



**Years of
Home & Kitchen
Innovations**



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YEARS OF

Home &
Kitchen
Innovations

Established in 1999, Stove Kraft has been a pioneer in providing innovative kitchen and home solutions that embody quality, value and ambition. Understanding what's essential for our customers and customizing products that not just meets their needs but also fulfils their aspirations has been our key priority. We have consistently delivered on this through relentless innovation, the foundation to our extraordinary range of high-quality products under different brands across multiple consumer segments.

FY2023-24 saw a significant leap in our product innovation capabilities as we expanded our horizons under our flagship brands 'Pigeon' and 'Gilma', in addition to strengthening our collaboration for 'BLACK+DECKER'. With our focus on aspirational yet affordable products, we further diversified our portfolio to include a new range of home solutions, air fryers, OTG, induction cooktops, gas stoves, sandwich makers, panini griller, irons, and pressure cookers.

The launch of Imperi cast iron range, spurred 'Pigeon' to grow its footprints in the alternative cookware segments other than non-stick. Marking a noteworthy accomplishment, Pigeon Air Fryers became the first-ever air fryer to be Made in India, supported by a fully-backward integrated facility. With the manufacturing of OTG, we are now the leading manufacturers of OTG in India. Moreover, revamping the entire Chimneys and Hobs category, helped the Company to drive quality and cost efficiencies, resulting in a significant hike in margins.

Other elements fueling the Company's ambitious growth strategy are its innovative marketing, omni-channel approach, along with a widespread network of distributors and retail touchpoints. During the year, we continued to accelerate our retail presence and opened 12 new stores in Northern India. Substantial progress was also made in our in-house manufacturing and R&D capabilities, escalating our spirit for innovation and operational efficiency.

This year, as we celebrate 25 years of innovation, we reinforce our commitment to push the boundaries and deliver cutting-edge products at affordable prices across multiple geographies, ultimately spreading joy and elevating lives within millions of households.



About Us

↳ Aspiring to become an essential part of every household and enhance the lives of millions of customers through innovative and best-in-class kitchen and home solutions, we are Stove Kraft.

One among the top manufacturers and retailers of kitchen solutions in India and a fast-growing brand in home and lighting solutions, Stove Kraft is on an ambitious journey of providing high-quality products at affordable prices. Established in 1999, we are an ISO 9001:2008 certified Company with strong footprints across India and an ever-growing global presence with our products enriching homes across the US, Mexico, South East Asian countries, and Gulf nations. This financial year marked the opening of our first store in North India, further expanding our accessibility and forging deeper connection with our customers.

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

DOMINANT KITCHEN SOLUTIONS PLAYER IN THE INDUSTRY



Market leadership in cooktops.



Market leadership in non-stick cookware.



Dominant player in free-standing hobs.



Frontrunner in the pressure cooker business.



We offer a diverse range of products sold under home-grown brands as well as in-licensed brands to strategically cover the entire spectrum of customers - value, semi-premium and premium. Our kitchen solutions feature an extensive selection of cookware, cooktops and small appliances while our home and lighting solutions are sold under multiple, well-recognized brands.

In a world that is constantly evolving, Stove Kraft's success and ability to spread customer delight is underpinned by its passion for innovation, enabling it to craft new, high-quality products at attractive prices and across diverse categories. Our well-equipped backward integrated facilities ensure better control on quality and cost whereas an extensive distribution network supported by dedicated after-sales service strengthen us further, empowering us to drive brand loyalty and secure a larger market share.

MULTI-BRAND PORTFOLIO SERVING A TAPESTRY OF PRICE AND PREFERENCES



Value

Kitchen and Home Solutions



Semi-premium

Kitchen Solutions



Premium

Kitchen and Home Solutions

Stove Kraft in Numbers

2

Manufacturing facilities
ISO 9001:2015 certified &
backward integrated

12.4%

3rd largest market
share in Non- Stick
Cookware by volume

62

Exclusive Gilma stores

14

Countries to which our
products are exported



28 States and
6 Union Territories
Pan India presence

14 Countries
Global presence spanning



1,28,842

Retail touchpoints

223.91
million units

Manufacturing
capacity per annum

55%

Energy consumption met through captive resources

5,814

Employees



600

Widespread Distributor Network

171

Pigeon Exclusive Stores



14

Company-owned franchise-operated stores

9

Carrying & forwarding agents



20+ Years

Market Presence of flagship brands Pigeon and Gilma

12 New Stores

Opened in North India, expanding our presence beyond the Southern regions



Our Brands: Elevating everyday life across millions of homes

Spanning diverse market segments and positively impacting life across the globe, our formidable brands offer an innovative range of first-rate products, in alignment with our customer-first philosophy.

Ranging from value to semi-premium and premium products, our brands strategically capture consumers across different segments and offer products that match their tastes and budgets.

Brand 'Pigeon' offers high-quality products at attractive prices to value customers. With a market presence spanning more than 20 years, the flagship brand has earned a strong brand recall and is reputed for delivering value for money. Pigeon LED, a lighting solution brand, further diversifies our product portfolio and garners deeper customer engagement.

'Gilma', our flagship brand, caters to the semi-premium category of customers and is

sold exclusively through Gilma branded outlets, owned and operated by franchisees. A trusted player in the market for over 20 years, it offers a range of kitchen solutions with a promise for quality excellence.

'BLACK+DECKER', a high-performing international brand, offers premium products at exclusive pricing. Stove Kraft enjoys exclusive retail rights for BLACK+DECKER kitchen and home appliances in India in strategic collaboration with Stanley Black & Decker, Inc. and The Black and Decker Corporation, a renowned global provider of hand tools.



COOKWARE



Pressure cookers



Cast iron cookware



Non-stick cookware



Electric rice cookers



Titanium hard anodised cookware

SMALL APPLIANCES



Mixer grinders



Rice cookers



Electric kettles



Toasters



Sandwich makers



Knives



Steam irons



Juicers



Air fryers



Electric grills

COOKTOPS AND OTHER KITCHEN SOLUTIONS



Hobs



Glass cooktops



stainless steel cooktops



Induction cooktops



Chimneys

OTHER PRODUCTS



Emergency lamps



Water bottles



Flasks



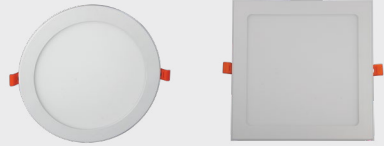
Mops



LED Bulbs



Battens



Downlights Panels



Emergency Lamps



LPG Stoves



Chimneys



Hobs



Cooktops



SMALL APPLIANCES



Food processors



Juicers



Hand Blenders



Hand Mixers



Mini Choppers



Oven toaster grills



Coffee makers



Toasters



Sandwich makers



Kettles

OTHER PRODUCTS



Steam irons



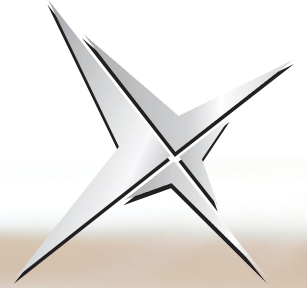
Dry irons



Water heaters

The Stove Kraft Advantage

↳ A robust and sustainable business model with strong brands and continued focus on quality and customer satisfaction has helped Stove Kraft to enjoy a dominating market presence. Stepping into a new year, we are committed to leverage our strengths to meet the growing aspirations of our customers and enhance stakeholder value.





1 TRUSTED BRANDS

An array of reputed brands catering to the varying needs of assorted consumer segments set us apart and help our products to become a cherished possession across households. Be it our 20 year old brand 'Pigeon', popular for high brand recall and extensive customer reach, our semi-premium kitchen solutions brand 'Gilma', or 'BLACK + DECKER' premium global brand; each of them is aligned with Stove Kraft's commitment to deliver excellent value and meet the aspirational lifestyle of customers. Pigeon LED, our lighting brand, is furthering our reach into homes. Moreover, an aggressive branding and marketing strategy, encompassing mass media and below-the-line activities, drives brand visibility, customer loyalty and growth.

2 **MANUFACTURING EXCELLENCE**

20 state of art, backward integrated plants with 40 manufacturing lines across Bengaluru, Karnataka and Baddi, Himachal Pradesh offer high-quality indigenous products to our customers. Reducing our dependence on Original Equipment Manufacturers and third party suppliers, the in-house manufacturing facilities help us to reap great cost and supply-chain advantage as well as optimize operational efficiency. Featuring a dedicated R&D facility and robust quality assurance mechanisms, the ISO 9001:2015 certified facilities ensure quality excellence and continuous innovation. Supporting our steady growth strategy, our manufacturing site in Bengaluru has 2 acres of land available for future expansion.

4 **CUSTOMER-CENTRIC APPROACH**

Our customer-centric approach is rooted in our purpose 'To provide quality products at affordable prices, thereby enhancing the lives of our customer'. This approach helps us to align with the changing consumer pattern and grow with their evolving aspirations. Constant R&D investments and an experienced R&D team ensure relevant product innovations, helping us to meet the expectations of customers across diverse market segments and product categories. Quality is ensured through rigorous quality checks and monitoring of in-house products across the value chain while dedicated quality assurance teams are deployed for third party products. After-sales service is an enabling component for Stove Kraft to drive superior experience throughout the consumer lifecycle and boost customer loyalty. This is enabled through a dedicated after-sales team and Centralised Consumer Relationship Management (CRM) providing speedy resolutions to queries and driving service excellence.

3 **GROWING PRODUCT SUITE**

Focus on building a strong foundation rooted in consumer satisfaction inspires us to constantly push the boundaries of innovation. We strive to expand and upgrade our product portfolio and explore new categories that match the needs and evolving aspirations of our customers. Other than introducing a variety of new and efficient products like ultrafast double chopper, thermo cup, Pigeon jumbo series of cooktops, Electra Electric pressure cooker etc, we ventured further into the business of lighting solutions. Capitalizing on our existing manufacturing capabilities, technological abilities and huge distribution network enables us to diversify our product suite at minimal cost, thus opening up new revenue streams and strengthening our brand.





5 EXTENSIVE DISTRIBUTION FOOTPRINT

Being a customer-centric business, accessibility is crucial. We have strategically expanded our presence across various channels, including general trade, modern retail, e-commerce, corporate sales and exports. Our foray into direct retail through company-owned and managed stores has further strengthened our accessibility and deepened our connection with the consumers. The overwhelming response has motivated us to expand our store reach beyond South India and expand into the North Indian regions. Additionally, dedicated networks for Pigeon, Gilma, BLACK+DECKER, and Pigeon LED products are optimizing cost and operational efficiencies and boosting customer engagement. Since inception, we have relentlessly grown our distribution network, directly and positively impacting our reach and revenue, propelling us forward in our journey of becoming India's leading kitchen and home solutions brand.

6 LEGACY OF TRUST & PERFORMANCE

Persistent focus on quality, innovation and customer needs have helped us to expand and deliver consistent performance over the years. A diversified product portfolio, integrated manufacturing capabilities, growing distribution network, product innovations, tech-enabled operations, and robust supply chain are among the few factors that will continue to build trust and strengthen our story of advancement. Moreover, India, on course to become the fastest-growing major economy with a highly aspirational middle class having higher purchasing power, serves as a promising market for consumer businesses like ours. With its inherent strengths, Stove Kraft is well-positioned to leverage the upcoming growth opportunities.

7 STRONG LEADERSHIP

We are led by a team of visionaries having expertise across various facets of management. With more than two decades of experience on an average, the senior management team ensures adherence to the highest level of corporate governance, embedding integrity, inclusion and diversity into the very fabric of the organization. The brand portfolios are assigned to specialized management teams while the core functions are monitored centrally. Other than ensuring product innovation and quality excellence, the leadership team also keeps sight on talent management and succession planning, enabling continuous growth and expansion.

New Product Launches

Meeting and exceeding customer expectations is a priority at Stove Kraft. Aligned with this, we constantly foray into new product categories and launch innovative options across the existing product landscape, winning more customers and expanding our market share.

PRESSURE COOKERS

- * Launched a new range of pressure cookers with multi-utility & better ergonomics, taking care of customer needs with efficiency.
- * New launches in this segment clocked revenue to the tune of ₹12 Crore, especially from online channels.
- * Our pressure cooker segment has registered an exemplary growth in e-commerce and modern retail channels. In FY2023-24, we achieved 7% growth in volume in the e-commerce channels and 29% growth in revenue in modern retail, compared to the previous financial year.



RICE COOKERS

- * Introduced Pigeon Stylo Rice Cooker for quick and hygienic cooking along with improved aesthetic appeal. The cooker comes with a stainless steel double pot with sandwich bottom and tempered glass lid.

AIR FRYERS

- * Launched an all new Healthifry+ 1400W Air Fryer powered by a unique Airwhirl technology for perfect cooking.
- * Within 10 months, the category was completely backward integrated, making Pigeon Air Fryers the first ever air fryers to be Made In India.



GAS STOVES

- * Launched 'Jumbo'- a new range of full-size gas stoves, exclusively for the trade channel. This enabled Stove Kraft to penetrate the untapped markets in greater Punjab and other regions.
- * Ayush Auto series, launched in March 2023, gained traction during this financial year, garnering good acceptance from the consumers. Together, Jumbo and Ayush Auto series contributed 9% of the cooktop revenue in general trade.
- * Standing strong on our business strategy for the eCommerce channel, our gas cooktops segment registered a strong volume growth of 18.32% in FY2023-24.



INDUCTION COOKTOPS

- * Introduced a new range of Egnite ICT induction cooktops - instantly gaining huge popularity among the customers.
- * Taking our leadership forward in the infrared cooktop segment, we streamlined the production of our Eva infrared range of induction cooktops to successfully meet the growing market demand.
- * The induction cooktop segment registered strong sales of ₹175 Crore in FY2023-24, growing by 15% as compared to previous year.

CHIMNEY & HOBS

- * The entire category of chimney and hobs was revamped during the year with the aim to create better products at a better cost.
- * The strategic move contributed nearly ₹10 Crore to the top line and resulted in about 4% improvement in margins.



GARMENT CARE

- * Launched a comprehensive range of feature-packed steam irons at affordable as well as industry defining entry-level prices. Aligned with our customer’s aspirations, we also launched an affordable high-end hand steamer, designed for every home.
- * Driven by the collective efforts of existing models and new product launches, the irons category witnessed a robust growth of 183% in FY2023-24.



FOOD PROCESSING

- * Launched Pigeon Ultra-Fast Turbo Chopper for effective chopping, mincing and dicing anything in seconds.
- * Introduced Pigeon Nutri-Mixer, one of its kind ultra-powerful appliance, ideal for grinding, mixing, juicing and blending.
- * Pigeon Slo-jo Cold Press Juicer was a much-awaited addition to our portfolio with unique slow squeezing technology, hygienic and convenient to use.



SMALL APPLIANCES

- * Pigeon Range of Sandwich Makers comes with multiple plates for toast, grill & waffle and non-toxic coating to guarantee customer satisfaction and deepen brand loyalty. To elevate our presence and market share, we launched a new range of sandwich makers and panini grillers during the year.
- * More than 45,000 pieces were sold in FY2023-24, registering a growth of 64% over the previous year.
- * With the manufacturing of OTG, we are now the leading manufacturers of OTG in India.

KITCHENWARE

- * Launched a new range of edge series knife sets with unique and trendy design. We expect this to contribute 10% share in future.
- * Launched Pigeon Imperia - India's first high-pressure cast iron range of cookware, for safe, healthy and toxin-free cooking at an affordable price. Owing to its excellent utility and features, this achieved the 'Bestseller' status on Amazon within a month of listing.



HOME SOLUTIONS

- * A range of new products were successfully launched under the Home Solutions category including the Thermocup, SS casserole, Trivia, Heat and Treat, and Thermo Warm and Fresh. These collectively contributed approximately ₹10 Crore to our top line and significantly enhanced our brand visibility and reach.
- * In September 2023, we commenced the operations for a new flask line, which accounted for about 10% of the overall production of our Stark and Aqua products during the financial year. Additionally, the new line achieved an average daily production of 7,500 units.
- * The Home Solutions category experienced a remarkable sales growth of 74% in FY2023-24, compared to FY2022-23.



Operational Highlights

→ Stove Kraft embarked on a journey of rapid expansion driven by its omni-channel approach, growing retail presence, expanding distribution network and improved manufacturing capabilities. Additionally, innovation and diversification of product portfolio helped us seamlessly fit into the needs of every household and become a brand synonymous with trust and quality.



RETAIL STORE EXPANSION

With the aim to improve our reach and consumer engagement, we continued our focus on expanding our Pigeon brand retail stores and venturing into new geographical locations. The financial year marked our entry in North India with the opening of our first store in Mayur Vihar, providing first-hand access to a diverse range of products to the deserving North Indian population. The Company expanded to 171 retail stores across India, from 54 outlets in the previous year. These stores display our entire product range including cookware, kitchenware, cooktops, modular kitchens, small appliances, chimneys, hobs, LED products, and more.

Our store expansion strategy, other than improving brand visibility, also presents an excellent growth opportunity for Stove Kraft. Over 90% of our stores achieved operational break-even within an average span of three

months post opening. A significant increase in retail sales volume was also experienced during FY2023-24. As the stores mature, they will contribute better, encouraging us to follow the course of opening more outlets across multiple strategic locations.

FORAYING INTO FRANCHISE OPERATING MODEL

As part of our strategic expansion plan, we are exploring and leveraging franchise opportunities to grow our retail business. While all stores shall initially be opened as Company Owned Company Operated (COCO) outlets, they shall be managed by franchisees once well-established. Expanding through a network of franchise-managed stores will help Stove Kraft to optimize Capex and improve operational efficiency, while enhancing accessibility for customers. 14 franchisees have been appointed as on 31st March, 2024.

BUILDING CAPACITY. EXPANDING CAPABILITIES.

FY2023-24 has been a year of path-breaking innovations and new product launches, a testament to our extraordinary R&D capabilities and manufacturing prowess.

Indigenization and backward integration with strong brand presence remains our core strength. Continuing with them, new manufacturing units were added during the year. These units cater to a wide variety of clients, including iron plant, air fryers plant, ERC plant, stainless steel pressure cookers plant, electric rice cooker plant, and kettle and the bottle plant. Moreover, several products which were imported or assembled earlier, are now being manufactured within our facilities, providing us a competitive edge, both in terms of cost and quality. This is in line with the Company's strategy to first evaluate the product, obtain customer's acceptance, embrace learnings in the process, and finally manufacture.

During the year, the Company commissioned a newly constructed warehouse on 2.75 acres of land (1.20 Lacs sq ft), adjacent to its registered office and factory, at a total outlay of Rs. 17.03 crore. This was done with the aim of expanding storage capabilities and enhancing operational efficiency to cater to the growing market. The warehouse features a capacity of around 25,500-pallet position and adequately fulfils our warehouse requirement for the next four years.

FY2023-24 growth in Product Category

Product Category	Y-o-Y Val%	YoY Vol%
Cooker	3%	4%
Induction Cooktops	8%	8%
Non-stick Cookware	6%	14%
Small Appliance	29%	38%

FY2023-24 PERFORMANCE HIGHLIGHTS

₹1,364 crore

Revenue

6.3% 

₹504 Crore*

Gross Margin

19.9% 

₹119 Crore*

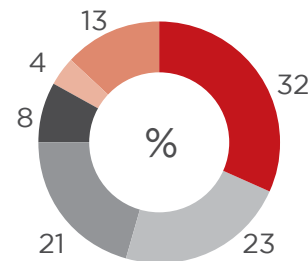
EBIDTA

20% 

* Excluding other income, gains and losses.

 Increase from previous year

Revenue Breakup: FY2023-24



- Mixers/Small Appliances/Others
- Pressure Cookers
- Nonstick Cookware
- Gas Cooktop
- LED
- Induction Cooktop

Managing Director's Message

Our foray into direct retail through company-owned and managed stores has been instrumental in deepening our connection with the consumers and acquiring meaningful insights on their evolving needs and aspirations. The overwhelming response has encouraged us to venture into Northern India and open 12 new stores in Delhi NCR.



DEAR SHAREHOLDERS,

FY2023-24 was an exciting year for Stovekraft, marking significant growth and expansion across multiple business and consumer segments. Keeping the priorities of our customers at the core, we expanded retail presence, widened product offerings, augmented manufacturing capabilities and improved operational efficiency, while upholding our commitment to innovation, quality and affordability.

ECONOMIC ENVIRONMENT

Despite obstacles, India's economic outlook remained largely positive. Backed by strong domestic demand, increased government expenditure, and rising working-age individuals, the first quarter registered considerable growth, with India surpassing the UK to become the world's fifth-largest economy. Having the potential to export goods worth USD 1 trillion

by 2030, the manufacturing sector is set to be one of the fastest-growing sectors.

Yet, the year came with various challenges, including geopolitical unrest and growing trade route disruptions, to name a few. Recurring climate changes and shift in fuel prices are also expected to adversely impact the food price projections and disrupt the supply chain. Nevertheless, consumer optimism, increased consumption and rising employment are projected to drive India's GDP growth and economic development.

BUSINESS PERFORMANCE

In an industry where the emerging and aspiring class of consumers are the biggest contributors, Stovekraft relies heavily on innovation and its manufacturing excellence to drive profitability. During the year, we expanded our product portfolio and ventured into new categories to meet the evolving needs of our consumers. Launch of new manufacturing units and increased backward integration strengthened our business agility while ensuring quality and cost efficiencies. Diversifying our distribution channels and aggressive marketing strategy further helped us to increase accessibility, improve customer engagement and strengthen our brand.

Our dedicated efforts coupled with a strong demand fueled 6.3% growth in revenue over last year to Rs. 1,364 Crore. Achieving a crucial milestone, your Company opened 117 retail stores during the financial year, resulting in a six-fold growth in retail channel to 427.7%. The Institutional / Corp Sales and OEM Export also grew by 150% and 26.2% respectively. Small appliance category remained a significant contributor to our sales and revenues.

During the year, Stovekraft was challenged by higher input price, irregular rainfall and rising operational, employee and marketing costs. Despite these, our strategies to upgrade product offerings and reduce our reliance on imports resulted in improved profit margins and a faster turnover of working capital. This positively impacted our EBITDA percentage which increased by 100 basis points. The gross margin stood at 36.9%, led by in-house production, accelerated product development, and improved sales realization.

OPERATIONAL OVERVIEW

Our focus is on building a strong foundation rooted in consumer satisfaction, inspiring us to push the boundaries of innovation. Supported by a dedicated R&D team, we introduced a variety of high-aspiration products across different categories. These included a new range of

pressure cookers, Airwhirl technology-based air fryers, 'Jumbo' gas stove range, Pigeon Ultra-Fast Turbo Chopper, and Cold Press Juicer, among others. We also revamped our entire range of chimney and hobs and launched new products in the garment care, small appliances, and kitchenware segments. Designed with equal emphasis on quality and affordability, our wide range of kitchen and home solutions were widely accepted by the audience, leading to an impressive growth in market share. As a testament to our relentless pursuit for innovation, product quality and customer satisfaction, we won the "Retailer of the Year - Kitchenware" at the Asia Retail Congress 2024 and secured the title of "Emerging Retailer of the Year" in the kitchen appliances category.

Our success rests on our ability to constantly improve and expand our manufacturing prowess. In a remarkable feat, we operationalized new manufacturing units for Bottle, Kettle, Flasks, Air Fryer, Electric Rice Cookers, Hobs & Ovens enabling greater flexibility and direct control over supply, cost and quality. In November last year, we commissioned newly constructed Warehouse on 2.75 acres of Land (1.20 Lacs sq ft) adjacent to our Registered Office and Factory. The total outlay/capex on the warehouse was Rs. 17.03 cr having capacity of around 25,500-pallet position. Recently we also commissioned 4 MWp of Solar Power Plant on roof top of newly built Unit 3 at a cost of Rs. 13.88 cr. The Plant is expected to generate 6 million Units a year which will cater to 20% of current consumption requirements. Moreover, we are in the process of operationalizing the cast iron plant which is expected to commence production from September 2024. We envision this as a critical addition to our capabilities as it shall enable us to offer a complete range of cookware, fortifying our industry leadership.

