has been posted on website of the Company and the web link to access the said policy is as follows: <https://stovekraft.com/wp-content/uploads/2023/04/Final-NRC-Policy-1-1.pdf>

#### Performance Evaluation Criteria:-

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board, based on the

recommendation of Nomination and Remuneration Committee, has carried out annual evaluation of its own performance, its Committees and directors individually. The performance evaluation of the Chairman and the Independent Directors was carried out by the entire Board. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors at their separate meeting.

#### Remuneration of Directors

Details of remuneration paid to Directors of the Company for the Financial Year ended 31 March 2023, are as follows:

(₹)							
Sl. No	Name of the Member	Sitting Fee	Salary	Perquisite	Commission/ Bonus/ Incentive	Stock Options	Total
1	Mr. Rajendra Gandhi	-	1,36,94,825	-	-	-	1,36,94,825
2	Mr. Rajiv Nitin Mehta	-	2,01,50,000	-	-	3,33,500	2,04,83,500
3	Mrs. Neha Gandhi	-	29,88,762	-	-	-	29,88,762
4	Mr. Anup Shah Sanmukh	6,00,000	-	-	-	-	6,00,000
5	Mr. Lakshmikant Gupta	26,00,000	-	-	-	-	26,00,000
6	Mrs. Shuba Rao Mayya	26,00,000	-	-	-	-	26,00,000
7	Mrs. Sunita Rajendra Gandhi	-	-	-	-	-	-

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

The Independent Directors are not paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees. ₹100,000 is paid to the Independent Directors as sitting fee for attending each meetings of the Board and its Committees.

#### Directors with Materially Significant Pecuniary Relationships or Business Transactions with the Company

The Company does not have any pecuniary relationship with any of the Directors and has not entered into any transaction, material or otherwise, with them except for the remuneration / sitting fees and payments / reimbursement of travelling, lodging and boarding expenses.

#### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSR Committee) of the Company comprises three directors out of which two are Independent Director. All Corporate Social Responsibility activities are recommended to the Board of Directors by the CSR Committee.

During the year under review, the Corporate Social Responsibility Committee met four times i.e. on 27 May 2022, 07 November 2022, 01 February 2023 and 29 March 2023. The terms of reference of CSR Committee are in line with the provisions of the Companies Act, 2013 and Rules made thereunder. The Terms of Reference of the Committee are available on the website of the Company, [www.stovekraft.com](http://www.stovekraft.com). The Composition of CSR Committee as on 31 March 2023 along with the attendance is given below:-

Sl. No	Name of the Member	Position held in the Committee	Attended
1.	Mr. Rajendra Gandhi	Chairperson	4/4
2.	Mrs. Shuba Rao Mayya	Member	4/4
3.	Mr. Lakshmikant Gupta	Member	4/4



## Risk Management Committee

As on 31 March 2023 Risk Management Committee comprised four directors. Risk Management Committee met twice during the year 30 December 2022 and 01 February 2023. The Terms of Reference of the Committee are available on the website of the Company, [www.stovekraft.com](http://www.stovekraft.com). The Composition of the Risk Management Committee and attendance is as follows:-

Sl. No	Name of the Member	Position held in the Committee	Attended
1.	Mr. Rajendra Gandhi	Chairperson	2/2
2.	Mr. Lakshmikant Gupta	Member	2/2
3.	Mrs. Shuba Rao Mayya	Member	2/2
4.	Mr. Anup Shah Sanmukh	Member	0/2
5.	Mr. Rajiv Nitin Mehta	-	1/1

Note: Mr. Rajendra Gandhi was appointed as Chairperson of the Committee in place of Mr. Rajiv Nitin Mehta, w.e.f., 02 February 2023.

## Annual General Meeting

Details about the Annual General Meetings ('AGM') of the Company held during preceding three years together with special resolutions passed thereof are as under:

AGM	Financial Year	Day, Date & Time	Venue	Brief description of Special Resolutions
23 <sup>rd</sup>	2021-22	Monday, September 12, 2022 at 11.00 AM	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	Appointment of Mr. Anup Shah Sanmukh as a Non-Executive Independent Director for 5 years with effect from November 02, 2021
22 <sup>nd</sup>	2020-21	Tuesday, August 31, 2021 at 11:00 A.M.	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	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 <sup>st</sup>	2019-20	Thursday, September 24, 2020 at 11.30 A.M.	<b>Registered Office:</b> 81/1 Medamaranahalli Village, Harohalli Industrial Area, Ramanagara District, Bangalore-562112	Reappointment of Mr. Rajendra Gandhi as Managing Director for a period of five years w.e.f. 17 March 2020

## Postal Ballot

During the year under review, an ordinary resolution was passed on 18 April 2023, through Postal Ballot for appointment of Mrs. Sunita Rajendra Gandhi as a non-executive and non-independent director of the Company, liable to retire by rotation. Further as on date of this report no resolution is proposed to be passed through postal ballot.

The Company appointed Mr. Pramod S.M. (Membership No. FCS 7834 and C.P. No. 13784) failing him Mr. Biswajit Ghosh (Membership No. FCS 8750 and C.P. No. 8239,) partners of BMP and Co. LLP, Company Secretaries, as 'Scrutinizers' to scrutinize the Postal Ballot process in a fair and transparent manner.

The voting period for remote e-voting commenced on Monday, 20 March 2023 at 9.00 a.m. (IST) and ended on Tuesday, 18 April 2023 at 5.00 p.m. (IST). The report on the result of the postal ballot through remote e-voting for approving aforementioned resolution was provided by the Scrutinizer on Friday, 19 April 2023.

The details of e-voting on the aforementioned resolution(s) are provided hereunder:

No. of total votes polled	No. of votes in favour	% of votes in favour	No. of votes against	% of votes against
22137111	20309090	91.7423	1828021	8.2577

The Ordinary Resolution was passed with requisite majority.

## Details of familiarization programmes for Directors including Independent Directors

The Board members including the Independent Directors were provided familiarization program in a separate session by external domain expert to enable Board members to update their knowledge on the emerging areas.

The details of the familiarization programme imparted to Independent directors is displayed on Company website and can be accessed at [https://stovekraft.com/wp-content/uploads/2023/04/SKL\\_Familiarisation-programme-2022-23.pdf](https://stovekraft.com/wp-content/uploads/2023/04/SKL_Familiarisation-programme-2022-23.pdf)

## Vigil Mechanism/ Whistle Blower Policy

In compliance with the provisions of the Companies Act, 2013 and the Listing Regulations the Company has in place the Vigil Mechanism/Whistle Blower

Policy. The Policy provides a framework to the Directors and Employees of the Company to raise genuine concerns regarding any irregularity, misconduct or unethical matters / dealings within the Company. It also provides protection to employees or Directors against victimization who report genuine concerns. It is hereby affirmed that no personnel have been denied access to the Audit Committee. Whistle Blower Policy is available on the website of the Company at the link <https://stovekraft.com/wp-content/uploads/2023/07/Whistle-Blower-Policy-updated-2023-1-1.pdf>. During FY2022-23 no complaint was received under the Vigil Mechanism/ Whistle Blower Policy.

### **Contact details of Compliance Officer**

Mr. Shrinivas P Harapanahalli  
Company Secretary and Compliance Officer  
#81/1, Medamarana Halli Village, Harohalli Hobli,  
Kanakapura Taluk, Ramnagara District, 562 112  
Bengaluru  
Ph. No. 080-28016222  
E-mail: [cs@stovekraft.com](mailto:cs@stovekraft.com)  
Fax: +91 80 2801 6209

### **Related Party Transactions**

During the year under review, the Company has not entered into any related party transaction exceeding the threshold limit provided under the Companies Act, 2013/ Rules made thereunder and the SEBI Listing Regulations. A statement containing details of all the related party transactions is placed before the Audit Committee on a quarterly basis, specifying the nature and value of the transactions.

The Company has formulated a policy on Related Party Transactions and the same can be accessed using the following link: <https://stovekraft.com/wp-content/uploads/2022/02/RPT-Policy.pdf>

During the year under review, all transactions entered into with related parties were approved by the Audit Committee. The particulars of such transactions have been disclosed in notes to financial statements presented in the Annual Report. All the transactions between the Company and its related parties during the year were in the ordinary course of business and on an arm's length basis.

There were no material transactions with any of related parties. Therefore, 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 FY2022-23.

### **Subsidiaries, Associates and Joint Venture Companies**

The Company does not have any subsidiary, associate, joint ventures etc. The Company's policy for determination of material subsidiary, as adopted by the Board of Directors, can be accessed at the link [https://stovekraft.com/wp-content/uploads/2023/05/Material\\_Subsiidiary\\_Policyfinal-tol-upload.pdf](https://stovekraft.com/wp-content/uploads/2023/05/Material_Subsiidiary_Policyfinal-tol-upload.pdf)

### **Dividend Distribution Policy**

In accordance with the Regulation 43A of the Listing Regulations, the top 1000 listed entities based on market capitalization are required to formulate a Dividend Distribution Policy and same shall be posted on the website of the listed entity. The Company has in place the Dividend Distribution Policy and it is posted on the website. The web link to access the Policy is <https://stovekraft.com/wp-content/uploads/2022/03/Dividend-Distribution-policy-2.pdf>

### **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.

### **Means of Communication**

The Board of Directors believe that effective communication of information is an essential component of Corporate Governance. The Company regularly interacts with the Shareholders by communicating through quarterly /annual results, outcome of meetings/announcements, Annual report, media release, website and specific communications to Stock Exchanges.

The Company attends the earnings calls/investors' conferences organised by the recognised market intermediaries and the presentations, if any, given to investors/analysts at such conferences are submitted to the stock exchanges and simultaneously also posted on the Company's website for information of the investors.

The quarterly and annual financial results are made available in Company web-site i.e., <https://www.stovekraft.com/investors/>. The quarterly and annual financial results are normally published in Business

Standard (English) / Mint (English) and Vijaya Karnataka (Kannada) newspapers.

### Website:

The Company has in place a website <https://stovekraft.com/> containing the basic information about the Company, viz., details of its business, financial information, shareholding pattern,

compliance with corporate governance, transcripts of earnings call, 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 prescribed timeline.

## GENERAL CORPORATE AND SHAREHOLDER INFORMATION:

<b>Date of Incorporation</b>	<b>28 June 1999</b>
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	26 <sup>th</sup> August, 2023
Financial year	1 <sup>st</sup> April to 31 <sup>st</sup> March
Financial Calendar	2023-24
Financial Reporting	Board Meetings for approval of financial results and annual accounts: Q1 2023-24 : On or before August 14, 2023 Q2 2023-24: On or before November 14, 2023 Q3 2023-24: On or before February 14, 2024 Q4 2023-24: On or before May 30, 2024
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	Mr. Shrinivas P Harapanahalli Company Secretary and Compliance Officer #81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramnagara District, 562 112 Bengaluru Ph. No. 080-28016222 E-mail: <a href="mailto:cs@stovekraft.com">cs@stovekraft.com</a> Fax: +91 80 2801 6209
Plant Location	Bengaluru, Karnataka Baddi, Himachal Pradesh

## DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS ON 31 MARCH 2023

No. of equity shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 5000	76877	97.51	33920430	10.27
5001 - 10000	1067	1.35	8051870	2.44
10001 -20000	474	0.60	7043190	2.13
20001 -30000	139	0.18	3539160	1.07
30001 -40000	67	0.08	2399450	0.73
40001 -50000	49	0.06	2279930	0.69
50001-100000	69	0.09	4936490	1.49
100001 and above	96	0.12	268098430	81.18
<b>Total</b>	<b>78838</b>	<b>100</b>	<b>330268950</b>	<b>100.00</b>

## SHAREHOLDING PATTERN AS ON 31 MARCH 2023

Category	No. of Shareholders	No. of shares held	% to total No. of shares
Promoters	3	18469116	55.92
Resident Individuals	76308	8595345	26.03
Mutual Funds	3	2189715	6.63
Bodies Corporates	276	1862894	5.64
Foreign Portfolio Investors	10	1045846	3.17
H U F	1016	358277	1.08
Employees	43	160034	0.48
Non Resident Indians	1186	316876	0.96
Clearing Members	36	13792	0.04
	<b>78882</b>	<b>33026895</b>	<b>100.00</b>

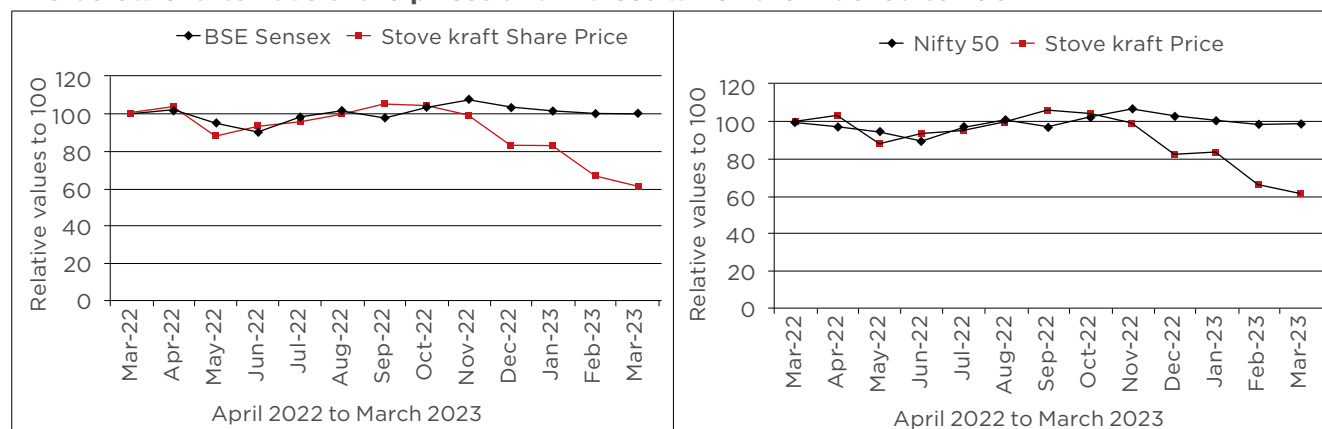
**Note:** The Company on 29 March 2023 allotted 1700 equity shares under ESOP Plan 2018 to an employee. Application for credit corporate action with NSDL and application with BSE and NSE for listing and trading approval was made in the month of April 2023. BSE and NSE granted listing and trading approval on 17 April 2023. Hence there is a difference of 1700 equity shares in the shareholding pattern filed with stock exchanges and the shareholding pattern mentioned above.

## MARKET PRICE DATA INFORMATION (BSE & NSE)

Month	BSE		NSE	
	High	Low	High	Low
April 2022	684.00	616.75	683.40	615.30
May 2022	645.45	525.00	635.15	524.60
June 2022	589.65	472.20	588.00	475.00
July 2022	595.00	540.00	596.00	541.25
August 2022	652.50	541.95	650.90	542.00
September 2022	740.00	610.00	740.00	609.65
October 2022	701.25	628.15	700.00	627.35
November 2022	658.75	596.00	658.75	596.80
December 2022	621.00	504.00	620.95	503.25
January 2023	574.50	491.60	574.00	490.90
February 2023	534.80	402.15	534.90	402.00
March 2023	430.50	354.00	428.90	353.10

## SHARE PRICE MOVEMENT

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



In the above charts share prices and indices are indexed to 100.

## DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Equity Shares of the Company are actively traded at BSE and NSE in dematerialised form only. International Securities Identification Number (ISIN) for both the depositories, viz., NSDL and CDSL is INE00IN01015. As on 31 March 2023 100% of the Equity Shares of the Company were held in dematerialised form. The Company doesn't have any unclaimed shares with respect to its past public/rights issue of shares.

### CREDIT RATING

During the year ICRA Ltd reaffirmed Credit Rating of A- with stable outlook in respect of long term borrowings.

### OUTSTANDING GDRS/ADRS/WARRANTS

The Company has not issued GDRs/ ADRs/ Warrants as on 31 March 2023.

### 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.

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

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

### 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 the following:

1. Non-compliance with Regulation 21(3C) of SEBI (LODR) Regulations 2015 which requires the listed companies to hold Risk Management Committee meetings (RMCM) in such a way that the gap between two such meetings does not exceed 180 days. RMC meeting of the Company met on 08 February 2022 and next RMC meeting was held on 30 December 2022. The non-compliance was unintentional and took place during the transition of previous Company Secretary. Further upon becoming aware of this default, a RMC meeting was immediately held on 30 December 2022. Another meeting of RMC was held on 01 February, 2023.

2. During FY 2022-23 the Audit Committee had ratified related party transactions (RPTs) entered from 01 April 2022 to 29 May 2022. Prior approval of Audit Committee was required for transactions with related parties namely, Shinag Allied Services Pvt. Limited and Pigeon Appliances Private Limited, which was not taken as required under Regulation 23(2) of SEBI LODR Regulations. The said RPTs took place due to business exigency and occurred inadvertently.

### CERTIFICATE FROM PRACTICING COMPANY SECRETARY

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

### 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 to rules issued thereafter.

### 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 for FY2022-23	5.0
2.	Out of pocket expenses	1.2
3.	Statutory Audit for FY2021-22	0.8*
<b>Total</b>		<b>7.0</b>

\* one time additional fee towards efforts overrun during first year of audit.

**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**

Sl. No	Regulation in LODR	Type of Non Compliance	Quarter pertaining to	Name of the exchange	Fine amount (in INR)	Status
1	Regulation 19	Chairman of Nomination and Remuneration Committee was also the Chairman of the Board	31 March, 2021	NSE BSE	1,29,800 1,29,800	Paid Paid
2	Regulation 19	Chairman of Nomination and Remuneration Committee was also the Chairman of the Board	30 June 2021	NSE BSE	1,27,440 1,27,440	Paid Paid

**MANDATORY / NON-MANDATORY REQUIREMENTS**

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

**Disclosure relating to adoption of discretionary requirements**

Shareholders Right: The Company does not mail the Quarterly Financial Results individually to its Shareholders. However, these are generally published in Business Standard / Mint (English) and Vijaya Karnataka (Kannada) and are also posted on the website of the Company [www.stovekraft.com](http://www.stovekraft.com). Annual Audited Financial Results are taken on record by the Board and then published in newspapers as aforesaid and also communicated to the Shareholders through the Annual Report.

**MODIFIED OPINION(S) IN AUDIT REPORT:**

The financial statements of the Company are unmodified.

Separate Posts of Chairperson and Chief Executive Officer (CEO): The Chairman of the Board is Independent and Non-Executive Director and the position is separate from that of the Managing Director / CEO.

**Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

**AFFIRMATION OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

I declare that the Company has received affirmation of compliance with the “Code of Conduct for Board Members and Senior Management Personnel” laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, for the financial year ended 31 March 2023.

**Rajendra Gandhi**

Place: Bangalore, Harohalli

Managing Director

Date : 29 May 2023

DIN: 01646143

**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  
Ramanagara 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, 2022 to March 31, 2023. 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 except to the extent as mentioned below:

- a) **Non-Compliance of Regulation 21(3C) of SEBI (LODR) Regulations 2015:** During the fiscal year 2022-23, the Risk Management Committee convened twice, on December 30, 2022, and February 1, 2023, in accordance with the provisions of Regulation 21(3A) and Regulation 21(3B). However, it is important to note that the gap between two committee meetings exceeded the stipulated maximum duration of one hundred and eighty days, as outlined in Regulation 21(3C). There was a delay of 145 days between the previous committee meeting held on February 8, 2022, and the subsequent meeting held on December 30, 2022.
- b) **Non-Compliance of Regulation 23(2) of SEBI (LODR) Regulations 2015:** The Audit Committee of the listed entity at its meeting held on May 30, 2022 had ratified RPTs occurred from 01 April 2022 to 29<sup>th</sup> May 2022 amounting to ₹ 345,665 with Shinag Allied Enterprises Private Limited and ₹ 2,40,000 with Pigeon Appliances Private Limited. Prior omnibus approval for these RPTs was not taken hence were ratified at the Audit Committee meeting held on 30 May 2022.

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: 29<sup>th</sup> May 2023  
Place: Bangalore  
UDIN: F007834E000404362

Pramod S M  
Partner  
FCS 7834 / CP No. 13784

### 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  
Ramanagara 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](http://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 31<sup>st</sup> March 2023 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.