Our extensive manufacturing capabilities, coupled with best-in-class technology, uniquely position us to swiftly adapt to changing environments and market trends. Besides, the existing set-up empowers us to manufacture new products at minimum additional cost and serve our price-conscious customers more effectively. Indigenization and backward integration remains our core strength, allowing us to enjoy supply chain and cost advantage while reducing our reliance on imports. Additionally, to establish a culture of cost-effectiveness, various matrixes have been deployed across roles and designations.

Our growth is directly linked to our accessibility and close engagement with our customers. Recognizing this, we have strategically expanded

our presence across various channels, including general trade, modern trade, e-commerce, corporate sales and exports. Stovekraft enjoys a prominent presence in e-commerce, where it has acquired a winning share in many product categories. Moreover, our plans to commence business through the Micro-finance industry channel will give our presence in rural India the necessary thrust, enabling us to offer our products to a new audience.

Our foray into direct retail through company-owned and managed stores has been instrumental in deepening our connection with the consumers and acquiring meaningful insights on their evolving needs and aspirations. The overwhelming response has encouraged us to venture into Northern India and open 12 new stores in Delhi NCR. The number of operational retail stores at the end of the financial year stood at 171 across 42 cities and 8 states in India. We aim to open 25-30 new stores each quarter over the next six quarters. Other than this, the company-owned franchise-operated store model serves as a great opportunity to expand our retail footprint without hurting our cash flows. 19 franchisee partners were added this year, with a goal to open about 8-10 franchise-run stores each month in the next financial year.

Substantial marketing spends made in the year has strengthened brand recall and boosted brand visibility for our in-house brand 'Pigeon'. Our exports continue to grow over the year, generating 12.2% of the overall sales. The distribution network has also expanded remarkably to over 1,28,842 outlets, helping us to reach an increasing number of prospective customers and steering us towards sustainable growth.

GOING FORWARD

India is on track to become the fastest-growing major economy in the world. Moreover, its consumption story is being driven by a highly-aspirational but cost-conscious middle class with increased purchasing power, making it a promising market for consumer businesses like ours. Additionally, the demand in rural areas is expected to soar due to increase in government spending. We also anticipate higher demand for smaller appliances on account of improved electrification. Furthermore, technological advancements, upgraded products, growing

urbanization, stronger supply chain and rise in e-commerce platforms are fuelling the global kitchen appliances market.

As a Company in the business of manufacturing quality and aspirational products at an affordable cost, we are well-positioned to leverage the upcoming opportunities. Moreover, higher market penetration, extensive distributor network in the domestic and international markets, strong brand name combined with changing favourable demographics like rising number of nuclear families and the change in consumption patterns resulting in shorter replacement cycle will continue to serve as levers of Stovekraft's steadfast performance.

Our focus on customer-centricity is unwavering and will continue to guide us towards a bright and promising future. So shall our commitment to innovation and product development based on the changing trends and patterns. Persistent emphasis shall also be laid on strengthening our manufacturing capabilities, growing our distribution network, enhancing quality, reducing cost and improving operational efficiencies, together steering us towards our vision "to be a leader in the kitchen, home and consumer lighting solutions in India".

IN CONCLUSION

I would like to express my warm appreciation towards our employees and leadership team, the cornerstone of our growth and success. Your commitment, guidance and efforts have led us this far and helped us become a preferred brand across millions of homes. I would also like to extend my heartfelt gratitude towards our stakeholders, including customers, channel partners, investors, and the wider community, for their continued trust in us.

Over the years, your support has helped us to emerge as a stronger, more resilient and competent organization, driven resolutely by the mission to enhance the lives of our customers. As we progress, our efforts and actions will remain aligned with 'Customer-first' philosophy, driving sustainable growth and accelerated value-creation for all our stakeholders.

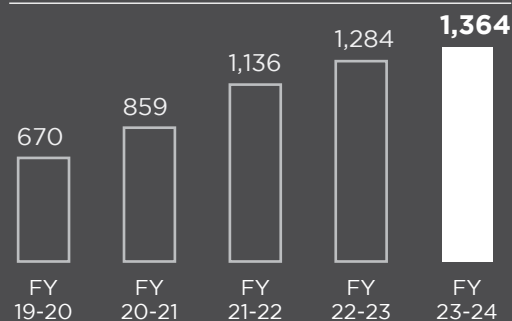
Warm Regards,

Rajendra Gandhi

Managing Director

Financial Highlights

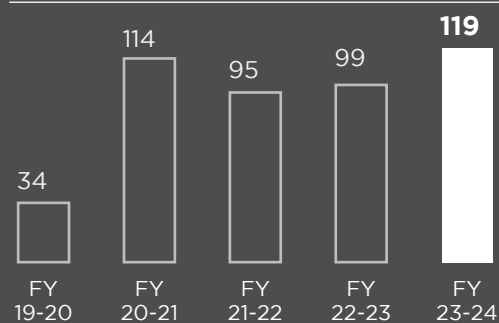
Revenues (₹ Crore)



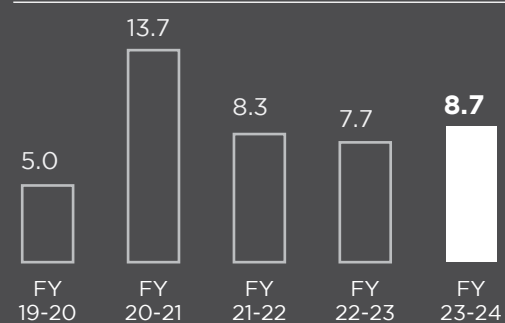
Gross Profit Margins (%)



EBITDA (₹ Crore)



EBITDA Margins (%)



PAT (₹ Crore)



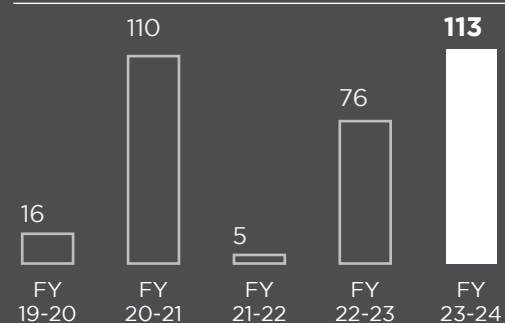
PAT Margins (%)



ROCE (%)



Cash flow from operations (₹ Crore)



CSR : Caring for communities

↳ We care deeply about the communities and environment that we operate in. Our CSR initiatives are designed with the intent of giving back to the society, fostering inclusiveness and enabling well-being and equitable opportunities for all.



CONTINUING COMMITMENT TO SKILL DEVELOPMENT: YEAR TWO OF SUCCESSFUL PARTICIPATION IN NAPS AND NATS

As strong advocates for skill development, we continue to support the government's initiatives in this area. Following the successful outcomes of our first-year participation and a thorough understanding of the impact assessment of the undertaken schemes, we are actively participating for a second year in the NAPS (National Apprentices Promotion Scheme) by the Ministry of Skill Development & Entrepreneurship and the NATS (National Apprentices Training Scheme) by the Ministry of Human Resource Development. Over the past year, we have employed apprentices under these schemes, significantly contributing to the development of a skilled workforce in our country.



ENHANCING LOCAL INFRASTRUCTURE: OUR COMMITMENT TO LOCAL GOVERNMENT BODY

Recognizing the importance of robust local infrastructure, we contributed to infrastructure enhancements at the Tehsildar office in Kanakapura Taluk, where our Company is located. Our contribution aims to aid this key administrative facility, essential for improving the efficiency and effectiveness of local governance. This initiative is expected to foster better public services, facilitate smoother operations, and ultimately contribute to the overall development and well-being of our local community.

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 Designers Limited, Happiest Minds Technologies Limited and Le Travenues Technology Limited.



Mr. Rajendra Gandhi

Managing Director

Mr. Rajendra Gandhi, (holding DIN 01646143), is the esteemed promoter and founder of Stove Kraft Limited. He has over 23 years of industry experience. Mr. Gandhi's visionary leadership and remarkable achievements have been instrumental in driving Stove Kraft's growth and success. With his entrepreneurial acumen, he has built Stove Kraft to become one of the leading brands for kitchen appliances in India. His strategic insights and unwavering commitment have not only elevated the company's market presence but also fostered a culture of innovation and excellence. As a Managing Director, Mr. Gandhi continues to inspire and lead Stove Kraft towards new milestones, ensuring sustainable growth and long-term success for the company and its stakeholders. He is 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. He also serves as a Director on the Board of Vastu Housing Finance Corporation limited, DTDC Express Limited, India1 Payments Limited, Solar Industries India Limited, Economic Explosives Limited and MAAM Employees Trustee Private Limited.



Mr. Avinash Gupta

Independent Director

Mr. Gupta is MBA from the A.B. Freeman School of Business, Tulane University and B.Tech. in Mechanical Engineering from the Indian Institute of Technology, BHU Varanasi. He is an execution-focused 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. He also serves as a Director on the Board of Jupiter Wagons Limited, Keventer Agro Ltd, Transport Corporation of India Limited and Dun & Bradstreet Information Services India Private Limited.

**Mr. Anup S Shah****Independent Director**

Mr. Anup S Shah holds a Bachelor's degree in Commerce from HR College, Mumbai, and a degree in Law from Government Law College, Mumbai. He has over 37 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 specializes 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 ASLF Law Office, Bangalore. He also serves on various Boards namely Puravankara Limited, Sobha Limited, Boruka Power Corporation Limited, Provident Housing Limited, Brigade Hotel Ventures Limited and Welspun One Logistics Parks Private Limited.

**Mrs. Neha Gandhi****Executive Director**

Mrs. Neha Gandhi holds a Bachelor's degree in Business Administration from Christ University, Bengaluru and has completed a postgraduate certificate programme in Sales and Marketing Management from MICA (formerly Mudra Institute of Communications, Ahmedabad). She has served as a graduate trainee at Viacom18 Media Private Limited. She is also a promoter of the Company.

**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. Natrajan Ramkrishna

Independent Director

Mr. Anup S Shah

Independent Director

Mr. Avinash Gupta

Independent Director

Mr. Rajendra Gandhi

Managing 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, 5th 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

CORPORATE OFFICE

No. 32, 2nd Cross,
CSI Compound, Mission Road
Bengaluru - 560027

REGISTRAR & SHARE TRANSFER AGENTS

KFin Technologies Limited
(Formerly Karvy Fintech Private Limited)
Karvy Selenium Tower B, Plot No. 31-32,
Karvy Selenium, Financial District
Nanakramguda, Gachibowli,
Hyderabad, Telangana-500032
T: +91 40 6716 2222, 3321 1000;
F: +91 40 2300 1153;
E: murali.m@kfintech.com

STATUTORY AUDITORS

Price Waterhouse Chartered
Accountants LLP

INTERNAL AUDITORS

M/s. Manian & Rao,
Bangalore

COST AUDITORS

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

SECRETARIAL AUDITORS

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

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

INE00IN01015

PLANTS

Harohalli Industrial Area,
Bangalore

Baddi, Himachal Pradesh

BANKERS

ICICI Bank
HDFC Bank
Axis Bank

Management Discussion and Analysis

ECONOMIC OVERVIEW

GLOBAL ECONOMY

As we step into 2024, the global economy finds its way with a mix of challenges and opportunities. With the increasing conflicts in Gaza and Israel, along with persistent Red Sea attacks and the ongoing Ukraine war, pose threats to oil, gas and elevated commodity, energy, and food prices. As per the International Monetary Fund (IMF) report for April, 2024, global growth is projected to reach 3.2 percent in both 2024 and 2025, staying consistent with 2023. At the global level the good news is that inflation is actually sinking faster than expected, with supply problems being resolved and adoption of conservative monetary policies being pursued. According to the IMF report from April 2024, the revised predictions anticipate global inflation to decline to 5.9 percent in 2024 and even lower to 4.5 percent in 2025.

Developed economies are expected to see a slight growth rise, with estimates representing an increase from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 as per IMF report April 2024. On the contrary, emerging markets and developing economies are expected to experience a slight slowdown, with growth projections adjusted to 4.2% for both 2024 and 2025, down from 4.3% in 2023 as per IMF report April 2024. Over the past two decades, G20 emerging markets, contributing to 30% of the world economy and a quarter of global trade, have consistently surpassed advanced economies, mainly due to China's rising influence. Despite challenges, the global economy shows resilience with consistent growth. However, advancements in Artificial Intelligence and structural reforms might substantially increase productivity.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

INDIA ECONOMY

In 2024, India's economy has continued to be a major player in the global market. As per IMF report April 2024, economic growth in India is expected to remain strong at 6.8 % in 2024 and 6.5 % in 2025. With the strong domestic demand and increasing working-age individuals along with increased focus

on capital expenditure by the Government, India grew significantly in the first quarter of FY2022-23, surpassing the UK to become the fifth-largest economy in the world. The year 2023 was a year of shocks but India remained relatively stable. According to a press note issued by National Statistical Office, Ministry of Statistics & Programme Implementation, Government of India on 29 February, 2024, the Indian economy stayed stronger with a 7.6% rise in the growth rate of GDP in FY2023-24, up from the from previous year's 7% in FY2022-23.

However, geopolitical unrest and growing trade route disruptions pose a threat to the overall outlook of the Indian economy. Considering these factors, the Reserve Bank of India announced on April 5, 2024, that the GDP growth rate for FY2024-25 is projected at 7%. In the near future, the pricing of fuel is expected to be affected by recent decline in LPG prices, while ongoing geopolitical tensions and frequent climate changes pose threats to the projection of domestic and international food prices as well as disturbance in supply chain and commodity prices. Nevertheless, India's GDP growth is projected to be driven by rising employment, growth in private consumption, and improved consumer sentiment.

In India the manufacturing sector looks promising and continues to be a key pillar in the progress of Indian economy, making considerable impact on country's economic growth. Its evolution from traditional practices to modern integration with various sectors like consumer durables, automotive, engineering, chemicals, and pharmaceuticals is set for significant growth. As reported by Indian Brand Equity Foundation in February 2024, the Indian manufacturing sector is expected to be one of the fastest growing sectors, having generated 16-17% of India's GDP before the pandemic. The report further states that India is ranked as the third most favored manufacturing hub in the world and has potential to export goods worth USD 1 trillion by 2030.

(<https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

<https://pib.gov.in/PressReleasePage.aspx?PRID=2010223>

<https://economictimes.indiatimes.com/news/economy/indicators/rbi-projects-gdp-growth-at-7-inflation-at-4-5-for-fy-2024-2025/videoshow/109054698.cms?from=mdr>

<https://www.ibef.org/economy/indian-economy-overview>

<https://ddnews.gov.in/en/indian-economy-poised-for-7-growth-in-fiscal-year-2024-25-ministry-of-finance/#:~:text=The%20Indian%20economy%20is%20set,over%20the%20past%20three%20years.>

<https://www.ibef.org/industry/manufacturing-sector-india>

INDUSTRY OVERVIEW & DEVELOPMENTS

The kitchen appliances market covers manufacturing and selling a wide range of kitchen appliances used in the Kitchen including refrigerators, cookers, cooktops, cookware, ovens, stoves, blenders, dishwashers, food processors, coffee makers, and more. Kitchen appliances are extensively used in residential and commercial sectors. These appliances are mainly operated using electricity, cooking fuel, renewable energy, and solar power. The distribution channel for kitchen appliances involves multi-brand stores, exclusive stores, exclusive brand outlets and online platforms.

The global kitchen appliances market size was valued at USD 245.45 billion in 2024 and is projected to grow to USD 321.4 billion by 2029 as reported by Mordor Intelligence. This growth is mainly driven by technological advancement, leading to the increasing adaptation of smart kitchen appliances, making kitchen more convenient and comfortable to use. Key players in the industry are investing heavily in research and development to launch new products matching consumer preferences. Various product upgrades, growing urbanization, strong supply chains, and the rise in e-commerce platform are driving the industry's growth. As per Morder Intelligence, the kitchen market has been constantly evolving worldwide and is estimated to expand at a compounded annual growth rate (CAGR) of 5.53% from 2024 to 2029.

The smart kitchen appliance market which was valued at USD 20.44 billion, is expected to reach USD 44.49 billion by 2029, with North America leading the way, as reported by Morder Intelligence. The growing trend of smart homes, eco-friendly practices, focus on food waste reduction, growing health-conscious trends, and the rising demand in the hospitality sector, are key factors driving the smart kitchen

appliances market. Moreover, the integration of IoT, AI capabilities, and voice assistants is set to revolutionize the smart kitchen appliance industry. With the rise in disposable incomes, smart kitchen appliances such as smart ovens, smart dishwashers, smart refrigerators, smart cookware, cooktops, thermometers, and, voice faucets are becoming more accessible to consumers.

The kitchen appliance sector is rapidly growing in North America due to increase in the adoption of advanced technologies and growing trend of customized kitchen designs among consumers. Similarly, Asia-Pacific is the largest market for the kitchen appliances. There is a growing trend on modular kitchens in these regions which stimulates the demand for standalone cooktops and ovens. Furthermore, the demand for eco-friendly home appliances in the region is increasing due to rising energy prices, government initiatives, and a focus on energy conservation. Urbanization, economic development, and infrastructure improvements are further influencing the market growth both locally and globally.

India's electrical kitchen appliances market is booming, due economic development, shifts in lifestyle, increased earnings, advancements in technology, and the growth of the Internet market. In 2023, the Indian market for electrical kitchen appliances was valued at USD 7.01 billion, with a projected CAGR of 6.75% by 2029, as per Techsci Research. Further, in India, the home appliance market will reach USD 58.64 million by 2024, as per Statista Report.

<https://www.alliedmarketresearch.com/kitchen-appliances-market>

<https://www.expertmarketresearch.com/reports/kitchen-appliances-market>

<https://www.mordorintelligence.com/industry-reports/global-kitchen-appliances-products-market-industry/market-size>

<https://www.mordorintelligence.com/industry-reports/smart-kitchen-appliances-market>

<https://www.skyquestt.com/report/kitchen-appliances-market>

<https://www.databridgemarketresearch.com/reports/global-kitchen-appliances-market>

<https://www.statista.com/outlook/cmo/household-appliances/india>

<https://www.techsciresearch.com/report/india-electric-kitchen-appliances-market/3035.html#:~:text=Report%20Description,-Forecast%20Period&text=India%20Electrical%20Kitchen%20Appliances%20Market%20has%20valued%20at%20USD%207.01,and%20transformation%20in%20recent%20years>

Product Segmentation

Based on the product structure, the market is segmented into large, small, and other. The large appliances include items such as refrigerators, dishwashers, microwaves, cooktops, ovens, hobs, and kitchen chimneys and more. On the other hand, small appliances consist of food processors, mixer grinders, blenders and juicers, coffee machines, kettles, grills, and fryers.

Large Cooking Appliances

Large cooking appliances are vital to the Indian kitchen appliance market, driven by the expanding middle class, increasing incomes, and ongoing urbanization. They are now a necessity and are designed to cater to the preparation and storage of food efficiently. The growing population in developing nations also creates opportunities for infrastructure development to cater to this increasing demand. The Government of India has introduced various reforms, such as “make in India” initiative, to encourage production of large kitchen appliances within the Country, which will consequently create jobs and lessen the dependence on imported products.

<https://www.researchandmarkets.com/report/large-cooking-appliance>

<https://www.techsciresearch.com/report/india-electric-kitchen-appliances-market/3035>

Small Cooking Appliances

The small kitchen appliances market was valued at USD 130 billion in 2023 and is estimated to expand at a CAGR of 4.7% from 2024 to 2032 as per Global Market Insights. North America currently leads the market, holding a market share of USD 39 billion, as per Global Market Insights. Small kitchen appliances serve a wide array of households, offering manual, semi-automatic, and fully automated models. Their compact size, cost-effectiveness, and ability to streamline kitchen chores have made them essential in modern households. Consumers are increasingly seeking for small kitchen appliances to make their daily lives easier. These appliances help streamline kitchen tasks, cut down on food waste, and improve the overall cooking experience

<https://www.gminsights.com/industry-analysis/small-kitchen-appliances-market>

<https://www.fortunebusinessinsights.com/small-domestic-appliances-market-104613>

Other appliances

Increasing awareness of home-cooked meals among urban youth, higher consumption of immunity-boosting foods, and growing number of eateries, are the major demand drivers of nonstick cookware, such as pans, pots, whisks, etc. With increasing emphasis on healthy eating, the demand for the cookware that supports oil-free cooking has risen. Furthermore, more consumers preferring to eat out, there is a higher demand for non-stick cookware to serve more customers in a shorter time period without compromising on food quality and presentation.

Growth Drivers and Outlook of Indian Kitchen Appliances Market

Evolving Lifestyle: Modern living trends have witnessed an increase in the trend of modular kitchens that focus on aesthetics, practicality, and convenience. This, in turn resulted in the creation of advanced and innovative kitchen appliances as well as an increased demand for commercial kitchen appliances.

Rising Disposable Income: The rise in disposable income worldwide has led people to seek improvement in their quality of life by procuring convenient and time saving solutions. Transitioning from traditional cooking methods to modern kitchen appliances aids the smart kitchen appliances market, as they are one of the best ways to ease life by providing comfort in the kitchen.

Urbanization: Urbanization has changed the perspective of working and living. Increase in surplus money and growing population in the urban cities is expected to drive the demand for kitchen appliances. This has created a greater need for compact and efficient kitchen appliances, such as microwave ovens, induction cooktops, and compact dishwashers, coffee makers, food processors, and egg cookers.

Smart Kitchen Appliances shift: High electricity bills and fuel costs have led the consumers to shift towards smart kitchen appliances. Consumers are keen to invest in smart appliances as these appliances offer remote control via smartphones or voice assistants, making cooking more convenient. As the Internet of Things (IoT) is also revolutionizing, kitchens are on track to align with the intelligence of the smart kitchen.

Surging demand for Home-cooked Meals: Increase in the health-consciousness among consumers, particularly post-pandemic, has led to a surge in demand for appliances that facilitate healthy cooking methods. Air fryers, steamers, and blenders are gaining popularity as they enable oil-free and nutritious cooking.

Aesthetic Attraction: A well-designed kitchen strikes a balance between aesthetics and practicality. Streamlined layouts, high-quality material, smart storage solutions, and ergonomic design elements ensure that the kitchen remains functional and efficient, meeting the preferences of consumers on a large scale.

Sustainable and Eco-Friendly Appliances: Environmental friendly and energy-efficient appliances are in demand, as consumers become more conscious of their ecological footprint. Connected appliances that can be controlled remotely allow for better energy management. Growing preferences for eco-friendly materials used in the kitchen appliances, along with Government efforts to encourage manufacturers to use renewable energy sources and spread awareness about energy consumption, collectively contributing to the acceptance of eco-friendly and sustainable appliances.

Health and Wellness Focus: Post pandemic, there has been a major change in the dietary lifestyle of consumers. They are looking for appliances that facilitates portion control, calorie count and their dietary needs, leading to an increased demand for appliances like air fryers, juicers, and blenders that facilitate healthier cooking and meal preparation.

Rise of Digital Sales: Online sales channels have emerged as a dominant force in the Indian kitchen appliances market, enabling the consumers to browse through a vast array of kitchen appliances, compare prices, read reviews, and make purchases from the comfort of their homes or on the go.