SI No.	Name of the Director	DIN	Designation
1.	Mr. Rajendra Gandhi	01646143	Executive Director, Managing Director
2.	Mrs. Neha Gandhi	07623685	Executive Director
3.	Mrs. Sunita Rajendra Gandhi	01676100	Non-Executive - Non-Independent Director
4.	Mr. Lakshmikant Gupta	07637212	Chairperson, Non-Executive - Independent Director
5.	Mrs. 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: 29<sup>th</sup> May 2023  
Place: Bangalore  
UDIN: F007834E000404362

Pramod S M  
Partner  
FCS 7834 / CP No. 13784



# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The present report has been compiled in accordance with the guidelines set forth by the Securities and Exchange Board of India (SEBI) for Business Responsibility and Sustainability Reporting (BRSR). Its principal aim is to demonstrate enhanced transparency regarding the ways in which enterprises generate value by actively contributing to a sustainable economy. The report highlights our unwavering dedication to creating long-term value for our stakeholders while simultaneously promoting sustainable development.

## SECTION A: GENERAL DISCLOSURES

### I) DETAILS OF THE ENTITY

S. No.	Particulars	Response
1.	Corporate identity Number (CIN) of the Entity	L29301KA1999PLC025387
2.	Name of the Entity	STOVE KRAFT LIMITED
3.	Year of incorporation	1999
4.	Registered office address	81/1, Medamarana Halli Village Harohalli Hobli, Kanakapura Taluk Ramanagara Dist Karnataka 562112 India.
5.	Corporate address	81/1, Medamarana Halli Village Harohalli Hobli, Kanakapura Taluk Ramanagara Dist Karnataka 562112 India.
6.	E-mail	cs@stovekraft.com
7.	Telephone	08028016222
8.	Website	<a href="https://www.stovekraft.com/">https://www.stovekraft.com/</a>
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited
11.	Paid-up Capital as on 31 March 2023	INR 33,0268,950/- (Divided into 3,30,26,895 equity shares of ₹ 10/- each)
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Shrinivas P Harapanahalli Company Secretary & Compliance Officer. Mob. No. - 8800660647. Email: cs@stovekraft.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosure under this report is made on standalone basis for Stove Kraft Limited.

### II) PRODUCTS/SERVICES

#### 14. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Other manufacturing including jewellery, musical instruments, medical instruments, sports goods, etc. activities	100%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S.No.	Product/Service	NIC Code	% of total Turnover contributed
	Manufacture of domestic home appliances,	2740, 2750, 27501	100%
	Manufacture of metal household articles	27502, 25994, 28253, 25931	

### III) OPERATIONS

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	1	3
International	-	-	-

**17. Markets served by the entity:**
**a) Number of locations**

Locations	Number
National (No. of States)	27 States & 5 Union Territories
International (No. of Countries)	14

The Company has a strong presence throughout India, but some areas like Northeast region where there is huge potential, do not contribute as much to the company's sales volume as other areas like Kerala, Karnataka, and Tamil Nadu.

To address this issue, the company is planning to put more focus on the potential areas where sales could be improved. This involves increasing the distribution & sales teams in these areas to promote the company's products and improve overall sales. By doing so, the company hopes to strengthen its market presence in these regions.

**b) Contribution of exports:**

<b>What is the contribution of exports as a percentage of the total turnover of the entity?</b>	<b>11%</b>
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**c) Type of Customers**

A brief on types of customer'

The company specializes in manufacturing a wide range of kitchen and home solutions and operates on a Business-to-Business (B2B) as well as Business-to-Consumer (B2C) model where it sells its products to distributors and consumers. The company has expanded its distribution reach to over 82,767 retail outlets, which is facilitated by its distribution network consisting of 9 C&F (Clearing and Forwarding) agents and over 600 distributors.

In addition, the company's export operations are supported by a dedicated network of 12 distributors, which enables it to expand its reach beyond domestic markets and tap into new opportunities in international markets.

**IV) EMPLOYEES**
**18. Details at the end of the year of financial year:**
**a) Employees and workers (including differently abled):**

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1.	Permanent (D)	1466	1173	80%	293	20%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	1466	1173	80%	293	20%
<b>Workers</b>						
1.	Permanent (F)	3850	1391	35%	2459	65%
2.	Other than Permanent (G)	-	-	-	-	-
3.	Total workers (F + G)	3850	1391	36%	2459	64%

**b) Differently abled Employees and workers:**

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently Abled Employees</b>						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	-	-	-	-	-
<b>Differently Abled Workers</b>						
1.	Permanent (F)	7	4	57	3	43
2.	Other than Permanent (G)	-	-	-	-	-
3.	Total workers (F + G)	7	4	57	3	43

### 19. Participation/Inclusion/Representation of women:

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	3	50%
Key Management Personnel	4	1	25%

### 20. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27	45	31%	45	71	50%	17	74	27%
Permanent Workers	47	24	33%	35	66	46%	71	44	54%

## V) HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

### 21. Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Not Applicable, as for the Financial Year ended March 31, 2023, the Company does not have any Holding/Subsidiary/ Associate Companies/Joint Venture				

## VI) CORPORATE SOCIAL RESPONSIBILITY (CSR) DETAILS

S. No.	Requirement	Response	
		FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
1.	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes	Yes
2.	Turnover (in ₹)	12,83,84,70,000	11,36,35,90,000
3.	Net worth (in ₹)	4,03,36,80,000	3,64,01,00,000

## VII) TRANSPARENCY AND DISCLOSURES COMPLIANCES

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) *	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	30	-	All the complaints have been redressed as on March 31, 2023	33	-	All the complaints have been redressed as on March 31, 2022
Employees and workers	Yes	-	-	-	-	-	-

Stakeholder group from whom complaint then received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) *	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes	458,725	3453	Most of the complaints have been redressed as on March 31, 2023	407,641	2356	Most of the complaints have been redressed as on March 31, 2022
Value Chain Partners	Yes	-	-	-	-	-	-

\* Stakeholder Management Policy deals with the mechanism for redressing grievances and can be accessed at link <https://stovekraft.com/wp-content/uploads/2023/05/Stakeholder-Management-Policy.pdf>

24. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy Management	Opportunity	Stove Kraft has implemented - energy saving technologies and thereby optimizing production processes and reducing greenhouse gas emissions.	-	<b>Positive</b> -This will help the Company to reduce energy expenses.
2.	Water and Wastewater management	Risk	Insufficient management of water and waste can cause disruptions in the operations of a manufacturing facility. Improper handling of waste can lead to increased expenses such as meeting regulatory compliance requirements.	To mitigate the risk Stove Kraft has adopted sustainable water management practices such as rainwater harvesting, water re-use, and green infrastructure, which has effectively reduced the impact of water scarcity. Moreover, the company conducts regular water risk assessments to identify potential water-related risks and develop strategies to mitigate them.	<b>Negative</b> -It can lead to increased waste disposal charges, as well as potential fines and penalties.
3.	Human Rights	Risk	Neglecting to respect and uphold human rights within a manufacturing company's operations or supply chain can give rise to labour exploitation and potentially causing harm to the company's reputation, will also provide training and eliciting negative responses from consumers. These practices can trigger legal consequences, challenges in attracting and retaining a diverse and skilled workforce.	Stove Kraft has established a human rights policy that outlines its dedication to uphold and prevent human rights violations. The Company to the company's reputation, will also provide training and eliciting negative responses from consumers. These practices can trigger legal consequences, challenges in attracting and retaining a diverse and skilled workforce.	<b>Negative</b> -It can lead to costly legal battles and compensatory payments.

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Customer Education and Awareness	Opportunity	Stove Kraft provides safety-related norms and requirements to its distributors and retailers, who in turn inform customers, and buyers about appropriate guidance and instruction and safety standards.	-	<b>Positive</b> - This will help Company to get repeated business orders and positive word-of-mouth recommendations.
5.	Data Security Risk		The company in manufacturing Stove Kraft has sector possess valuable intellectual property, including product designs, processes, and trade secrets. Inadequate data security measures can make them vulnerable to cyber attacks, hacking, or insider threats, resulting in the theft or unauthorized access to proprietary information.	implemented measures to secure data, including access control, intrusion detection, data backups, authentication, and review, with data classification guidelines to protect data integrity and secure information systems.	<b>Negative</b> - It can damage the company's reputation, leading to customer churn.
6.	Product Quality & Safety	Opportunity	Stove Kraft has made robust quality control processes and has stringent testing and inspection procedures. The company actively engages in seeking customer feedback, conducts market research, and stays updated with the latest industry standards and regulations.	-	<b>Positive</b> - Good customer reviews of products and services and loyal customer relationships contribute to the success.
7.	Health & Safety	Risk & Opportunity	<b>Risk:</b> Neglecting safety protocols, training, maintenance, and protective measures exposes employees to hazardous conditions with severe physical and mental health consequences. <b>Opportunity:</b> This is an opportunity for the company as it has effective internal controls and oversight mechanisms in place. This has led to increased workers/employee protection and general health and well-being.	Stove Kraft places a high priority on workplace health and safety to minimize risk. Adequate measures have been implemented, and employees are provided with clear instructions and protective equipment to ensure their safety.	<b>Negative</b> - It can result in increased costs, lost productivity, damage to reputation and legal consequence. <b>Positive</b> - It leads to Improved productivity and increased efficiency.
8.	Product Design & Life cycle management	Opportunity	Stove Kraft offers innovative cookers with appealing designs that meet evolving customer needs. Their features include precise temperature control, faster cooking times, even heat distribution, and versatile cooking options, providing superior cooking experiences. They also implement life cycle management with longer product lifespans and offer compatible accessories.	-	<b>Positive</b> - It drive sales growth, enhance profit margins, improve customer satisfaction, and provides a competitive edge.

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Supply Chain Management	Risk & Opportunity	<p><b>Risks:</b> Any disruptions in the supply chain can result in production delays and potential revenue loss. Additionally, maintaining consistent quality across the entire supply chain can be a challenging task.</p> <p><b>Opportunities:</b> The company has prioritized the use of high-quality raw materials, components, and parts in their manufacturing process. They have also fostered collaborations with suppliers, distributors, and other partners, resulting in the development of new products and continuous improvement in manufacturing processes.</p>	To mitigate the risk, the company has implemented a strong supply chain mechanism that includes rigorous quality control checks. The Company also has diversified supplier base and created contingency plans for potential disruptions.	<p><b>Negative</b> - It may lead to production delays, revenue loss and increased costs.</p> <p><b>Positive</b> - It can lead to increased market share, improved pricing power, higher profitability, and the development of new products that generate additional revenue streams and attract new customers.</p>
10.	Material Sourcing and Efficiency	Opportunity	Stove Kraft maintains better relationship with suppliers for sourcing raw materials to product specifications, ensuring quality, consistency and control over the sourcing process.		Positive - It can achieve quality, consistency and cost efficiency.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section aims to demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
<b>Policy and management processes</b>											
1.	a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	Particulars of the Policies	Anti-corruption or anti-bribery policy, Ethical Policy	Supplier Code of conduct	Health and Safety Policy	Stakeholder Management Policy	Human Rights Policy	Environmental Policy	Policy on Responsible Advocacy	Corporate Social Responsibility Policy	Cyber security and data privacy	
	b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	c) Web Link of the Policies, if available	<a href="https://stovekraft.com/investors/">https://stovekraft.com/investors/</a>									
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
3.	Do the enlisted policies extend to your value chain partners? (Yes/ No)	The Company has various polices as per Law and as per operational requirements and the same are posted on the Company's Website. The Value Chain Partners are expected to follow the applicable policies.									
4..	Name of the national and international codes /certifications/ labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	Bureau of Indian Standards (BIS)	-	-	-	-	-	-	ISO 9001:2015 - Quality Management Systems.	
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<b>Specific commitments, goals and targets set by entity for FY2023-24</b>								<b>Mapped NGRBC Principles</b>	
		<b>Social:</b> <ul style="list-style-type: none"> <li>To prioritize the development and well-being of its employees P3</li> <li>To take up community engagement programmes by making a positive impact on society and environment P4</li> </ul>									
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	The Company has set the specific commitments, goals, for the financial year 2023-24. The performance of the aforementioned target shall be measured in the subsequent financial year and will be reported accordingly.									

**Governance, leadership, and oversight**

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements **Mr. Rajendra Gandhi, Managing Director.**

“As a manufacturing company, which is among India’s leading manufacturers of a wide range of kitchen solutions and an emerging home solutions brand, we recognize the importance of environmental, social, and governance factors in driving long-term success and creating value for all stakeholders. We are committed to integrating ESG considerations into our business strategy, operations, and decision-making processes.

Since the beginning, we have concentrated on bringing customers high-quality goods at competitive price. Because of this, we have been able to create a positive feedback loop that fosters brand loyalty, product portfolio growth, and product category diversification.

We are actively working to reduce our environmental impact by implementing sustainable practices throughout our supply chain, minimizing waste and emissions, and conserving natural resources. We also recognize the importance of maintaining a safe and healthy workplace for our employees and ensuring that our operations support the communities where we operate.

In addition, we strive to maintain high standards of corporate governance and transparency, and we engage with our stakeholders to understand their expectations and concerns. By focusing on ESG, we believe we can create a more resilient and sustainable business that is better positioned for long-term success.”

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). The Risk Management Committee is the highest authority responsible for implementation and oversight of the Business Responsibility policies.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details Yes, Risk Management Committee of the Company is responsible for reviewing the sustainability related issues and the CSR Committee reviews and oversees the company’s initiatives and activities related to CSR on regular basis.

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
Performance against above Risk Management Committee policies and follow up action		Quarterly / half-yearly
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company has complied with all the statutory requirements during the financial period 2022-23 and there is no non-compliance found by the Board.	Quarterly

**11. Independent assessment/ evaluation of the working of its policies by an external agency:**

Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The Company has consulted J. Sundharesan & Associates, (Compliance, Governance and Sustainability Advisors) for independent assessment and evaluation of the working of its policies and has provided a ‘limited assurance’.								



**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE**

**A) ESSENTIAL INDICATORS:**

**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

The Company's commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, the Senior Management, and all other employees of the Company. Stove Kraft helps customers realize results by focusing on strong, long-lasting relationships and delivering value through agility and innovative industry and services. The Company takes personal accountability to make the right commitment to our clients, build sustainable relationships with them and make every effort to deliver on our promises. The Board of Directors has formulated “Code of Conduct for Directors and Senior Management” as per SEBI's Listing Regulation, in order to be consistent with the Company's values and beliefs. In all of its operations, the Company upholds and ensures adherence to the aforementioned Code of Conduct and Ethics.

Further, the Company also believes in the conduct of affairs in fair and transparent manner by adopting highest standard of professionalism, honesty, integrity, and ethical behavior. The Company has a Whistle Blower Policy, which is Committed to developing a culture where it is safe for all employees to report significant deviations from key management policies, and report any non-compliance and wrong practices, e.g., unethical behavior, fraud, violations of law, inappropriate behavior/conduct etc., The policy also provide for direct access to the Chairman/Managing Director/Chairman of the Audit Committee in exceptional cases.

The Company has in place, the “Code of Conduct for Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information”, to maintain highest ethical standards while dealing in Securities of the Company by the Insiders. The purpose of the Code is also to put in place a framework for prohibition of insider trading in securities, and to strengthen the legal framework thereof.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	The entire Board was trained on all the principles.	100%
Key Managerial Personnel	1	KMPs were trained on all the principles.	100%
Employees other than BOD and KMPs	-	-	-
Workers	4	<ul style="list-style-type: none"> <li>• Safety</li> <li>• POSH</li> <li>• Fire Mock Drill</li> <li>• Threat Awareness</li> </ul>	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:

During the financial year 2022-23, the Company had faced no fines/penalties/punishment/award/ compounding fees/ settlement amount paid in proceedings (by the Entity or by Directors/KMP's) with regulators/ law enforcement agencies/ judicial institutions.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	Nil

4. Anti-corruption or Anti-bribery policy:

Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.	<p>Yes.</p> <p>Our Company has a policy to prevent bribery and corruption in all business activities and promote ethical behaviour. The policy covers all areas of the company's operations and applies to all directors, employees, agents, consultants, contractors, and any other individuals who engage in business activities on behalf of the company. The company prohibits all forms of bribery and corruption, and it requires individuals to report any suspected or actual breaches.</p> <p>We maintain accurate records of all business transactions and violations of the policy may result in disciplinary action, including termination of employment or contract, and legal action may be taken. The company expects all individuals to comply with the policy and help maintain a culture of ethical behaviour. The weblink to access the policy is <a href="https://stovekraft.com/wp-content/uploads/2021/11/CSR-Policy.pdf">https://stovekraft.com/wp-content/uploads/2021/11/CSR-Policy.pdf</a></p>
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5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	No such complaints	0	No such complaints
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	No such complaints	0	No such complaints

7. Corrective Actions:

Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest	There have been no fines, penalties or actions taken by regulators, law enforcement agencies, or judicial institutions related to cases of corruption and conflicts of interest, hence this section is not applicable to the Company.
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## PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

### A) ESSENTIAL INDICATORS:

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	20.8%*	This is contributing towards clean and green energy and reduction in use of grid power.

\* Investment in solar panels/wind mill.

### 2. Sustainable sourcing:

Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The company has a practice of procuring raw materials or components in an ethical, eco-friendly, and socially responsible manner, with the aim of minimizing negative impacts on the environment and ensuring long-term viability of the supply chain. The procedures as follows:

1. Establishing sustainability goals and objectives which are aligned with overall strategy.
2. Evaluating the suppliers based on the criteria being fulfilled.
3. Monitoring supplier performance against sustainability criteria and taking corrective actions, if necessary.
4. Regularly review and update the procedure to ensure to remain relevant and effective in achieving the goals.

If yes, what percentage of inputs were sourced sustainably? 100%

### 3. Processes in place to reclaim products for reuse, recycle and safe disposal of products at the end of life:

Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The processes are in place to safely reclaim products for reusing, recycling, and disposing of at the end of life.

- a) Plastic - The Company collects used plastic products and packaging, sorts them based on type and characteristics, and either reuses or recycles them. Plastics that cannot be reused or recycled are safely disposed to licensed facilities.
- b) E-waste - Electronic products are collected and tested for refurbishing or recycling and thereafter transported to licensed facilities for safe treatment and disposal.
- c) Hazardous waste - The Company identifies hazardous waste based on its properties, handles it carefully and transports it to licensed facilities for safe treatment and disposal.
- d) Other waste - Proper collection system has been established to collect, sort, and clean waste by removing contaminants, and reprocess them for recycling or reusing with other products or in packaging.

### 4. Extended Producer Responsibility (EPR) plan:

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. The Company is committed to circularity in waste management. The Company received registration certificate for Brand Owner from Central Pollution Control Board on dated 10-01-2023, Regn. No. BO-02-000-02-AADCS9958B-23. The waste collection plan submitted to Pollution Control Boards for disposal of Multi Layered Plastic (MLP) & other plastic waste generated due to the products as per the EPR Action Plan is given below:

Collection targets set for FY 22-23 is as follows:

Sl. No	Financial Year	2022-23 (MT)			
		Cat-I	Cat-II	Cat-III	Cat-IV
	State/UT				
1	CPCB	0.0	46.2889	0.0	0.00
	<b>Total</b>	<b>0.0</b>	<b>46.2889</b>	<b>0.0</b>	<b>0.0</b>
	<b>Grand Total</b>	<b>0.0</b>	<b>46.2889</b>	<b>0.0</b>	<b>0.0</b>

### PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

#### A) ESSENTIAL INDICATORS:

Our ability to create goods and fulfil client requests depends on our workers. So, the wellbeing of our workers is our top priority. Employee well-being includes their physical, emotional, and mental health as well as their employment security, equitable pay, and other perks that foster a productive workplace.

First and foremost, we make sure that the workers are in a secure and wholesome atmosphere. This entails supplying suitable safety gear, carrying out regular safety inspections, and taking care of any potential dangers that might emerge. In addition to being crucial for workers' health, creating a secure workplace can help avoid mishaps and lower the likelihood that the business will face legal action.

Secondly, we offer our workers fair wages, perks, and room for advancement. For workers to feel valued and encouraged to give their best work, fair compensation is crucial. Consequently, by prioritizing the well-being of all workers and employees is a key to the success of the company.

#### 1. A) Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	1173	1146	98%	-	-	-	-	-	-	-	-
Female	293	286	98%	-	-	286	98%	-	-	286	98%
<b>Total</b>	<b>1466</b>	<b>1432</b>	<b>98%</b>	<b>-</b>	<b>-</b>	<b>286</b>	<b>98%</b>	<b>-</b>	<b>-</b>	<b>286</b>	<b>98%</b>
<b>Other than Permanent employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### B) Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	1391	1320	93%	-	-	-	-	-	-	-	-
Female	2459	2427	99%	-	-	2427	99%	-	-	2427	99%
<b>Total</b>	<b>3850</b>	<b>3747</b>	<b>97%</b>	<b>-</b>	<b>-</b>	<b>2427</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>2427</b>	<b>100%</b>
<b>Other than Permanent workers</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2. Details of retirement benefits, for Current FY and Previous Financial Year:

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	42	99	Yes	37	99	Yes
Others	—	—	—	—	—	—

## 3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The workplace of the Company is not fully equipped with the required framework and infrastructure to ensure access and inclusion for personnel with disabilities. The Company already has lifts but lacks on other amenities like ramps for wheelchair movement, and accessible bathrooms to make sure all employees can move about our workplace with ease and comfort.