<https://archipro.com.au/article/elevate-your-culinary-space-the-latest-trends-in-designer-kitchen-appliances-designer-appliances>

<https://www.thebrainyinsights.com/report/kitchen-appliances-market-13896>

<https://www.asdreports.com/market-research-report-637797/india-kitchen-appliances-market-competition-forecast-opportunities>

<https://www.credenceresearch.com/report/household-cooking-appliances-market>

Source: <https://www.mordorintelligence.com/industry-reports/india-kitchen-appliances-products-market-industry>

<https://stovekraft.com/wp-content/uploads/2024/02/Investorpresentationfinalsigned.pdf>

<https://www.globenewswire.com/news-release/2024/01/23/2814241/0/en/Smart-Kitchen-Appliances-Market-Poised-for-Remarkable-Growth-Anticipated-to-Reach-US-3-2-Billion-by-2030-According-to-Insights-by-Persistence-Market-Research.html>

<https://www.globenewswire.com/en/news-release/2023/03/27/2634915/0/en/Household-Cooking-Appliance-Market-to-Reach-USD-622-54-Billion-By-2032-Growing-Household-Demand-for-Newest-Cutting-Edge-Cooking-Appliances-says-The-Brainy-Insights.html>

COMPANY OVERVIEW

Stove Kraft (“Company”) has a strong presence in India and stand as a leading provider of kitchen solutions. With over two decades of presence in the market, it is one of the key players for home and kitchen appliance in India, particularly for its pressure cookers and is leading the market in free-standing hobs, cooktops and non-stick cookware. Headquartered in the Bengaluru, Karnataka, the Company has established a strong pan India presence in 28 states and 6 Union territories. It exports its products to 14 countries across the globe with 12.2% of sales generated through exports. Beyond the Company’s dominant presence in India, the Company has successfully grown global with its products retailed in US, Mexico, South East Asian countries and Gulf nations. Furthermore, it has established OEM partnerships in the USA and Mexico.

The Company manufactures and retails kitchen and home solutions under three major brands: Pigeon, Gilma and BLACK+Decker. These brands offer a broad range of kitchen and home products, targeting value, semi-premium and premium segments.

- **Pigeon:** Award-winning brand and renowned for its high-quality cookware. 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 efficiently leveraging their sale and distribution channels.

- **Gilma:** Offers a unique modular kitchen experience comprising chimneys, hobs and cooktops across different price ranges and designs in the semi premium segment which are 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.
- **BLACK+DECKER:** To establish a 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 postsales 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 17 states for BLACK+DECKER

The Company has expanded its distribution reach to over 1,28,842 outlets, 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 in-house service team with full capabilities and provides end-to-end services through its technicians. The Company has built a separate distribution network for Pigeon, Gilma, BLACK+DECKER and Pigeon LED.

The Company has implemented BIZOM for real time tracking and capturing movement of its field sales executives and service engineers. For tracking its secondary and tertiary sales, the Company utilizes DMS which also helps to maintain inventory level at the distributor's center. The centralized CRM software enables tracking of customer requests, pre-installation, and post-sales support. Additionally, the Company also has a centralized call center and allocation of service requests to branches based on mapping.

Recognitions

The Company has won "Retailer of the Year - Kitchenware" at the Asia Retail Congress 2024, showcasing its dedication to innovation, top-quality products, and consumer satisfaction. Additionally, its 'Pigeon Exclusive Stores,' a brick-and-mortar retail division of the Company, secured the title of "Emerging Retailer of the Year" in the Kitchen Appliance category.

Stove Kraft Wins Esteemed Retail Excellence Award at Asia Retail Congress 2024 (linkedin.com)

Retail stores

During FY2023-24, the Company expanded its retail network with 121 stores, and ended the year with a total of 171 operational stores across 42 cities and 8 states in India. This includes the introduction of 12 new stores in the National Capital Region (NCR) while simultaneously strengthening the Company's presence in Southern India. We also launched the Franchise Model in Nov'23 and onboarded 19 Franchisee partners in FY 24. Within the next 12-18 months, the Company plans to open further 75+ retail stores across the country (penetrating new states). 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 at Bengaluru, Karnataka and Baddi, Himachal Pradesh, using the ultramodern technology ensuring high-quality standards. 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, around 2 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 FY2023-24, it had an aggregate production capacity of 220.91 Mn units per annum. The Company has started manufacturing of small appliances in India which was earlier imported from China. Indigenisation of products has helped to increase penetration of products in domestic market.

During the year a newly constructed Warehouse on its 2.75 acres of Land (1.20 Lacs sq ft) adjacent to its Registered Office and Factory was commissioned. The total outlay/capex on the warehouse was ₹ 170.3 million having capacity of around 25,500 pallet position, which will take care of our Warehouse requirement for next four years.

The Baddi facility has an annual installed capacity of 3 Mn units per annum. The Company manufactures Inner Lid Cookers at this facility. In Bangalore Unit, 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 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 standards.

Competitive Strengths

- The Company offers a wide range of kitchen solutions under one roof, catering to a larger consumer base. This strategy enhances their sales performance and increases their market share.
- The Company is led by a professional management team having extensive industry experience and is supported by experienced board members.
- The company uses effective marketing campaigns that highlight the company's unique selling propositions and competitive advantages. These branding and marketing efforts raise awareness of the company, its products, and its values among target audiences.
- The Company's manufacturing capabilities are robust, with efficient backward integration and a focus on producing higher quality finished products.
- The Company has an extensive and well-connected distribution network, covering multiple retail channels, and a dedicated after-sales network.
- The Company has very strong presence in e-commerce and continues to grow stronger.

OPERATIONAL REVIEW - OPERATIONAL AND FINANCIAL PERFORMANCE

The Company recorded revenue from operations of ₹ 13643 million in FY2023-24 compared to ₹ 12838 million in FY2022-23, an increase of 6.27% led by strong demand for kitchen appliances. Volume growth was 17% in FY 2023-24. The Company has expanded

its operations outside Southern India and into the Northern region, to provide innovative kitchen solutions to a whole new audience. Additionally, the Company showed its commitment by launching new manufacturing units, which commenced the operations in the first half of the current financial year. During the year under review E-commerce channel witnessed growth of 7%, and OEM exports by 26%, whereas the offline sales reduced by 11%. Revenue from retail stores grew by 6 times.

The Company's operations focused on meeting customer demand arising from expanding middle class and increasing disposable income levels. To meet the rising demands, the Company introduced new variant products such as the ultrafast double chopper, thermo cup, and Pigeon jumbo series of cooktops. The Company continued to launch new and improved range of induction cooktops, pressure cookers, one of its kind, multiuse mixer-grinder with our ultra-powerful motor, range of cast iron cookware, oven toaster grill cum air fryer, double stainless steel rice cooker.

Despite facing challenges such as rising operational, employee and marketing cost, irregular rainfall, and higher input prices causing inflation, the operations of the company continued to grow across various trade channels, including general trade, e-commerce, retail, and modern retail, all experiencing growth. 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.

The gross margin for the fiscal year stood at 36.9% (PY was 32.7%) while EBITDA margin (excluding other income) stood at 8.7% (PY was 7.7%). The PAT margin stood at 2.5% in FY2023-24 compared to 2.8% in FY2022-23. The ROCE stood at 9.24% compared to 10.04% in previous year. The Company's net debt as on 31 March 2024 stood at ₹ 1307 million (excluding lease liabilities and suppliers credit) with working capital of 59 days as compared to 63 days in FY 2022-23. Please also 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 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 favorable 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 in 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

The Company acknowledges the value of its human resource and embraces them as the source of its organizational achievements. The Company encourages a supportive work environment with defined and transparent HR process and evaluations. In particular, the company enjoys a workforce which is 70%-female and represents its resolve to advance equality and inclusion in the workplace, thereby ensuring harmonious workplace culture. The company strives to incorporate strong HR practices as a way of promoting the company's growth and innovation throughout all its operations. A skilled and motivated workforce has the potential to be powerful growth accelerator for a Company.

As on March 31, 2024, the Company had a total of 5814 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 is optimistic about long-term business growth for home and kitchen appliances. The strong fundamentals of the Company, such as its significant market position, focus on consumer feedback and preferences, strategic retail expansion, and constant innovation drives the Company's optimistic outlook. We encourage our people to make understand our commitments to clients. This includes managing expectations and dealing with any issues early. We focus on building strong relationships with our

clients and placing them at the core of how we deliver – listening to them and understanding their basic needs, so we can deliver solutions that add value and offer personalized experience that contribute to customer satisfaction. We take personal accountability to make the right commitment to our clients, build sustainable relationships with them and consistently striving to deliver on our promises

The future of the Company looks bright. With its well-recognized brands, strong distribution channels, and efficient backend integrated manufacturing facilities, the Company is well prepared for growth and expansion. The Company has well defined quality policy in their daily operations. The Company strives for continuous improvement and the Quality Management System serves as a structured framework for improving and measuring the performance of the products. Furthermore, the Company has a dedicated R&D center coupled with progressive R&D Investments which allows the Company to create innovative products that matches the evolving consumer preferences and demand. Furthermore, the Government of India has implemented several initiatives like Make in India, Digital India and Startup India and launched various schemes like Pradhan Mantri Ujjwala Yojana, all focusing on transforming the manufacturing segment of kitchen appliance market. The Government of India has also allowed 100% Foreign Direct Investment through automatic route in electronic hardware manufacturing sector, encouraging growth, expansion and innovation within the sector. We believe that our Company is rightly positioned to exploit the opportunities with an aim to generate value for all the stakeholders.

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 25th Annual Report of the Company and the Audited Financial Statements for the financial year ended 31 March 2024.

CIRCULATION OF ANNUAL REPORTS IN ELECTRONIC FORM

Pursuant to general circulars dated December 08, 2021, May 05, 2022, December 28, 2022, September 25, 2023 issued by Ministry of Corporate Affairs' ('MCA') read with SEBI Circular dated October 7, 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 2024.

FINANCIAL HIGHLIGHTS

Particulars	(₹ in Million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	13,643.30	12,838.47
Other income and Other gains/ (losses)	0.56	(35.05)
Total Income	13,643.86	12,803.42
Less: Total expenses	12,455.19	11,848.45
Profit before interest and Depreciation	1,188.67	954.97
Finance cost	240.32	165.32
Depreciation & Amortization expenses	492.84	316.85
Profit before tax	455.51	472.80
Net Tax expense	114.16	115.10
Profit for the year	341.35	357.70
Total other comprehensive income for the year	1.00	6.86
Total comprehensive income for the year	342.35	364.56

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

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 23 August 2024. The Annual Report for FY2024 is also available on the website of the Company at <https://www.stovekraft.com/investors/>

Compliance with SEBI LODR Regulations

The Company has complied with all the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

for determining Material Subsidiary, as formulated by the Board of Directors, in conformity with Regulation 16 and 24 of the SEBI Listing Regulations, is placed on website of the Company and can be accessed at the web-link https://stovekraft.com/wp-content/uploads/2023/05/Material_Sub subsidiary_Policyfinal-tol-upload.pdf

DIVIDENDS

The Board has recommended dividend of ₹ 2.50 per share (25%) for FY24, subject to the approval of

the shareholders in the ensuing AGM. The proposed dividend for FY24 will absorb ₹82.63 million. In accordance with the provisions of the Income Tax Act, 1961 the aforesaid dividend will be taxable in the hands of shareholders but liable for Tax Deduction at Source (TDS) by the Company at the applicable rates.

Dividend Distribution Policy: 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 a crucial resource, and the Company operates both Sewage Treatment Plants and Effluent Treatment Plants. The treated water is utilized for gardening and plantation purposes. Additionally, rainwater harvesting recharge pits have been installed in different areas of the plants to replenish groundwater levels. Rainwater harvesting involves directing roof water to these recharge pits. More than three acres of land within the plant has been transformed into a green belt.

OCCUPATIONAL HEALTH & SAFETY

The Company prioritizes Occupational Health and Safety (OH&S) with great emphasis. Plant Heads kickstart each day with safety meetings, discussing crucial safety aspects with workers. Workers undergo safety induction training, refresher courses, and job-specific training provided by both Plant Heads and the Safety Head. Additionally, the Safety Head refreshes workers monthly on safety aspects to reinforce their significance. Fire safety lectures and drills are conducted for workers in batches. Further the Company's plants are certified for ISO 9001:2015 - Quality Management Systems.

TRANSFER TO RESERVES

For FY2023-24 no amount is proposed to be transferred to reserves.

SHARE CAPITAL

As on 31 March 2024, the Authorized Share Capital of the Company is ₹ 400,000,050/- divided into 40,000,005 Equity Shares of ₹ 10/- each and the Issued, Subscribed and Paid-up Share Capital of the Company is ₹ 33,05,17,590/-.

Change in Authorized, Issued, Subscribed and Paid-up Share Capital of the Company during FY2023-24 were as follows:

Sl. No	Particulars	March 31, 2024		March 31, 2023	
		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	33,051,759	330,517,590	33,026,895	330,268,950

Please note that increase in issued, subscribed and paid up Capital of the Company during FY2023-24 was due to allotment of shares pursuant to exercise of ESOPs.

EMPLOYEES' STOCK OPTION PLAN

Pursuant to the resolution passed by the Board of Directors on 10 July 2018 and resolutions passed by shareholders on 10 September 2018 and on 29 September 2018 respectively the Company has adopted 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 said resolutions, ESOP pool of 813,000 options was approved and created under the ESOP Plan.

As on 31 March 2024, 5,85,843 options were exercised at ₹150 per share under the ESOP Plan. The disclosure as stipulated under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 as on 31 March 2024 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. The said certificate will be available for inspection during AGM.

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 FY2023-24 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 2023-24.

DEPOSITS

Your Company has not accepted any deposit and as such no amount of principal and interest was 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

Retirement by rotation

Pursuant to the provisions of section 152 of the Companies Act, 2013, Mrs. Neha Gandhi retires by rotation at the ensuing AGM and being eligible, offers herself for re-appointment. The Board recommends her reappointment.

Reappointment of Managing Director

At the Annual General Meeting held on 24 September 2020, Mr. Rajendra Gandhi, (holding DIN 01646143) was reappointed as the Managing Director of the Company for a period of five years from 17 March 2020 till 16 March 2025.

Proviso to Section 196(2) of the Companies Act, 2013 provides that the reappointment of Managing Director may be done one year before the expiry of

his term. In view of the above provisions the Board, on recommendation of Nomination and Remuneration Committee, at its meeting held on 10 August 2024 has approved the reappointment and remuneration of Mr. Rajendra Gandhi, as Managing Director for a period of five years from 17 March 2025 to 16 March 2030, subject to the approval of shareholders at the ensuing Annual General Meeting. The Board recommends the reappointment of Mr. Rajendra Gandhi as Managing Director.

Independent Directors

Mrs. Shuba Rao Mayya, Mr. Natrajan Ramkrishna, Mr. Anup S Shah and Mr. Avinash Gupta continues to be Independent Directors of the Company. Pursuant to the provisions of Section 149 of the Act, the aforesaid Independent Directors have submitted declarations that they continue to meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). During the year, there has been no change in the circumstances affecting the status of Independent Directors of the Company.

The Board of Directors, based on the declarations received from the Independent Directors after duly verifying the veracity of such declarations, hereby confirms that the Independent Directors fulfil the conditions of independence specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management of the Company.

Please also note that as per Schedule IV of the Companies Act, 2013 the Independent Directors had a separate meeting on 18 March 2024.

KEY MANAGERIAL PERSONNEL (KMP)

As on 31 March 2024, Mr. Rajendra Gandhi, Managing Director; Mrs. Neha Gandhi, Executive Director; Mr. Ramakrishna Pendyala, Chief Financial Officer and Mr. Shrinivas P Harapanahalli, Company Secretary & Compliance Officer were the Key Managerial Personnel of the Company.

Changes in KMPs: Mr. Balaji A S, 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 with effect from 29 July 2023.

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 Companies Act, 2013 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 has 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/2024/07/NRC-Policy-amended-29072023.pdf>

The Company also has in place Board Diversity Policy. The Policy enables the Board to ensure appropriate balance of skills, experience and diversity in its 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 2024 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 22nd AGM held on 31 August 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 22nd Annual General Meeting until the conclusion of 27th Annual General Meeting.

The Statutory Auditors' Report for the Financial Year 2023-24 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 financial year ended 31 March 2024. The Secretarial Audit Report for financial year ended 31 March 2024 is attached to this report as Annexure - 3. The said report does not contain any qualification, reservation or adverse remark.

SECRETARIAL COMPLIANCE REPORT

Pursuant to Regulation 24A of the Listing Regulations, BMP & Co. LLP, Practicing Company Secretaries, have issued Annual Secretarial Compliance Report for FY2023-24. 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/2024/06/24AASCR31032024.pdf>

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 under Section 148(1) of the Companies Act, 2013 and the Rules framed thereunder. The Cost Audit for FY2022-23 was conducted by M/s. GS & Associates, Cost Accountants and the Cost

Audit Report for FY2022-23 was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the cost accounts of the Company for FY2023-24 is also being conducted by the said firm and the Report will be filed within the stipulated time.

Further the Board of Directors on the recommendation of the Audit Committee, has reappointed M/s. GS & Associates, Cost Accountants to audit the cost records of the Company for FY 2024-25 at a remuneration of ₹ 1,25,000/- plus applicable taxes and 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 be compliant with the provisions relating to the constitution of Internal Committee and other provisions 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 said Act and no complaint was pending at the beginning and end of FY2023-24.

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 is placed on website of the Company and can be accessed at the link <https://stovekraft.com/wp-content/uploads/2023/08/Whistle-Blower-Policy-2023.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. For proper risk management, the Company

has the Risk Management Policy and a well-defined Risk framework. The Company has in place a Risk Management Committee to look into risk assessment and minimization. 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 Companies 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 2024, 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 2024 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 the 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)

Business Responsibility and Sustainability Report for FY2023-24 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 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. Ramakrishna Pendyala, Chief Financial Officer in respect of the financial statements and the cash flow statement for the financial year ended 31 March 2024 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 2024-25 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 2023-24 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 from the end of financial year till the date of this report

There have been no material changes and commitments which affect the financial position of the Company that have occurred from the end of the financial year to which the financial statements relate till the date of this report.

Cautionary Statement

Statements in the Board's Report 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;
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 express gratitude to all stakeholders, including customers, bankers, suppliers, distributors, dealers, and contractors, for their ongoing assistance, cooperation, and support. They also extend sincere appreciation to all employees for their dedication and ongoing contributions to the Company. The Directors are thankful for the confidence, faith, and trust shown by shareholders in the Company. Additionally, appreciation is extended to the Central Government and the Government of Karnataka for their continual support and cooperation.

For and on behalf of the Board

Place: Bengaluru
Date: 10 August 2024

Rajendra Gandhi	Neha Gandhi
Managing Director	Executive Director
DIN: 01646143	DIN: 07623685

Note: At the meeting held on 24 May 2024 the Board has approved the Board's Report for the financial year ended 31 March 2024. The said report was revised by the Board on 10 August 2024 only to include reappointment of Mr. Rajendra Gandhi as Managing Director. There are no changes in annexures and hence their date remains unchanged.

Annexure -1 to Board's Report

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 2024

I. DETAILS RELATED TO THE SCHEME:

As on 31 March 2024, 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: ₹ 10.30

Diluted: ₹ 10.30

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 2024, an amount of ₹ 12.31 million is debited to employee cost as share based compensation.

(iv) Option Movement During the financial year 2023-24

Sl. No	Particulars	ESOP 2018 FY2023-24	Weighted Average Exercise Price in ₹
1	Number of options outstanding at the beginning of the year	1,46,818	382.94
2	Number of options granted during the year	1,57,859	490.40
3	Options forfeited / lapsed during the year	56,269	177.71
4	Options vested during the year	32,266	233.27
5	Options exercised / settled during the year	24,864	150.00
6	Options outstanding at the end of the year	2,23,544	507.35
7	Options exercisable at the end of the year	10,902	396.47

(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 2023-24:

(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. Rohit Mago, Chief Revenue Officer	50,000
2.	Mr. Janardhanan N, Chief Human Resource Officer	25,000
3.	Mr. Vikash Gupta, Chief Operating Officer	20,859
4.	Mr. Manu Nanda, Chief Marketing Officer	25,000
5.	Mr. Ramakrishna Pendyala, Chief Financial Officer	18,500

(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. Tushar Sharma, Head E-commerce was granted 18,500 options.

(c) Identified employees who were granted options, 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 2023-24 the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24:

Sl. No	Name Of Director/KMP And Designation	% Increase in Remuneration In Financial Year 2023-24 (in May 2023)	Ratio of remuneration of Director to median remuneration of employees in financial year 2023-24
1	Mr. Rajendra Gandhi Managing Director	10	31:1
2	Mrs. Neha Gandhi Executive Director	10	7:1
3	Mr. Lakshmikant Gupta Independent Director (Ceased to be Director w.e.f. 31 May 2023)	-	1.3:1
4	Mrs. Shuba Rao Mayya Independent Director	-	4.4:1
5	Mr. Anup Shah Sanmukh Independent Director	-	3.0:1
6	Mrs. Sunita Rajendra Gandhi Non-Executive Non - Independent Director	-	-
7	Mr. Natrajan Ramkrishna Independent Director	-	2.8:1
8	Mr. Avinash Gupta Independent Director	-	2.3:1
9	Mr. Balaji AS Chief Financial Officer (Resigned w.e.f. 13 July 2023)	08	2.3:1
10	Mr. Ramakrishna Pendya Chief Financial Officer (Appointed w.e.f. 29 July 2023)	-	11.0:1
11	Mr. Shrinivas P Harapanahalli Company Secretary & Compliance Officer	-	5.8:1

- (ii) Percentage increase in the median remuneration of employees in the financial year ended on 31.3.2024:

There was 5.09 increase in the median remuneration of employees in FY2023-24.

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

There were 5814 permanent employees on the rolls of Company as on 31.3.2024.

- (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 7.2%.

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 to Board's Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2024

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Stove Kraft Limited (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us with 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, 2024 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, 2024, 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 Benefits Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - Not applicable as the Company has not issued any debt securities during the financial year under review;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - Not applicable as the Company

has not delisted its equity shares from any stock exchange during the financial year under review; and

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable as the Company has not done any buyback of its securities during the financial year under review.
- vi. Other laws applicable to the Company namely:
1. Factories Act, 1948 & the Central Rules or Concerned State Rules, made thereunder
 2. Boilers Act, 1923 & Rules made thereunder
 3. Indian Electricity Act, 1956 & its Central Rules / Concerned State Rules, made thereunder
 4. Gas Cylinder Rules, 1981 (Under Indian Explosives Act)
 5. Static and Mobile Pressure Vessels (Unfired) Rules, 1981 (Under Indian Explosives Act)
 6. Environment (Protection) Act, 1986
 7. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/ Concerned State Rules.
 8. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/ Concerned State Rules
 9. Hazardous Wastes (Management and Handling) Rules, 1989
 10. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
 11. The Contract Labor (Regulation and Abolition) Act, 1970 & its Central Rules/ Concerned State Rules.
 12. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.
 13. The Employees' State Insurance Act, 1948 & its Central Rules/ Concerned State Rules.
 14. The Minimum Wages Act, 1948 & its Central Rules/ Concerned State Rules/ Notification

of Minimum Wages applicable to various class of industries/ Trade.

15. The Payment of Wages Act, 1936 & its Central Rules/ Concerned State Rules if any.
16. The Payment of Bonus Act, 1965 & its Central Rules/ Concerned State Rules if any.
17. The Payment of Gratuity Act & its Central Rules/ Concerned State Rules if any.
18. The Maternity Benefit Act, 1961 & its Rules.
19. The Equal Remuneration Act, 1976.
20. The Industrial Employment (Standing Orders) Act, 1946 & its Rules.
21. The Apprentices Act, 1961 & its Rules.
22. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.
23. The Workmen's Compensation Act, 1923
24. The Industrial Dispute Act, 1947
25. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

We have also examined compliance with the applicable clauses/regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Ltd.;

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

We further report that: -

The Board of Directors of the Company is duly constituted with a 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.

As per the minutes of the meetings, the decisions of the Board were taken unanimously.

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

Pramod S M
Partner

Place: Bangalore

Date: 24 May 2024

Peer Review Certificate

No: 736/2020

FCS No: 7834

CP No: 13784

UDIN: F007834F000441531

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

Annexure A

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a 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 the 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 a 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 labor 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: 24 May 2024
Peer Review Certificate
No: 736/2020

FCS No: 7834
CP No: 13784
UDIN: F007834F000441531

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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 Company 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 as per the provisions of 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 2024:

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	Mrs. Neha Gandhi	Chairperson of the Committee & Executive Director	3	1/2
2	Mr. Avinash Gupta	Member		2/2
3	Mr. Rajendra Gandhi	Managing Director		3/3

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/2024/01/Board-Composition-Dec-2023.pdf>

CSR Policy:-

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

CSR Projects-

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fstovekraft.com%2Fwp-content%2Fuploads%2F2024%2F02%2FCSR-Annual-Plan-website-FY-2023-24.pptx&wdOrigin=BROWSELINK>

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.

₹ 155,415

6 Average net profit of the Company as per section 135(5) i.e., for last three financial years (FY2020-21, FY2021-22 and FY2022-23).

₹ 63,55,45,571

- 7 (a) Two percent of average net profit of the company as per section 135(5) ₹ 1,27,10,911
 (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 ₹ 155,415
 (d) Total CSR obligation for the financial year (7a+7b- 7c). ₹ 1,25,55,496
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹)	Amount Unspent (₹)				
	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
1,29,55,415	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 (₹)	Amount spent in the current financial Year (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹)	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 (₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency Name CSR registration number
1.	Skill Development- NAPS & NATS FY2023-24	II	Yes	Karnataka Ramanagara	1,24,70,052	Direct	- -
2.	Donation of IT Equipment to Tehsildar Office, Harohalli	X	Yes	Karnataka Harohalli, Bangalore	329,948	Direct	- -
Total					1,28,00,000		

- (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) (₹) 1,29,55,415

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

Sl. No.	Particulars	Amount (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,27,10,911
(ii)	Total amount spent for the Financial Year	1,29,55,415
(iii)	Excess amount spent for the financial year [(ii)-(i)]	244,504
(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)]	244,504

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) (₹)	Amount spent in the reporting Financial Year (₹)	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. (₹)
				Name of the Fund	Amount (₹)	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 (₹)	Amount spent on the project in the reporting Financial Year (₹)	Cumulative amount spent at the end of reporting Financial Year (₹)	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: 24 May 2024

Place: Bangalore

Neha Gandhi

Executive Director

Chairperson – CSR Committee

Annexure -5 to Board's Report
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

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

(a) Conservation of energy

(i) Steps taken or impact on conservation of energy	Company has invested around ₹ 223.90 Million on Solar & Wind Turbine 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 is also investing for additional 4 MW of Solar installation at Bangalore Unit.
(iii) Capital investment on energy conservation equipment	Company has an Energy Purchase Agreement with Clean Wind Power (Manvi) Private Ltd & Vyshali Energy Private Ltd for solar & wind energy respectively as alternative sources of energy.

Company has purchased 8.58 million Units from above mentioned sources.

Company has consumed 28.36 Million Units of Power in FY 23-24 out of which 15.61 Million Units is from renewal sources saving around 7858 carbon footprints i.e. 55.1% of power consumption.

(b) Technology absorption

(i) Efforts made towards technology absorption	Company has invested in another automated line of Air Fryer, Iron, Bottle, Kettle & Flasks to reduce dependency from PRC (People of Republic of China). Company has also invested in State of Art Warehouse in Bangalore.
(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	₹ in million	
		FY2023-24	FY2022-23
(i)	Earnings in Foreign Currency	1,528.49	1381.59
(ii)	Expenditure in Foreign Currency	3,237.81	3649.19

Annexure -6 to Board's Report

COMPLIANCE CERTIFICATE

To,
The Board of Directors
Stove Kraft Limited

Dear Sirs,

Subject: Managing Director and CFO's certification

We, Rajendra Gandhi, Managing Director and Ramakrishna Pendyala, 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 2024 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 financial year ended 31 March 2024 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: 24 May 2024
Place: Bengaluru

Rajendra Gandhi
Managing Director

Ramakrishna Pendyala
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 2024, 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 2024, the Company's Board comprised seven Directors out of which five were Non-Executive Directors (including three 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 2024 is in conformity with Regulation 17 and 17A of the SEBI Listing Regulations.

The composition of the Board, category of the Directors, their shareholding, 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
Mrs. Shuba Rao Mayya DIN 08193276	-	NEC, I	4/4	Yes	3	Membership:5 Member and Chairperson:1
Mr. Anup S Shah DIN 00317300	285	NE, I	3/4	Yes	4	Membership:4 Member and Chairperson:2
Mr. Natrajan Ramkrishna DIN 06597041	-	NE, I	4/4	Yes	5	Membership:2 Member and Chairperson:1
Mr. Avinash Gupta DIN 02783217	-	NE, I	4/4	Yes	3	Membership:1
Mr. Lakshmikant Gupta* DIN 07637212	-	NE,I	1/1	Yes	-	-
Mr. Rajendra Gandhi DIN 01646143	18,269,115	E , P	4/4	Yes	-	-
Mrs. Neha Gandhi DIN 07623685	1	E , P	4/4	Yes	-	-
Mrs. Sunita Rajendra Gandhi DIN 01676100	2,00,000	NE, P	4/4	Yes	-	-

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.

2. 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.
3. 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 has been reappointed as an Independent Woman Director of the Company for a second term of five years from 30 August 2023. She is a Non-Executive Independent Director in Happiest Minds Technologies Limited and Le Travenues Technology Limited (listed companies), ACE Designers Limited (an unlisted public company).
6. Mr. Anup S Shah is a Non-Executive Independent Director in Sobha Ltd, Purvankara Ltd (listed companies), Boruka Power Corporation Limited and Provident Housing Limited (unlisted public companies).
7. Mr. Rajendra Gandhi, Mrs. Neha Gandhi and Mrs. Sunita Rajendra Gandhi do not hold Directorships in any other public companies.
8. Mr. Natrajan Ramkrishna was appointed as Non-Executive Independent Director for a period of five years from 29 May 2023. He is a Non-Executive Independent Director in Solar India Limited (listed company) and Vastu Housing Finance Corporation limited, DTDC Express Limited, India1 Payments Limited, Economic Explosives Limited (unlisted public company)
9. Mr. Avinash Gupta was appointed as Non-Executive Independent Director for a period of five years from 29 May 2023. He is a Non-Executive Independent Director in Transport Corporation of India Limited, Jupiter Wagons Limited (listed companies) and Keventer Agro Ltd (unlisted public company).
10. Mr. Lakshmikant Gupta ceased to be Director with effect from close of business hours on 31 May 2023.

Core Skills / Expertise / Competencies of the Board of Directors

The Board comprises qualified Directors 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:

S. 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	Mrs. Shuba Rao Mayya		✓	✓	✓	✓	✓
2	Mr. Natrajan Ramkrishna		✓	✓	✓	✓	✓
3	Mr. Anup S Shah		✓	✓	✓	✓	✓
4	Mr. Avinash Gupta		✓	✓	✓	✓	✓
5	Mr. Rajendra Gandhi	✓	✓	✓	✓	✓	✓
6	Mrs. Neha Gandhi	✓	✓	✓	✓	✓	✓
7	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 FY2023-24

During the year under review the Board met four times on 29 May 2023, 29 July 2023, 07 November 2023, and 09 February 2024. 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 FY2023-24 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 2024, Audit Committee comprised four Directors, out of which three 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 29 May 2023, 29 July 2023, 07 November 2023, 09 February 2024 and 18 March 2024. 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. 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	Mr. Natrajan Ramkrishna*	Chairperson	4/4
2	Mr Anup S Shah	Member	4/5
3	Mr. Rajendra Gandhi	Member	4/5
4	Mrs. Shuba Rao Mayya	Member	5/5
5	Mr. Lakshmikant Gupta**	Member	1/1

* Mr. Natrajan Ramkrishna was appointed as member and Chairperson of the Committee w.e.f 01 June 2023.

** Mr. Lakshmikant Gupta ceased to be a member of the Committee w.e.f. 31 May 2023.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee is responsible for looking 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.

During the year under review the Committee met four times on 19 May 2023, 28 July 2023, 06 November 2023 and 09 February 2024. The Composition of Stakeholders' Relationship Committee as on 31 March 2024 along with the attendance of members is given below:-

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

* Mrs. Neha Gandhi was appointed as a member of the Committee w.e.f 01 June 2023.

** Mr. Lakshmikant Gupta ceased to be a member of the Committee w.e.f. 31 May 2023.

Mrs. Shuba Rao Mayya was appointed as Chairperson of the Committee w.e.f 01 June 2023

Mr. Shrinivas P Harapanahalli, Company Secretary & Compliance Officer acts as Secretary to the Committee. During the period under review no investor compliant was received. There were no pending investor complaints as on 31 March 2024.

Nomination and Remuneration Committee

As on 31 March 2024, the Nomination and Remuneration Committee comprised four 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

During the year under review, the Nomination and Remuneration Committee met four times i.e. 19 May 2023, 28 July 2023, 06 November 2023, and 09 February 2024.

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 S Shah	Chairperson	4/4
2.	Mr. Avinash Gupta*	Member	3/3
3.	Mr. Natrajan Ramkrishna*	Member	3/3
4.	Mrs. Shuba Rao Mayya	Member	4/4
5.	Mr. Lakshmikant Gupta**	Member	1/1

* Mr. Avinash Gupta and Mr. Natrajan Ramkrishna were appointed as members of the Committee w.e.f 01 June 2023.

** Mr. Lakshmikant Gupta ceased to be a member of the Committee w.e.f. 31 May 2023.

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/2023/08/NRC-Policy-amended-29072023.pdf>

Performance Evaluation

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 Chairperson 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 2024, are as follows:

(₹)

Sl. No.	Name	Sitting Fee	Salary	Perquisite	Commission/ Bonus/ Incentive	Stock Options	Total
1	Mrs. Shuba Rao Mayya	19,00,000	-	-	-	-	19,00,000
2	Mr. Natrajan Ramkrishna	12,00,000	-	-	-	-	12,00,000
3	Mr. Anup S Shah	13,00,000	-	-	-	-	13,00,000
4	Mr. Avinash Gupta	10,00,000	-	-	-	-	10,00,000
5	Mr. Rajendra Gandhi	-	1,35,40,189	-	-	-	1,35,40,189
6	Mrs. Neha Gandhi	-	30,82,864	-	-	-	30,82,864
7	Mrs. Sunita Rajendra Gandhi	-	-	-	-	-	-
8	Mr. Lakshmikant Gupta	6,00,000	-	-	-	-	6,00,000

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.

₹1,00,000 is paid to the Independent Directors as sitting fee for attending each meetings of the Board and its Committees.

SENIOR MANAGEMENT PERSONNEL (SMP):

As on 31 March 2024 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. Ramakrishna Pendyala, Chief Financial Officer;
7. Mr. Venkitesh N, Corporate Planning Head;
8. Mr. Senthil Kumar R, Head - Procurement;
9. Mr. Hemant Kumar Kothari, Chief Business Analyst; and
10. Mr. Shrinivas P Harapanahalli, Company Secretary and Compliance Officer.

Changes in SMP: Mr. Balaji A S, 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 with effect from 29 July 2023. Mr. Navin Singhania, Chief Technology Officer, an SMP, resigned and relieved with effect from 13 March 2024.

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 of which one is an 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 three times i.e. on 19

May 2023, 06 November 2023 and 09 February 2024. 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. The Composition of CSR Committee as on 31 March 2024 along with the attendance is given below:-

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

* From 01 June 2023, Mrs. Neha Gandhi was appointed as member and Chairperson of the Committee and Mr. Avinash Gupta was appointed as member of the Committee.

**Mr. Lakshmikant Gupta and Mrs. Shuba Rao Mayya ceased to be member of the committee w.e.f. 31 May 2023.

Risk Management Committee

As on 31 March 2024 Risk Management Committee comprised seven members. Risk Management Committee met twice during the year 19 May 2023 and 06 November 2023. The Terms of Reference of the Committee are available on the website of the Company, 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. Avinash Gupta*	Chairperson	1/1
2.	Mr. Anup S Shah	Member	2/2
3.	Mr. Natrajan Ramkrishna*	Member	1/1
4.	Mrs. Neha Gandhi*	Member	0/1
5.	Mr. Rajendra Gandhi	Member	2/2
6.	Mrs. Shuba Rao Mayya	Member	1/1
7.	Mr. Ramakrishna Pendyala#	Member	NA
8.	Mr. Lakshmikant Gupta**	Member	1/1

* From 01 June 2023 Mr. Avinash Gupta was appointed as member and Chairperson of the Committee and Mr. Natrajan Ramkrishna, and Mrs. Neha Gandhi were appointed as members of the Committee.

Mr. Ramakrishna Pendyala was appointed as member of the Committee w.e.f. 07 November 2023.

** Mr. Lakshmikant Gupta ceased to be member w.e.f. 31 May 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
24 th	2022-23	Saturday, 26 August 2023 at 11.00 AM	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	<ol style="list-style-type: none"> 1. Appointment of Mr. Avinash Gupta (holding DIN 02783217) as a Non-Executive Independent Director for a period of 5 years with effect from 29 May 2023. 2. Appointment of Mr. Natrajan Ramkrishna (holding DIN 06597041) as a Non-Executive Independent Director for a period of 5 years with effect from 29 May 2023. 3. Reappointment of Mrs. Shuba Rao Mayya (holding DIN 08193276) as a Non-Executive Independent Director for a period of 5 years with effect from 30 August 2023.
23 rd	2021-22	Monday, 12 September 2022 At 11.00 AM	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	Appointment of Mr. Anup Sanmukh Shah (holding DIN 00317300) as a Non-Executive Independent Director for a period of 5 years with effect from 02 November 2021.
22 nd	2020-21	Tuesday, 31 August 2021 at 11:00 AM	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	<ol style="list-style-type: none"> 1. Approval of remuneration payable to Mr. Rajendra Gandhi, Managing Director and Mrs. Neha Gandhi, Executive Director of the Company. 2. Approval of amendments in Employee Stock Option Scheme, 2018.

Dividend: The Board of Directors has recommended Dividend of ₹ 2.50 per equity share of ₹ 10 each (25%) for FY2023-24 subject to the approval of the shareholders in the ensuing AGM. The dividend, after declaration at AGM, will be paid to the shareholders within 30 days from the date of AGM.

Record date: 13 September 2024 for the purpose of AGM and Dividend.

Details of familiarization programmes for Directors

The Board members are provided with necessary documents to enable them to familiarise with the Company's procedures and practices. Presentations are made at Board Meetings with respect to strategies, business models, operations, markets, business environment, risk management, competitive benchmarking, etc. The Board is also updated from time to time on matters relating to changes in the regulatory framework including tax laws. At the time of appointment, an Independent Director is given a formal letter of appointment describing the role, functions, duties and responsibilities expected from him / her as a Director of the Company. The Director is also briefed on the compliances required from him under the Companies Act, 2013, SEBI Listing Regulations and other applicable regulations. The details of

familiarisation programmes for Independent Directors are posted on website of the Company and the same can be accessed at the web-link given below: https://stovekraft.com/wp-content/uploads/2024/04/SKL_Familiarisation-programme-2023-24.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/2023/08/Whistle-Blower-Policy-2023.pdf> During FY2023-24 no complaint was received under the Vigil Mechanism / Whistle Blower Policy.

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 and the 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 in Form AOC-2 is not applicable to the Company for FY2023-24.

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_Subsiary_Policyfinal-tol-upload.pdf

Dividend Distribution Policy

The Company has in place the Dividend Distribution Policy and it is posted on the website of the Company. 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 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 Reports, media releases, 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 on the Company website i.e., <https://www.stovekraft.com/investors/>. The quarterly and annual financial results are normally published in Business Line (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:

Date of Incorporation	28 June 1999
Address	Registered Office: #81/1 Medamaranahalli, Harohalli Hobli, Harohalli Industrial Area, Ramanagara District, Bangalore - 562112 Corporate Office: No.30, 2nd Cross, CSI Compound, Mission Road, Bengaluru - 560027
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
Trading symbol	NSE: STOVEKRAFT
Listing Fees	Annual listing fee has been paid to NSE and BSE
Annual General Meeting	20 September 2024
Financial year	01 April to 31 March
Financial Calendar	2024-25
Financial Reporting	Board Meetings for approval of financial results and annual accounts: Q1 2024-25 : On or before 14 August 2024 Q2 2024-25 : On or before 14 November 2024 Q3 2024-25 : On or before 14 February 2025 Q4 2024-25 : On or before 30 May 2025
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 #No.30, 2nd Cross, CSI Compound, Mission Road, Bengaluru - 560027 Ph. No. 080-28016222 E-mail: cs@stovekraft.com
Plant Location	Bengaluru, Karnataka Baddi, Himachal Pradesh

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS ON 31 MARCH 2024

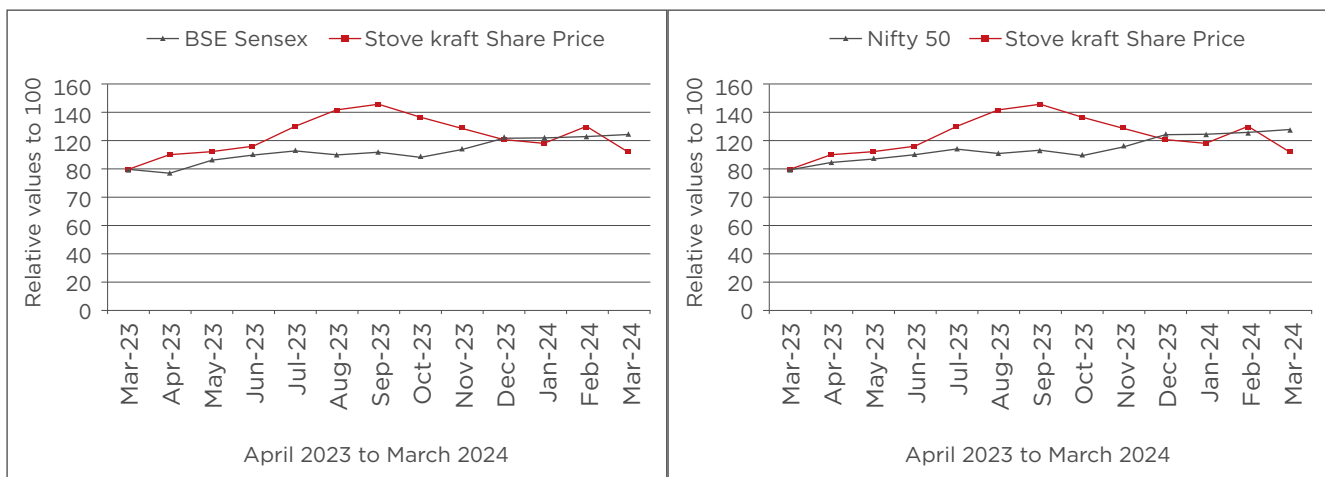
No. of equity shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 5000	73965	99.69	5985523	18.11
5001 - 10000	118	0.16	837681	2.53
10001 -20000	44	0.06	673278	2.04
20001 -30000	17	0.02	400180	1.21
30001 -40000	13	0.02	458959	1.39
40001 -50000	6	0.01	266096	0.81
50001-100000	15	0.02	1108805	3.35
100001 and above	18	0.02	23321237	70.56
Total	74196	100.00	33051759	100.00

SHAREHOLDING PATTERN AS ON 31 MARCH 2024

Category	No. of Shareholders	No. of shares held	% to total No. of shares
Promoters	3	18469116	55.88
Mutual Funds	2	795729	2.41
Alternative Investment Fund	2	339913	1.03
Foreign Portfolio Investor	11	255724	0.77
Employees	36	167017	0.51
Resident Individuals	71664	10743312	32.50
Non Resident Indians	1221	377115	1.14
Bodies Corporate	308	1480687	4.48
H U F	945	417452	1.26
Trusts	1	5000	0.02
Clearing Members	3	694	0.00
Total	74196	33051759	100

MARKET PRICE DATA INFORMATION (BSE & NSE) 31 MARCH 2024

Month	BSE		NSE	
	High	Low	High	Low
April 2023	417.90	361.80	418.45	362.35
May 2023	507.00	415.00	507.40	416.10
June 2023	459.65	422.35	459.20	425.00
July 2023	496.35	431.05	495.90	483.35
August 2023	559.00	472.50	559.40	471.95
September 2023	564.30	508.70	565.00	508.00
October 2023	578.90	492.00	579.00	491.10
November 2023	537.85	459.00	537.75	458.55
December 2023	497.80	449.10	494.00	449.05
January 2024	489.50	434.50	490.00	435.10
February 2024	514.80	424.00	515.00	423.00
March 2024	506.90	410.10	506.95	409.50

COMPARISON OF SHARE PRICE OF STOVE KRAFT LTD. WITH NIFTY


The above charts have share prices and indices which 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 Equity Shares of the Company is INE00IN01015. As on 31 March 2024 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.

OUTSTANDING GDRS/ADRS/WARRANTS

The Company has not issued GDRs/ ADRs/ Warrants as on 31 March 2024.

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 which forms part of this annual report.

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

A Certificate on Corporate Governance obtained from Mr. Pramod SM, Partner, 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.

CERTIFICATE FROM PRACTICING COMPANY SECRETARY

The Company has obtained a certificate from Mr. Pramod SM, Partner, BMP & Co. LLP., Company Secretaries, FCS: 7834, CP Number: 13784 certifying 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 the same 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.

FEES PAID TO STATUTORY AUDITORS

The details of fees paid to Statutory Auditors for carrying-out statutory audit for the financial year 2023-24 is given below:

Sl. No	Nature of services	Amount (₹ in million)
1.	Statutory Audit for FY2023-24	5.25
2.	Out of pocket expenses	1.21
Total		6.46

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 ₹)	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 is given below.

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 Line / Mint (English) and Vijaya Karnataka (Kannada) and are also posted on the website of the Company www.stovekraft.com. Annual Audited Financial Results are approved by the Board and then published in newspapers 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 Non-Executive Independent Director and the position is separate from that of the Managing Director / CEO.

Reporting of Internal Auditor: The Internal Auditors report 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" for the financial year ended 31 March 2024 from all the Directors and Senior Management Personnel of the Company.

Place: Bangalore
Date : 24 May 2024

Rajendra Gandhi
Managing Director
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
Ramanagar Dist. 562112

We have examined the compliance of conditions of Corporate Governance by Stove Kraft Limited (“the Company”), for the purpose of certifying of the Corporate Governance under Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period April 01, 2023 to March 31, 2024. 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 the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For BMP & Co. LLP,
Company Secretaries

Place: Bangalore
Date: 24 May 2024
Peer Review Certificate No: 736/2020

Pramod S M
Partner
FCS No: 7834
CP No: 13784
UDIN: F007834F000441586

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Stove Kraft Limited having CIN - L29301KA1999PLC025387 and having registered office at 81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagar - 562112 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl No.	Name of the Director	DIN	Designation
1.	Mr. Rajendra Gandhi	01646143	Executive Director, Managing Director
2.	Mrs. Neha Gandhi	07623685	Executive Director
3.	Mrs. Sunita Rajendra Gandhi	01676100	Non-Executive - Non-Independent Director
4.	Mrs. Shuba Rao Mayya	08193276	Non-Executive - Independent Director, Chairperson
5.	Mr. Avinash Gupta	02783217	Non-Executive-Independent Director
6.	Mr. Anup S Sanmukh	00317300	Non-Executive-Independent Director
7.	Mr. Natrajan Ramkrishna	06597041	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

Pramod S M
Partner

FCS No: 7834

CP No: 13784

UDIN: F007834F000441586

Place: Bangalore

Date: 24 May 2024

Peer Review Certificate No: 736/2020

Business Responsibility and Sustainability Report

[Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

The present report has been formulated in accordance with the SEBI Guidelines for Business Responsibility and Sustainability Reporting (BRSR). Its principal aim is to enhance transparency by showcasing how businesses generate value through active contributions to a sustainable economy. The report serves to emphasize our steadfast dedication to fostering sustainable development and creating enduring value for our stakeholders.