## 4. Equal Opportunity Policy:

Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes.  
The Company is dedicated to ensure equal opportunities for all employees, regardless of protected characteristics such as race, gender, or disability. The company will not discriminate in any aspect of employment, including recruitment, promotion, and termination. Harassment or discrimination of any kind is prohibited, and the company will provide reasonable accommodations for individuals with disabilities. The Human Resource Department will review the policy periodically to ensure effectiveness, and employees have the right to report instances of discrimination or harassment without fear of retaliation. The Company aims to create a diverse and inclusive workplace to enhance employee productivity and success. The weblink to access the policy is <https://stovekraft.com/wp-content/uploads/2023/05/Equal-Opportunity-Policy.pdf>

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	-	-	-	-
<b>Total</b>	-	-	-	-

Note: During FY23, 8 employees took maternity leave and are yet to return to work.

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief:

	Yes/ No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes*
Other than permanent workers	None
Permanent Employees	Yes*
Other than permanent employees	None

\* Our company has established a number of internal systems to ensure that our employees have various channels through which they can voice their concerns or grievances. For instance, we have a Whistle Blower Policy and POSH (Prevention of Sexual Harassment) Committee, among others. In addition, our company operates with a walk-in system, where workers can reach out to their line manager in the plant and plant head or the highest authority, to promote transparency, open communication, feedback, and discussion. This creates an environment where resolutions can be achieved quickly and proactively. Consequently, the system also allows individuals to raise any concerns they may

have regarding human rights, with the assurance that their identity will be protected. Complaints are then investigated by the focal point (Mrs. Saraswathi Assistant Manager, HR & Welfare), along with Chief Human Resources Officer, if required, and necessary remedial action is taken to address the issue.

Our Whistle Blower Policy is designed to develop a culture where it is safe for all employees to report any significant deviations from key management policies, or any non-compliance and wrong practices such as unethical behaviour, fraud, violations of law, or inappropriate conduct. The policy provides for direct access to the Chairman MD, Chairman of the Audit Committee in exceptional cases.

#### 7. Membership of employees and worker in association(s) or Unions recognized by the entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	1466	-	-	1167	-	-
Male	1173	-	-	961	-	-
Female	293	-	-	206	-	-
<b>Total Permanent Workers</b>	3850	-	-	3059	-	-
Male	1391	-	-	2009	-	-
Female	2459	-	-	1050	-	-

#### 8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	1173	-	-	-	-	961	-	-	-	-
Female	293	-	-	-	-	206	-	-	-	-
Total	1466	-	-	-	-	1167	-	-	-	-
<b>Workers</b>										
Male	1391	1391	100	1391	100	2009	2009	100	2009	100
Female	2459	2459	100	2459	100	1050	1050	100	1050	100
Total	3850	3850	100	3850	100	3059	3059	100	3059	100

#### 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	1173	861	73%	961	763	80%
Female	293	164	56%	206	133	65%
<b>Total</b>	1466	1025	70%	1167	896	77%
<b>Workers</b>						
Male	1391	1295	93%	2009	1836	91%
Female	2459	2406	98%	1050	997	95%
<b>Total</b>	3850	3701	96%	3059	2833	93%

Note: Performance reviews of all the eligible employees and workers (joining before September 30 of previous year) were carried out in May of current year.

## 10. Health and safety management system:

S.no	Particulars	Response
a)	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	We recognize the importance of ensuring the safety and well-being of our employees and workers given the nature of its industry. To that end, it has established a clear Health and Safety Policy and supporting processes. Additionally, the company conducts regular workshops and training programs for workers focussing on safety, prevention of sexual harassment (POSH), and disaster preparedness. These efforts help to raise awareness and promote a culture of safety and well-being within the workplace.
b)	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	As part of our safety protocols, all work-related hazards associated with routine activities are diligently identified and assessed by routine rounds by Plant Head, Safety Head and by periodical maintenance of machines by maintenance team. This systematic approach allows us to proactively identify potential hazards and evaluate the associated risks. Based on the findings, appropriate control measures are implemented to mitigate or eliminate the identified hazards.
c)	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	Yes, we at Stove Kraft, have well-defined procedures in place for reporting any hazards related to work to supervisors or designated Quality and as well as Safety Head. These procedures encompass both formal reporting mechanisms, such as incident reporting, as well as informal reporting mechanisms, such as verbal reporting. We understand the importance of providing multiple channels for workers to report hazards, as it ensures that all incidents, whether big or small, are promptly communicated and addressed.
		Furthermore, we prioritize worker training to identify and report hazards in their workplace. Training sessions are being conducted by internal safety staff. Through this we ensure that our workers are well-informed about the processes for identifying and reporting hazards.
		Our commitment to safety extend beyond mere implementation of reporting processes. In the event of any incident, both the Quality and Safety Head take swift action by immediately addressing the situation and promptly informing all the other workers of the Company about the incident, including its cause, reasons, and the remedial measures taken. This ensures that all workers are duly informed about the incident and can take necessary precautions to prevent similar occurrences in the future.
d)	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	We recognize the importance of employee health and well-being, As part of our commitment to safety and wellness, we provide on-site access to medical consultation services for both occupational and non-occupational medical issues. In addition, we conduct annual health check-ups for all our employees and workers to proactively address any potential occupational or non-occupational health concerns. We have also taken third party insurance and General insurance

## 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
		(Current Financial Year)	(Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	1.65	1.70
Total recordable work-related injuries	Employees	-	-
	Workers	58	41
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

**12. Measures to ensure a safe and healthy workplace:**

Describe the measures taken by the entity to ensure a safe and healthy workplace.	<p>Stove Kraft has implemented various measures to ensure a safe and healthy workplace, employing a proactive approach to mitigate potential hazards. These measures include:</p> <ol style="list-style-type: none"> <li>1) Conducting regular safety rounds by Plant Head, Safety Head and periodical maintenance of machines by maintenance team enable the Company to identify risks and address potential hazards. This involves thorough inspections of the workplace to identify any potential risks, followed by appropriate measures to mitigate or eliminate them. Risk assessments are conducted to evaluate the severity and likelihood of hazards, enabling the development of effective control measures.</li> <li>2) Providing comprehensive safety training to workers and equipping them with appropriate personal protective equipment (PPE). This includes training on hazard identification, safe work practices, emergency response procedures, and proper use of PPE. Workers are provided with the necessary PPE, such as Ear plug, Cotton hand gloves, hand sleeve cotton, nose mask, cutter resistant &amp; gloves, rubber hand gloves, helmets and googles, to protect them from workplace hazards.</li> <li>3) We have established clear protocols for reporting and addressing work-related hazards, as well as mechanisms for workers to provide feedback and suggest improvements.</li> <li>4) The Company has on-site access to medical consultation services for both occupational and non-occupational health issues. Additionally, annual health check-ups are being conducted for all our employees and workers as a proactive approach for identifying and addressing any potential health concerns. Further, the Company has a collaboration with a local hospital namely, Dayanand Sagar Hospital, Harohalli, which is just 2 Kms from our Office. In case of advance treatment employees are referred to Bhagwan Mahaveer Jain Hospitals, Bangalore. These facilities ensures treatment to workers/employees during emergency situations.</li> </ol>
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**13. Number of Complaints on the following made by employees and workers:**

	FY (2022-23) Current Financial Year			FY (2021-22) Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	No such complaints	-	-	No such complaints
Health & Safety	-	-	No such complaints	-	-	No such complaints

**14. Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Health and safety practices	-
Working Conditions	-

**15. Corrective Actions:**

Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.	The Company adhered to safety protocols to comply with state/ local regulations and maintain hygiene, standards, resulting in no safety incidents during the year, except for minor injuries.
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## PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

### A) ESSENTIAL INDICATORS:

#### 1. Identification of stakeholders group:

Describe the processes for identifying key stakeholder groups of the entity

We at Stove Kraft have a systematic process of identifying individuals or groups that have a vested interest in the company's products and activities. There's a step-by-step process for identifying stakeholders of the company:

Determine the impact: Determine the impact that the product has on different groups of people, including customers, employees, suppliers, and shareholders considering both the positive and negative impacts of the product.

Identify internal stakeholders: Identify internal stakeholders, such as employees, managers, and shareholders, who have a direct interest in the success of the product. This may include individuals who are involved in the design, development, production, marketing, and sale of the products.

Identify external stakeholders: Identify external stakeholders, such as customers, suppliers, regulators, and the local community, who have an indirect interest in the product. These stakeholders may be affected by the product in various ways, such as through employment opportunities, environmental impact, or regulatory compliance.

Prioritize stakeholders: Prioritize the stakeholders based on their level of interest and influence. Prioritizing stakeholders will help the company to focus its efforts on those stakeholders who are most critical to the success of the product.

Engage with stakeholders: Once stakeholders have been identified and prioritized, the company should engage with them to understand their needs, concerns, and expectations. This may involve conducting surveys, hosting focus groups, or meeting with stakeholders individually.

Monitor stakeholder feedback: Once the company has engaged with stakeholders, it should monitor their feedback to ensure that it is meeting their needs and expectations. This feedback can be used to inform future product development and marketing efforts.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Distributors	No	1) Emails. 2) Periodical meets 3) Personal Visits 4) Interviews 5) Surveys	Periodically and as and when required	Product quality and availability, responsiveness to needs, after sale service, responsible guidelines / manufacturing, Safety awareness.
E-Com Aggregators	No	1) Online Portals 2) Emails 3) Social Media platforms 4) Phone calls	Periodically	To maximise the online presence and reach wider audience
Waste Collection Agents	No	1) One - to - one interaction 2) Phone calls	Periodically	To ensure that waste is handled and disposed of safely

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees/ Workers	No	1) Emails 2) Team Engagement 3) Website 4) Engagement through Health Programs 5) Notice Board.	Periodically	1) To achieve business targets 2) Motivate talent and ensure higher productivity 3) Career management and growth prospects. 4) Work culture, health, and safety matters.
Shareholders and Investors	No	1) Annual General Meeting, 2) Email, 3) Stock Exchange (SE) intimations, 4) Investor/analysts meet/ conference calls, 5) Annual report, quarterly results, media releases and Company's website	Quarterly, Half yearly and annually	To share financials and other information / developments about the Company.
Vendors/ Suppliers	No	Email, Advertisement, Vendor meets, website. etc.	Regular	1) Procurement 2) Business/Project related 3) Vendor Assessment Report
Local Communities	Yes	Newspaper advertisements/ Physical Meetings / Reviews/ Assessments	Event basis	Identifying the issues that they are concerned about and help them achieve better quality of living through CSR programmes and initiatives.
Government/ Regulators	No	Emails, Submission forms / returns / intimations/ letters etc.	Annually/Half yearly/ Quarterly/ Event basis	In relation to Compliances with applicable laws, rules, and regulations.
Consumers	No	Focused Group Discussion, Digital Platforms, Market Research (TV commercials, newspaper ads and pamphlets)	Continuous (Frequent and need based)	To know consumer needs, delivering quality products and expanding consumer base, are key to our success and growth. Staying in touch with the customers and to receive their feedback on various products that the Company manufactures.

## PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### A) ESSENTIAL INDICATORS:

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	1466	1466	100%	1167	1167	100%
Other than permanent	-	-	-	-	-	-
<b>Total Employees</b>	1466	1466	100%	1167	1167	100%
<b>Workers</b>						
Permanent	3850	3850	100%	3059	3059	100%
Other than permanent	-	-	-	-	-	-
<b>Total Workers</b>	3850	3850	100%	3059	3059	100%

Note: The Board of Directors at the meeting held on 29 March 2023 approved the Human Rights Policy.

## 2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent										
Male	1173	159	13%	1014	87%	961	193	20%	741	80%
Female	293	164	56%	129	44%	206	66	32%	140	68%
<b>Other than Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
<b>Permanent</b>										
Male	1391	817	56%	574	44%	2009	1775	90%	234	11%
Female	2459	2271	92%	188	8%	1050	1022	98%	28	2%
<b>Other than Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

## 3. Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BOD)	3	26,00,000	3	29,88,762
Key Managerial Personnel	3	69,33,594	1	29,88,762
Employees other than BOD and KMP	1171	383,094	292	128100
Workers	1391	146928	2459	146928

## 4. Focal point for addressing human rights:

**Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, Chief Human Resources Officer, is responsible for addressing human rights impacts or issues caused or contributed to by the business.

## 5. Internal mechanisms in place to redress grievances related to human rights issues:

**Describe the internal mechanisms in place to redress grievances related to human rights issues.**

To address grievances related to human rights issues, we have established several internal mechanisms. Firstly, there is a confidential and easily accessible complaint system in place. This system allows individuals to raise any concerns they may have regarding human rights, with the assurance that their identity will be protected. Complaints are then investigated by the focal point, along with the HR manager, and any necessary remedial action is taken to address the issue.

Secondly, the company has formulated and adopted a Vigil Mechanism/Whistle Blower Policy for its employees and workers and vendors. The policy aims to encourage the reporting of significant deviations from key management policies, as well as any non-compliance and wrong practices such as unethical behaviour, fraud, violations of law, or inappropriate conduct. The policy also provides for direct access to the Chairman/Managing Director/Chairman of the Audit Committee in exceptional cases. This policy aims to promote a culture of transparency, accountability, and ethical conduct within the organization, and to ensure that any instances of wrongdoing are promptly addressed and resolved.

**6. Number of Complaints on the following made by employees and workers:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	No such complaints	-	-	No such complaints
Discrimination at workplace	-	-	No such complaints	-	-	No such complaints
Child Labour	-	-	No such complaints	-	-	No such complaints
Forced Labour/ Involuntary Labour	-	-	No such complaints	-	-	No such complaints
Wages	-	-	No such complaints	-	-	No such complaints
Other human rights related issues	-	-	No such complaints	-	-	No such complaints

**7. Prevention of discrimination and harassment cases:**
**Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

Our Company has implemented an Equal Opportunity Policy in employment, which aims to create a work environment that is free from discrimination. The policy ensures that all employees are treated with fairness, respect, and dignity, and are given equal opportunities for personal and professional growth. This policy is in accordance with the company's commitment to providing a positive and inclusive work culture.

Furthermore, the company has a Policy on Prevention of Sexual Harassment of Women at Workplace, which is in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This policy is designed to prevent sexual harassment of employees and create a safe and secure work environment for women.

To address any employee concerns, the company has put in place a robust Grievance Redressal process. This process ensures that any grievances raised by employees are investigated thoroughly and resolved in a timely and effective manner.

**8. Human rights requirements forming part of your business agreements and contracts:**
**Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

The company do not have human rights requirements forming part of any business agreements and contracts.

**9. Assessments for the year:**

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	-
Forced/involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others - please specify	-

**10. Corrective Actions to address significant risks / concerns arising from the assessments:**
**Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

There were no significant risk/concern that arose on its self-assessment and from the diligence of customers

## PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

### A) ESSENTIAL INDICATORS:

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	93,73,953	54,02,252
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	1,57,15,530	1,09,74,459
Total energy consumption (A+B+C)	2,50,89,483*	1,63,76,711
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00195	0.00144

\* Increase in power consumption was due to backward integration and inhouse production of spares.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

#### 2. Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India:

Our company is not subject to the Performance, Achieve, and Trade (PAT) scheme as we have not identified any sites or facilities as Designated Consumers (DCs).

#### 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-2023	FY 2021-2022
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	Nil	Nil
(ii) Groundwater	13188	7384
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	13188	7384
Total volume of water consumption (in kilolitres)	13188	7384
Water intensity per rupee of turnover (Water consumed / turnover)	0.00102	0.00065
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

#### 4. Mechanism for Zero Liquid Discharge:

Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have successfully implemented Zero Liquid Discharge (ZLD) systems at our manufacturing locations in Bengaluru, Karnataka, and Baddi, Himachal Pradesh, as part of our unwavering commitment to environmental sustainability and responsible manufacturing practices. We have made substantial investments in state-of-the-art effluent treatment plants to achieve and maintain zero liquid discharge status across all our facilities.

At our manufacturing locations, all liquid waste generated from our production processes undergoes thorough treatment in effluent treatment plants, which employ cutting-edge technologies to ensure that the discharged liquid is free from contaminants and pollutants. The treated water is then utilized for various purposes such as gardening, flushing toilets, etc.,

In addition, our ZLD systems are designed and operated in strict compliance with the norms and guidelines set forth by the respective State Pollution Control Boards (SPCBs).

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-2023	FY 2021-2022
NOx	PPM	3540	4262
SOx	PPM	1650	1805
Particulate matter (PM)	Mg/NM3	4384	3609
Persistent organic pollutants (POP)	Nil	Nil	Nil
Volatile organic compounds (VOC)	Nil	Nil	Nil
Hazardous air pollutants (HAP)	Nil	Nil	Nil
Others - please specify	Nil	Nil	Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Independent assessment has been carried out by an external agency named Sneha Test Hitech Solutions.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-2023	FY 2021-2022
*Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	-	-	-
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	-	-	-
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

\*The company is currently in the process of registering for green gas emissions.

**7. Project related to reducing Green House Gas emission:**

Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The company has incorporated energy-efficient practices in its production process by utilizing renewable energy sources and optimizing robotic and automated machinery. It has also implemented sustainable procurement practices to minimize environmental impact. In addition, the company has adopted low-carbon or carbon-neutral materials in its manufacturing processes and thereby reducing Green House Gas emission.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-2023	FY 2021-2022
Total Waste generated (in metric tonnes)		
Plastic waste (A)	26.188 mt	20.1 mt
E-waste (B)	0.7 mt	1.1 mt
Bio-medical waste (C)	0.0255 mt	0.0264 mt
Construction and demolition waste (D)	400 mt (Approx)	110 mt (Approx)
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	Hazardous - 57 mt General - 0.21 mt	Hazardous - 42 mt General - 0.215 mt
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Nil	Nil
<b>Total (A+ B + C + D + E + F + G + H)</b>	<b>484.1235 mt</b>	<b>173.4414 mt</b>

Category of waste:	FY 2022-2023	FY 2021-2022
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
(i) Recycled	26.88 mt	21.2 mt
(ii) Re-used	-	
(iii) Other recovery operations	-	
<b>Total</b>	<b>26.88 mt</b>	<b>21.2 mt</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration		
(ii) Landfilling	400 mt	110 mt
(iii) Other disposal operations	57.2355 mt	42.2414 mt
<b>Total</b>	<b>457.2355 mt</b>	<b>152.2414 mt</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Independent assessment has been carried out by an external agency named Gomati Incinco & Advance Eco.

We have taken adequate steps to ensure that the approximate values are accurate enough for the purposes of this report. We have also used rounding off wherever necessary to ensure that the errors are kept to a minimum.

#### 9. Waste management practices adopted in the establishment:

Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As part of our Integrated Management System, the Company has established comprehensive waste management procedures to handle and dispose of various types of waste, including Plastic Waste, E-Waste, hazardous waste, Biomedical waste, Construction demolition waste, and General Waste. Clear roles, responsibilities, and accountabilities are defined for waste management within our organization. We have identified different categories of waste generated in our various processes and have laid down specific procedures for their proper handling as part of our waste management system. Our waste monitoring and management objectives are reviewed annually to ensure continuous improvement.

The waste generated by our organization is categorized into hazardous and non-hazardous waste. Non-hazardous waste is sold to authorized recyclers for further processing, following environmentally responsible practices. Disposal of hazardous waste is strictly in compliance with the statutory norms and regulations set forth by relevant authorities. We prioritize the safe and responsible management of hazardous waste, ensuring that it is handled, transported, and disposed of in accordance with all applicable laws and regulations to protect human health and the environment.

#### 10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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The company does not have any operations/offices in/around ecologically sensitive areas.

#### 11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable, as the Company's units are not located in Eco-logically sensitive areas.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant with the applicable laws pertaining to Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder.

## PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

### A) ESSENTIAL INDICATORS:

1. A) Affiliations with trade and industry chambers/ associations:

**Number of affiliations with trade and industry chambers/ associations.**

Stove Kraft Limited has affiliations with 1 industry chambers/ associations

- B) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Harohalli Industrial Association	State

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
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The Company has not engaged in any anti-competitive conduct and has not received any adverse orders from regulatory authorities.

## PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

### A) ESSENTIAL INDICATORS:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
This section is not applicable to the Company.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Community redressal mechanism:

**Describe the mechanisms to receive and redress grievances of the community.**

The Company has established an internal mechanism to address grievances raised by stakeholders. This mechanism is designed to ensure that complaints are handled in a fair and efficient manner. The Company has recently approved Stakeholders' Management Policy and in line with that Policy, Stakeholder Relationship Committee, will review the status of these grievances, if any.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	12%	4%
Sourced directly from within the district and neighbouring districts	29%	34%



## PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

### A) ESSENTIAL INDICATORS:

#### 1. Consumer Complaints and feedback:

##### Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

By utilizing a centralized consumer relationship management (CRM) system and call centres, SMS, WhatsApp, email, we are able to offer faster and more effective services to our customers. Additionally, we have a dedicated service team and mobile application for certain brands to handle service calls. Our excellent consumer support not only enhances the overall brand experience, but also promotes brand loyalty.

The distributors and retailers, as well as end consumers, can make use of the system to report their queries and needs. Alternatively, end consumers can also contact the distributors or retailers from whom they made the purchase. These distributors or retailers will then convey the issue to the company, and the company's service provider in that particular location will address and resolve the matter.

All the products of the company, comes with clear description, specification, and contact information such as a helpline number, email address, WhatsApp channel, and mobile application to assist consumers with any queries they may have. The company's dedicated call centre team will keep track of all the queries received, consumer name, age, their issue, location, etc.,. The Service head of the Company will have the access to the entire log sheet of all the consumers queries, whether resolved or not, consumer satisfaction and all the details. Furthermore, the Service department team of the company frequently follows up with consumers whose queries have been resolved to inquire about their satisfaction with the response they received. The company is committed to resolving consumer complaints in a timely and effective manner, and their customer service processes are designed to be flexible and responsive to consumers' needs.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

#### 3. Number of consumer complaints in respect of the following:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	None	Nil	Nil	None
Advertising	Nil	Nil	None	Nil	Nil	None
Cyber-security	Nil	Nil	None	Nil	Nil	None
Delivery of essential services	Nil	Nil	None	Nil	Nil	None
Restrictive Trade Practices	Nil	Nil	None	Nil	Nil	None
Unfair Trade Practices	Nil	Nil	None	Nil	Nil	None
Other	458,725	3453	None	407,641	2356	None

#### 4. Instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls		There not been any instances of products recall due to safety issues.
Forced recalls		

#### 5. Cyber security policy:

##### Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, we have a framework in place to address cyber security and data privacy risks. The policy outlines various methods, including access control, virus prevention, intrusion detection, data backups, authentication, monitoring, and review, to ensure data security within the organization. The policy also includes guidelines to protect data integrity based on data classification and secure the organization's information systems.

## 6. Corrective Actions:

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**Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services**

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There were no instances of problems related to advertising, delivery of essential services, cyber security, and data privacy of customers, as well as no re-occurrence of product recalls, and no penalties or actions taken by regulatory authorities regarding the safety of the company's products or services.

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# 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, 2023, 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, 2023, 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 judgement, 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 to 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"> <li>• 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.</li> <li>• Obtained an understanding of the schemes provided by the Company to its customers.</li> <li>• For selected sample schemes:               <ul style="list-style-type: none"> <li>- Verified the inputs used in the estimation of rebates and discounts to source data;</li> <li>- Assessed the underlying assumptions used for determination of rebates, discounts and sales returns;</li> <li>- Assessed the completeness of liability recognised by evaluating the parameters and the underlying calculations.</li> <li>- Tested credit notes issued to customers and payments made to them during the year and subsequent to the year end.</li> </ul> </li> </ul> <p>Based on the above procedures performed, the assessment made by management in respect of 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.
6. Our opinion on the financial statements does not cover the other information and we will 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, 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

8. 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.

9. 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

10. 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.
11. As part of an audit in accordance with SAs, we exercise professional judgement 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.
12. 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.
  13. 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.
  14. 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.
- REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**
15. 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.
  16. 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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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(a) to the financial statements;
- ii. The Company has long-term contracts including derivative contracts as at March 31, 2023 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, 2023.
- 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 52 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 52 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.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

17. 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 29, 2023      Membership Number: 209136  
Place: Bengaluru      UDIN: 23209136BGXTWX7935

# ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 16(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, 2023

## 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, 2023 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, 2023, 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 29, 2023      Membership Number: 209136  
Place: Bengaluru      UDIN: 23209136BGXTWX7935



## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15 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, 2023

- 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 52(x) to the financial statements].
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both 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.
- (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;

₹ in millions

Name of the Bank/ Financial Institution	Aggregate working capital limits sanctioned	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Difference	Reasons for difference
HDFC Bank, Axis Bank, ICICI Bank	3,000	Trade Receivable	June 2022	1,909.20	1,649.10	260.10	As explained by the Management the difference is mainly attributable to certain provision for expected credit loss which were not included in the statements filed with the bank.
		Trade Receivable	September 2022	2,265.40	1,995.30	270.10	
		Trade Receivable	December 2022	2,391.30	2,111.20	280.10	
		Trade Receivable	March 2023	1,763.60	1,498.40	265.20	
HDFC Bank, Axis Bank, ICICI Bank	3,000	Inventory	March 2023	2,182.97	2,165.80	17.17	As explained by the Management the difference is mainly attributable to certain provision for inventories which were not included in the statements filed with the bank.

(Also refer Note 51 to the financial statements)

- 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), (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 referred in 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, except for dues in respect of provident fund and professional tax, the Company is generally regular in depositing undisputed statutory dues, including employees' state insurance, income tax, 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. The extent of the arrears of statutory dues outstanding as at March 31, 2023, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Due date	Date of Payment	Remarks, if any
Provident Fund Act	Provident Fund	579,464*	April 1, 2022 to August 31, 2022	Various	Unpaid	-
Karnataka Professional Tax Act	Professional tax	59,000	April 1, 2022 to August 31, 2022	Various	Unpaid	-

(\* Also refer note 53 to the financial statements)

- (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, duty of excise, cess and goods and service 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, 2023 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	1,076,857	2017-18, 2022-23	Commissioner (Appeals)
Finance Act, 1994	Service Tax	4,554,978	455,498	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	804,338	2011-12 & 2013-14	Additional Commissioner of central Excise
Finance Act, 1994	Service Tax	11,963,828	-	2006-07 & 2010-11	Appellate Tribunal, CESTAT
Finance Act, 1994	Service Tax	7,026,889	-	2013-14 & 2014-15	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	4,480,417	4,248,767	2011-12, 2013-14, 2014-15 & 2015-16	Commissioner Tax office Washermenpet-I Chennai
Kerala Value Added Tax Act, 2003	Value Added Tax	8,306,008	2,331,256	2013-14	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)
Income Tax Act, 1961	Income Tax	673,329	-	2008-09, 2009-10, 2011-12, 2012-13	Deputy commissioner of Income Tax - TDS
The Employees' Provident Funds And Miscellaneous Provisions Act, 1952	Provident Fund	9,385,961	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 52(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 procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- 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.
- x. (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.
- xi. (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.
- xi. (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.
- xiv. (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 in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Mohan Danivas S A  
Partner

Date: May 29, 2023

Membership Number: 209136

Place: Bengaluru

UDIN: 23209136BGXTWX7935

# BALANCE SHEET

(Amount in Rupees Millions, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	3,623.94	3,093.79
Capital work-in-progress	3(a)	95.31	92.22
Right of use assets	3(c)	355.90	-
Goodwill	3(d)	1.32	-
Intangible assets	3(e)	40.24	29.54
Financial assets			
i. Investments	4	-	-
ii. Other financial assets	5	81.47	81.95
Current tax asset (net)	6	13.15	2.15
Deferred tax asset (net)	7	13.70	31.76
Other non-current assets	8	396.86	206.76
<b>Total non-current assets</b>		<b>4,621.89</b>	<b>3,538.17</b>
<b>Current assets</b>			
Inventories	9	2,433.45	2,174.12
Financial assets			
i. Trade receivables	10	1,408.58	966.99
ii. Cash and cash equivalents	11(a)	25.26	4.05
iii. Bank balances other than cash and cash equivalents above	11(b)	172.41	116.48
iv. Loans	12	0.16	0.38
v. Other financial assets	13	9.58	15.12
Other current assets	14	303.42	469.28
<b>Total current assets</b>		<b>4,352.86</b>	<b>3,746.42</b>
<b>Total assets</b>		<b>8,974.75</b>	<b>7,284.59</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
i. Equity share capital	15(a)	330.27	328.68
ii. Other equity	15(b)	3,703.41	3,311.42
<b>Total equity</b>		<b>4,033.68</b>	<b>3,640.10</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	16	100.22	152.54
ii. Lease liabilities	49	322.75	-
iii. Suppliers credit	17	272.56	189.63
Provisions	19	64.76	62.49
<b>Total non-current liabilities</b>		<b>760.29</b>	<b>404.66</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	20	1,187.58	630.99
ii. Lease liabilities	49	21.87	-
iii. Suppliers credit	18	441.95	578.61
iv. Trade payables	21		
(a) total outstanding dues of micro enterprises and small enterprises		28.86	62.88
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,745.70	1,210.94
v. Other financial liabilities	22	270.87	278.61
Provisions	23	69.43	54.25
Current tax liabilities (net)	24	1.29	3.51
Other current liabilities	25	413.23	420.04
<b>Total current liabilities</b>		<b>4,180.78</b>	<b>3,239.83</b>
<b>Total Liabilities</b>		<b>4,941.07</b>	<b>3,644.49</b>
<b>Total Equity And Liabilities</b>		<b>8,974.75</b>	<b>7,284.59</b>

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

Firm Registration Number: 012754N/N500016

**Mohan Danivas S A**

Partner

Membership Number: 209136

Place: Bengaluru

Date: May 29, 2023

**For and on behalf of the Board of Directors**

**Rajendra Gandhi**

Managing Director

DIN: 01646143

**Balaji A S**

Chief Financial Officer

Place: Bengaluru

Date: May 29, 2023

**Neha Gandhi**

Executive Director

DIN: 07623685

**Shrinivas P Harapanahalli**

Company Secretary

Membership Number: A-26590

# STATEMENT OF PROFIT AND LOSS

(Amount in Rupees Millions, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
Revenue from operations	26	12,838.47	11,363.59
Other income	27(a)	7.34	5.77
Other gains / (losses) - net	27(b)	(42.39)	(21.43)
<b>Total income</b>		<b>12,803.42</b>	<b>11,347.93</b>
<b>Expenses</b>			
Cost of materials consumed	28	7,460.65	7,026.35
Purchase of stock in trade	29	1,138.38	1,108.80
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	35.24	(401.02)
Employee benefits expense	31	1,429.39	1,123.79
Finance cost	32	165.32	110.11
Depreciation and amortization expense	33	316.85	197.22
Allowance for expected credit loss / impairment of financial assets	34	42.50	133.23
Other expenses	35	1,742.29	1,424.05
<b>Total expenses</b>		<b>12,330.62</b>	<b>10,722.53</b>
<b>Profit before tax</b>		<b>472.80</b>	<b>625.40</b>
<b>Income tax expense:</b>	48		
Current tax expense/ (credit)			
- relating to current year		114.08	95.01
- relating to prior year		(14.74)	-
Deferred tax expense/ (credit)		15.76	(31.76)
<b>Total tax expenses</b>		<b>115.10</b>	<b>63.25</b>
<b>Profit for the year</b>		<b>357.70</b>	<b>562.15</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans - gains / (losses) (net)		9.16	(1.66)
Income tax impact		(2.30)	-
<b>Total other comprehensive income/ (loss) for the year, net of taxes</b>		<b>6.86</b>	<b>(1.66)</b>
<b>Total comprehensive income for the year</b>		<b>364.56</b>	<b>560.49</b>
<b>Earnings per share</b>			
Basic (in ₹) (Face value of ₹10 each)	39	10.87	17.21
Diluted (in ₹) (Face value of ₹10 each)	39	10.86	16.96

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 and on behalf of the Board of Directors**

For **Price Waterhouse**

Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

**Mohan Danivas S A**

Partner

Membership Number: 209136

Place: Bengaluru

Date: May 29, 2023

**Rajendra Gandhi**

Managing Director

DIN: 01646143

**Balaji A S**

Chief Financial Officer

Place: Bengaluru

Date: May 29, 2023

**Neha Gandhi**

Executive Director

DIN: 07623685

**Shrinivas P Harapanahalli**

Company Secretary

Membership Number: A-26590

# STATEMENT OF CASH FLOWS

(Amount in Rupees Millions, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cashflow from operating activities</b>			
<b>Profit before tax</b>		<b>472.80</b>	<b>625.40</b>
Adjustments for :			
Depreciation and amortisation expense	33	316.85	197.22
Allowance for expected credit loss / impairment of financial assets	34	42.50	133.23
Interest income	27(a)	(7.24)	(2.63)
(Profit) / loss on fair valuation of derivative instruments - net	27(b)	(0.74)	(3.59)
(Profit) / loss on sale of property, plant and equipment - net	27(b)	(1.56)	16.65
Finance cost / interest expense	32	155.26	104.79
Unrealised exchange (gain)/loss on foreign currency transactions and translation (net)		18.36	2.47
Employees share based expense	31	5.15	11.00
<b>Operating cash profit before changes in working capital</b>		<b>1,001.38</b>	<b>1,084.54</b>
<b>Movement in working capital</b>			
(Increase) / decrease in inventories		(259.33)	(614.03)
(Increase) / decrease in trade receivables		(484.37)	(253.03)
(Increase) / decrease in other financial assets		(4.68)	32.29
(Increase) / decrease in other assets		158.90	(138.12)
Increase / (decrease) in other financial liabilities		(54.89)	(11.36)
Increase / (decrease) in trade payables		499.55	(253.57)
Increase / (decrease) in other current liabilities		(7.56)	168.11
Increase / (decrease) in provisions		26.61	21.76
<b>Cash generated from operations</b>		<b>875.61</b>	<b>36.59</b>
Net income taxes (paid) / refund received		(112.56)	(90.08)
<b>Net cash generated from/ (used in) operating activities (A)</b>		<b>763.05</b>	<b>(53.49)</b>
<b>Cashflow from investing activities</b>			
Payment for property, plant and equipment		(985.46)	(1119.60)
Proceeds from sale of property, plant and equipment		9.17	39.69
Interest received on bank deposits		5.68	5.37
Investment in margin money deposit with banks (net)	11(b)	(69.33)	(78.65)
<b>Net cash generated from / (used in) investing activities (B)</b>		<b>(1,039.94)</b>	<b>(1,153.19)</b>
<b>Cash flows from financing activities</b>			
Repayment of long-term borrowings	16	(56.74)	(16.82)
Proceeds received/ (payments) under supplier financing arrangement (net)		(73.17)	721.08
Proceeds from issues of shares (net of share issue expenses)		23.86	41.77
Proceeds from short-term borrowings (net)	20	548.72	276.29
Payment of lease liabilities		(12.98)	-
Interest paid		(131.59)	(106.12)
<b>Net cash generated from / (used in) financing activities (C)</b>		<b>298.10</b>	<b>916.20</b>
<b>Net Increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>21.21</b>	<b>(290.48)</b>
Cash and cash equivalents at beginning of the year	11(a)	4.05	294.53
<b>Cash and cash equivalents at the end of the year</b>	<b>11(a)</b>	<b>25.26</b>	<b>4.05</b>



# STATEMENT OF CASH FLOWS

(Amount in Rupees Millions, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Reconciliation of cash and cash equivalents</b>			
Cash and cash equivalents as at the year end comprises of :	11(a)		
(a) Cash on hand		1.15	0.71
(b) Remittance in transit		1.04	-
(c) Balances with banks:			
in current accounts		23.07	3.34
<b>Total</b>		<b>25.26</b>	<b>4.05</b>
<b>Non-cash financing and investing activities</b>			
Acquisition of right-of-use assets	3(c)	373.64	-

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 and on behalf of the Board of Directors**

For **Price Waterhouse**

Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

**Mohan Danivas S A**

Partner

Membership Number: 209136

Place: Bengaluru

Date: May 29, 2023

**Rajendra Gandhi**

Managing Director

DIN: 01646143

**Balaji A S**

Chief Financial Officer

Place: Bengaluru

Date: May 29, 2023

**Neha Gandhi**

Executive Director

DIN: 07623685

**Shrinivas P Harapanahalli**

Company Secretary

Membership Number: A-26590

# STATEMENT OF CHANGES IN EQUITY

(Amount in Rupees Millions, unless otherwise stated)

## EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	328.68	325.90
Changes in equity share capital during the year		
Add: Exercise of vested stock options	1.59	2.78
<b>Closing balance</b>	<b>330.27</b>	<b>328.68</b>

## OTHER EQUITY

Particulars	Notes	Reserves and Surplus			Total other equity
		Retained earnings	Securities Premium	Share options outstanding account	
<b>Opening Balance as at April 01, 2021</b>	<b>15(b)</b>	<b>(1,101.77)</b>	<b>3,785.55</b>	<b>17.14</b>	<b>2,700.92</b>
Profit for the year		562.15	-	-	562.15
<b>Other comprehensive income</b>					
Remeasurement of defined benefit obligation [gain/(loss)]	37	(1.66)	-	-	(1.66)
<b>Total comprehensive income for the year</b>		<b>560.49</b>	<b>-</b>	<b>-</b>	<b>560.49</b>
Securities Premium on issue of shares		-	39.01	-	39.01
Reclassification upon exercise of options during the year		-	9.87	(9.87)	-
Employee stock option expense	31	-	-	11.00	11.00
<b>Closing Balance as at March 31, 2022</b>		<b>(541.28)</b>	<b>3,834.43</b>	<b>18.27</b>	<b>3,311.42</b>
<b>Opening Balance as at April 01, 2022</b>		<b>(541.28)</b>	<b>3,834.43</b>	<b>18.27</b>	<b>3,311.42</b>
Profit for the year		357.70	-	-	357.70
<b>Other comprehensive income</b>					
Remeasurement of defined benefit obligation [gain/(loss)]	37	9.16	-	-	9.16
Income tax expenses relating to remeasurement of defined benefit obligation		(2.30)	-	-	(2.30)
<b>Total comprehensive income for the year</b>		<b>364.56</b>	<b>-</b>	<b>-</b>	<b>364.56</b>
Securities Premium on issue of shares		-	22.28	-	22.28
Reclassification upon exercise of options during the year		-	17.13	(17.13)	-
Share application money pending allotment		-	-	-	-
Employee stock option expense	31	-	-	5.15	5.15
<b>Closing Balance as at March 31, 2023</b>	<b>15(b)</b>	<b>(176.72)</b>	<b>3,873.84</b>	<b>6.29</b>	<b>3,703.41</b>

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 and on behalf of the Board of Directors**

For **Price Waterhouse**

Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

**Mohan Danivas S A**

Partner

Membership Number: 209136

Place: Bengaluru

Date: May 29, 2023

**Rajendra Gandhi**

Managing Director

DIN: 01646143

**Balaji A S**

Chief Financial Officer

Place: Bengaluru

Date: May 29, 2023

**Neha Gandhi**

Executive Director

DIN: 07623685

**Shrinivas P Harapanahalli**

Company Secretary

Membership Number: A-26590

# 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 offices 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) of the Company is L29301KA1999PLC025387.

These Financial Statements are approved for issue by the Company's Board of Directors as on May 29, 2023.

## 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)
- 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.

#### (iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments 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 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

- (v) 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.

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 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) 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.

### 2.3.1 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 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 is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Asset	Useful life (in years)
Buildings	10 to 30 years
Plant and machinery	3 to 25 years
Furniture and fixtures	3 to 10 years
Lease hold improvements*	3 to 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.

The useful lives have been determined based on technical evaluation done by the management's which are higher or lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

Individual assets costing less than ₹5,000/- are depreciated in full in the year of purchase.

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 profit or loss within other gains/(losses).

## 2.3.2 Intangible assets

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. On transition to Ind AS as at April 1, 2017, the company has elected to consider the fair value of all such 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	3 to 6 Years
Brands (Technical knowhow)	10 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.

## 2.4 Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

## 2.5 Inventories

Raw materials, components and packing materials, 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 expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

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 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.

#### (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 (excluding trade receivables which do not contain a significant financing component) 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.

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

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

#### (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 Company 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 or

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

loss and at fair value through other comprehensive income. Dividends are recognised as other income in profit or 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 fair value through profit and loss ("FVTPL"), the exchange difference are recognised in statement of profit and loss.

## B Financial liabilities and equity instruments

### (i) Classification as debt or equity

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

### (ii) Equity Instrument

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

### (iii) Financial liabilities

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

### (iv) Financial liabilities at FVTPL

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

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

### (v) Financial liabilities subsequently measured at amortised cost

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

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.



# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

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, 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 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.

## 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 or loss.

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

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 or 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, if any. The defined benefit obligation is calculated annually by independent 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.