SECTION A: GENERAL DISCLOSURES

1) 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., 562112 Karnataka, India
5.	Corporate Officer address	No.30, 2nd Cross, CSI Compound Mission Road, Bengaluru - 560027 Karnataka, India
6.	E-mail	cs@stovekraft.com
7.	Telephone	08028016222
8.	Website	https://www.stovekraft.com/
9.	Financial year for which reporting is being done	2023-24
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	INR 33,05,17,590/- (Divided into 3,30,51,759 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.
14.	Name of assurance provider	None
15.	Type of assurance obtained	Not Applicable

2) PRODUCTS/SERVICES

16. 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%

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

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

3. OPERATIONS

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

Location	Number of plants	Number of offices	Total
National	2	2	4
International	-	-	-

19. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	28 States & 6 Union Territories
International (No. of Countries)	14

b) Contribution of exports:

What is the contribution of exports as a percentage of the total turnover of the entity?	12.2%
--	-------

c) Type of Customers

A brief on types of customers	<p>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 1,28,842 retail outlets, which is facilitated by its distribution network consisting of 9 C&F (Clearing and Forwarding) agents and over 600 distributors.</p> <p>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.</p>
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4. EMPLOYEES

20. Details as on 31 March 2024:

a) Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	1499	1009	67%	490	33%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	1499	1009	67%	490	33%
Workers						
1.	Permanent (F)	4227	1261	30%	2966	70%
2.	Other than Permanent (G)	88	58	66%	30	34%
3.	Total workers (F + G)	4315	1319	31%	2996	69%

b) Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	7	6	86%	1	14%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	7	6	86%	1	14%
Differently Abled Workers						
1.	Permanent (F)	0	0	0	0	0
2.	Other than Permanent (G)	0	0	0	0	0
3.	Total workers (F + G)	0	0	0%	0	0%

21. Participation/Inclusion/Representation of women:

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	3	43
Key Management Personnel*	4	1	25

*Key Managerial Personnel includes Managing Director, Whole-time Director, Company Secretary and Chief Financial officer.

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	31	22	28	27	45	31	45	71	50
Permanent Workers	60	92	69	47	24	33	35	66	46

5. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)
23. 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)
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Not Applicable, as the Company does not have any Holding/Subsidiary/Associate Companies/Joint Venture as on 31 March 2024.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) DETAILS
24.

S. No.	Requirement	Response
1.	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
2.	Turnover (in ₹)	13643,300,000
3.	Net worth (in ₹)	4392,070,000

7. TRANSPARENCY AND DISCLOSURES COMPLIANCES
25. 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 2023-24 Current Financial Year			FY 2022-23 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 31 March 2023
Employees and workers	Yes	-	-	-	-	-	-

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 2023-24 Current Financial Year			FY 2022-23 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	707,571	4,403	Most of the complaints received during this financial year were promptly resolved with utmost priority	4,58,725	3,453	Most of the complaints received during this financial year were promptly resolved with utmost priority
Value Chain Partners	Yes	-	-	-	-	-	-

* The Company has a Stakeholder Management Policy which formalizes grievance management for both internal and external stakeholders, aiming to minimize social risks to the business. Grievances will be managed confidentially to reduce conflicts and strengthen relationships.

The policy can be accessed at the given link <https://stovekraft.com/wp-content/uploads/2023/05/Stakeholder-Management-Policy.pdf>

26. Overview of the entity's material responsible business conduct issues:

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 for optimizing production processes and reducing greenhouse gas emissions.	-	Positive
2.	Water and Wastewater management	Risk	Insufficient management of water and wastewater can cause disruptions in manufacturing operations. Improper handling of wastewater can lead to increased expenses associated with waste disposal and 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.	Negative

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)
3.	Human Rights	Risk	Neglecting to uphold human rights in the Company or supply chain can give rise to labour exploitation and potentially causing harm to the company's reputation, and eliciting negative responses from consumers. These practices can trigger legal consequences, negative media coverage, and challenges in attracting and retaining a diverse and skilled workforce.	Stove Kraft has established a human rights policy that outlines its dedication to uphold human rights and prevent violations. The Company also provides training to employees to raise awareness about human rights issues and promote best practices.	Positive
4.	Customer Education and Awareness	Opportunity	Stove Kraft provides safety norms and requirements to its distributors and retailers, who in turn inform customers and buyers about appropriate guidance, instructions and safety standards.	-	Positive
5.	Data Security	Risk	The company in manufacturing 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 theft or unauthorized access to proprietary information.	Stove Kraft has Implemented measures to secure data, including access control, virus prevention, intrusion detection, data backups, authentication, monitoring, and review, with data classification guidelines to protect data integrity and secure information systems.	Positive
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.	-	Positive
7.	Health & Safety	Risk & Opportunity	Risk: Neglecting safety protocols, training, maintenance, and protective measures exposes employees to hazardous conditions with severe physical and mental health consequences. Opportunity: This is an opportunity for the company as it has effective internal controls and mechanisms in place. This has led to increased workers/employee protection and general health and wellbeing.	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.	Positive
8.	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

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses 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
Policy and management processes										
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	https://stovekraft.com/investors/								
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.	<p>Specific commitments, goals and targets set by entity for FY2023-24</p> <p>Environment:</p> <p>1. To achieve 65% of energy consumption through renewable sources by installing solar panels by financial year 2025-26 and thereby reducing its reliance on non-renewable energy sources P6</p> <p>Social:</p> <p>2. To prioritize the development and well-being of its employees P3</p> <p>3. To take up community engagement programmes by making a positive impact on society and environment P4</p> <p>Governance:</p> <p>4. To obtain ISO 14000, certification for Environmental Management System and ISO 45000, certification for Occupational Health and Safety Management System reflecting company's commitment towards ESG P6, P5 P2</p>								

6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	<p>In response to all the specific commitment goals set by the Company in financial year 22-23, we're pleased to provide an overview of our performance:</p> <p>The Company has proactively prioritized the enhancement of its workforce's development and welfare. It has implemented an array of training programs and initiatives aimed at fostering a more conducive workplace environment.</p> <p>Stove Kraft believes in making a positive impact on society and environment. It incorporates sustainable practices throughout its manufacturing operations and beyond, demonstrating its commitment to environmental preservation and societal advancement.</p>																
Governance, leadership, and oversight																		
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<p>Mr. Rajendra Gandhi, Managing Director.</p> <p>As a leading manufacturer of kitchen and home solutions in India, we prioritize environmental, social, and governance (ESG) factors for sustainable, long-term success. Our growth is driven by quality, competitive pricing, and brand loyalty. We are committed to reducing our environmental footprint through sustainable practices across our supply chain, responsible sourcing, energy-efficient manufacturing, and innovative product designs that minimize waste and emissions.</p> <p>We also prioritize employee safety and community support, offering robust safety training and engaging in initiatives focused on education, healthcare, and local development. Our strict corporate governance standards ensure transparency, accountability, and ethical conduct, maintaining the trust of our stakeholders.</p> <p>By integrating ESG into our core business strategy, we aim to create value beyond financial returns. As we move forward, we are dedicated to driving positive change, investing in sustainable technologies, innovating our products, and enhancing community engagement. Together, we can build a brighter, more sustainable future for generations to come.</p>																
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	<p>The Risk Management Committee is the highest authority responsible for implementation and oversight of the Business Responsibility policies.</p> <table border="1" data-bbox="836 1363 1442 1783"> <thead> <tr> <th data-bbox="836 1363 1246 1417">Name</th> <th data-bbox="1246 1363 1442 1417">Designation and position held</th> </tr> </thead> <tbody> <tr> <td data-bbox="836 1417 1246 1471">Mr. Avinash Gupta DIN: 02783217</td> <td data-bbox="1246 1417 1442 1471">Chairperson</td> </tr> <tr> <td data-bbox="836 1471 1246 1524">Mr. Rajendra Gandhi DIN: 01646143</td> <td data-bbox="1246 1471 1442 1524">Member</td> </tr> <tr> <td data-bbox="836 1524 1246 1578">Mr. Natrajan Ramkrishna DIN: 06597041</td> <td data-bbox="1246 1524 1442 1578">Member</td> </tr> <tr> <td data-bbox="836 1578 1246 1632">Ms. Neha Gandhi DIN: 07623685</td> <td data-bbox="1246 1578 1442 1632">Member</td> </tr> <tr> <td data-bbox="836 1632 1246 1686">Ms. Shuba Rao Mayya DIN: 08193276</td> <td data-bbox="1246 1632 1442 1686">Member</td> </tr> <tr> <td data-bbox="836 1686 1246 1740">Mr. Anup Sanmukh Shah DIN: 00317300</td> <td data-bbox="1246 1686 1442 1740">Member</td> </tr> <tr> <td data-bbox="836 1740 1246 1783">Mr. Ramakrishna Pendyala</td> <td data-bbox="1246 1740 1442 1783">Member</td> </tr> </tbody> </table>	Name	Designation and position held	Mr. Avinash Gupta DIN: 02783217	Chairperson	Mr. Rajendra Gandhi DIN: 01646143	Member	Mr. Natrajan Ramkrishna DIN: 06597041	Member	Ms. Neha Gandhi DIN: 07623685	Member	Ms. Shuba Rao Mayya DIN: 08193276	Member	Mr. Anup Sanmukh Shah DIN: 00317300	Member	Mr. Ramakrishna Pendyala	Member
Name	Designation and position held																	
Mr. Avinash Gupta DIN: 02783217	Chairperson																	
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Mr. Natrajan Ramkrishna DIN: 06597041	Member																	
Ms. Neha Gandhi DIN: 07623685	Member																	
Ms. Shuba Rao Mayya DIN: 08193276	Member																	
Mr. Anup Sanmukh Shah DIN: 00317300	Member																	
Mr. Ramakrishna Pendyala	Member																	
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	<p>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.</p>																

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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, performance against enlisted policies and necessarily follow up actions are duly reviewed by the Risk Management Committee as well as the Board of Directors									Half-yearly / Yearly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes, we comply with statutory requirements relevant to the principles and review was undertaken by the Board of Directors. The Company has complied with all the Statutory requirements during the FY2023-24 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:

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	Yes, all the policies of the Company are evaluated internally. Further, J. Sundharesan & Associates, specialising in Compliance, Governance and Sustainability advisory has provided a 'limited assurance' on working of its policies.								

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)	This section is not applicable.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	All the principles under the BRSR are duly covered under the enlisted policies.								
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:

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 Company has provided Familiarisation programme for Board of Directors and KMP-	100%
Key Managerial Personnel	1	The Company has provided Familiarisation programme for Board of Directors and KMP	100%
Employees other than BOD and KMPs	-	-	-
Workers	4	<ul style="list-style-type: none"> - Safety Training Workers received comprehensive safety training covering workplace hazards, proper use of personal protective equipment (PPE), and emergency procedures to ensure a safe working environment. - POSH (Prevention of Sexual Harassment) Workers were educated on preventing and addressing sexual harassment through interactive sessions, case studies, and role-playing scenarios to ensure a harassment-free workplace. - Fire Mock Drill Workers practiced fire evacuation procedures, proper use of fire extinguishers, and performed headcounts at assembly points during practical drills to prepare for fire emergencies. - Threat Awareness Workers were trained to identify and respond to various threats, including physical, cyber, and environmental, through scenario-based exercises and workshops to enhance workplace security 	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, in the following format:

MONETARY					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred?(Yes/No)
Penalty/ Fine Settlement Compounding fee					
	During the financial year 2023-24, 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.				

NON-MONETARY					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment Punishment	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL

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
Not Applicable	There were no Appeals / revisions during the reporting year

4. Anti-corruption or Anti-bribery policy:

Does the entity have an anti-corruption or anti-bribery policy? Yes.

If yes, provide details in brief and if available, provide a web-link to the policy.

The Company has a policy for prevention of 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.

We maintain accurate records of all business transactions. Violations of the Policy may result in disciplinary action, including termination of employment or contract and legal action. 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 <https://stovekraft.com/wp-content/uploads/2023/05/Anti-Corruption-and-Anti-Bribery-Policy.pdf>

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 2023-24 (Current Financial Year)	FY 2022-23 (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 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	None	Nil	None
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	None	Nil	None

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.

8. Number of days of account payable ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Number of days of accounts Payables	104	75

9. Open-ness of Business

Provide details of concentration of purchase and sales with trading houses, dealers, and related parties along -with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of purchases	a. Purchases from trading houses as % of total purchases	100%	99.904%
	b. Number of Trading houses where purchases are made from	873	790
	c. Purchases from top 10 Trading houses as % of total purchases from trading houses	32%	30%
Concentration of Sales	a. Sale to dealers / distributors as % of total sales	100%	99.94%
	b. Number of dealers / distributors to whom sales are made	3332	2952
	c. Sales upto 10 dealers / distributors as % of total sales to dealers / distributors	54%	51%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	0.096%
	b. Sales (Sales to related parties / Total Sales)	Nil	0.006%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

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:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	20.8%*	This contributes to clean and green energy and reduces reliance on grid power.

2. Sustainable sourcing:

- a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
- The company is committed to sourcing raw materials and components in a manner that is ethical, eco-friendly, and socially responsible. This approach aims to minimize environmental impact and ensure the long-term sustainability of the supply chain.
- The procedure involves the following steps:
1. Setting Sustainability Goals and Objectives: Establishing clear sustainability goals and objectives that align with the company's overall strategy.
 2. Supplier Evaluation: Assessing suppliers based on their adherence to our sustainability criteria.
 3. Performance Monitoring: Continuously monitoring supplier performance against these sustainability criteria and implementing corrective actions when necessary.
 4. Regular Review and Updates: Periodically reviewing and updating the procedure to ensure it remains relevant and effective in achieving our sustainability goals
- b. 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 - In house plastic waste is separated as per category, processed and converted to granules and reused. Excess plastic is sent to authorised vendor for recycling and reusing. Pan India plastic waste generated due to product sale is registered in CPCB portal for EPR Plastic waste and all compliances are ensured as per CPCB norms. Plastics that cannot be reused or recycled are safely disposed to licensed facilities.
 - b) E-waste - In-house E waste is separated and sent to authorised vendor for recycling and disposal as per CPCB norms. Pan India E-waste generated due to product sale is registered in CPCB portal for EPR E waste and all compliances are ensured as per CPCB norms.
 - 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. Excess waste is sent to authorised vendor for recycling and reusing as per state pollution control board norms.

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 EPR plan submitted to Pollution Control Board. Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

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

A) ESSENTIAL INDICATORS:

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)
Permanent employees											
Male	1009	1001	99%	1001	99%	0	0	0	0	0	0
Female	490	487	99%	487	99%	490	100%	0	0	490	100%
Total	1499	1488	99%	1488	99%	490	33%	0	0	490	33%
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

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

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)
Permanent workers											
Male	1261	1200	95%	1200	95%	0	0	0	0	0	0
Female	2966	2937	99%	2937	99%	2966	100%	0	0	2966	100%
Total	4227	4137	98%	4137	98%	2966	70%	0	0	2966	70%
Other than Permanent workers											
Male	58	0	0	0	0	0	0	0	0	0	0
Female	30	0	0	0	0	0	0	0	0	0	0
Total	88	0	0	0	0	0	0	0	0	0	0

C). Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.35%	0.34%

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

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (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	47%	96%	YES	42%	99%	Yes
Others - Medi - claim				-	-	-

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 move at 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 FY 2023-24		Permanent workers FY 2022-23	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female*	-	-	100%	100%
Total	NA	NA	100%	100%

Note: During FY24, 6 employees took maternity leave and are yet to return to work. In FY 23, 8 employees took maternity leave and all 8 employees re-joined and retained.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? 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

* The 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) - Internal 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 Human Resources Head, 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 Chairperson of the Board, MD, Chairman of the Audit Committee in exceptional cases.

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (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)
Total Permanent Employees	1499	-	-	1466	-	-
Male	1009	-	-	1173	-	-
Female	490	-	-	293	-	-
Total Permanent Workers	4227	-	-	3850	-	-
Male	1261	-	-	1391	-	-
Female	2966	-	-	2459	-	-

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and safety		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)
Employees										
Male	1009	-	-	-	-	1173	-	-	-	-
Female	490	-	-	-	-	293	-	-	-	-
Total	1499	-	-	-	-	1466	-	-	-	-
Workers										
Male	1261	1261	100%	1261	100%	1391	1391	100%	1391	100%
Female	2966	2966	100%	2966	100%	2459	2459	100%	2459	100%
Total	4227	4227	100%	4227	100%	3850	3850	100%	3850	100%

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1009	757	75%	1173	861	73%
Female	490	325	66%	293	164	56%
Total	1499	1082	72%	1466	1025	70%
Workers						
Male	1261	1261	100%	1391	1295	93%
Female	2966	2966	100%	2459	2406	98%
Total	4227	4227	100%	3850	3701	96%

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?	Yes. 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. Further on daily basis the system of safety check by the maintenance team and safety talk with all shift workers is undertaken. 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)	<p>Yes, we at Stove Kraft, have well-defined procedures in place for reporting any hazards related to work to supervisors or designated Quality head 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. It is being well communicated to all workers that whenever they find any irregularity in working of machines or unsafe condition they should stop the work till the same is verified and corrected by the line engineer / maintenance team.</p> <p>Furthermore, we prioritize workers 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.</p> <p>Our commitment to safety extend beyond mere implementation of reporting processes. In the event of any incident, both the Quality head 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.</p>
d)	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes. 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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	0.351	0.165
Total recordable work-related injuries	Employees	-	-
	Workers	2	2
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities) Including in the contract workforce	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.

The Company has implemented various measures to ensure a safe and healthy workplace, employing a proactive approach to mitigate potential hazards. These measures include:

1. Conducting regular safety rounds by Plant Head, Safety Officer, Admin Managers 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. Safety Audit by third party (BNV SHECON), was also conducted to ensure maximum safety points identified, checked, attended and corrected well in advance.
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 necessary safety equipment including hand gloves, earplugs, goggles, helmets, and masks, to protect them from workplace hazards. Each plant is equipped with an eye wash station to offer initial assistance to workers exposed to chemicals.
3. The names and contact information of the emergency team, first aid team, and firefighting team are displayed at the entrance of each plant to ensure immediate access in case of any unforeseen contingency. This practice enables the individual to reach out to the right personnel in the event of any potential accident.
4. We have established clear protocols for reporting and addressing work-related hazards, as well as mechanisms for workers to provide feedback and suggest improvements.
5. The Company has on-site access to medical consultation services for both occupational and nonoccupational 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 within 2 kilometers 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.

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

	FY (2023-24) Current Financial Year			FY (2022-23) 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:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
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.

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, 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 engages 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 monitors 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	<ol style="list-style-type: none"> 1. Emails 2. Team Engagement 3. Website 4. Engagement through Health Programs 5. Notice Board 	Periodically	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 1. Email, 2. Advertisement, 3. Vendor meets, 4. website etc. 	Regular	<ol style="list-style-type: none"> 1) Procurement 2) Business /Project related 3) Vendor Assessment Report
Local Communities	Yes	<ol style="list-style-type: none"> 1. Newspaper advertisements/ 2. Physical Meetings / Reviews/ Assessments 	Event based	Identifying the issues that they are concerned about and help them achieve better quality of living through CSR programmes and initiatives.
Government/ Regulators	No	<ol style="list-style-type: none"> 1. Emails, 2. Submission forms / returns / intimations/ letters etc. 	Annually / Half yearly/ Quarterly/ Event based	In relation to Compliances with applicable laws, rules, and regulations.
Consumers	No	<ol style="list-style-type: none"> 1. Focused Group Discussion, 2. Digital Platforms, Market 3. Research (TV commercials, 4. 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:

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1499	1499	100%	1466	1466	100%
Other than permanent	-	-	-	-	-	-
Total Employees	1499	1499	100%	1466	1466	100%
Workers						
Permanent	4227	4227	100%	3850	3850	100%
Other than permanent	88	88	100%	-	-	-
Total Workers	4315	4227	100%	3850	3850	100%

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

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (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)
Employees										
Permanent										
Male	1009	232	23%	776	77%	1173	159	13%	1014	87%
Female	490	193	39%	296	60%	293	164	56%	129	44%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	1261	1229	97%	32	3%	1391	817	56%	574	44%
Female	2966	2963	100%	3	-	2459	2271	92%	188	8%
Other than Permanent										
Male	58	56	97%	2	3%	-	-	-	-	-
Female	30	30	100%	0	0	-	-	-	-	-

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

a. Median remuneration / wages:

(In Rupees)

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	4	12,50,000	3	19,00,000
Key Managerial Personnel*	3	47,39,568	1	30,82,864
Employees other than BoD and KMP	1009	432,012	490	411,690
Workers	1261	199,457	2966	199,457

* Key Managerial Personnel includes Managing Director, Wholetime Director, Company Secretary and Chief Financial officer.

b. Gross wages paid to Female as % of total wages paid by the entity, in the following format

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	71%	77%

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, Human Resources Head, is responsible for addressing human rights impact 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 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 2023-24 (Current Financial Year)			FY 2022-23 (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	Nil	Nil	None	Nil	Nil	None
Discrimination at workplace	Nil	Nil	None	Nil	Nil	None
Child Labour	Nil	Nil	None	Nil	Nil	None
Forced Labour/Involuntary Labour	Nil	Nil	None	Nil	Nil	None
Wages	Nil	Nil	None	Nil	Nil	None
Other human rights related issues	Nil	Nil	None	Nil	Nil	None

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.

Mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.

The 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.

9. 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).

All critical human rights requirements are part of the Code of Conduct according to which suppliers are expected to respect human rights through their business actions.

10. 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	-

11. 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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	70,32,606	61,65,530
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	85,80,000	95,50,000
Total energy consumption (A+B+C)	156,12,606	15715530
From non-renewable sources		
Total electricity consumption (D)	1,27,45,057	93,73,953
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	1,27,45,057	-
Total energy consumed (A+B+C+D+E+F)	2,83,57,663	2,50,89,483
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.00208	0.00195
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Total water consumption / Revenue from operations adjusted for PPP)*	0.00009278	0.00008815
Energy intensity in terms of physical output	-	-
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF for India. For the year ended March 31, 2024 and March 31, 2023, it is 22.401 and 22.167, respectively.

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. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, we have not identified any sites/facilities as Designated Consumers (DCs) under the PAT scheme of the Government of India.

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

Parameter	Current Financial Year	Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	NIL	NIL
(ii) Groundwater	25360	13188
(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)	25360	13188
Total volume of water consumption (in kilolitres)	25360	13188
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00000185	0.00000102

Parameter	Current Financial Year	Previous Financial Year
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Total water consumption / Revenue from operations adjusted for PPP)*	0.000000829	0.000000463
Water intensity in terms of physical output	-	-
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF for India. For the years ended March 31, 2024 and March 31, 2023, it is 22.401 and 22.167, respectively.

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. Provide the following details related to water discharged: Not Applicable

Parameter	Current Financial Year	Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

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.

5. 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 and sewage 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 chemicals, 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).

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

Parameter	Please specify unit	FY 2023-2024	FY 2022-2023
NOx	PPM	31.8	30.40
Sox	PPM	12.5	11.50
Particulate matter (PM)	Mg/NM3	62.5	43.84
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.

No.

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

Parameter	Unit	FY 2023-2024	FY 2022-2023
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	60.11	-
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	0.00222	0.00163
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent	0.00000004405	<0.00000001
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)*		0.00000000196	<0.00000001
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF for India. For the year ended March 31, 2024 and March 31, 2023, it is 22.401 and 22.167, respectively.

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.

8. Project related to reducing Green House Gas emission:

<p>Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.</p>	<p>The company has integrated energy-efficient practices into its production processes by utilizing renewable energy sources and optimizing the use of robotic and automated machinery. In addition, it has implemented sustainable procurement practices to minimize its environmental impact. A notable achievement in this regard is the complete substitution of thermocol with sustainable paper honeycomb packaging solutions. Furthermore, the company has adopted the use of low-carbon or carbon-neutral materials in its manufacturing processes, thereby significantly reducing greenhouse gas emissions. These initiatives reflect the company's commitment to sustainability and environmental stewardship.</p>
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9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-2024	FY 2022-2023
Total Waste generated (in metric tonnes)		
Plastic waste (A)	46.289	26.188
E-waste (B)	29.1	0.7
Bio-medical waste (C)	0.032	0.0255
Construction and demolition waste (D)	NIL	400 (Approx)
Battery waste (E)	NIL	NIL
Radioactive waste (F)	NIL	NIL
Other Hazardous waste. Please specify, if any. (G)	Paint sludge - 22.286 Buffing - 53.487 Waste Oil - 4.457 ETP Sludge - 8.914	Paint sludge - 14.25 Buffing - 34.2 Waste Oil - 2.85 ETP Sludge - 5.7
Other Non-hazardous waste generated (H). Please specify, if any	General waste - 30.392	General - 21
Total (A+ B + C + D + E + F + G + H)	194.957	504.9135

Parameter	FY 2023-2024	FY 2022-2023
Category of waste		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
(i) Recycled	46.289	26.88
(ii) Re-used	-	-
(iii) Other recovery operations	29.1	-
Total	75.389	26.88
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	400.000
(iii) Other disposal operations	419.536	57.2355
Total	419.536	457.2355

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.

10. 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.

11. 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.

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

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Not Applicable, as the Company's units are not located in Eco-logically sensitive areas.

13. 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)

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 made 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 any of the 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
Not Applicable					

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 approved Stakeholders' Management Policy and stakeholder grievances will be dealt in accordance with the said Policy.

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

Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	38	12
Sourced directly from within India	73	29

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2023-2024 (Current Year)	FY 2022-2023 (Previous Year)
Rural	65%	60%
Semi- Urban	10%	15%
Urban	15%	15%
Metropolitan	10%	10%

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 2023-24 (Current Financial Year)			FY 2022-23 (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	707,571	4,403	None	458,725	3453	None

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls		There have been no 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. The policy can be accessed at <https://stovekraft.com/wp-content/uploads/2023/05/Cyber-Security-Policy.pdf>

6. Corrective Actions:

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

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.

7. Provide the following information relating to data breaches:

a.	Number of instances of data breaches	Nil
b.	Percentage of data breaches involving personally identifiable information of customers	Nil
c.	Impact, if any, of the data breaches	Not Applicable

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, 2024, 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 material accounting policy information 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, 2024, 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 (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, and retail stores 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, 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 etc. 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 rebates and discounts for the year being significant.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding from the management with regard to controls relating to recording of rebates, discounts and provision for sales returns, and evaluated the design and tested the operating effectiveness of such controls. • Obtained an understanding of the schemes provided by the Company to its customers. • For selected sample customers and transactions: <ul style="list-style-type: none"> - Verified the inputs used in the estimation of rebates and discounts to source data; - Assessed the underlying assumptions used for determination of rebates, discounts and sales returns; - Assessed the completeness of liability recognised by evaluating the parameters and the underlying calculations; and - Tested credit notes issued to customers and payments made to them during the year and subsequent to the year end. <p>Based on the above procedures performed, the assessment made by management in respect 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, except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (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, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being

appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above on reporting under Section 143(3)(b) and paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) 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".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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, 2024 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, 2024.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 51 to the financial statements, 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

- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 51 to the financial statements, 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; 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. The Company has used accounting software for maintaining its books of account. Based on our examination, which included test checks, one accounting software has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except for changes made through specific access and for direct database changes. Other than for the instances mentioned above, based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with for such software. Further for another accounting

software, maintained by third party service provider and used for recording point of sales revenue (retail outlets), we are unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered in the absence of service organisation's auditor's report covering audit trail.

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 24, 2024
Place: Bengaluru

Membership Number: 209136
UDIN: 24209136BKFNEQ8910

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) 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, 2024

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, 2024 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, 2024, 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 24, 2024
Place: Bengaluru

Membership Number: 209136
UDIN: 24209136BKFNEQ8910

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, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
 - (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3(a) to the financial statements, are held in the name of the Company. [Also refer Note 51(xiii) to the financial statements].
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. 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 the 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 unaudited books of account other than those as set out below;

Amount in Rupees 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 Receivables	June 2023	2,375.10	1,978.06	397.04	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 banks for all the quarters. Additionally certain category of receivables was not considered in the statements filed with the banks for the quarters ended September 2023, December 2023 and March 2024.
			September 2023	2,316.07	1,929.21	386.86	
			December 2023	2,386.04	2,048.16	337.88	
			March 2024	1,912.23	1,462.77	449.46	
HDFC Bank, Axis Bank, ICICI Bank	3,000	Inventories	June 2023	2,356.24	2,685.50	329.26	As explained by the management the difference is mainly attributable to certain category of inventories and provision for obsolescence not considered in the statements filed with the banks.
			September 2023	2,574.95	2,931.60	356.65	
			December 2023	2,900.66	3,193.60	292.94	
			March 2024	2,954.39	3,203.35	248.96	

(Also, refer Note 50 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.
- 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) In our opinion, except for dues in respect of provident fund, goods and services tax, and employee's state insurance, the Company is generally regular in depositing undisputed statutory dues, including income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, professional 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, 2024, 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	257,368*	April 1, 2023, to August 31, 2023	Various	Unpaid	-
Employee's state insurance	Employee's state insurance	15,796	April 1, 2023, to August 31, 2023	Various	Unpaid	-

(* Also refer Note 53 to the financial statements)

- (b) 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, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	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	Assistant Commissioner Delhi
Customs Act, 1962	Customs Duty	4,007,495	1,076,857	2017-18, 2022-23	Commissioner (Appeals)
Customs Act, 1962	Customs Duty	62,519,324	-	10.08.2018 to 24.12.2022	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs Duty	48,841,712	-	2.08.2018 to 31.01.2023	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs Duty	795,453	-	2020-21	Commissioner of customs (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	Customs Excise and Service Tax Appellate Tribunal
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	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	7,026,889	-	2013-14, 2014-15	Additional Commissioner of Central Excise
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	4,480,417	4,248,767	2011-12, 2013-14, 2014-15 and 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	2,48,484	-	2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,133,299	-	2015-16	Commissioner of Income Tax (Appeals)
The Employees' Provident Funds And Miscellaneous Provisions Act, 1952	Provident Fund	9,385,961	2,815,788	2007 to 11	Employee's Provident Fund Appellate Tribunal

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) 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) 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, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 51(xv) 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 utilised for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and 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 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, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.

- xv. In our opinion, 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 (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) 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 3(xviii) of the Order is not applicable.
- xix. 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 the 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 24, 2024

Membership Number: 209136

Place: Bengaluru

UDIN: 24209136BKFNEQ8910

Balance Sheet

(Amount in Rupees Millions, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3(a)	3,966.19	3,623.94
Capital work-in-progress	3(a)	295.67	95.31
Right of use assets	3(c)	1,104.73	355.90
Goodwill	3(d)	1.15	1.32
Intangible assets	3(d)	30.09	40.24
Financial assets			
i. Investments	4	-	-
ii. Other financial assets	5	19.99	81.47
Current tax asset (net)	6	10.19	13.15
Deferred tax asset (net)	7	24.52	13.70
Other non-current assets	8	407.10	396.86
Total non-current assets		5,859.63	4,621.89
Current assets			
Inventories	9	3,203.35	2,433.45
Financial assets			
i. Trade receivables	10	1,462.77	1,408.58
ii. Cash and cash equivalents	11(a)	71.30	25.26
iii. Bank balances other than cash and cash equivalents above	11(b)	78.88	172.41
iv. Loans	12	0.06	0.16
v. Other financial assets	13	5.14	9.58
Other current assets	14	287.52	303.42
Total current assets		5,109.02	4,352.86
Total assets		10,968.65	8,974.75
Equity and liabilities			
Equity			
i. Equity share capital	15(a)	330.52	330.27
ii. Other equity	15(b)	4,061.55	3,703.41
Total equity		4,392.07	4,033.68
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16	48.98	100.22
ii. Lease liabilities	49	1,018.53	322.75
iii. Suppliers credit	17	117.65	272.56
Provisions	19	91.74	64.76
Total non-current liabilities		1,276.90	760.29
Current liabilities			
Financial liabilities			
i. Borrowings	20	1,409.07	1,187.58
ii. Lease liabilities	49	86.13	21.87
iii. Suppliers credit	18	503.66	441.95
iv. Trade payables	21		
(a) total outstanding dues of micro enterprises and small enterprises		128.48	28.86
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,477.27	1,745.70
v. Other financial liabilities	22		
(a) total outstanding dues of micro enterprises and small enterprises		8.16	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		197.84	270.87
Provisions	23	78.87	69.43
Current tax liabilities (net)	24	-	1.29
Other current liabilities	25	410.20	413.23
Total current liabilities		5,299.68	4,180.78
Total Liabilities		6,576.58	4,941.07
Total Equity And Liabilities		10,968.65	8,974.75

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 24, 2024

For and on behalf of the Board of Directors
Rajendra Gandhi

Managing Director

DIN: 01646143

Ramakrishna Pendyala

Chief Financial Officer

Place : Bengaluru

Date : May 24, 2024

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, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	26	13,643.30	12,838.47
Other income	27(a)	28.56	7.34
Other gains / (losses) - net	27(b)	(28.00)	(42.39)
Total income		13,643.86	12,803.42
Expenses			
Cost of materials consumed	28	8,129.76	7,460.65
Purchase of stock in trade	29	1,017.41	1,138.38
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(543.54)	35.24
Employee benefits expense	31	1,665.56	1,429.39
Finance cost	32	240.32	165.32
Depreciation and amortization expense	33	492.84	316.85
Allowance for expected credit loss / impairment of financial assets	34	95.04	42.50
Other expenses	35	2,090.96	1,742.29
Total expenses		13,188.35	12,330.62
Profit before tax		455.51	472.80
Income tax expense:	48		
Current tax expense/ (credit)			
- relating to current year		125.32	114.08
- relating to prior year		-	(14.74)
Deferred tax expense/ (credit)		(11.16)	15.76
Total tax expenses		114.16	115.10
Profit for the year		341.35	357.70
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans - gains / (losses) (net)		1.34	9.16
- Income tax impact		(0.34)	(2.30)
Total other comprehensive income for the year		1.00	6.86
Total comprehensive income for the year		342.35	364.56
Earnings per share			
Basic (in ₹) (Face value of ₹ 10 each)	39	10.30	10.87
Diluted (in ₹) (Face value of ₹ 10 each)	39	10.30	10.86

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

This is the Statement of Profit and Loss referred to in our report of even date

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Mohan Danivas S A

Partner

Membership Number: 209136

Place : Bengaluru

Date : May 24, 2024

For and on behalf of the Board of Directors

Rajendra Gandhi

Managing Director
DIN: 01646143

Ramakrishna Pendyala

Chief Financial Officer

Place : Bengaluru

Date : May 24, 2024

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, 2024	For the year ended March 31, 2023
Cashflow from operating activities			
Profit before tax		455.51	472.80
Adjustments for :			
Depreciation and amortisation expense	33	492.84	316.85
Allowance for expected credit loss / impairment of financial assets	34	95.04	42.50
Provision for doubtful current and non-current assets - net		3.82	-
Liability no longer required written back	27(a)	(8.84)	-
Interest income	27(a)	(7.74)	(7.24)
(Profit) / loss on fair valuation of derivative instruments - net	27(b)	5.47	(0.74)
(Profit) / loss on sale of property, plant and equipment - net	27(b)	12.84	(1.56)
Finance cost / interest expense	32	229.94	155.26
Unrealised exchange (gain)/loss on foreign currency transactions and translation (net)		7.89	18.36
Employees share based expense	31	12.31	5.15
Operating cash profit before changes in working capital		1,299.08	1,001.38
Movement in working capital			
(Increase) / decrease in inventories		(769.90)	(259.33)
(Increase) / decrease in trade receivables		(149.70)	(484.37)
(Increase) / decrease in other financial assets		(35.20)	(4.68)
(Increase) / decrease in other assets		17.96	158.90
Increase / (decrease) in other financial liabilities		22.08	(54.89)
Increase / (decrease) in trade payables		830.71	499.55
Increase / (decrease) in other current liabilities		(3.30)	(7.56)
Increase / (decrease) in provisions		37.76	26.61
Cash generated from operations		1249.49	875.61
Net income taxes (paid) / refund received		(123.65)	(112.56)
Net cash generated from/ (used in) operating activities (A)		1125.84	763.05
Cashflow from investing activities			
Payment for property, plant and equipment & intangible assets		(1,136.70)	(985.46)
Proceeds from sale of property, plant and equipment		94.02	9.17
Interest received on bank deposits		9.19	5.68
(Investment in)/proceeds from margin money deposit with banks (net)	11(b)	147.17	(69.33)
Net cash generated from / (used in) investing activities (B)		(886.32)	(1,039.94)
Cash flows from financing activities			
Repayment of long-term borrowings	16	(52.28)	(56.74)
Proceeds received/ (payments) under supplier financing arrangement (net)		(100.16)	(73.17)
Proceeds from issues of shares (net of share issue expenses)		3.73	23.86
Proceeds from short-term borrowings (net)	20	225.10	548.72
Payment of lease liabilities		(95.23)	(12.98)
Interest paid		(174.64)	(131.59)
Net cash generated from / (used in) financing activities (C)		(193.48)	298.10
Net Increase / (decrease) in cash and cash equivalents (A+B+C)		46.04	21.21
Cash and cash equivalents at beginning of the year	11(a)	25.26	4.05
Cash and cash equivalents at the end of the year	11(a)	71.30	25.26

Statement of Cash Flows

(Amount in Rupees Millions, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Reconciliation of cash and cash equivalents			
Cash and cash equivalents as at the year end comprises of :	11(a)		
(a) Cash on hand		0.42	1.15
(b) Remittance in transit		1.38	1.04
(c) Balances with banks:			
in current accounts		69.50	23.07
Total		71.30	25.26
Non-cash financing and investing activities			
Acquisition of right-of-use assets	3(c)	856.61	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 **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Mohan Danivas S A

Partner

Membership Number: 209136

Place : Bengaluru

Date : May 24, 2024

For and on behalf of the Board of Directors

Rajendra Gandhi

Managing Director
DIN: 01646143

Ramakrishna Pendyala

Chief Financial Officer

Place : Bengaluru

Date : May 24, 2024

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, 2024	As at March 31, 2023
Opening balance	330.27	328.68
Changes in equity share capital during the year		
Add: Exercise of vested stock options	0.25	1.59
Closing balance	330.52	330.27

OTHER EQUITY

Particulars	Notes	Reserves and Surplus			Total other equity
		Retained earnings	Securities Premium	Share options outstanding account	
Opening Balance as at April 01, 2022		(541.28)	3,834.43	18.27	3,311.42
Profit for the year		357.70	-	-	357.70
Other comprehensive income					
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)
Total comprehensive income for the year		364.56	-	-	364.56
Securities Premium on issue of shares		-	22.28	-	22.28
Reclassification upon exercise of options during the year		-	17.13	(17.13)	-
Employee stock option expense	31	-	-	5.15	5.15
Closing Balance as at March 31, 2023	15(b)	(176.72)	3,873.84	6.29	3,703.41
Opening Balance as at April 01, 2023		(176.72)	3,873.84	6.29	3,703.41
Profit for the year		341.35	-	-	341.35
Other comprehensive income					
Remeasurement of defined benefit obligation [gain/(loss)]	37	1.34	-	-	1.34
Income tax expenses relating to remeasurement of defined benefit obligation		(0.34)	-	-	(0.34)
Total comprehensive income for the year		342.35	-	-	342.35
Securities Premium on issue of shares		-	3.48	-	3.48
Reclassification upon exercise of options during the year		-	1.63	(1.63)	-
Share application money pending allotment		-	-	-	-
Employee stock option expense	31	-	-	12.31	12.31
Closing Balance as at March 31, 2024	15(b)	165.63	3,878.95	16.97	4,061.55

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

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

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Mohan Danivas S A

Partner

Membership Number: 209136

Place : Bengaluru

Date : May 24, 2024

For and on behalf of the Board of Directors

Rajendra Gandhi

Managing Director
DIN: 01646143

Ramakrishna Pendyala

Chief Financial Officer

Place : Bengaluru

Date : May 24, 2024

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 office situated at Bengaluru. It is engaged primarily in the business of manufacture of pressure cookers, LPG stoves, non-stick cookware and trading of other kitchen and electrical appliances under the brand names Pigeon, Pigeon LED and "Gilma". The Company also possesses a licensing agreement with Stanley Black & Decker on certain categories of appliances.

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

These Financial Statements are approved for issue by the Company's Board of Directors in their meeting held on May 24, 2024.

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 value at grant date.
- 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 equipment.

(iii) 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.

(iv) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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

(v) Standards issued but not yet effective

MCA notified new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards as applicable to the Company.

2.2 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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

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. Following are the critical estimates :

- (i) Provision for Warranties (Refer note 19.2)
- (ii) Provision for refund liabilities (Refer note 25)
- (iii) Defined benefit plan obligations (Refer note 19.1 & 37)

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. “

3(A) 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.

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

See note 52.1 for the other accounting policies relevant to Property, Plant and Equipment.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Leasehold improvements	Computers	Office Equipments	Vehicles	Total	Capital work-in-progress
Gross block										
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)
Gross block as at March 31, 2023	798.21	774.15	2,754.30	36.57	44.25	36.01	33.14	41.34	4,517.97	95.31
Opening Gross block as at April 01, 2023	798.21	774.15	2,754.30	36.57	44.25	36.01	33.14	41.34	4,517.97	95.31
Additions	0.30	-	319.02	18.76	131.46	8.88	18.98	12.19	509.59	523.68
Disposals	-	-	(114.10)	-	-	-	-	-	(114.10)	-
Transfers	-	163.21	160.11	-	-	-	-	-	323.32	(323.32)
Gross block as at March 31, 2024	798.51	937.36	3,119.33	55.33	175.71	44.89	52.12	53.53	5,236.78	295.67
Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Leasehold improvements	Computers	Office Equipments	Vehicles	Total	
Opening accumulated depreciation as at April 01, 2022	-	-	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)	
Accumulated depreciation as at March 31, 2023	-	112.54	686.70	19.47	12.62	20.62	18.43	23.65	894.03	
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	
Opening accumulated depreciation as at April 01, 2023	-	-	686.70	19.47	12.62	20.62	18.43	23.65	894.03	
Depreciation expense	-	29.82	306.34	5.59	22.32	7.37	5.67	6.69	383.80	
Eliminated on disposal of assets	-	-	(7.24)	-	-	-	-	-	(7.24)	
Accumulated depreciation as at March 31, 2024	-	142.36	985.80	25.06	34.94	27.99	24.10	30.34	1,270.59	
Net carrying amount as at March 31, 2024	798.51	795.00	2,133.53	30.27	140.77	16.90	28.02	23.19	3,966.19	

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, 2023: ₹ 636.10) of fair value gains that was recognized at the time of adoption of Ind AS as at April 1, 2017 (refer Note 52.1).

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

3(B)CAPITAL WORK IN PROGRESS (CWIP)

(i) Aging of CWIP

Particulars	CWIP as at March 31, 2024				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i) Projects in progress	293.53	2.14	-	-	295.67
ii) Projects temporarily suspended	-	-	-	-	-
Total	293.53	2.14	-	-	295.67

Particulars	CWIP as at March 31, 2023				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i) Projects in progress	94.67	0.64	-	-	95.31
ii) Projects temporarily suspended	-	-	-	-	-
Total	94.67	0.64	-	-	95.31

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

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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

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.

See note 52.2 for the other accounting policies relevant to Right of Use assets and lease liabilities.

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

Particulars	Building	Plant and machinery	Total
Gross block			
Opening Gross block as at April 01, 2022	-	-	-
Additions	373.64	-	373.64
Disposals	-	-	-
Gross block as at March 31, 2023	373.64	-	373.64
Opening Gross block as at April 01, 2023	373.64	-	373.64
Additions	774.41	82.20	856.61
Disposals	(10.84)	-	(10.84)
Gross block as at March 31, 2024	1,137.21	82.20	1,219.41
Accumulated amortisation			
Opening accumulated amortization as at April 01, 2022	-	-	-
Amortization expense	17.74	-	17.74
Accumulated amortization as at March 31, 2023	17.74	-	17.74
Net carrying amount as at March 31, 2023	355.90	-	355.90
Opening accumulated amortization as at April 01, 2023	17.74	-	17.74
Amortization expense	93.95	4.11	98.06
Disposals	(1.12)	-	(1.12)
Accumulated amortization as at March 31, 2024	110.57	4.11	114.68
Net carrying amount as at March 31, 2024	1,026.64	78.09	1,104.73

3(D) INTANGIBLE ASSETS AND GOODWILL

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

The Company amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- * Computer software 3 to 6 years
- * Brands 4 years

Goodwill on acquisitions of business is included in intangible assets. Goodwill 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.

See note 52.3 for the other accounting policies relevant to Intangible Assets and Goodwill.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Particulars	Computer Software	Brands	Total	Goodwill
Gross block				
Opening Gross block as at April 01, 2022	51.34	-	51.34	-
Additions	1.64	18.52	20.16	1.32
Disposals	-	-	-	-
Gross block as at March 31, 2023	52.98	18.52	71.50	1.32
Opening Gross block as at April 01, 2023	52.98	18.52	71.50	1.3
Additions	0.66	-	0.66	-
Disposals	-	-	-	-
Gross block as at March 31, 2024	53.64	18.52	72.16	1.32
Accumulated amortization/impairment				
Balance as at April 01, 2022	21.80	-	21.80	-
Amortization expense / impairment	7.62	1.84	9.46	-
Accumulated amortization / impairment as at March 31, 2023	29.42	1.84	31.26	-
Net carrying amount as at March 31, 2023	23.56	16.68	40.24	1.32
Balance as at April 01, 2023	29.42	1.84	31.26	-
Amortization expense / impairment	8.83	1.98	10.81	0.17
Accumulated amortization / impairment as at March 31, 2024	38.25	3.82	42.07	0.17
Net carrying amount as at March 31, 2024	15.39	14.70	30.09	1.15

4 INVESTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Unquoted investments		
In equity instruments (Carried at cost)		
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)
Total	-	-
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, 2024	As at March 31, 2023
(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	0.87	54.51
- Interest accrued on deposits with bank	-	0.77
Security deposits	19.12	26.19
Total	19.99	81.47

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

6 CURRENT TAX ASSET (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income tax (Net) (Refer Note below)	10.19	13.15
Total	10.19	13.15

Note:

Advance tax is net of provision for income tax ₹ 319.68 (March 31, 2023 ₹ 194.35)

7 DEFERRED TAX ASSET (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax asset (net) (Refer Note 48)	24.52	13.70
Total	24.52	13.70

8 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured considered good, unless otherwise stated)		
Capital advances		
Considered good	374.35	358.23
Considered doubtful	-	0.91
Less: Allowance for doubtful advance	-	(0.91)
	374.35	358.23
Provident fund paid under protest		
Considered good	-	2.82
Considered doubtful	2.82	-
Less: Allowance for doubtful balances	(2.82)	-
	-	2.82
Indirect taxes paid under protest		
Considered good	9.34	5.77
Considered doubtful	-	3.54
Less: Allowance for doubtful balances	-	(3.54)
	9.34	5.77
Balance with government authorities		
Considered good	0.05	2.99
Considered doubtful	14.75	11.81
Less: Allowance for doubtful balances	(14.75)	(11.81)
	0.05	2.99
Security deposits	20.34	16.18
Prepaid expenses	3.02	10.87
Total	407.10	396.86

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

9 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.

See note 52.7 for the other accounting policies relevant to Inventories.

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials, components and packing materials (Net) (Refer Note (i) below)	1,364.71	1,053.51
Raw material-in-transit	116.07	200.91
Work-in-progress	275.02	244.20
Finished goods (Net) (Refer Note (ii) below)	1,085.97	676.47
Traded goods (Net) (Refer Note (ii) below)	335.75	233.88
Traded goods in transit	25.83	24.48
Total	3,203.35	2,433.45

*Refer note 16 and 20 for details of hypothecation.

Notes

- (i) Raw materials, components and packing materials is net of provision for obsolescence of ₹ 17.68 (March 31, 2023: ₹ 8.50)
- (ii) Finished goods and traded goods are net of provision for obsolescence aggregating to ₹ 13.04 (March 31, 2023: ₹ Nil) and is net of write-down for Net realizable value ₹ 40.98 (March 31, 2023: ₹ 3.51)

10 TRADE RECEIVABLES*

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

See note 52.8 for the other accounting policies relevant to Trade receivables.