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 or 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.

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 2.9 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get 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

### As a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease component based on their relative standalone prices.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense in the statement of profit and loss.

The ROU assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs and restoration costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantee
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

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, 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 asset of similar value to the right-to-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a build-up approach that starts with a risk-free interest rate adjusted for general credit risk for leases held by the Company.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 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.

### Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

### 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 consolidated 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

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

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 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

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

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 statement of profit and loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the reporting year.

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

## 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 period, 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 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.

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

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 historical and anticipated rate of warranty claims. 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.

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 3(a) PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Lease hold improvements	Computers	Office Equipment's	Vehicles	Total	Capital work-in-progress
<b>Gross block</b>										
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	7.14	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)
<b>Gross block as at March 31, 2022</b>	<b>794.91</b>	<b>640.43</b>	<b>2,135.60</b>	<b>28.55</b>	<b>9.48</b>	<b>30.85</b>	<b>27.84</b>	<b>41.29</b>	<b>3,708.95</b>	<b>92.22</b>
Opening Gross block as at April 01, 2022	794.91	640.43	2,135.60	28.55	9.48	30.85	27.84	41.29	3,708.95	92.22
Additions	3.30	4.00	595.97	12.71	34.77	5.16	5.30	0.05	661.26	169.28
Disposals	-	-	(12.67)	(5.76)	-	-	-	-	(18.43)	-
Transfers	-	129.72	35.40	1.07	-	-	-	-	166.19	(166.19)
<b>Gross block as at March 31, 2023</b>	<b>798.21</b>	<b>774.15</b>	<b>2,754.30</b>	<b>36.57</b>	<b>44.25</b>	<b>36.01</b>	<b>33.14</b>	<b>41.34</b>	<b>4,517.97</b>	<b>95.31</b>

## Accumulated depreciation

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Lease hold improvements	Computers	Office Equipment's	Vehicles	Total
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	-	21.71	153.89	2.37	1.14	3.68	2.32	5.06	190.17
Eliminated on disposal of assets	-	-	(7.05)	-	-	-	-	-	(7.05)
<b>Accumulated depreciation as at March 31, 2022</b>	<b>-</b>	<b>85.20</b>	<b>458.70</b>	<b>13.74</b>	<b>9.04</b>	<b>15.29</b>	<b>14.72</b>	<b>18.47</b>	<b>615.16</b>
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
Opening accumulated depreciation as at April 01, 2022	-	85.20	458.70	13.74	9.04	15.29	14.72	18.47	615.16
Depreciation expense	-	27.34	238.68	5.83	3.58	5.33	3.71	5.18	289.65
Eliminated on disposal of assets	-	-	(10.68)	(0.10)	-	-	-	-	(10.78)
<b>Accumulated depreciation as at March 31, 2023</b>	<b>-</b>	<b>112.54</b>	<b>686.70</b>	<b>19.47</b>	<b>12.62</b>	<b>20.62</b>	<b>18.43</b>	<b>23.65</b>	<b>894.03</b>
Net carrying amount as at March 31, 2023	798.21	661.61	2,067.60	17.10	31.63	15.39	14.71	17.69	3,623.94

Notes:

- (i) 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.
- (ii) Refer Note No.43(b) for contractual commitments for the acquisition of property, plant and equipment.
- (iii) 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/ erstwhile name of the Company (Stove Kraft Private Limited).
- (iv) The balance of land includes ₹ 636.10 (March 31, 2022: ₹ 636.10) 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	CWIP as at March 31, 2023				
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 years	Total
i) Projects in progress	94.67	0.64	-	-	95.31
ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>94.67</b>	<b>0.64</b>	<b>-</b>	<b>-</b>	<b>95.31</b>

Particulars	CWIP as at March 31, 2022				
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 years	Total
i) Projects in progress	54.49	37.73	-	-	92.22
ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>54.49</b>	<b>37.73</b>	<b>-</b>	<b>-</b>	<b>92.22</b>

### 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) RIGHT OF USE ASSETS

Particulars	Building
<b>Gross block</b>	
Opening Gross block as at April 01, 2022	-
Additions	373.64
Disposals	-
<b>Gross block as at March 31, 2023</b>	<b>373.64</b>
<b>Accumulated amortisation</b>	
Opening accumulated amortization as at April 01, 2022	-
Amortization expense	17.74
<b>Accumulated amortization as at March 31, 2023</b>	<b>17.74</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>355.90</b>

## 3(d) GOODWILL

Particulars	Building
<b>Gross block</b>	
Opening Gross block as at April 01, 2022	-
Additions (Refer Note 50)	1.32
Disposals	-
<b>Gross block as at March 31, 2023</b>	<b>1.32</b>
<b>Accumulated amortisation</b>	
Opening accumulated amortization as at April 01, 2022	-
Amortization expense	-
<b>Accumulated amortization as at March 31, 2023</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>1.32</b>

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 3(e) INTANGIBLE ASSETS

Particulars	Computer Software	Brands	Total
<b>Gross block</b>			
Opening Gross block as at April 01, 2021	46.41	-	46.41
Additions	4.93	-	4.93
Disposals	-	-	-
<b>Gross block as at March 31, 2022</b>	<b>51.34</b>	<b>-</b>	<b>51.34</b>
Opening Gross block as at April 01, 2022	51.34	-	51.34
Additions	1.64	18.52	20.16
Disposals	-	-	-
<b>Gross block as at March 31, 2023</b>	<b>52.98</b>	<b>18.52</b>	<b>71.50</b>
<b>Accumulated amortisation</b>			
Opening accumulated amortization as at April 01, 2021	14.75	-	14.75
Amortization expense	7.05	-	7.05
<b>Accumulated amortization as at March 31, 2022</b>	<b>21.80</b>	<b>-</b>	<b>21.80</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>29.54</b>	<b>-</b>	<b>29.54</b>
<b>Accumulated amortisation</b>			
Opening accumulated amortization as at April 01, 2022	21.80	-	21.80
Amortization expense	7.62	1.84	9.46
<b>Accumulated amortization as at March 31, 2023</b>	<b>29.42</b>	<b>1.84</b>	<b>31.26</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>23.56</b>	<b>16.68</b>	<b>40.24</b>

## 4 INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unquoted investments</b>		
<b>In equity instruments (Carried at cost)</b>		
7,500 Equity shares of ₹ 10/- each fully paid up in Pigeon Appliances Private Limited ("PAPL")	0.08	0.08
Less:		
Write-off/ impairment loss	(0.08)	(0.08)
<b>Total</b>	<b>-</b>	<b>-</b>
Aggregate amount of un-quoted investments	0.08	0.08
Aggregate amount of write-off/ impairment loss	(0.08)	(0.08)

## 5 OTHER FINANCIAL ASSET (NON-CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured considered good, unless otherwise stated)		
Deposits with original maturity of more than twelve months		
- Balances held as margin money or security against fund and non-fund based banking arrangements	54.51	42.11
- Interest accrued on deposits with bank	0.77	-
Security deposits		
Considered good	26.19	39.84
Considered doubtful	-	1.18
Less: Allowance for doubtful security deposits (Refer note 36.5)	-	(1.18)
<b>Total</b>	<b>81.47</b>	<b>81.95</b>

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 6 CURRENT TAX ASSET (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax (Net of provision) (Refer Note below)	13.15	2.15
<b>Total</b>	<b>13.15</b>	<b>2.15</b>
<b>Note:</b>		
Advance tax is net of provision for income tax	80.27	95.01

## 7 DEFERRED TAX ASSET (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax asset (net) (Refer Note 48)	13.70	31.76
<b>Total</b>	<b>13.70</b>	<b>31.76</b>

## 8 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured considered good, unless otherwise stated)		
Capital advances (Refer Note below)		
Considered good - others	358.23	175.09
Considered good - advance to Managing Director	-	4.99
Considered doubtful	0.91	0.91
Less: Allowance for doubtful advance	(0.91)	(0.91)
	<b>358.23</b>	<b>180.08</b>
Provident fund paid under protest	2.82	2.82
	<b>2.82</b>	<b>2.82</b>
Indirect taxes paid under protest		
Considered good	5.77	8.11
Considered doubtful	3.54	3.54
Less: Allowance for doubtful balances	(3.54)	(3.54)
	<b>5.77</b>	<b>8.11</b>
Balance with government authorities		
Considered good	2.99	3.42
Considered doubtful	11.81	11.81
Less: Allowance for doubtful balances	(11.81)	(11.81)
	<b>2.99</b>	<b>3.42</b>
Security deposits	16.18	-
	16.18	-
Prepaid expenses	10.87	12.33
<b>Total</b>	<b>396.86</b>	<b>206.76</b>

**Note:**

Capital advances include ₹ Nil (March 31, 2022: ₹ 48) towards certain acquisitions of business/ property, plant and equipment.

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 9 INVENTORIES\*

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials, components and packing materials (Net) (Refer Note (i) below)	1,053.51	712.40
Raw material-in-transit	200.91	247.45
Work-in-progress	244.20	214.34
Finished goods (Net) (Refer Note (ii) below)	676.47	767.07
Traded goods	233.88	190.81
Traded goods in transit	24.48	42.05
<b>Total</b>	<b>2,433.45</b>	<b>2,174.12</b>

\*Refer note 16 and 20 for details of hypothecation.

Notes

- (i) Raw materials, components and packing materials is net of provision for obsolescence of ₹ 8.50 (March 31, 2022: ₹ 9.78)
- (ii) Finished goods is net of provision for obsolescence of ₹ 3.51 (March 31, 2022: ₹ 3.59)

## 10 TRADE RECEIVABLES\*

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables considered good - secured	-	-
Receivables considered good - unsecured	1,516.16	1,068.37
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	157.61	157.61
	<b>1,673.77</b>	<b>1,225.98</b>
Less: Allowance for expected credit loss / impairment loss	(265.19)	(258.99)
<b>Total</b>	<b>1,408.58</b>	<b>966.99</b>

\*Refer note 16 and 20 for details of hypothecation.

Trade receivables includes receivables from related parties ₹ 6.31 (March 31, 2022: ₹ 4.66). Refer Note 42.

### Aging of trade receivables

Particulars	As at March 31, 2023						
	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
<b>Undisputed Trade Receivables</b>							
considered good - Secured	-	-	-	-	-	-	-
considered good - unsecured	1,131.43	304.95	32.28	20.13	7.83	12.43	1,509.05
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	6.47	8.34	142.81	157.62
<b>Disputed Trade Receivables</b>							
considered good - Secured	-	-	-	-	-	-	-
considered good - unsecured	-	-	-	-	-	7.10	7.10
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,131.43</b>	<b>304.95</b>	<b>32.28</b>	<b>26.60</b>	<b>16.17</b>	<b>162.34</b>	<b>1,673.77</b>

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

Particulars	As at March 31, 2022						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	
<b>Undisputed Trade Receivables</b>							
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
<b>Disputed Trade Receivables</b>							
considered good - Secured	-	-	-	-	-	-	-
considered good - unsecured	-	-	-	-	8.34	5.18	13.52
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>702.06</b>	<b>252.11</b>	<b>26.57</b>	<b>23.71</b>	<b>158.75</b>	<b>62.78</b>	<b>1,225.98</b>

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. The trade receivables do not include receivables amounting to ₹ 247.11 (March 31, 2022: 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 arrangements.

## 11(a) CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	1.15	0.71
Remittance in transit	1.04	-
Balances with banks:		
In current accounts	23.07	3.34
<b>Total</b>	<b>25.26</b>	<b>4.05</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
In earmarked accounts: balance held as margin money (Refer note (i) below)	172.41	115.48
Interest accrued on deposit with banks	-	1.00
<b>Total</b>	<b>172.41</b>	<b>116.48</b>

### 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, 2023	As at March 31, 2022
(Unsecured considered good)		
Advance to employees	0.16	0.38
<b>Total</b>	<b>0.16</b>	<b>0.38</b>

## 13 OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured considered good, unless otherwise stated)		
Government Incentive Receivable	3.46	11.53
Derivative assets (mark-to-market gain on foreign currency forward contract)	4.33	3.59
Interest accrued on deposit with banks	1.79	-
<b>Total</b>	<b>9.58</b>	<b>15.12</b>

## 14 OTHER CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured considered good, unless otherwise stated)		
Prepaid expense		
Prepaid expense - Excess of CSR expenses carried forward (refer Note 44)	0.16	1.63
Prepaid expense - others	24.39	16.64
	<b>24.55</b>	<b>18.27</b>
Advances to suppliers / service providers		
Considered good	176.00	127.14
Considered doubtful	-	1.15
Less: Allowance for doubtful advances	-	(1.15)
	<b>176.00</b>	<b>127.14</b>
Security Deposits - considered good	-	16.51
Right to recover returned goods (Refer Note (i) below)	63.76	53.71
Balance with government authorities	39.11	253.65
<b>Total</b>	<b>303.42</b>	<b>469.28</b>

### Notes

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

## 15(a) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised</b>		
40,000,005 Equity shares of ₹ 10/- each (As at March 31, 2022: 40,000,005 Equity shares of ₹ 10/- each)	400.00	400.00
<b>Total</b>	<b>400.00</b>	<b>400.00</b>
<b>Issued, subscribed and fully paid up capital</b>		
33,026,895 Equity shares of ₹ 10/- each (As at March 31, 2022: 32,867,867 Equity shares of ₹ 10/- each )	330.27	328.68
<b>Total</b>	<b>330.27</b>	<b>328.68</b>

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

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

Particulars	Equity shares of ₹ 10/- each	
	Number of Shares	₹
<b>Opening balance as at April 01, 2021</b>	32,589,613	325.90
<b>Movement during the year</b>		
Add: Issue of equity shares under employee stock option plan (Refer Note (iii) below)	278,254	2.78
<b>Closing balance as at March 31, 2022</b>	<b>32,867,867</b>	<b>328.68</b>
<b>Opening balance as at April 01, 2022</b>	32,867,867	328.68
<b>Movement during the year</b>		
Add: Issue of equity shares under employee stock option plan (Refer Note (iii) below)	159,028	1.59
<b>Closing balance as at March 31, 2023</b>	<b>33,026,895</b>	<b>330.27</b>

## (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) Shares reserved for issue under options:

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

## (iv) Contracts or commitments for the sale of shares or disinvestment:

There are no contracts or commitments for the sale of shares or disinvestment.

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Equity share of ₹ 10/- each</b>		
<b>Rajendra Gandhi</b>		
No. of shares	18,269,115	18,269,115
% of holding	55.32%	55.58%

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

Name of the Promoter	As at March 31, 2023			As at March 31, 2022		
	No of Share Held	% of Total Shares	% of Change during the year	No of Share Held	% of Total Shares	% of Change during the year
i. Rajendra Gandhi	18,269,115	55.32%	-0.26%	18,269,115	55.58%	1.83%
ii. Sunita Rajendra Gandhi	200,000	0.61%	0.00%	200,000	0.61%	0.00%
iii. Neha Gandhi	1	0.00%	0.00%	1	0.00%	0.00%
<b>Total</b>	<b>18,469,116</b>	<b>55.92%</b>		<b>18,469,116</b>	<b>56.19%</b>	

(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 year ended March 31, 2023.

(viii) The Company has not issued any equity shares as fully paid-up by way of bonus shares during 5 years immediately preceding year ended March 31, 2023.

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 15(b) OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
Reserves and surplus:		
Retained earnings	(176.72)	(541.28)
Securities Premium	3,873.84	3,834.43
Share options outstanding account	6.29	18.27
<b>Total</b>	<b>3,703.41</b>	<b>3,311.42</b>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A) Retained earnings</b>		
Opening balance	(541.28)	(1,101.77)
Add: Profit for the year	357.70	562.15
Add/(Less): Remeasurement gain/(loss) of defined benefit obligation	9.16	(1.66)
Income tax expenses relating to remeasurement of defined benefit obligation	(2.30)	-
<b>Closing balance [A]</b>	<b>(176.72)</b>	<b>(541.28)</b>
<b>B) Securities premium</b>		
Opening balance	3,834.43	3,785.55
Securities Premium on issue of shares	22.28	39.01
Reclassification upon exercise of options during the year	17.13	9.87
<b>Closing balance [B]</b>	<b>3,873.84</b>	<b>3,834.43</b>
<b>C) Share options outstanding account</b>		
Opening balance	18.27	17.14
Add: Share based compensation expense (net)	5.15	11.00
Less : Movement due to forfeiture during the year		
Less: Reclassification upon exercise of options during the year	(17.13)	(9.87)
<b>Closing balance [C]</b>	<b>6.29</b>	<b>18.27</b>
<b>Grand total [A+B+C]</b>	<b>3,703.41</b>	<b>3,311.42</b>

### (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, 2023	As at March 31, 2022
<b>Secured (at amortized cost):</b>		
Term loan from bank [Refer note 16(i)]	97.95	146.92
Vehicle loan [Refer note 16(iii)]	2.27	5.62
<b>Total</b>	<b>100.22</b>	<b>152.54</b>

Sl. No.	Particulars	Interest Rate	Installments outstanding as of March 31, 2023	As at March 31, 2023	As at March 31, 2022
<b>(i)</b>	<b>Term loans from Banks</b>				
	Guaranteed Emergency Credit Line (GECL) loan from HDFC Bank Ltd of ₹ 196 million. 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	3 months Repo Rate + 3% spread	36 installments (Maturity Date: March 7, 2026)	146.93	195.90
	<b>Total (i)</b>			<b>146.93</b>	<b>195.90</b>
<b>(ii)</b>	<b>Term loans from Financial Institutions</b>				
	Equipment Finance facility from Electronica Finance Limited for ₹ 21.40 million with tenor of 24 months. Security: Exclusive charge on equipment's purchased out of Electronica Finance facility and personal guarantee of Mr. Rajendra Gandhi and Mrs. Sunita Rajendra Gandhi.	12.25%	(Maturity Date: August 1, 2022)	-	4.71
	<b>Total (ii)</b>			<b>-</b>	<b>4.71</b>
<b>(iii)</b>	<b>Vehicle Loans</b>				
a.	Vehicle loan from HDFC Bank Ltd. For ₹ 4 million with tenor of 60 months. Security: Exclusive charge on vehicle.	8.68% per annum	20 installments (Maturity Date: November 30, 2024)	1.54	2.37
b.	Vehicle loan from HDFC Bank Ltd. For ₹ 2 million with tenor of 48 months. Security: Exclusive charge on vehicle.	8.20% per annum	19 installments (Maturity Date : October 31, 2024)	0.86	1.35
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	19 installments (Maturity Date : October 31, 2024)	0.86	1.35
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	19 installments (Maturity Date : October 31, 2024)	0.86	1.35

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

Sl. No.	Particulars	Interest Rate	Installments outstanding as of March 31, 2023	As at March 31, 2023	As at March 31, 2022
<b>(iii)</b>	<b>Vehicle Loans</b>				
e.	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 : December 31, 2024)	0.74	1.12
f.	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 : December 31, 2024)	0.74	1.12
	<b>Total (iii)</b>			<b>5.60</b>	<b>8.66</b>
<b>(iv)</b>	<b>Secured loans repayable on demand</b>				
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	185.12	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	240.00	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	6.54	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	270.00	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	104.78	50.00
g.	Working capital loan from HDFC Bank repayable on demand. Security: Charged against the hypothecation of current assets	8.75% per annum	On demand	316.49	-
	<b>Total (iv)</b>			<b>1,122.93</b>	<b>574.26</b>
	<b>Total (i)+(ii)+(iii)+(iv)</b>			<b>1,275.46</b>	<b>783.53</b>
	Less: Current portion (Refer Note 20)			(1,175.24)	(630.99)
	<b>Net balance, Non-current</b>			<b>100.22</b>	<b>152.54</b>

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 SUPPLIERS CREDIT \* (NON-CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Payables under supplier credit arrangements	272.56	189.63
<b>Total</b>	<b>272.56</b>	<b>189.63</b>

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 18 SUPPLIERS CREDIT \* (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Current maturities of long term supplier credit arrangements	337.97	-
Payables under supplier credit arrangements	103.98	578.61
<b>Total</b>	<b>441.95</b>	<b>578.61</b>

\* 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.

## 19 PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits:		
Gratuity (Refer note 37)	52.65	53.42
Provision for warranties (Refer Note (ii) below)	12.11	9.07
<b>Total</b>	<b>64.76</b>	<b>62.49</b>

### Note

- (i) The entire amount of the provision for compensated absences of ₹ 26.11 (March 31, 2022: ₹ 19.60) 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, 2023	As at March 31, 2022
Leave obligations not expected to be settled within the next 12 months	11.21	13.92

- (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. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

### Movement in warranty provision:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Warranty Provision</b>		
Opening balance	30.24	32.73
Add/(Less) : Additions during the year	96.44	66.48
Add/(Less) : Reversed / utilisation during the year	(89.95)	(68.97)
<b>Closing balance</b>	<b>36.73</b>	<b>30.24</b>
Of the above, the amounts expected to be incurred within a year, to be classified as current	24.62	21.17
Non-current portion	12.11	9.07

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 20 BORROWINGS (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured loans repayable on demand from banks (at amortised cost)</b>		
[Refer Note 16(iv) and notes below]		
From banks (Refer note (i) below)	937.81	420.32
Packing credit from banks	185.12	153.94
	<b>1122.93</b>	<b>574.26</b>
Current maturities of long-term borrowings		
Term loan from bank [Refer note 16(i)]	48.98	48.98
Term loan from financial institutions [Refer note 16(ii)]	-	4.71
Vehicle loan [Refer note 16(iii)]	3.33	3.04
	<b>52.31</b>	<b>56.73</b>
Interest accrued but not due on borrowings	12.34	-
<b>Total</b>	<b>1,187.58</b>	<b>630.99</b>

### Notes:

- (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 51 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, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer note 40)	28.86	62.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,745.70	1,210.94
<b>Total</b>	<b>1,774.56</b>	<b>1,273.82</b>

Trade payables includes payables to related parties ₹ 1.14 (March 31, 2022: ₹ 0.05). Refer Note 42.

### Ageing of Trade Payables:

Particulars	As at March 31, 2023						
	Outstanding for the following period from the due date of payment						Total
	Not Billed	Not Due	Less than 1 Year	1-2 Years	2-3 Years	> 3 Years	
<b>Undisputed trade payables</b>							
Micro enterprises and small enterprises	-	13.34	14.42	-	1.10	-	28.86
Others	351.49	1,057.27	325.05	3.53	8.36	-	1,745.70
<b>Disputed trade payables</b>							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total</b>	<b>351.49</b>	<b>1,070.61</b>	<b>339.46</b>	<b>3.53</b>	<b>9.46</b>	<b>-</b>	<b>1,774.56</b>

# 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	
<b>Undisputed trade payables</b>							
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
<b>Disputed trade payables</b>							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total</b>	<b>600.25</b>	<b>119.61</b>	<b>524.09</b>	<b>29.87</b>	<b>-</b>	<b>-</b>	<b>1,273.82</b>

## 22 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits received	112.73	167.62
Capital Creditors	158.14	110.99
<b>Total</b>	<b>270.87</b>	<b>278.61</b>

## 23 PROVISIONS (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits:		
Gratuity (Refer note 37)	18.70	13.48
Compensated absences (Refer note 19(i))	26.11	19.60
Provision - others:		
For warranty (Refer note 19(ii))	24.62	21.17
<b>Total</b>	<b>69.43</b>	<b>54.25</b>

## 24 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for current tax liabilities (net of payments)	1.29	3.51
<b>Total</b>	<b>1.29</b>	<b>3.51</b>

## 25 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	26.74	33.73
Interest payable to micro enterprises and small enterprises	0.75	-
Advance received from customers	93.21	37.07
Salaries Payable	162.20	126.39
Refund liabilities (Refer Note below)	130.33	222.85
<b>Total</b>	<b>413.23</b>	<b>420.04</b>

### Note:

Where a customer has a right to return a product within a given period, the Company has recognised refund liability for the amount of consideration received for which the entity does not expect to be entitled to amounting to ₹96.86 (March 31, 2022: ₹ 64.73). 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 also include incentive schemes payable to its customers amounting to ₹ 33.46 (March 31, 2022: ₹ 158.12).

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 26 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of products</b>		
Manufactured goods	11,008.42	9,793.48
Traded goods	1,567.76	1,503.39
Other operating revenue:		
Sale of scrap	248.22	40.91
Export incentives (refer Note iii below)	14.07	25.81
<b>Total</b>	<b>12,838.47</b>	<b>11,363.59</b>

Notes:

- (i) 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.

- (ii) Reconciliation of revenue recognized with contract price:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Contract price</b>	13,148.07	11,657.52
Adjustments for:		
Refund liabilities including incentive schemes	571.89	360.65
<b>Revenue from contracts with customers</b>	<b>12,576.18</b>	<b>11,296.87</b>

- (iii) 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 ₹ 10.08 (March 31, 2022: ₹ 12.03) and ₹ 3.99 (March 31, 2022: 13.78) respectively.

## 27(a) OTHER INCOME

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
Interest from banks on deposits	7.24	2.63
Interest income on financial assets designated at amortized cost	0.01	0.76
Miscellaneous income	0.09	2.38
<b>Total</b>	<b>7.34</b>	<b>5.77</b>

## 27(b) OTHER GAINS/(LOSSES) - NET

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain/(loss) on mark-to-market of forward exchange contracts	0.74	3.59
Net gain/(loss) on foreign currency transactions and translation	(44.69)	(8.37)
Profit/(loss) on sale of property, plant and equipment (net)	1.56	(16.65)
<b>Total</b>	<b>(42.39)</b>	<b>(21.43)</b>

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 28 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock of raw materials	959.85	746.84
Add: Purchases	7,755.22	7,239.36
	<b>8,715.07</b>	<b>7,986.20</b>
Less: Closing stock of raw materials	(1,254.42)	(959.85)
<b>Total</b>	<b>7,460.65</b>	<b>7,026.35</b>

## 29 PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of traded goods	1,138.38	1,108.80
<b>Total</b>	<b>1,138.38</b>	<b>1,108.80</b>

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year:		
Finished goods	767.07	436.04
Work-in-progress	214.34	119.72
Stock-in-trade	232.86	257.49
	<b>1,214.27</b>	<b>813.25</b>
Inventories at the end of the year:		
Finished goods	676.47	767.07
Work-in-progress	244.20	214.34
Stock-in-trade	258.36	232.86
	<b>1,179.03</b>	<b>1,214.27</b>
<b>(Increase) / decrease</b>	<b>35.24</b>	<b>(401.02)</b>

## 31 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	1,256.04	961.57
Contributions to provident fund and others (Refer note 37)	103.80	77.49
Gratuity expense (Refer note 37)	21.23	20.02
Share-based compensation expenses (net)	5.15	11.00
Staff welfare expenses	43.17	53.71
<b>Total</b>	<b>1,429.39</b>	<b>1,123.79</b>

## 32 FINANCE COSTS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense - borrowings	88.89	101.97
Interest expense - suppliers credit	55.04	2.82
Interest expense - lease liabilities	10.58	-
Interest on MSMED	0.75	-
Other bank charges	10.06	5.32
<b>Total</b>	<b>165.32</b>	<b>110.11</b>

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 33 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (Refer note 3(a))	289.65	190.17
Amortization of intangible assets (Refer note 3(e))	9.46	7.05
Amortization of Right-of-Use Assets (Refer note 3(c))	17.74	-
<b>Total</b>	<b>316.85</b>	<b>197.22</b>

## 34 ALLOWANCE FOR EXPECTED CREDIT LOSS/IMPAIRMENT OF FINANCIAL ASSETS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provision for doubtful trade and other receivables, loans and advances (net)	42.50	133.23
<b>Total</b>	<b>42.50</b>	<b>133.23</b>

## 35 OTHER EXPENSES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Job work charges	176.57	198.30
Power and fuel (Refer Note (i) below)	137.20	126.93
Bill Discounting charges	29.93	27.19
Lease rentals (Refer Note 49)	4.90	13.62
Repairs and maintenance		
Buildings	18.43	9.20
Plant and machinery	76.07	72.60
Others	4.39	5.39
Insurance	18.87	11.89
Corporate Social Responsibility expenditure (CSR) (Refer Note 44)	9.94	5.72
Rates and taxes	20.10	18.59
Communication	6.83	6.29
Contract Labour Charges	18.77	26.64
Travelling and conveyance	86.61	49.43
Printing and stationery	4.15	2.60
Freight and forwarding	395.93	331.90
Sales commission	114.91	77.45
Business promotion and advertisement expenses	342.15	282.49
Legal and professional fees	100.64	35.56
Payment to statutory auditors comprises		
For statutory audit and quarterly reviews	5.80	4.60
Out-of-pocket expense	1.20	1.50
Provision for warranty (Refer note 19(ii))	96.44	66.48
Royalty	31.62	19.31
Bank Charges	15.95	7.14
Miscellaneous expenses	24.89	23.23
<b>Total</b>	<b>1,742.29</b>	<b>1,424.05</b>

### Note:

- (i) Power and fuel charges are net of income from generation of electricity:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and fuel charges for the year (gross)	307.78	126.93
Less: Set off of charges on generation of electricity	170.58	-
<b>Net charges for the year</b>	<b>137.20</b>	<b>126.93</b>



# 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 and total equity as outlined below. The Company reviews the capital structure on a semi-annual basis to ensure that it is in compliance with the required debt covenants.

#### Gearing ratio

The gearing ratio at end of the reporting year was as follows.

Particulars	As at March 31, 2023	As at March 31, 2022
Debt (i)	2,346.93	1,551.77
Less: Cash and bank balances	25.26	4.05
<b>Net Debt(A)</b>	<b>2,321.67</b>	<b>1,547.72</b>
<b>Total Equity(B)</b>	<b>4,033.68</b>	<b>3,640.10</b>
<b>Net debt to equity ratio (A/B) (Refer note (ii) below)</b>	<b>0.58</b>	<b>0.43</b>

(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, current suppliers credit (refer note 17 and 18 and lease liabilities (refer Note 49).

(ii) Net Debt Reconciliation :

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	25.26	4.05
Lease liabilities	(344.62)	-
Suppliers credit	(714.51)	(768.24)
Borrowings	(1,287.80)	(783.53)
<b>Net Debt (A)</b>	<b>(2,321.67)</b>	<b>(1,547.72)</b>

Particulars	Other assets	Liabilities from financing activities			Total
	Cash and bank overdraft	Borrowings	Suppliers credit	Lease Liabilities	
<b>Net debt as on April 1, 2021</b>	<b>294.53</b>	<b>(525.39)</b>	<b>(47.16)</b>	-	<b>(278.02)</b>
Cash flows	(290.48)	(259.47)	(721.08)	-	(1,271.03)
Interest expense	-	(104.79)	-	-	(104.79)
Interest paid	-	106.21	-	-	106.21
<b>Net debt as on March 31, 2022</b>	<b>4.05</b>	<b>(783.44)</b>	<b>(768.24)</b>	-	<b>(1,547.63)</b>
Cash flows	21.21	(481.21)	53.73	2.41	(403.86)
New leases	-	-	-	(347.03)	(347.03)
Interest expense	-	(154.74)	-	(10.58)	(165.32)
Interest paid	-	131.59	-	10.58	142.17
<b>Net debt as on March 31, 2023</b>	<b>25.26</b>	<b>(1,287.80)</b>	<b>(714.51)</b>	<b>(344.62)</b>	<b>(2,321.67)</b>

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## Categories of financial instruments:

Particulars	Level	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>			
Measured at amortised cost			
Trade receivables	3	1,408.58	966.99
Cash and cash equivalents	3	25.26	4.05
Bank balances other than cash and cash equivalents above	3	226.92	157.59
Loans	3	0.16	0.38
Derivative Instruments	2	4.33	3.59
Other financial assets	3	86.72	93.48
<b>Financial liabilities</b>			
Measured at amortised cost			
Borrowings (including current maturities of non current borrowings)	3	1,287.80	783.53
Lease liabilities	3	344.62	-
Supplier credit	3	714.51	768.24
Trade Payables	3	1,774.56	1,273.82
Other financial liabilities	3	270.87	278.61

## 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 amortised cost approximate their fair values.

## Financial risk management objectives

The company's risk management is carried out by Treasury department under policies laid down by the management. The Company's activities expose it to market risk (which includes currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. Treasury department monitors the

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

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 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.

## 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 foreign currency payables.

The following table details the forward foreign currency contracts outstanding at the end of the reporting year:

**The Company's exposure to foreign currency risk at the end of the reporting period are as follows:**

Particulars		March 31, 2023		March 31, 2022	
		Foreign currency	Amount	Foreign currency	Amount
<b>Unhedged</b>					
Payables	USD	1.26	102.40	2.01	152.29
	CHF	0.32	28.77	-	-
	EURO	0.65	57.63	0.70	59.48
	RMB	26.99	321.72	13.65	162.74
			510.52		374.51
Receivables	USD	0.69	56.45	1.08	81.80
			56.45		81.80
<b>Derivatives (Contracts not designated as cash flow hedge)</b>					
Payables	USD	(2.43)	(198.22)	(2.30)	(174.36)

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 36.3.2 Foreign currency sensitivity analysis

The company is mainly exposed to the US Dollar currency (USD) and Chinese Yuan (RMB)

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD and RMB. 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 and RMB against INR is given below.

Particulars	Increase/(decrease) in equity	
	March 31, 2023	March 31, 2022
Appreciation of USD	7.61	5.19
Depreciation of USD	(7.61)	(5.19)
Appreciation of RMB	(16.09)	(8.14)
Depreciation of RMB	16.09	8.14

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.

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

At the reporting date the interest rate profile of the company's interest-bearing financial instruments is as follows (also refer Note 16 and 20):

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Fixed-rate instruments</b>		
Financial assets		
Balance held as margin money	226.92	157.59
Financial liabilities		
Borrowings from banks and other financial institutions*	3.33	-
Security deposit received	112.73	167.62
	<b>342.98</b>	<b>325.21</b>
<b>Variable-rate instruments</b>		
Financial liabilities		
Borrowings from banks and other financial institutions*	1,284.47	783.53
	<b>1,284.47</b>	<b>783.53</b>

\*excluding suppliers credit, if any (refer note 17 and 18)

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## Interest rate sensitivity analysis

In case of variable-rate instruments 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, 2023	For the year ended March 31, 2022
Increase of 100 bps	(12.84)	(7.84)
Decrease of 100 bps	12.84	7.84

## 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.

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, 2023	For the year ended March 31, 2022
Opening allowance for expected credit loss	258.99	125.76
Add : Additional Provision	42.50	133.23
Less: Utilisation of provision for write off	(36.30)	-
<b>Closing Provision</b>	<b>265.19</b>	<b>258.99</b>

### Reconciliation of loss allowance provision for security deposits

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Provision	1.18	1.18
Add / (Less) : Change in Provision	(1.18)	-
<b>Closing Provision</b>	<b>-</b>	<b>1.18</b>

### Details of expected credit loss (Trade receivables): As at March 31, 2023

Particulars	Not Due	0 to 90 days	90 to 180 days	181 to 270 days	271 to 365 days	Over 365 days	Total
Gross carrying amount	1,131.43	236.64	68.31	19.24	13.03	205.11	1,673.77
Expected loss rate	2.00%	3.61%	20.55%	42.46%	56.94%	99.65%	
Expected credit losses	22.62	8.54	14.04	8.17	7.42	204.40	265.19
Net carrying amount	1,108.81	228.10	54.27	11.07	5.61	0.71	1,408.58

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## As at March 31, 2022

Particulars	Not Due	0 to 90 days	90 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	19.26	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 financial liabilities

The following table details the company's remaining contractual maturity for its financial liabilities with agreed repayment years. The table has been drawn up based on the undiscounted principal cash flows of financial liabilities based on the earliest date on which the company is required to pay. The contractual maturity is based on the earliest date on which the company would be required to pay.

## As at March 31, 2023

Particulars	Due within			Total
	1 year	1-3 years	> 3 years	
<b>Financial liabilities</b>				
Borrowings	1,187.58	100.22	-	1,287.80
Lease liabilities	21.87	55.45	267.30	344.62
Suppliers credit	441.95	272.56	-	714.51
Trade payables	1,576.34	-	-	1,576.34
Other financial liabilities	270.87	-	-	270.87
<b>Total financial liabilities</b>	<b>3,498.61</b>	<b>428.23</b>	<b>267.30</b>	<b>4,194.14</b>
<b>Derivatives (Net settled)</b>				
Foreign exchange forward contracts	198.22	-	-	198.22
<b>Total Derivatives (Net settled)</b>	<b>198.22</b>	<b>-</b>	<b>-</b>	<b>198.22</b>

# 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	
<b>Financial liabilities</b>				
Borrowings	630.99	103.57	48.97	783.53
Suppliers credit	578.61	189.63		768.24
Trade payables	1,099.46	-	-	1,099.46
Other financial liabilities	278.61	-	-	278.61
<b>Total financial liabilities</b>	<b>2,587.67</b>	<b>293.20</b>	<b>48.97</b>	<b>2,929.84</b>
<b>Derivatives (Net settled)</b>				
Foreign exchange forward contracts	174.36	-	-	174.36
<b>Total Derivatives (Net settled)</b>	<b>174.36</b>	<b>-</b>	<b>-</b>	<b>174.36</b>

The interest rate for borrowings with variable interest rate is in the range of 7.05% to 12.25% (Refer Note 16 and 20). Interest rate for security deposit classified as other financial liabilities is 9%.

## 36.6 Financing Facilities

Particulars	As at March 31, 2023	As at March 31, 2022
Secured term loan facilities		
- amount used	152.53	209.27
- amount unused	-	-
Secured cash credit facilities		
- amount used	1,122.93	574.26
- amount unused	727.07	832.80
Secured non-fund based bank facilities		
- amount used	714.51	1,242.90
- amount unused	435.49	-

## 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, 2023	For the year ended March 31, 2022
Employer's contribution to provident fund (included as Contributions to provident fund and others in Note 31)	85.41	63.29
Employee state insurance scheme (included as Contributions to provident fund and others in Note 31)	18.39	14.20

# 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 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.

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



# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## (i) Assumptions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate		
Staff	7.30%	6.71%
Non Staff	7.30%	6.71%
Salary escalation		
Staff	8.00%	8.00%
Non Staff	4.00%	8.00%
Attrition rate		
Staff	39.00%	39.00%
Non Staff	64.00%	39.00%

## (ii) Change in present value of obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the beginning of the year	66.90	49.07
Interest cost	4.61	3.16
Current service cost	16.62	16.86
Past service cost	-	-
Benefits paid	(7.62)	(3.85)
Actuarial (gain)/loss of obligations	(9.16)	1.66
<b>Present Value of Obligation as at the end of the year</b>	<b>71.35</b>	<b>66.90</b>

(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, 2023	As at March 31, 2022
Present value of obligations as at the end of the year	71.35	66.90
Fair value of plan assets as at the end of the year	-	-
<b>Net balance sheet (asset)/ liability recognized at the end of the year</b>	<b>71.35</b>	<b>66.90</b>
Current portion	18.70	13.48
Non-current portion	52.65	53.42

## (v) Expenses Recognized in statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	16.62	16.86
Interest cost	4.61	3.16
Past service cost	-	-
Expected Return On Plan Assets	-	-
Amortization Of Actuarial (Gain)/Loss	-	-
<b>Expenses recognized in statement of profit and loss</b>	<b>21.23</b>	<b>20.02</b>

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(5.02)
Actuarial (gains) / losses arising from changes in financial assumptions	-	6.10
Actuarial (gains) / losses arising from experience adjustments	(9.16)	0.58
<b>Actuarial (gains) / losses in Other Comprehensive Income</b>	<b>(9.16)</b>	<b>1.66</b>

## (vii) Effect on Defined benefit obligation (DBO) due to variations in assumptions:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Effect on DBO due to 100 bps increase in discount rate	(2.46)	(3.17)
Effect on DBO due to 100 bps decrease in discount rate	2.67	3.50

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Effect on DBO due to 100 bps increase in attrition rate	(0.29)	(0.72)
Effect on DBO due to 100 bps decrease in attrition rate	0.29	0.76

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.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Year 1	21.28	14.00
Year 2	15.01	7.86
Year 3	7.07	6.13
Year 4	4.83	6.94
Year 5	5.76	3.67
Year 6 to 10	14.96	17.55
Above 10 years	28.97	43.52

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 38 SHARE-BASED PAYMENT ARRANGEMENTS

### A. Description of share-based payment arrangements

Share option programs (equity-settled)

The Company has share option scheme "Stove Kraft Employee Stock Option Plan 2018", for employees of the Company. In accordance with the terms of the plan the Company may grant options to the eligible employees, as approved by the shareholders of the Company and the Nomination and Remuneration Committee (the "Committee"). Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The option carry neither a right to dividends nor voting rights.