Particulars	As at March 31, 2024	As at March 31, 2023
Receivables considered good - secured	-	-
Receivables considered good - unsecured	1,621.69	1,516.16
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	31.52	157.61
	1,653.21	1,673.77
Less: Allowance for expected credit loss / impairment loss	(190.44)	(265.19)
Total	1,462.77	1,408.58

*Refer note 16 and 20 for details of hypothecation.

Trade receivables includes receivables from related parties ₹ 5.63 (March 31, 2023: ₹10.46). Refer Note 42.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Aging of trade receivables

Particulars	As at March 31, 2024						
	Outstanding for the following period from the due date of Invoice						
	Not Due	Less than 6 Months	6 months - 1 year	1-2 Years	2-3 Years	> 3 Years	Total
Undisputed Trade Receivables							
considered good - Secured	-	-	-	-	-	-	-
considered good - unsecured	962.13	560.32	43.83	38.60	11.18	5.63	1,621.69
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	31.52	31.52
Disputed Trade Receivables							
considered good - Secured	-	-	-	-	-	-	-
considered good - unsecured	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	962.13	560.32	43.83	38.60	11.18	37.15	1,653.21

Particulars	As at March 31, 2024						
	Outstanding for the following period from the due date of Invoice						
	Not Due	Less than 6 Months	6 months - 1 year	1-2 Years	2-3 Years	> 3 Years	Total
Undisputed Trade Receivables							
considered good - Secured	-	-	-	-	-	-	-
considered good - unsecured	1,131.43	304.95	32.28	20.13	7.83	12.44	1,509.06
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	6.47	8.34	142.80	157.61
Disputed Trade Receivables							
considered good - Secured	-	-	-	-	-	-	-
considered good - unsecured	-	-	-	-	-	7.10	7.10
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	1,131.43	304.95	32.28	26.60	16.17	162.34	1,673.77

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 ₹135.67 (March 31, 2023: 247.11) 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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

11(a) CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.42	1.15
Remittance in transit	1.38	1.04
Balances with banks:		
In current accounts	69.50	23.07
Total	71.30	25.26

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

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
In earmarked accounts: balance held as margin money (Refer note below)	78.88	172.41
Total	78.88	172.41

Note

Balances in earmarked accounts represent margin money deposits for non-fund based limits with banks.

12 LOANS

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured considered good)		
Advance to employees	0.06	0.16
Total	0.06	0.16

13 OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured considered good, unless otherwise stated)		
Government Incentive Receivable	4.03	3.46
Derivative assets (mark-to-market gain on foreign currency forward contract)	-	4.33
Interest accrued on deposit with banks	1.11	1.79
Total	5.14	9.58

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

14 OTHER CURRENT ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured considered good, unless otherwise stated)		
Prepaid expense		
Prepaid expense - Excess of CSR expenses carried forward (refer Note 44)	-	0.16
Prepaid expense - others	28.21	24.39
	28.21	24.55
Advances to suppliers / service providers		
Considered good	90.83	176.00
Considered doubtful	2.55	-
Less: Allowance for doubtful advances	(2.55)	-
	90.83	176.00
Right to recover returned goods (Refer Note (i) below)	37.02	63.76
Balance with government authorities	126.63	39.11
Other Receivables (Refer Note (ii) below)	4.83	-
Total	287.52	303.42

Notes

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

(ii) Other receivables is from related parties ₹4.83. Refer Note 42.

15(a) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
40,000,005 Equity shares of ₹ 10/- each (As at March 31, 2023: 40,000,005 Equity shares of ₹ 10/- each)	400.00	400.00
Total	400.00	400.00
Issued, subscribed and fully paid up capital		
33,051,759 Equity shares of ₹ 10/- each (As at March 31, 2023: 33,026,895 Equity shares of ₹ 10/- each)	330.52	330.27
Total	330.52	330.27

(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	₹
Opening balance as at April 01, 2022	32,867,867	328.68
Movement during the year		
Add: Issue of equity shares under employee stock option plan (Refer Note (iii) below)	159,028	1.59
Closing balance as at March 31, 2023	33,026,895	330.27
Opening balance as at April 01, 2023	33,026,895	330.27
Movement during the year		
Add: Issue of equity shares under employee stock option plan (Refer Note (iii) below)	24,864	0.25
Closing balance as at March 31, 2024	33,051,759	330.52

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

(ii) Rights, preferences and restrictions attached to shares

Equity share holders:

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

(iii) 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, 2024	As at March 31, 2023
Equity share of ₹ 10/- each		
Rajendra Gandhi		
No. of shares	18,269,115	18,269,115
% of holding	55.27%	55.32%

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

Name of the Promoter	As at March 31, 2024			As at March 31, 2023		
	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	55.27%	-0.04%	18,269,115	55.32%	-0.26%
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%
Total	18,469,116	55.88%		18,469,116	55.93%	

(vii) The Company has not allotted any equity shares pursuant to contract without payment received in cash and has not brought back shares 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.

15(b) OTHER EQUITY

Particulars	As at March 31, 2024	As at March 31, 2023
Reserves and surplus:		
Retained earnings	165.63	(176.72)
Securities Premium	3,878.95	3,873.84
Share options outstanding account	16.97	6.29
Total	4,061.55	3,703.41

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
A) Retained earnings		
Opening balance	(176.72)	(541.28)
Add: Profit for the year	341.35	357.70
Add/(Less): Remeasurement gain/(loss) of defined benefit obligation	1.34	9.16
Income tax expenses relating to remeasurement of defined benefit obligation	(0.34)	(2.30)
Closing balance [A]	165.63	(176.72)
B) Securities premium		
Opening balance	3,873.84	3,834.43
Securities Premium on issue of shares	3.48	22.28
Reclassification upon exercise of options during the year	1.63	17.13
Closing balance [B]	3,878.95	3,873.84
C) Share options outstanding account		
Opening balance	6.29	18.27
Add: Share based compensation expense (net)	12.31	5.15
Less : Movement due to forfeiture during the year	-	-
Less: Reclassification upon exercise of options during the year	(1.63)	(17.13)
Closing balance [C]	16.97	6.29
Grand total [A+B+C]	4,061.55	3,703.41

(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.

16 BORROWINGS (NON-CURRENT)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured (at amortized cost):		
Term loan from bank [Refer note 16(i)]	48.98	97.95
Vehicle loan [Refer note 16(ii)]	-	2.27
Total	48.98	100.22

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Notes :

Sl. No.	Particulars	Interest Rate	Installments outstanding as of March 31, 2024	As at March 31, 2024	As at March 31, 2023
(i)	Term loans from Banks				
	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 (Promoters)	3 months Repo Rate + 3% spread (March 31, 2023: 3 months Repo Rate + 3% spread)	24 installments (Maturity Date: March 7, 2026)	97.95	146.93
	Total (i)			97.95	146.93
(ii)	Vehicle Loans				
a.	Vehicle loan from HDFC Bank Ltd. For ₹ 4 million with tenor of 60 months. Security: Exclusive charge on vehicle.	8.68% per annum (March 31, 2023: 8.68%)	8 installments (Maturity Date: November 30, 2024)	0.64	1.54
b.	Vehicle loan from HDFC Bank Ltd. For ₹ 2 million with tenor of 48 months. Security: Exclusive charge on vehicle.	8.20% per annum (March 31, 2023: 8.20%)	7 installments (Maturity Date : October 31, 2024)	0.33	0.86
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 (March 31, 2023: 8.20%)	7 installments (Maturity Date : October 31, 2024)	0.33	0.86
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 (March 31, 2023: 8.20%)	7 installments (Maturity Date : October 31, 2024)	0.33	0.86
e.	Vehicle loan from HDFC Bank Ltd. For ₹ 2 million with tenor of 48 months. Security: Exclusive charge on vehicle.	8.20% per annum (March 31, 2023: 8.20%)	9 installments (Maturity Date : December 31, 2024)	0.33	0.74
f.	Vehicle loan from HDFC Bank Ltd. For ₹ 2 million with tenor of 48 months. Security: Exclusive charge on vehicle.	8.20% per annum (March 31, 2023: 8.20%)	9 installments (Maturity Date : December 31, 2024)	0.33	0.74
	Total (ii)			2.29	5.60
(iii)	Secured loans repayable on demand				
	(Refer note 20 for details of security)				
a.	Overdraft facility from HDFC Bank repayable on demand.	9.23% per annum (March 31, 2023: 8.25%)	On demand	98.79	-
b.	Export packing credit facility from ICICI Bank repayable on demand with a maximum tenor of 120 days from the date of export.	7.00% per annum + Repo rate (March 31, 2023: 7.20% + Repo rate)	On demand with a maximum tenor of 120 days	437.45	185.12
c.	Overdraft facility from ICICI Bank repayable on demand.	9.40% per annum (March 31, 2023: 7.20% + Repo rate)	On demand	-	240.00
d.	Overdraft facility from Axis Bank repayable on demand.	9.15% per annum (March 31, 2023: 7.25%)	On demand	-	6.54

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Sl. No.	Particulars	Interest Rate	Installments outstanding as of March 31, 2024	As at March 31, 2024	As at March 31, 2023
e.	Working capital loan from Axis Bank repayable on demand.	8.50% per annum (March 31, 2023: 6.40%)	On demand	295.00	270.00
f.	Working capital loan from ICICI Bank repayable on demand.	8.65% per annum (March 31, 2023: 7.05%)	On demand	245.08	104.78
g.	Working capital loan from HDFC Bank repayable on demand.	9.23% per annum (March 31, 2023: 8.75%)	On demand	71.72	316.49
Total (iii)				1,148.04	1,122.93
(iv)	Unsecured working capital loan from SHINHAN Bank repayable on demand.	7.95% per annum	On demand	200.00	-
Total (i)+(ii)+(iii)+(iv)				1,448.28	1,275.46
Less: Current portion (Refer Note 20)				(1,399.30)	(1,175.24)
Net balance, Non-current				48.98	100.22

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, 2024	As at March 31, 2023
Payables under supplier credit arrangements	117.65	272.56
Total	117.65	272.56

18 SUPPLIERS CREDIT * (CURRENT)

Particulars	As at March 31, 2024	As at March 31, 2023
Current maturities of long term supplier credit arrangements	-	337.97
Payables under supplier credit arrangements	503.66	103.98
Total	503.66	441.95

* 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)

19.1 Employee Benefits

See note 52.13 for the other accounting policies relevant to Employee Benefits.

19.2 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

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

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.

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits:		
Gratuity (Refer note 37)	60.77	52.65
Provision for warranties	30.97	12.11
Total	91.74	64.76

Movement in warranty provision:

Particulars	As at March 31, 2024	As at March 31, 2023
Warranty Provision		
Opening balance	36.73	30.24
Add/(Less) : Additions during the year	114.17	96.44
Add/(Less) : Reversed / utilisation during the year	(97.51)	(89.95)
Closing balance	53.39	36.73
Of the above, the amounts expected to be incurred within a year, to be classified as current	22.42	24.62
Non-current portion	30.97	12.11

20 BORROWINGS (CURRENT)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured loans repayable on demand from banks (at amortised cost)		
[Refer Note 16(iii) and note below]		
Packing credit (Refer note (i) below)	437.44	185.12
Others (Refer note (ii) below)	710.59	937.81
Unsecured loans repayable on demand from banks (at amortised cost)	200.00	-
Current maturities of long-term borrowings		
Term loan from bank [Refer note 16(i)]	48.98	48.98
Vehicle loan [Refer note 16(ii)]	2.29	3.33
	1,399.30	1,175.24
Interest accrued but not due on borrowings	9.77	12.34
Total	1,409.07	1,187.58

Note:

- (i) Packing credit are in the nature of demand loans which are secured by way of hypothecation of current assets. Also refer Note 50.
- (ii) 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. Also refer Note 50.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

21 TRADE PAYABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer note 40)	128.48	28.86
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,477.27	1,745.70
Total	2,605.75	1,774.56

Trade payables includes payables to related parties ₹ 2.68. Refer Note 42.

Ageing of Trade Payables:

Particulars	As at March 31, 2024						Total
	Outstanding for the following period from the due date of payment						
	Not Billed	Not Due	Less than 1 Year	1-2 Years	2-3 Years	> 3 Years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	123.71	4.77	-	-	-	128.48
Others	-	1,979.77	478.74	8.28	1.68	8.80	2,477.27
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	-	2,103.48	483.51	8.28	1.68	8.80	2,605.75

Particulars	As at March 31, 2023						Total
	Outstanding for the following period from the due date of payment						
	Not Billed	Not Due	Less than 1 Year	1-2 Years	2-3 Years	> 3 Years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	13.34	14.42	-	1.10	-	28.86
Others	351.49	1,057.27	325.05	3.53	8.36	-	1,745.70
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	351.49	1,070.61	339.47	3.53	9.46	-	1,774.56

22 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Creditors		
Total outstanding dues of micro enterprises and small enterprises (Refer note 40)	8.16	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	63.03	158.14
Security deposits received	133.67	112.73
Derivative liabilities (mark-to-market loss on foreign currency forward contract)	1.14	-
Total	206.00	270.87

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

23 PROVISIONS (CURRENT)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits:		
Gratuity (Refer note 37)	27.72	18.70
Compensated absences (Refer note below)	28.73	26.11
Provision - others:		
For warranty (Refer note 19.2)	22.42	24.62
Total	78.87	69.43

Note

The entire amount of the provision for compensated absences of ₹ 28.73 (March 31, 2023: ₹ 26.11) 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, 2024	As at March 31, 2023
Leave obligations not expected to be settled within the next 12 months	13.06	11.21

24 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for current tax liabilities (net of payments)	-	1.29
Total	-	1.29

25 OTHER CURRENT LIABILITIES

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 90 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.

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	31.96	26.74
Interest payable to micro enterprises and small enterprises	0.27	0.75
Advance received from customers	24.23	93.21
Salaries Payable	191.18	162.20
Refund liabilities (Refer Note below)	154.24	130.33
Other liabilities	8.32	-
Total	410.20	413.23

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 which amounts to ₹49.37 (March 31, 2023: ₹96.86). 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 (volume discounts etc.,) to its customers amounting to ₹104.87 (March 31, 2023: ₹33.47).

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

26 REVENUE FROM OPERATIONS

(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 based on the price specified in the contract, 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). No significant element of financing deemed present as the sales are made with a credit term ranging from 30 to 90 days, which is consistent with market practice.”

(ii) Sale of Scrap

The scrap generated from manufacturing process is disposed-off by the management on a periodic basis. Other operating revenue from sale of scarp is recognised when control of the scrap being sold is transferred to the customer. The performance obligations in the contracts are fulfilled at the time of dispatch or delivery to the customer in accordance with delivery terms.

(iii) 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 grants other than those related to assets and are recognized in the profit or loss and presented within other operating 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.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products		
Manufactured goods	12,151.73	11,008.42
Traded goods	1,218.27	1,567.76
Other operating revenue:		
Sale of scrap	255.31	248.22
Export incentives (refer Note iii below)	17.99	14.07
Total	13,643.30	12,838.47

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

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

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, 2024	For the year ended March 31, 2023
Contract price	13,903.93	13,148.07
Adjustments for:		
Refund liabilities including incentive schemes	533.93	571.89
Revenue from contracts with customers	13,370.00	12,576.18

(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 ₹9.42 (March 31, 2023: ₹3.72) and ₹8.57 (March 31, 2023: ₹10.07) respectively.

27(a) OTHER INCOME

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income		
Interest from banks on deposits	7.74	7.24
Interest income on financial assets designated at amortized cost	-	0.01
Rental Income	2.65	-
Liability no longer required, written back	8.84	-
Miscellaneous income	9.33	0.09
Total	28.56	7.34

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain/(loss) on mark-to-market of forward exchange contracts	(5.47)	0.74
Net gain/(loss) on foreign currency transactions and translation	(9.69)	(44.69)
Profit/(loss) on sale of property, plant and equipment (net)	(12.84)	1.56
Total	(28.00)	(42.39)

28 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock of raw materials	1,254.42	959.85
Add: Purchases	8,356.12	7,755.22
	9,610.54	8,715.07
Less: Closing stock of raw materials	(1,480.78)	(1,254.42)
Total*	8,129.76	7,460.65

* Includes provision for obsolescence ₹ 9.18 (March 31, 2023: Reversal of ₹ 1.28)

29 PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of traded goods	1,017.41	1,138.38
Total	1,017.41	1,138.38

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(Amount in Rupees Millions, unless otherwise stated)

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year:		
Finished goods	676.47	767.07
Work-in-progress	244.20	214.34
Stock-in-trade	258.36	232.86
	1,179.03	1,214.27
Inventories at the end of the year:		
Finished goods	1,085.97	676.47
Work-in-progress	275.02	244.20
Stock-in-trade	361.58	258.36
	1,722.57	1,179.03
(Increase) / decrease *	(543.54)	35.24

* Includes provision for obsolescence ₹ 13.04 (March 31, 2023: ₹ Nil) and write-down for Net realizable value ₹ 37.47 (March 31, 2023: Reversal of ₹0.08)

31 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	1,463.46	1,256.04
Contributions to provident fund and others (Refer note 37)	114.92	103.80
Gratuity expense (Refer note 37)	26.70	21.23
Share-based compensation expenses	12.31	5.15
Staff welfare expenses	48.17	43.17
Total	1,665.56	1,429.39

32 FINANCE 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.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense - borrowings	104.78	88.89
Interest expense - suppliers credit	67.29	55.04
Interest expense - lease liabilities	57.60	10.58
Interest on MSMED	0.27	0.75
Other bank charges	10.38	10.06
Total	240.32	165.32

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

33 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment (Refer note 3(a))	383.80	289.65
Amortization of intangible assets and goodwill (Refer note 3(d))	10.98	9.46
Amortization of Right-of-Use Assets (Refer note 3(c))	98.06	17.74
Total	492.84	316.85

34 ALLOWANCE FOR EXPECTED CREDIT LOSS/IMPAIRMENT OF FINANCIAL ASSETS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provision for doubtful trade and other receivables, loans and advances (net)	95.04	42.50
Total	95.04	42.50

35 OTHER EXPENSES

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Job work charges	119.20	176.57
Power and fuel (Refer Note below)	168.36	137.20
Bill Discounting charges	30.38	29.93
Lease rentals (Refer Note 49)	17.63	4.90
Repairs and maintenance		
Buildings	37.54	18.43
Plant and machinery	78.34	76.07
Others	60.47	4.39
Insurance	15.97	18.87
Corporate Social Responsibility expenditure (CSR) (Refer Note 44)	12.88	9.94
Rates and taxes	19.63	20.10
Communication	8.13	6.83
Contract labour charges	114.64	18.77
Travelling and conveyance	112.45	86.61
Printing and stationery	2.82	4.15
Freight and forwarding	458.62	395.93
Sales commission	104.35	114.91
Business promotion and advertisement expenses	435.21	342.15
Legal and professional fees	103.30	100.64
Payment to statutory auditors comprises		
For statutory audit and quarterly reviews	5.25	5.80
Out-of-pocket expense	1.21	1.20
Provision for warranty (Refer note 19.2)	114.17	96.44
Provision for doubtful advances	3.82	-
Royalty	26.04	31.62
Bank Charges	23.17	15.95
Miscellaneous expenses	17.38	24.89
Total	2,090.96	1,742.29

Note:

Power and fuel charges are net of income from generation of electricity ₹ 65.05 (March 31, 2023 ₹ 57.03)

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 periodic 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, 2024	As at March 31, 2023
Debt (i)	3,184.02	2,346.93
Less: Cash and cash equivalents (ii)	71.30	25.26
Net Debt(A)	3,112.72	2,321.67
Total Equity(B)	4,392.07	4,033.68
Net debt to equity ratio (A/B) (Refer note (i) below)	0.71	0.58

(i) Debt is defined as non-current and current borrowings (refer note 16 and note 20), non-current and current suppliers credit (refer note 17 and 18) and non-current and current lease liabilities (refer Note 49).

(ii) Net Debt Reconciliation :

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	71.30	25.26
Lease liabilities	(1,104.66)	(344.62)
Suppliers credit	(621.31)	(714.51)
Borrowings	(1,458.05)	(1,287.80)
Net Debt (A)	(3,112.72)	(2,321.67)

Particulars	Other assets	Liabilities from financing activities			Total
	Cash and Cash equivalents	Borrowings	Suppliers credit	Lease Liabilities	
Net debt as on April 1, 2022	4.05	(783.44)	(768.24)	-	(1,547.63)
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
Net debt as on March 31, 2023	25.26	(1,287.80)	(714.51)	(344.62)	(2,321.67)
Cash flows	46.04	(172.82)	100.16	37.64	11.03
Foreign exchange adjustments	-	-	(6.96)	-	(6.96)
Additions	-	-	-	(807.40)	(807.40)
Disposals	-	-	-	9.72	9.72
Interest expense	-	(104.78)	(67.29)	(57.60)	(229.67)
Interest paid	-	107.35	67.29	57.60	232.24
Net debt as on March 31, 2024	71.30	(1,458.05)	(621.31)	(1,104.66)	(3,112.72)

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

36 FINANCIAL INSTRUMENTS (CONTD.)

Categories of financial instruments:

Particulars	Level	As at March 31, 2024	As at March 31, 2023
Financial assets			
Measured at amortised cost			
Trade receivables	3	1,462.77	1,408.58
Cash and cash equivalents	3	71.30	25.26
Bank balances other than cash and cash equivalents above	3	79.75	226.92
Loans	3	0.06	0.16
Derivative Instruments	2	-	4.33
Other financial assets	3	24.26	86.72
Financial liabilities			
Measured at amortised cost			
Borrowings (including current maturities of non current borrowings)	3	1,458.05	1,287.80
Lease liabilities	3	1,104.66	344.62
Supplier credit	3	621.31	714.51
Trade Payables	3	2,605.75	1,774.56
Derivative Instruments	2	1.14	-
Other financial liabilities	3	204.86	270.87

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

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

36 FINANCIAL INSTRUMENTS (CONTD.)

rate risk and equity price risk), credit risk and liquidity risk. Treasury department monitors the risk exposures on a periodical basis and reports to the Board of directors on the risks that it monitors and policies implemented to mitigate risk exposures.

The company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the company's policies approved by the board of directors 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).

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. The Company enters into derivative financial instruments including foreign exchange forward contracts to hedge the exchange rate risk arising on the export and import of goods;

Exchange rate exposures are managed within approved policy parameters utilising foreign exchange forward contracts.

36.3.1 Foreign exchange forward contracts

It is the policy of the company to enter into foreign exchange forward contracts to cover the risk associated with foreign currency payables and receivables

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, 2024		March 31, 2023	
	Foreign currency	Amount	Foreign currency	Amount
Unhedged				
Payables				
USD	2.40	199.80	1.26	102.40
CHF	0.13	11.80	0.32	28.77
EURO	0.61	54.68	0.65	57.63
RMB	44.85	517.60	26.99	321.72
		783.88		510.52
Receivables				
USD	2.23	185.94	0.69	56.45
		185.94		56.45
Derivatives (Contracts not designated as cash flow hedge)				
Receivables				
USD	(3.53)	(294.02)	(2.43)	(198.22)
Payables				
RMB	4.55	52.45	-	-

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(Amount in Rupees Millions, unless otherwise stated)

36 FINANCIAL INSTRUMENTS (CONTD.)

36.3 Foreign currency risk management (Contd.)

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, 2024	March 31, 2023
Appreciation of USD	14.01	7.61
Depreciation of USD	(14.01)	(7.61)
Appreciation of RMB	(25.88)	(16.09)
Depreciation of RMB	25.88	16.09

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

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting year might not reflect the exposure during the year.