#### Employees Stock Option Plan 2018

Options would vest essentially on passage of time and in addition to this, the committee may also specify certain performance criteria subject to satisfaction of which the option would vest. 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
01/10/2018	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
03/01/2020	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
10/10/2020	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
31/05/2022	53,370	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
09/11/2022	25,290	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 values

Fair value of share options granted :

The weighted average fair value of the share options granted is ₹ 203.95. 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'				
Grant date	November 09, 2022	May 31, 2022	October 10, 2020	January 03, 2020	October 01, 2018
Grant date share price	632.65	562.10	274.80	155.00	99.25
Exercise price	632.65	562.10	150.00	150.00	150.00
Expected volatility	39.93%	40.80%	53.35%	41.20%	21.41%
Option life	4 years	4 years	4 years	1 year	5 years
Dividend yield	-	-	-	-	-
Risk-free interest rate	7.33%	6.91%	6.45%	6.05%	7.52%

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 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, 2023		As at March 31, 2022	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Option outstanding at the beginning of the year	371,706	150.00	671,889	150.00
Granted during the year	78,660	584.78	-	-
Exercised during the year	159,028	150.00	278,254	150.00
Forfeited/Expired during the year	144,520	-	21,929	-
Options outstanding at the end of the year	146,818	382.94	371,706	150.00
Exercisable at the end of the year	37,159	150.00	37,215	150.00
Options available for grant	101,703	-	35,843	-

The share option outstanding at the end of the reporting year had a weighted average exercise price of ₹ 382.94 and weighted average remaining contractual life of 1.48 years.

## 39 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Basic</b>		
Net profit/(loss) after tax attributable to the equity shareholders (₹ in Million) (A)	357.70	562.15
Weighted average no. of equity shares outstanding (B)	32,898,053	32,660,799
Face value per share (₹)	10.00	10.00
<b>Basic earnings per share (A/B) (₹)</b>	<b>10.87</b>	<b>17.21</b>
<b>Diluted</b>		
Net profit/(loss) after tax attributable to the equity shareholders (₹ in Million) (C)	357.70	562.15
Weighted average no. of equity shares outstanding	32,898,053	32,660,799
Add: Effect of dilutive common equivalent shares – share options outstanding	47,263	494,566
Weighted average number of equity outstanding for Diluted EPS (D)	32,945,316	33,155,365
Face value per share (₹)	10.00	10.00
Net profit attributable to the equity shareholders	357.70	562.15
<b>Diluted earnings per share (C/D) (₹)</b>	<b>10.86</b>	<b>16.96</b>

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

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

Particulars	As at March 31, 2023	As at March 31, 2022
a) i) The principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	28.11	61.99
ii) Interest due thereon remaining unpaid on year end.	0.28	0.89
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.	0.47	4.03
d) The amount of interest accrued and remaining unpaid as at year end		
i) Total interest accrued during the year	0.75	4.92
ii) Total interest remaining unpaid, out of the above as at year end	0.75	4.92
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.	11.95	11.20

## 41 SEGMENT REPORTING

The Company's business activity primarily falls within a single business segment 'Kitchen and Home appliances' based on the nature of activity involved and business risks having regard to the internal organisation and management structure. The Chief Operating Decision Maker (CODM) reviews the Company's performance as a single business segment and not at any other disaggregated level.

### 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, 2023	For the year ended March 31, 2022
India	11,456.88	10,363.61
Outside India	1,381.59	999.98
<b>Total</b>	<b>12,838.47</b>	<b>11,363.59</b>

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	4,526.72	3,424.46
Outside India	-	-
<b>Total</b>	<b>4,526.72</b>	<b>3,424.46</b>

\*Non-current assets exclude financial assets and deferred tax assets

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 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 30.26% (18.22% and 12.04% respectively) of company's total revenue was earned (March 31, 2022: 31.94% - 19.45% and 12.49% respectively).

## 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	Chairman of the Board
	Mr. Rajendra Gandhi	Managing Director (MD)
	Mrs.Sunita Rajendra Gandhi * (from February 02, 2023)	Non- Executive Director
	Mrs. Shubha Rao Mayya	Independent Director
	Mr. Rajiv Nitin Mehta (upto February 02, 2023)	Chief Executive Officer and Whole Time Director
	Mr. Anup Sanmukh Shah (from November 02, 2021)	Independent Director
	Mr. Bharat Singh (upto on March 30, 2022)	Nominee Director
	Ms. Neha Gandhi *	Whole-time director
	Mr. Shashidhar SK (upto December 20, 2021)	Chief Financial Officer
	Mr. Shashidhar SK (upto May 24, 2021)	Company Secretary
	Mr. Balaji A S (from January 1, 2022)	Chief Financial Officer
	Mr. Elangovan S (from May 25, 2021 to September 15, 2022)	Company Secretary
	Mr. Shrinivas P Harapanahalli (from February 02, 2023)	Company Secretary

\* Relative of Managing Director

Sl. No.	Name of the related party	Nature of relationship
2	Enterprises owned or significantly influenced by KMP or their relatives:	
	Shinag Allied Enterprises Private Limited (SAEPL)	MD's brother is a Director
	Pigeon Appliances Private Limited (PAPL)	MD is a director

### B. Transactions with related parties

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from operations</b>		
SAEPL	0.83	2.58
<b>Purchases</b>		
SAEPL	1.09	2.34
Job Work		
SAEPL	-	1.11
<b>Cross charge of expenses</b>		
PAPL	0.82	3.74
<b>Managerial remuneration:</b>		
Mr. Rajendra Gandhi	13.69	10.60
Mr. Shashidhar SK	-	5.71
Mr. Rajiv Nitin Mehta	20.15	19.89
Ms. Neha Gandhi	2.99	2.41
Mr. Balaji A S	5.77	1.14
Mr. Elangovan S	0.77	1.39
Mr. Shrinivas P Harapanahalli	0.56	-

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sitting Fee paid to</b>		
Mrs. Shubha Rao Mayya	2.60	2.25
Mr. Lakshmikant Gupta	2.60	2.25
Mr. Anup Sanmukh Shah	0.60	0.30
<b>Share-based compensation expenses</b>		
Mr. Rajiv Nitin Mehta	0.34	9.68
Mr. Shashidhar SK	-	0.08
Mr. Balaji A S	1.16	-

## C. Balances with related parties

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Payable (including payable for Property, Plant and Equipments)</b>		
SAEPL	1.14	0.05
<b>Receivables</b>		
PAPL	4.83	4.01
SAEPL	1.48	0.65
<b>Capital Advances</b>		
Mr. Rajendra Gandhi	-	4.99
<b>Remuneration payable (gross)</b>		
Mr. Rajendra Gandhi	0.97	0.88
Ms. Neha Gandhi	0.22	0.20
Mr. Rajiv Nitin Mehta	-	9.06
Mr. Balaji A S	0.46	0.32
Mr. Elangovan S	-	0.12
Mr. Shrinivas P Harapanahalli	0.21	-

## D. Transactions with related parties

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term benefits	46.91	45.20
Post-employment benefits (Refer Note below)	2.83	0.74
<b>Total</b>	<b>49.74</b>	<b>45.94</b>

### Note

For the year ended March 31, 2022, 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 COMMITMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(a) Contingent liabilities (Refer Notes below)</b>		
Indirect tax matters under appeal	56.45	53.10
Direct Tax matters	7.42	6.75
Other disputed claims	2.56	1.50
Provident fund claims	9.39	9.39

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## Notes:

- (i) 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.
- (ii) 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 and disputes relating to tax deducted at source for various assessment years.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (net of advances)	454.85	289.81

## 44 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the company during the year	9.94	5.72
Amount of expenditure incurred *	8.47	7.35
Utilisation of prepaid CSR	1.63	-
Accrual towards unspent obligations in relation to:		
Ongoing project	-	-
Other than ongoing projects	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Amount required to be spent as per Section 135 of the Act	9.94	5.72
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above *	10.10	7.35

\* Includes ₹ 0.16 (March 31, 2022: 1.63) excess incurred to be utilised in the subsequent years.

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

Balance as at April 1, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2023	
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
-	-	-	-	-	-	-

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

Balance unspent as at April 1, 2022	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	Utilisation of prepaid CSR	Balance unspent as at March 31, 2023
-	-	9.94	8.47	1.63	-



# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

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

Balance excess spent as at April 1, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2023 (Refer note below)
1.63	9.94	8.47	0.16

### Note

The excess CSR spent of ₹ 0.16 as at March 31 can be set off against the CSR expenditure required to be spent by the Company upto year ending March 31, 2026.

## 45 FINANCIAL RATIOS

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for Variance
a. Current ratio	Current Asset	Current Liabilities	1.04	1.16	-10%	NA
b. Debt-equity ratio	Total Debt (including supplier's credit)*	Total Equity	0.58	0.43	36%	Increase is mainly on account of lease liability on long term leases entered during the current year accounted as per Ind AS 116.
c. Debt service coverage ratio	Earning for debt service	Debt Services (including supplier's credit)	4.92	8.41	-41%	Decrease is mainly on account of lease liability on long term leases entered during the current year accounted as per Ind AS 116.
d. Return on equity (RoE)	Net profit after tax reduced by preference dividend, if any	Average shareholders' equity	9.32%	16.86%	-45%	RoE has decreased due to (a) reduction in profit before tax in the current year and impact of complete year tax for the current year (b) increase in equity base.
e. Inventory turnover ratio	Cost of goods consumed	Average Inventory	3.75	4.14	-9%	NA
f. Trade receivable turnover ratio	Total Revenue from operations (excluding duty drawback)	Average Trade Receivables	10.80	12.50	-14%	Decrease is mainly on account of significant increase in receivables during the current year.
g. Trade payable turnover ratio	Total Purchases	Average Trade Payables	5.83	5.97	-2%	NA
h. Net capital turnover ratio	Total Revenue from operations (excluding duty drawback)	Average Working Capital	74.52	22.38	233%	Increase in net capital turnover ratio is mainly on account of reduction in working capital due to increase in borrowings.
i. Net profit ratio	Net Profit after Tax	Total Revenue from operations (excluding duty drawback)	2.79%	4.96%	-44%	Decrease is mainly due to reduction in profit before tax in the current year and impact of complete year tax for the current year.
j. Return on capital employed (ROCE)	Earnings before interest and tax (EBIT)	Capital Employed	10.04%	14.17%	-29%	Decrease is mainly due to reduction in profit before tax in the current year and impact of complete year tax for the current year.
k. Return on investment	Interest Income	Average fixed deposits placed	4.67%	2.51%	86%	Increase is on account of increase in rate of interest on fixed deposits during the current year.

\* Total debt includes lease liabilities of ₹ 344.62 (March 31, 2022: Nil).

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 46 RELATIONSHIP WITH STRUCK-OFF COMPANIES

Name of struck-off company	Nature of transactions	March 31, 2023		March 31, 2022		Relationship with the struck-off company (if any)
		Balance outstanding	Transactions during the year	Balance outstanding	Transactions during the year	
Darpan Enterprises Limited	Sale of Products	Nil	Nil	Nil	4.85	None
Igus (India) private limited	Service Provider	Nil	Nil	Nil	0.02	None
Nanilall Basanth Kumar Privat Limited	Service Provider	Nil	Nil	Nil	0.22	None
Pinnacle Manforce Private Limited	Service Provider	Nil	Nil	0.08	Nil	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 had 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. Subsequently during the current financial year PAPL has filed financial statements up to financial year ended March 31, 2020 and has filed necessary documents with the ROC. Additionally PAPL is in the process of liquidation.

## 48 DETAILS OF CURRENT AND DEFERRED TAX

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Income tax expense</b>		
<b>Current tax</b>		
In respect of current year	114.08	95.01
In respect of earlier years	(14.74)	-
<b>Total (A)</b>	<b>99.34</b>	<b>95.01</b>
<b>Deferred tax</b>		
(Credit) / Charge for the year	18.06	(31.76)
<b>Total (B)</b>	<b>18.06</b>	<b>(31.76)</b>
<b>Total income tax expense recognised in the statement of profit and loss (A+B)</b>	<b>117.40</b>	<b>63.25</b>

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Profit before tax</b>	481.96	625.40
Company's domestic tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate (Refer Note (a) below)	121.31	157.41
<b>Tax effect of:</b>		
Effect of non-deductible expense:		
Corporate social responsibility expenses	2.50	1.44
Interest payable as per MSMED Act	0.07	0.21
Utilisation of tax losses of prior years not recognised as deferred tax assets in the earlier years	-	(92.44)
Others	(6.48)	(3.37)
<b>Income tax recognised in the statement of profit and loss</b>	<b>117.40</b>	<b>63.25</b>

### 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 as on March 31, 2021	Adjustments [Refer Note (i) below]	Recognised in profit or loss	Net balance as on March 31, 2022	Recognised in profit or loss	Net balance as on March 31, 2023
<b>Deferred tax assets/ (liabilities)</b>						
Property, plant and equipment	(282.85)	241.78	(26.07)	(67.14)	(42.79)	(109.93)
Right of use assets	-	-	-	-	(91.29)	(91.29)
Lease Liabilities	-	-	-	-	88.26	88.26
Employee benefits	15.25	-	7.02	22.27	17.54	39.81
Provision for expected credit loss	31.65	-	30.34	61.99	4.75	66.74
Other Items	8.24	-	6.40	14.64	5.47	20.11
<b>Deferred tax assets/ (liabilities)</b>	<b>(227.71)</b>	<b>241.78</b>	<b>17.69</b>	<b>31.76</b>	<b>(18.06)</b>	<b>13.70</b>
Set off of tax losses utilised to the extent of deferred tax liability	227.71	(241.78)	14.07	-	-	-
<b>Net deferred tax assets/ (liabilities)</b>	<b>-</b>	<b>-</b>	<b>31.76</b>	<b>31.76</b>	<b>(18.06)</b>	<b>13.70</b>

### Note:

(i) 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.

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 49 LEASES

This note provides information for leases where the Company is a lessee. The Company leases various retail stores for which rental contracts are generally made for fixed periods of five to nine years, but may have extension options as per the terms of the lease.

### (i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Right-of-use assets</b>		
Buildings	355.90	-
	<b>355.90</b>	-
<b>Lease liabilities</b>		
Current	21.87	-
Non-current	322.75	-
	<b>344.62</b>	-
Additions to right-of-use assets	373.64	-

### (ii) Amounts recognised in statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation charge of right-of-use assets	17.74	-
Interest expense (included in finance cost)	10.58	-
Expenses relating to short-term leases (included in other expenses)	4.90	13.62
	<b>33.22</b>	<b>13.62</b>
The total cash outflow for leases	12.98	-

### (iii) Net debt reconciliation

The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	-	-
Add: lease liability recognised during the year	<b>347.02</b>	-
Add: Interest expense (included in finance cost)	10.58	-
Less: Repayments of interest and principal	(12.98)	-
<b>Closing Balance</b>	<b>344.62</b>	-

## 50 BUSINESS COMBINATION

### (a) Summary of acquisition

The Company has entered into a business transfer agreement with SKAVA Electric Private Limited for the acquisition of business/ undertaking as a going concern on a slump sale basis for a lumpsum consideration of ₹ 40. The acquisition is effective from April 1, 2022. The following assets have been transferred to the Company with effect from the aforementioned date.

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## (b) Details of purchase consideration, the net assets acquired and goodwill are as follows:

### (i) Purchase consideration

	Amount
Cash paid	40.00
<b>Total purchase consideration</b>	<b>40.00</b>

### (ii) The fair value of assets takeover as a result of the acquisition are as follows:

	Amount
Property, plant and equipments	20.15
Intangible assets	18.53
<b>Net identifiable assets acquired</b>	<b>38.68</b>

#### Note:

The fair value of assets are based on the valuation carried out by an independent valuer.

### (iii) Calculation of goodwill

	Amount
Consideration transferred	40.00
Less: Net identifiable assets acquired	(38.68)
<b>Goodwill</b>	<b>1.32</b>

- (iv) The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

## (c) There were no acquisitions in the year ended March 31, 2022.

## 51 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 reported in the quarterly statement	Amount as per books of account	Amount	Reasons for of material difference discrepancies
Trade Receivables:					
June 2022	HDFC Bank, ICICI Bank and Axis Bank	1,909.20	1,649.10	260.10	The difference is mainly attributable to certain provision for expected credit loss which were not included in the statement filed with the bank.
September 2022		2,265.40	1,995.30	270.10	
December 2022		2,391.30	2,111.20	280.10	
March 2023		1,763.60	1,498.40	265.20	
Inventory:					
March 2023	HDFC Bank, ICICI Bank and Axis Bank	2,182.97	2,165.80	17.17	The difference is mainly attributable to certain provision for inventories which were not included in the statement filed with the bank.

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## 52 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 as mentioned in note 51.

### (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.

### (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.

### (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 (whether recorded in writing or otherwise) 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.

# NOTES TO FINANCIAL STATEMENTS

(Amount in Rupees Millions, unless otherwise stated)

## (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/ erstwhile name of the Company (Stove Kraft Private Limited).

### 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.

- 53** As on March 31, 2023, the Company has undisputed provident fund dues aggregating to ₹ 0.94 relating to few employees to be remitted to the Provident Fund Department (“Department”). Such amounts outstanding for more than six months aggregates to ₹ 0.58. These employees were unable to clear the KYC registration formalities with the Department due to which the Company was unable to make the remittances. Subsequently the Company has obtained necessary information from the employees and submitted to the Department and is awaiting clearance from the Department for remittance of such dues.
- 54** Impact of the COVID-19 pandemic: The spread of COVID-19 had severely impacted businesses around the globe. As at March 31, 2023, management has made an assessment of recoverability of carrying values of Property, Plant and Equipment, Intangible assets and Financial assets and has concluded that no adjustments are considered necessary in these financial statements, arising from COVID-19.
- 55** Previous year’s figures have been re-grouped/reclassified, wherever necessary, to conform to current year’s classification.

## For and on behalf of the Board of Directors

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

**Mohan Danivas S A**  
Partner  
Membership Number: 209136

Place: Bengaluru  
Date: May 29, 2023

**Rajendra Gandhi**  
Managing Director  
DIN: 01646143

**Balaji A S**  
Chief Financial Officer

Place: Bengaluru  
Date: May 29, 2023

**Neha Gandhi**  
Executive Director  
DIN: 07623685

**Shrinivas P Harapanahalli**  
Company Secretary  
Membership Number: A-26590

**STOVE KRAFT LIMITED**

Registered Office: #81/1, Medamaranahalli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagara District, Karnataka, 562112, CIN: L29301KA1999PLC025387 Phone No.: +91 80-2801622  
E-mail: cs@stovekraft.com Website: www.stovekraft.com

**NOTICE OF THE 24<sup>TH</sup> ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of Stove Kraft Limited will be held on Saturday, 26 August 2023 at 11.00 a.m. IST through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company and in this regard pass the following resolution as an Ordinary Resolution:

RESOLVED THAT the Audited Financial Statements of the Company consisting of Balance Sheet as at 31 March 2023, Profit and Loss Account and Cash Flow Statement for the financial year ended on that date including notes thereto together with the Reports of the Board of Directors and Auditors thereon, already circulated to the members and now submitted to this meeting be and are hereby received and adopted.

2. To appoint a Director in place of Mr. Rajendra Gandhi, Managing Director, who retires by rotation and being eligible has offered himself for reappointment and in this regard pass the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Rajendra Gandhi (holding DIN 01646143) who retires in accordance with the provisions of the Companies Act, 2013 and has offered himself for reappointment be and is hereby reappointed as Director of the Company liable to retire by rotation.

**SPECIAL BUSINESS:**

3. To ratify the remuneration payable to M/s. G S & Associates, Cost Accountants as Cost Auditors and in this regard pass 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 with 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 to conduct the audit of Cost Records of the Company for the Financial Year ending March 31, 2024, as recommended by the Audit Committee and approved by the Board of Directors of the Company, amounting to ₹ 1,00,000 plus applicable taxes and out of the pocket expenses incurred for conducting the aforesaid audit, be and is hereby ratified and confirmed.

4. To appoint Mr. Avinash Gupta (holding DIN 02783217) as a Non-Executive Independent Director and in this regard pass the following resolution as a 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. Avinash Gupta (holding DIN 02783217) who was appointed by the Board of Directors on recommendation of Nomination and Remuneration Committee, as an Additional Non-Executive Independent Director with effect from 29 May 2023 on the Board of the Company and holds office up to the date of Annual General Meeting, and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five years from 29 May 2023 to 28 May 2028.

5. To appoint Mr. Natrajan Ramkrishna (holding DIN 06597041) as a Non-Executive Independent Director and in this regard pass the following resolution as a 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. Natrajan Ramkrishna (holding DIN 06597041) who was appointed by the Board of Directors on recommendation of Nomination and Remuneration Committee, as an Additional Non-Executive Independent Director with effect from 29 May 2023 on the Board of Company and holds office up to the date of Annual General Meeting, and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five years from 29 May 2023 to 28 May 2028.

6. To re-appoint Mrs. Shuba Rao Mayya (holding DIN 08193276) as a Non-Executive Independent Director and in this regard pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 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), Mrs. Shuba Rao Mayya (holding DIN 08193276) who holds office as a Non-Executive Independent Director up to 29 August 2023 and being eligible, and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of the Director, be and is hereby reappointed as a Non-Executive Independent Director of the Company, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors at its meeting held on 29 July 2023, not liable to retire by rotation, for a second term of five years from 30 August 2023 to 29 August 2028.

By Order of the Board

**Shrinivas P Harapanahalli**

Company Secretary &

Compliance Officer

Place: Bengaluru, Harohalli

Date: 29 July 2023

(Membership No. A26590)

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No 3: Ratification of remuneration of the Cost Auditors

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. G S & Associates, Cost Accountants as the Cost Auditor of the Company for the financial year 2023-24.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors during the financial year 2023-24 as set out in the Resolution for the aforesaid services to be rendered by them. The Board of Directors has recommended the resolution set out at Item No. 3 of the Notice for approval of the members at the ensuing AGM.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested in the aforesaid resolution.

### Item No. 4: Appointment of Mr. Avinash Gupta as a Non-Executive Independent Director

The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee, at its meeting held on 29 May 2023 has appointed, Mr. Avinash Gupta (holding DIN 02783217), as an Additional Director in the category of Non-Executive Independent Director.

Mr. Gupta holds office up to the date of forthcoming Annual General Meeting and is eligible to be appointed as a Non-Executive Independent Director by the shareholders for a term of five years from 29 May 2023 to 28 May 2028. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Gupta, for the office of Director of the Company.

Mr. Gupta has given his consent to act as a Non-Executive Independent Director of the Company and has also furnished a declaration to the Board of Directors that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015. Further as per his declaration, he is not disqualified to be appointed as a Director under Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Avinash Gupta is independent of the management of the Company and he also fulfils the conditions specified under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as a Non-Executive Independent Director. The Board also opines that Mr. Avinash Gupta possess the desired integrity, expertise and experience (including the proficiency) that is required from him as a Non-Executive Independent Director. Brief profile of Mr. Avinash Gupta is given below:

Mr. Avinash Gupta, (holding DIN 02783217), is a highly experienced, execution-focused senior leader with a strong, global background and brings more than 3 decades of experience and a vast network of business relationships. Avinash has worked extensively in financial services including M&A, equity and debt financing, private equity placement and advisory across the EMENA and Asia.

Prior to joining Dun & Bradstreet in 2021, he worked with Rabo Equity Advisors where he was the Managing Director since 2018. Over the years, he has held various leadership positions including recently as Head of Deloitte India's Financial Advisory Services business. He has worked in senior positions across geographies and products in various institutions such as HSBC, UBS, Barings, Citibank, Falcon Capital, and Alpen Capital. In his initial years in the USA, he also worked as an equity analyst covering the Oil Services sector at Wedbush Morgan Securities (Los Angeles) and Howard Weil (New Orleans).

Mr. Gupta is an MBA from the A.B. Freeman School of Business, Tulane University (Deans List with full fellowship) and done a B.Tech. in Mechanical Engineering from the Indian Institute of Technology, BHU Varanasi.

He is member of the National Executive Committees of Federation of Indian Chambers of Commerce and Industry (FICCI) and Associated Chambers of Commerce and Industry of India (ASSOCHAM).

Draft of the letter of appointment to be issued to him setting out the terms and conditions of appointment is available for inspection at the Registered Office of the Company by any member during normal business

hours of the Company on any working day. The same has also been posted on the website of the Company.

The Board of Directors has accordingly recommended the resolution set out at Item Nos. 4 of the Notice for approval of the members by way of Special Resolution at the ensuing AGM.

He is not related to any Director or Key Managerial Personnel of the Company or their relatives. Except Mr. Gupta, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed appointment. This explanatory statement may also be regarded as a disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meeting is set out as annexure in this notice.

#### **Item No. 5:**

#### **Appointment of Mr. Natrajan Ramkrishna a Non-Executive Independent Director**

The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee, at its meeting held on 29 May 2023 has appointed, Mr. Natrajan Ramkrishna (holding DIN 06597041) as an Additional Director in the category Non-Executive Independent Director.

Mr. Natrajan Ramkrishna holds office up to the date of forthcoming Annual General Meeting and is eligible to be appointed as a Non-Executive Independent Director by the shareholders for a term of five years from 29 May 2023 to 28 May 2028. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Natrajan Ramkrishna, for the office of Director of the Company.

Mr. Natrajan Ramkrishna has given his consent to act as a Non-Executive Independent Director of the Company and has also furnished a declaration to the Board of Directors that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further as per his declaration, he is not disqualified to be appointed as a Director under Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Natrajan Ramkrishna is independent of the management of the Company and he also fulfils the conditions specified under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as a Non-Executive Independent Director. The Board also opines that Mr. Natrajan Ramkrishna possess the desired integrity, expertise and experience (including the proficiency) that is required from him as a Non-Executive Independent Director. Brief profile of Mr. Natrajan Ramkrishna is given below:

A qualified Chartered Accountant, Mr. Natrajan Ramkrishna has an experience of over forty years in the accounting profession focusing mainly on Generally Accepted Accounting Principles (GAAP), IFRS, IndAS and Auditing.

His areas of core competencies include Board and Corporate Governance Consulting, Financial Reporting, laying down Culture & Values Frameworks, Risk Management frameworks and Operational Excellence. He has extensive knowledge and experience in handling cultural integration.

Having worked with some large International Accounting firms he has gained immense experience with boards and committees as to laying down policy frameworks relating to Business Resilience and Continuity Planning.

He has a proven track record of work spread over various sectors focusing on Information Technology, Financial Services, FMCG Companies and Telecom. He has been a speaker at several conferences and professional forums.

Draft of the letter of appointment to be issued to him setting out the terms and conditions of appointment is available for inspection at the Registered Office of the Company by any member during normal business hours of the Company on any working day. The same has also been posted on the website of the Company.

The Board of Directors has accordingly recommended the resolution set out at Item Nos. 5 of the Notice for approval of the members by way of Special Resolution at the ensuing AGM.

He is not related to any Director or Key Managerial Personnel of the Company or their relatives. Except Mr. Natrajan Ramkrishna, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially

or otherwise, in the proposed appointment. This explanatory statement may also be regarded as a disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meeting is set out as annexure in this notice.

**Item No. 6:  
Reappointment of Mrs. Shuba Rao Mayya as a Non-Executive Independent Director**

The shareholders of the Company at the Extraordinary General Meeting held on 10 September 2018 had appointed Mrs. Shuba Rao Mayya (holding DIN 08193276) as a Non-Executive Independent Director for tenure of five years from 30 August 2018 to 29 August 2023.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mrs. Shuba Rao Mayya, being eligible, has offered herself for re-appointment. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and also on the basis of the outcome of her performance evaluation, at its meeting held on 29 July 2023 has reappointed Mrs. Shuba Rao Mayya as a Non-Executive Independent Director for a second term of five years from 30 August 2023 to 29 August 2028, subject to the approval of shareholders.

The Board is of view that Mrs. Shuba Rao Mayya has immensely contributed to the proceedings of the Board and its Committees, and further believes that her continued association would be of immense benefit to the Company. Therefore, it is desirable to continue to avail her services as a Non-Executive Independent Director for a second term. The skills, background and experience in the field of strategic planning, finance, accounts, audit, compliance, corporate governance, risk management etc., are aligned to the role and capabilities identified by the Nomination & Remuneration Committee.

Mrs. Shuba Rao Mayya has given consent to act as Non-Executive Independent Director of the Company and has also furnished a declaration to the Board of Directors that she continues to meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further as per her declaration, she is not disqualified to be appointed as a Director under Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mrs. Shuba Rao Mayya is independent of the management of the Company and she also fulfils the conditions specified under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her reappointment as a Non-Executive Independent Director. The Board also opines that Mrs. Shuba Rao Mayya possess the desired integrity, expertise, experience and proficiency that is required as a Non-Executive Independent Director. Brief profile of Mrs. Shuba Rao Mayya is given below:

Mrs. Shuba 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, Happiest Minds Technologies Limited, Ace Designers Limited, Le Travenues Technology Limited and Confirm Ticket Online Solutions Private Limited.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Shuba Rao Mayya, for the office of Director of the Company.

Draft of the letter of appointment to be issued to her setting out the terms and conditions of appointment is available for inspection at the Registered Office of the Company by any member during normal business hours of the Company on any working day. The same has also been posted on the website of the Company.

The Board of Directors has accordingly recommended the resolution set out at Item Nos. 6 of the Notice for approval of the members by way of Special Resolution at the ensuing AGM.

Mrs. Shuba Rao Mayya is not related to any Director or Key Managerial Personnel of the Company or their relatives. Except Mrs. Shuba Rao Mayya, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed appointment. This explanatory statement may also be regarded as a disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meeting is set out as annexure in this notice.

## Annexure to Item No. 2, 4, 5 and 6 of the Notice

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

Name of the Director	Mr. Rajendra Gandhi	Mr. Avinash Gupta	Mr. Natrajan Ramkrishna	Mrs. Shuba Rao Mayya
DIN	01646143	02783217	06597041	08193276
Age (years)	55	57	68	60
Nationality	Indian	Indian	Indian	Indian
Date of appointment on the Board	28 June 1999	29 May 2023	29 May 2023	30 August 2018
Qualifications	SSLC	MBA from the A.B. Freeman School of Business, Tulane University (Deans List with full fellowship) and B.Tech. in Mechanical Engineering from the Indian Institute of Technology, BHU Varanasi.	Chartered Accountant	Bachelor's degree in Commerce and a Chartered Accountant
Experience and expertise in specific functional area	A first generation entrepreneur with extensive experience in manufacturing, marketing and distribution, especially in Kitchen and Home Appliance Sector	Extensive experience in financial services including M&A, equity and debt financing, private equity placement and advisory across the EMENA and Asia.	Expert in Board and Corporate Governance Consulting, Financial Reporting, laying down Culture & Values Frameworks, Risk Management frameworks, Operational Excellence and extensive knowledge and experience in handling cultural integration	Expert in the field of Finance, Accounts, Audit, Compliance, Corporate Governance, Risk Management etc.
Number of shares held in the Company including Shareholding as beneficial owner	1,82,69,115	Nil	Nil	Nil
Directorships held in other public companies (excluding foreign companies and Section 8 companies)/Limited Liability Partnership.	Nil	<ol style="list-style-type: none"> <li>Jupiter Wagons Limited</li> <li>Keventer Agro Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Solar industries India Limited</li> <li>Economic Explosives Limited</li> <li>Vastu Housing Finance Corporation Limited</li> <li>DTDC Express Limited</li> <li>India Payments Limited</li> </ol>	<ol style="list-style-type: none"> <li>Happiest Minds Technologies Limited</li> <li>ACE Manufacturing Systems Limited</li> <li>ACE Designers Limited</li> <li>Le Travenues Technology Limited</li> </ol>

Name of the Director	Mr. Rajendra Gandhi	Mr. Avinash Gupta	Mr. Natrajan Ramkrishna	Mrs. Shuba Rao Mayya
Number of Board Meetings attended during the year 2022-23	5/5	NA	NA	5/5
Memberships / Chairmanships of committees of other public companies along with Listed Entities from which the person has resigned in the past three years	Nil	Membership of Audit committee of Kenventer Agro Limited.	1. Chairman of Audit Committee of Vastu Housing Finance Corporation Limited 2. Member of stakeholder committee of Solar Industries India Limited.	1. Chairman of Audit Committee of Ace Manufacturing Systems Ltd and Happiest Minds Technologies Limited. 2. Member of Audit Committee of Le Travenues Technologies Limited and ACE Designers Limited. 3. Member of Stakeholder's Relationship Committee of Le Travenues Technology Limited and Happiest Minds Technologies Limited
Listed Entities from which resigned in the past three years	Nil	Nil	Nil	Nil
Relationships between Directors inter-se	Spouse of Mrs. Sunita Rajendra Gandhi, and Father of Mrs. Neha Gandhi, Executive Director.	Nil	Nil	Nil
Terms and Conditions of Appointment	No special prerequisites or benefits as a Director. All terms and conditions of appointment as per the employment agreement and applicable policies of the Company. As a Director he is liable to retire by rotation	The terms and conditions of appointment of Non-Executive Independent Directors is available on the website of the company at the link given below: <a href="https://stovekraft.com/wp-content/uploads/2021/11/TERMS_AND_CONDITIONS_OF_APPOINTMENT_OF_INDEPENDENT_DIRECTORS.pdf">https://stovekraft.com/wp-content/uploads/2021/11/TERMS_AND_CONDITIONS_OF_APPOINTMENT_OF_INDEPENDENT_DIRECTORS.pdf</a> .		
Remuneration paid / proposed to be paid	Refer Corporate Governance Report	As per Nomination and Remuneration Policy of the Company.		

**Notes:-**

1. The Ministry of Corporate Affairs (“MCA”) has vide its circular dated 28 December 2022, read with circulars dated 05 May 2022, 13 January 2021, 05 May 2020, 13 April 2020 and 08 April 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the 24<sup>th</sup> AGM of the Company is being held through VC / OAVM facility, without the physical presence of Members at a common venue. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.
2. 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. E-AGM: M/s. KFin Technologies Limited, Registrar & Transfer Agent of the Company (“RTA”), shall be providing Video Conferencing / Other Audio Visual Mode facility for AGM and also e-voting during the AGM. Members may note that the VC facility provided by RTA allows participation of upto 1,000 members on a first-come-first-serve 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-serve principle. Members can login and join 15 minutes prior to the scheduled time of meeting and window for joining shall be kept open till the expiry of 15 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 is given below.
6. Members of the Company under the category of Institutional Investors are encouraged to attend and cast vote at the AGM held 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 first holder will be entitled to vote.
8. The Company has appointed BMP Mr. Pramod S M, Company Secretary in Practice (M.No FCS7834, CP13784) and failing him Mr. Biswajit Ghosh (M No. FCS8750,CP8239), 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 19 August 2023 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 MCA Circulars and SEBI circular no. SEBI/HO/DDHS/DDHS-RACPOD1/P/ CIR/2023/001 dated January 5, 2023, the Notice of the 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 AGM and the Annual Report for the year 2022-23 and all other communication sent by the Company, from time to time, can get their email address registered through their respective Depository Participants (DPs).

11. Members may also note that the Notice of this AGM and the Annual Report for the year 2022-23 will also be available on the Company's website [www.stovekraft.com](http://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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of RTA at <https://evoting.kfintech.com/public/Downloads.aspx> . 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 2022-23 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 and the Register of Contracts or Arrangements in which the Directors are interested is 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., 26 August 2023. Members seeking to inspect such documents can send an email to [cs@stovekraft.com](mailto: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 holding shares in Demat mode are requested to update any change in their residential address, Bank A/c details and/or email address immediately with their DPs.
16. Shareholders' Communication: Members are requested to send all communications relating to shares, Change of address, bank details, email address etc. to their DPs. In case of any query they may write to 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. 19 August 2023 can access the notice of AGM along with the Annual report for the financial year 2022-23 on the website of the Company [www.stovekraft.com](http://www.stovekraft.com) and website of stock exchanges i.e., BSE Limited <https://www.bseindia.com/> and National Stock exchange of India Limited <https://www.nseindia.com/> and on the website of RTA at <https://evoting.kfintech.com/public/Downloads.aspx>.
2. Members who have not registered their email address as a consequence of which the Annual Report, Notice of AGM, and e-voting instructions could not be serviced or who have become members post sending of this Notice of AGM, may temporarily get their email address and mobile number updated with the Company's RTA, by clicking the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>

Members are requested to follow the process as guided in the above-mentioned link to capture

the email address and mobile number for sending the soft copy of the Notice and e-voting instructions along with the User ID and Password. In case of any queries, please write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**3. INSTRUCTION FOR REMOTE E-VOTING**

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations and applicable Circulars, the Company is offering the facility of remote e-voting to its Members. The facility of casting votes by a Member using a remote e-voting system before the AGM as well as during the AGM will be provided by Company's RTA - KFin Technologies Ltd.

- i. The details of the process and manner for remote e-Voting are explained herein below:

**Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access to KFin e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

**Details on Step 1 are mentioned below:**

- 1) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on the Company's name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on the Company's name or e-voting service provider's name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period.</li> </ol>
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Individual Shareholders holding securities in Demat mode with CDSL	Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/ Easiest are <a href="https://web.cdslindia.com/myeasinew/home/login">https://web.cdslindia.com/myeasinew/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi. After successful login, the Easi/ Easiest user will be able to see the e voting option for eligible companies where the e-voting is in progress. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting the vote during the remote e- voting period. Additionally, there are also links provided to access the system of all e-voting service providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly. If the user is not registered for Easi/ Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasinew/Registration/EasiRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</a> Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from the e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> . The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.
Individual Shareholder login through their demat accounts / Website of Depository Participants	<ol style="list-style-type: none"> <li>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</li> <li>II. Once logged-in, you will be able to see e-Voting option. Once you click on eVoting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>III. Click on options available against company name or e-Voting service provider - KFin and you will be redirected to e-Voting website of KFin for casting your vote during the remote e-Voting period without any further authentication.</li> </ol>

Important Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forgot Password option available at above mentioned website.

For technical Assistance: Members facing any technical issue in login can contact the respective helpdesk by sending a request on the email id's or contact on the phone no's provided below:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Email : <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> Contact No. : 022- 23058738 / 22-23058542-43
Individual Shareholders holding securities in Demat mode with NSDL	Email : <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> Toll free no. : 1800 1020 990 / 1800 22 44 30

## Details on Step 2 are mentioned below:

### Instructions for institutional members holding shares in demat mode and members holding shares in physical form:

- Initial password is provided in the body of the email.
- Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./ DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- After entering the details appropriately, click on LOGIN.
- You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- You need to login again with the new credentials.
- On successful login, the system will prompt you to select the EVENT i.e. Stove Kraft Limited.
- On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution,

enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/ or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

- Members holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat account.
- Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- Corporate/ institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/ JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory (ies) who is/ are authorised to vote, to the Scrutinizer through e-mail at pramod@bmpandco.com and biswajit@bmpandco.com with a copy marked to einward.ris@kfintech.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'CLIENT EVENT No.'

In case of any query on e-voting, members may refer to the "Help" and "FAQs" sections/ E-voting user manual available through a dropdown menu in the "Downloads" section of KFintech's website for evoting: <https://evoting.kfintech.com> or contact KFintech as per the details given below:

Mr. Shyam Kumar, Senior Manager -  
Corporate Registry  
KFin Technologies Limited  
(Formerly KFin Technologies Private Limited)  
Unit: Stove Kraft Limited  
Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 032,  
Contact No.: 040-6716 2222 /  
Toll Free No.: 1-800-3094-001  
E-mail: Einward.ris@kfintech.com

### OTHER GENERAL INSTRUCTION FOR REMOTE E-VOTING:

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

Start date and time	Wednesday, 23 August 2023 (9.00 AM)
End date and time	Friday, 25 August 2023 (5.00 PM)
- 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/>. Members may also call RTA at toll free number 1-800-3094-001 or send an e-mail request to einward.ris@kfintech.com for all e-voting related matters.

### 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 Chairperson at AGM and can be used for voting only by those Members who hold shares as on the cut-off date viz., 19 August 2023 and who are attending the meeting and who have not already cast their vote(s) through remote e-voting.

## INSTRUCTIONS 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 above. Further, Members can also use the OTP based login for logging into the AGM/e-voting system
- 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 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 20 August 2023 at 09.00 a.m IST up to 23 August 2023 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., 19 August 2023.

- 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](mailto: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.

## GENERAL INSTRUCTION FOR MEMBERS

- a) The Chairperson will propose to the Members participating through VC/OAVM facility to vote on the resolutions as set out in this Notice of 24<sup>th</sup> AGM (AGM) and will also announce the start of the casting of the vote at AGM through the e-voting platform of RTA - KFin Technologies Ltd and thereafter the e-voting at AGM will commence.
- b) The Scrutiniser shall, immediately after the conclusion of e-voting at the AGM, first count the votes cast during the meeting, thereafter unlock the votes cast through remote e-voting and make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, and submit the report to the Chairperson of the Company or any person 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](http://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, if passed, shall be deemed to be passed at the AGM.

By Order of the Board

**Shrinivas P Harapanahalli**

Company Secretary &

Place: Bengaluru, Harohalli Compliance Officer

Date: 29 July 2023 (Membership No. A26590)









**REGISTERED OFFICE**

#81/1 Medamaranahalli,  
Harohalli Hobli,  
Harohalli Industrial Area,  
Ramanagara District,  
Bengaluru - 562 112

[www.stovekraft.com](http://www.stovekraft.com)