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, 2024	As at March 31, 2023
Fixed-rate instruments		
Financial assets		
Balance held as margin money	79.75	226.92
Financial liabilities		
Borrowings from banks and other financial institutions	2.29	3.33
Suppliers credit	621.31	714.51
	703.35	944.76
Variable-rate instruments		
Financial liabilities		
Borrowings from banks and other financial institutions	1,455.76	1,284.47
	1,455.76	1,284.47

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

36 FINANCIAL INSTRUMENTS (CONTD.)

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, 2024	For the year ended March 31, 2023
Increase of 100 bps	(14.56)	(12.84)
Decrease of 100 bps	14.56	12.84

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 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 cash and cash equivalents, deposits with banks and 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, 2024	For the year ended March 31, 2023
Opening allowance for expected credit loss	265.19	258.99
Add : Additional Provision	95.04	42.50
Less : Utilisation of provision for write off	(169.79)	(36.30)
Closing Provision	190.44	265.19

Reconciliation of loss allowance provision for security deposits

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Provision	-	1.18
Add / (Less) : Change in Provision	-	(1.18)
Closing Provision	-	-

Details of expected credit loss (Trade receivables):

As at March 31, 2024

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	925.09	448.00	112.32	18.38	25.47	123.95	1,653.21
Loss rate	1.63%	4.08%	21.47%	44.29%	59.48%	88.46%	
Expected credit losses	15.12	18.27	24.11	8.14	15.15	109.65	190.44
Net carrying amount	909.97	429.73	88.21	10.24	10.32	14.30	1,462.77

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(Amount in Rupees Millions, unless otherwise stated)

36 FINANCIAL INSTRUMENTS (CONTD.)

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	236.65	68.31	19.24	13.03	205.11	1,673.77
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

Liquidity risk

Liquidity risk is the risk that the company would 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 terms. The table has been drawn up based on the undiscounted principal cash flows of financial liabilities. The contractual maturity is based on the earliest date on which the company would be required to pay.

As at March 31, 2024

Particulars	Due within			Total
	1 year	1-3 years	> 3 years	
Financial liabilities				
Borrowings	1,409.07	48.98	-	1,458.05
Lease liabilities	86.13	212.18	806.35	1,104.66
Suppliers credit	503.66	117.65	-	621.31
Trade payables	2,605.75	-	-	2,605.75
Other financial liabilities	206.00	-	-	206.00
Total financial liabilities	4,810.61	378.81	806.35	5,995.77
Derivatives (Net settled)				
Foreign exchange forward contracts	52.45	-	-	52.45
Total Derivatives (Net settled)	52.45	-	-	52.45

As at March 31, 2023

Particulars	Due within			Total
	1 year	1-3 years	> 3 years	
Financial liabilities				
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

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(Amount in Rupees Millions, unless otherwise stated)

36 FINANCIAL INSTRUMENTS (CONTD.)

Particulars	Due within			Total
	1 year	1-3 years	> 3 years	
Other financial liabilities	270.87	-	-	270.87
Total financial liabilities	3,498.61	428.23	267.30	4,194.14
Derivatives (Net settled)				
Foreign exchange forward contracts	198.22	-	-	198.22
Total Derivatives (Net settled)	198.22	-	-	198.22

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, 2024	As at March 31, 2023
Secured term loan facilities		
- amount used	100.25	152.53
- amount unused	-	-
Secured cash credit facilities		
- amount used	1,148.03	1,122.93
- amount unused	451.97	727.07
Secured non-fund based bank facilities		
- amount used	621.31	714.51
- amount unused	878.69	435.49

37 EMPLOYEE BENEFIT

Defined contribution plans

The Company pays provident fund and pension contributions to publicly administered 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 are recognized as employee benefit expense when they are due.

The contributions made by the company towards these schemes are as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's contribution to provident fund (included as Contributions to provident fund and others in Note 31)	95.18	85.41
Employee state insurance scheme (included as Contributions to provident fund and others in Note 31)	19.74	18.39

Defined benefit plans

The Company offers gratuity, a defined employee benefit scheme to its employees. Following are the risks associated with the plan:

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(Amount in Rupees Millions, unless otherwise stated)

37 EMPLOYEE BENEFIT (CONTD.)

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 then the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit , the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cash flows.

C. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/ government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

D. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective."

No other post-retirement benefits are provided to these employees.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

37 EMPLOYEE BENEFIT (CONTD.)

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

(i) Assumptions

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate		
Staff	7.17%	7.30%
Non Staff	7.17%	7.30%
Salary escalation		
Staff	8.00%	8.00%
Non Staff	6.00%	4.00%
Attrition rate		
Staff	35.00%	39.00%
Non Staff	77.00%	64.00%

(ii) Change in present value of obligation

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation as at the beginning of the year	71.35	66.90
Interest cost	4.82	4.61
Current service cost	22.27	16.62
Past service cost	(0.39)	-
Benefits paid	(8.22)	(7.62)
Actuarial (gain)/loss of obligations	(1.34)	(9.16)
Present Value of Obligation as at the end of the year	88.49	71.35

(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, 2024	As at March 31, 2023
Present value of obligations as at the end of the year	88.49	71.35
Fair value of plan assets as at the end of the year	-	-
Net balance sheet (asset)/ liability recognized at the end of the year	88.49	71.35
Current portion	27.72	18.70
Non-current portion	60.77	52.65

(v) Expenses Recognized in statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	22.27	16.62
Interest cost	4.82	4.61
Past service cost	(0.39)	-
Expected Return On Plan Assets	-	-
Amortization Of Actuarial (Gain)/Loss	-	-
Expenses recognized in statement of profit and loss	26.70	21.23

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

37 EMPLOYEE BENEFIT (CONTD.)

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.73)	-
Actuarial (gains) / losses arising from changes in financial assumptions	2.93	-
Actuarial (gains) / losses arising from experience adjustments	(3.54)	(9.16)
Actuarial (gains) / losses in Other Comprehensive Income	(1.34)	(9.16)

(vii) Effect on Defined benefit obligation (DBO) due to variations in assumptions:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Effect on DBO due to 100 bps increase in discount rate	(3.14)	(2.46)
Effect on DBO due to 100 bps decrease in discount rate	3.43	2.67

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Effect on DBO due to 100 bps increase in salary escalation rate	2.86	2.19
Effect on DBO due to 100 bps decrease in salary escalation rate	(2.66)	(2.05)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Effect on DBO due to 100 bps increase in attrition rate	(0.56)	(0.29)
Effect on DBO due to 100 bps decrease in attrition rate	0.59	0.29

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, 2024	As at March 31, 2023
Year 1	30.62	21.28
Year 2	13.00	15.01
Year 3	8.29	7.07
Year 4	7.90	4.83
Year 5	4.28	5.76
Year 6 to 10	19.88	14.96
Above 10 years	38.09	28.97

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. The aggregate number of Equity Shares, which may be issued under ESOP Plan 2018, shall not exceed 813,000 Equity Shares.

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
29/05/2023	120,859	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
07/11/2023	37,000	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 during the year is ₹203.50 (March 31, 2023 ₹203.95). The fair value of the employee share options has been measured using the Black-Scholes formula. The assumptions used in this model for calculating fair value for the grants made in the current and previous year are as below:

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Inputs into the model				
Grant date	Nov 07, 2023	May 29, 2023	Nov 09, 2022	May 31, 2022
Grant date share price	526.35	479.40	632.65	562.10
Exercise price	526.35	479.40	632.65	562.10
Expected volatility	46.30%	45.80%	39.93%	40.80%
Option life	4 years	4 years	4 years	4 years
Dividend yield	-	-	-	-
Risk-free interest rate	7.15%	6.96%	7.33%	6.91%

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, 2024		As at March 31, 2023	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Option outstanding at the beginning of the year	146,818	382.94	371,706	150.00
Granted during the year	157,859	490.40	78,660	584.78
Exercised during the year	24,864	150.00	159,028	150.00
Forfeited/Expired during the year	56,269	177.71	144,520	150.00
Options outstanding at the end of the year	223,544	507.35	146,818	382.94
Exercisable at the end of the year	10,902	396.47	37,159	150.00
Options available for grant	113	-	101,703	-

The share option outstanding at the end of the reporting year had a weighted average exercise price of ₹510.58 and weighted average remaining contractual life of 1.99 years.

39 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic		
Net profit/(loss) after tax attributable to the equity shareholders (₹ in Million) (A)	341.35	357.70
Weighted average no. of equity shares outstanding (B)	33,128,675	32,898,053
Face value per share (₹)	10.00	10.00
Basic earnings per share (A/B) (₹)	10.30	10.87
Diluted		
Net profit/(loss) after tax attributable to the equity shareholders (₹ in Million) (C)	341.35	357.70
Weighted average no. of equity shares outstanding	33,128,675	32,898,053
Add: Effect of dilutive common equivalent shares - share options outstanding	3,266	47,263
Weighted average number of equity outstanding for Diluted EPS (D)	33,131,941	32,945,316
Face value per share (₹)	10.00	10.00
Net profit attributable to the equity shareholders	341.35	357.70
Diluted earnings per share (C/D) (₹)	10.30	10.86

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	March 31, 2024	March 31, 2023
a) i) The principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	124.42	28.11
ii) Interest due thereon remaining unpaid on year end.	0.27	0.28
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.	-	-
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
d) The amount of interest accrued and remaining unpaid as at year end		
i) Total interest accrued during the year	0.27	0.75
ii) Total interest remaining unpaid, out of the above as at year end	0.27	0.75
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.	12.22	11.95

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.

See note 52.14 for the other accounting policies relevant to Segment Reporting.

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, 2024	For the year ended March 31, 2023
India	11,969.41	11,456.88
Outside India	1,673.89	1,381.59
Total	13,643.30	12,838.47

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	5,815.12	4,526.72
Outside India	-	-
Total	5,815.12	4,526.72

*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 26.67% (15.12% and 11.55% respectively) of company's total revenue was earned (March 31, 2023: 30.26% - 18.22% and 12.04% 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 (up to May 31, 2023)	Chairman of the Board
	Mrs. Shubha Rao Mayya (from June 1, 2023)	Chairperson of the Board
	Mr. Rajendra Gandhi	Managing Director (MD)
	Mrs. Sunita Rajendra Gandhi * (from February 02, 2023)	Non- Executive Director
	Mr. Rajiv Nitin Mehta (up to February 02, 2023)	Chief Executive Officer and Whole Time Director
	Mr. Anup Sanmukh Shah	Independent Director
	Ms. Neha Gandhi *	Whole-time director
	Mr. Balaji A S (from January 1, 2022 to July 13, 2023)	Chief Financial Officer
	Mr. Ramakrishna Pendyala (from July 29, 2023)	Chief Financial Officer
	Mr. Elangovan S (from May 25, 2021 to September 15, 2022)	Company Secretary
	Mr. Shrinivas P H (from February 02, 2023)	Company Secretary
	Mr. Avinash Gupta (from May 29, 2023)	Independent Director
	Mr. Natrajan Ramkrishna (from May 29, 2023)	Independent Director

* 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, 2024	For the year ended March 31, 2023
Revenue from operations		
SAEPL	-	0.83
Purchases		
SAEPL	-	1.09
Cross charge of expenses		
PAPL	-	0.82
Remuneration to Key Managerial Personnel:		
Mr. Rajendra Gandhi	13.54	13.69
Mr. Rajiv Nitin Mehta	-	20.15
Ms. Neha Gandhi	3.08	2.99
Mr. Balaji A S	1.00	5.77
Mr. Elangovan S	-	0.77
Mr. Shrinivas P H	2.50	0.56
Mr. Ramakrishna Pendyala	4.74	-

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sitting Fee paid to		
Mrs. Shubha Rao Mayya	1.90	2.60
Mr. Lakshmikant Gupta	0.60	2.60
Mr. Anup Sanmukh Shah	1.30	0.60
Mr. Avinash Gupta	1.00	-
Mr. Natrajan Ramkrishna	1.20	-
Share-based compensation expenses		
Mr. Rajiv Nitin Mehta	-	0.34
Mr. Ramakrishna Pendyala	0.68	-
Mr. Balaji A S	-	1.16

C. Balances with related parties

Particulars	As at March 31, 2024	As at March 31, 2023
Payable (including payable for Property, Plant and Equipments)		
SAEPL	2.68	2.68
Receivables		
SAEPL	5.63	5.63
PAPL	4.83	4.83
Remuneration payable (gross)		
Mr. Rajendra Gandhi	1.11	0.97
Ms. Neha Gandhi	0.25	0.22
Mr. Ramakrishna Pendyala	0.59	-
Mr. Balaji A S	-	0.46
Mr. Shrinivas P H	0.21	0.21

D. The remuneration to Key Managerial Personnel included the following:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term benefits	24.40	41.11
Post-employment benefits (Refer Note below)	0.46	2.83
Total	24.86	43.94

Note

Post employment benefits excludes provision for compensated absences for Key managerial personnel which cannot be separately identified from the composite amount advised by the actuary.

43 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Contingent liabilities (Refer Notes below)		
Indirect tax matters under appeal	159.26	56.45
Direct Tax matters	8.13	7.42
Other disputed claims	4.35	2.56
Provident fund claims	6.50	9.39

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Notes:

- (i) Indirect tax matters under appeal includes litigations on customs duty rate used for import of certain products, 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.
- (iii) These cases are pending at various forums with the concerned authorities. Outflows if any, arising out of these claims would depend on the outcome of the decision of the appellate authority and the Company's right for future appeals before judiciary. No reimbursements are expected. The above does not include estimated interest of ₹ 68.79 (March 31,2023 ₹ 59.17) from the date of demand to the reporting date.

Particulars	As at March 31, 2024	As at March 31, 2023
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (net of advances)	803.43	454.85

44 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent by the company during the year	12.88	9.94
Amount of expenditure incurred *	12.72	8.47
Utilisation of prepaid CSR	0.16	1.63
Accrual towards unspent obligations in relation to:		
Ongoing project	-	-
Other than ongoing projects	-	-
Total	-	-
Amount required to be spent as per Section 135 of the Act	12.88	9.94
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above *	12.88	10.10

* Includes ₹ Nil (March 31, 2023: ₹ 0.16) 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, 2023		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2024	
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, 2023	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, 2024
-	-	12.88	12.72	0.16	-

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, 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2024 (Refer note below)
0.16	12.88	12.72	-

45 FINANCIAL RATIOS

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for Variance
a. Current ratio	Current Asset	Current Liabilities	0.96	1.04	-7%	NA
b. Debt-equity ratio	Total Debt (including supplier's credit)*	Total Equity	0.72	0.58	24%	NA
c. Debt service coverage ratio	Earning for debt service	Debt Services (including supplier's credit)	3.31	4.92	-33%	Decrease in debt service coverage ratio is mainly on account of increase in 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	8.10%	9.32%	-13%	NA
e. Inventory turnover ratio	Cost of goods consumed	Average Inventory	3.05	3.75	-19%	NA
f. Trade receivable turnover ratio	Total Revenue from operations (excluding duty drawback)	Average Trade Receivables	9.49	10.80	-12%	NA
g. Trade payable turnover ratio	Total Purchases	Average Trade Payables	4.28	5.83	-27%	Decrease is on account of increase in trade payable to higher extent as compared to increase in purchases.
h. Net capital turnover ratio	Total Revenue from operations (excluding duty drawback)	Average Working Capital	-71.46	74.52	-196%	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)	2.51%	2.79%	-10%	NA
j. Return on capital employed (ROCE)	Earnings before interest and tax (EBIT)	Capital Employed	9.24%	10.04%	-8%	NA
k. Return on investment	Interest Income	Average fixed deposits placed	5.05%	4.67%	8%	NA

* Total debt includes lease liabilities of ₹1,104.66 (March 31, 2023: 344.62).

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, 2024		March 31, 2023		Relationship with the struck-off company (if any)
		Balance outstanding	Transactions during the year	Balance outstanding	Transactions during the year	
Decos Software Development Pvt Ltd	Sale of Products	Nil	0.53	Nil	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 financial year ended March 31, 2023, 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

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 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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

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.

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

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax expense		
Current tax		
In respect of current year	125.32	114.08
In respect of earlier years	-	(14.74)
Total (A)	125.32	99.34
Deferred tax		
(Credit) / Charge for the year	(10.82)	18.06
Total (B)	(10.82)	18.06
Total income tax expense recognised in the statement of profit and loss (A+B)	114.50	117.40

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

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before tax	455.51	481.96
Company's domestic tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate (Refer Note below)	114.65	121.31
Tax effect of:		
Effect of non-deductible expense:		
Corporate social responsibility expenses	3.24	2.50
Interest payable as per MSMED Act	0.07	0.07
Others	(3.46)	(6.48)
Income tax recognised in the statement of profit and loss	114.50	117.40

Note:

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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

(iii) Movement in deferred tax balances

Particulars	Net balance as on March 31, 2022	Recognised in profit or loss	Net balance as on March 31, 2023	Recognised in profit or loss	Net balance as on March 31, 2024
Deferred tax assets/ (liabilities)					
Property, plant and equipment	(67.14)	(42.79)	(109.93)	(7.65)	(117.58)
Right of use assets	-	(91.29)	(91.29)	(186.77)	(278.06)
Lease Liabilities	-	88.26	88.26	189.78	278.04
Employee benefits	22.27	17.54	39.81	(10.31)	29.50
Provision for expected credit loss	61.99	4.75	66.74	(18.81)	47.93
Other Items	14.64	5.47	20.11	44.58	64.69
Deferred tax assets/ (liabilities)	31.76	(18.06)	13.70	10.82	24.52
Set off of tax losses utilised to the extent of deferred tax liability	-	-	-	-	-
Net deferred tax assets/ (liabilities)	31.76	(18.06)	13.70	10.82	24.52

49 LEASES

The Company leases premises for various retail stores for which rental contracts are generally for a period of five to nine years, but may have extension options as per the terms of the lease. The Company also leases certain Plant and Machinery for a fixed period of five years.

Lease liability and Right of use assets have been separately presented in the Balance Sheet and lease payments have been disclosed under cashflow from financing activities.

See note 52.2 for the other accounting policies relevant to Right of use assets and lease liabilities.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2024	As at March 31, 2023
Right-of-use assets		
Buildings	1,026.64	355.90
Plant and machinery	78.09	-
	1,104.73	355.90
Lease liabilities		
Current	86.13	21.87
Non-current	1,018.53	322.75
	1,104.66	344.62
Additions to right-of-use assets	856.61	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, 2024	For the year ended March 31, 2023
Depreciation charge of right-of-use assets	98.06	17.74
Interest expense (included in finance cost)	57.60	10.58
Expenses relating to short-term leases (included in other expenses)	17.63	4.90
Total	173.29	33.22
The total cash outflow for leases	95.23	12.98

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

(iii) Movement of lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	344.62	-
Add: lease liability recognised during the year (net)	797.67	347.02
Add: Interest expense (included in finance cost)	57.60	10.58
Less: Repayments of interest and principal	(95.23)	-12.98
Closing Balance	1,104.66	344.62

50 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 of difference	Reasons for material discrepancies
Trade Receivables:					
June 2023	HDFC Bank,	2,375.10	1,978.06	(397.04)	The difference is mainly attributable to certain provision for expected credit loss which were not included in the statement filed with the banks for all the quarters. Additionally certain category of receivables were not considered in the statements filed with the banks for the quarters ended September 2023, December 2023 and March 2024.
September 2023	ICICI Bank and	2,316.07	1,929.21	(386.86)	
December 2023	Axis Bank	2,386.04	2,048.16	(337.88)	
March 2024		1,912.23	1,462.77	(449.46)	
Inventory:					
June 2023	HDFC Bank,	2,356.24	2,685.50	329.26	The difference is mainly attributable to certain category of inventories and provision for obsolescence not considered in the statements filed with the banks.
September 2023	ICICI Bank and	2,574.95	2,931.60	356.65	
December 2023	Axis Bank	2,900.66	3,193.60	292.94	
March 2024		2,954.39	3,203.35	248.96	

51 ADDITIONAL REGULATORY INFORMATION

(i) Details of benami property held

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

(ii) Borrowing secured against current assets

The Company has borrowings from banks and financial institutions on the basis of security of current assets. Refer note 50 for reasons for the differences between the quarterly returns or statements of current assets filed by the Company with banks and financial institutions and the books of accounts.

(iii) Wilful defaulter

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

(iv) Relationship with struck off companies

Refer Note No. 46 for details.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

(v) Compliance with number of layers of companies

The company does not have any subsidiaries and hence compliance with 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017 ('Layering Rules') is not applicable.

(vi) 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.

(vii) 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 (whether recorded in writing or otherwise) that the Intermediary shall:

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

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

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

(viii) 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.

(ix) 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.

(x) 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.

(xi) 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.

(xii) Core investment companies (CIC)

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

(xiii) 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).

(xiv) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xv) Utilisation of borrowings availed from banks and financial institutions

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

52 SUMMARY OF OTHER ACCOUNTING POLICIES

52.1 Property, Plant and Equipment

Historical cost includes expenditure that is directly attributable to the acquisition of the 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 equipment.

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 company 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.

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).

52.2 Leases

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

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

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

- 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.

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.

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.

52.3 Intangible Assets and Goodwill

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.

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.

52.4 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.

52.5(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.

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(Amount in Rupees Millions, unless otherwise stated)

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.

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

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

- 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) 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.

52.5(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 liabilities are 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

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(Amount in Rupees Millions, unless otherwise stated)

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

(vi) Foreign exchange gains and losses

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

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

(vii) Derecognition of financial liabilities

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

(viii) Offsetting of Financial Instruments

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

52.5(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.

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.

52.5(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.

52.6 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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

(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.

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.

52.7 Inventories

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 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.

52.8 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.

52.9 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.

52.10 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

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

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.

52.11 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 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.

52.12 Income Recognition

(i) 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.

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).

(ii) Dividends:

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.

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(Amount in Rupees Millions, unless otherwise stated)

(iii) Lease income:

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

(iv) 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.

52.13 Employee benefits provision

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) 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.

(ii) 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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

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.

(iii) 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.

52.14 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'.

52.15 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.

52.16 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.

- 53** As on March 31, 2024, the Company has undisputed provident fund dues aggregating to ₹ 0.93 relating to few employees to be remitted to the Provident Fund Department ("Department"). Such amounts outstanding for more than six months as at balance sheet date aggregates to ₹ 0.26. 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** In November 2023, the Income Tax Department carried out a search operations at the Company's various business premises under Section 132 of the Income-tax Act, 1961. The Company extended full cooperation to the Income-tax officials during the search and provided all the information sought by them. The Company

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

has made the necessary disclosures to the stock exchanges in this regard vide its communication on November 22, 2023 and November 27, 2023, in accordance with Regulation 30 of the SEBI (LODR) Regulations, 2015 (as amended). As of the date of issuance of these financial results, the Company has not received any formal communication from the Income Tax Department regarding the findings of their investigation / examination.

Further the Company has received notice under Section 148 of the Income Tax Act, 1961 dated March 15, 2024, wherein the Deputy Commissioner of Income tax is proposing to assess or reassess the income or recompute the loss or the depreciation allowance or any other allowance or deduction for the Assessment Year 2020-21 and has therefore required the Company to furnish a return in the prescribed form for the Assessment Year 2020-21. The Company is in the process of furnishing the prescribed return.

Management is of the view that the search operations and the assessment / reassessment for Assessment Year 2020-21 are not likely to have any adverse material impact on the Company's financial position as of March 31, 2024, and the performance for the year ended on that date.

55 As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

In Stove Kraft Limited, the audit trail is enabled at an application level for certain tables and fields for maintenance of books of accounts and relevant transactions. However for certain tables and fields at application level have been enabled subsequent to year end. The ERP used by the Company has not been enabled with the feature of audit trail log at the database layer to log direct transactional changes, due to present design of ERP. This is being taken up with the vendor.

Further for another accounting software, maintained by third party service provider and used for recording point of sales revenue (retail outlets) the service provider is unable to provide SOC report covering audit trail. Management is taking necessary steps to obtain comfort on audit trial from third party service provider."

56 Subsequent to the year end the directors have recommended the payment of a final dividend of ₹2.50 per fully paid equity share. This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.

57 Previous year's figures have been re-grouped/reclassified, wherever necessary, to conform to current year's classification/disclosure. However there have been no material regroupings/reclassifications.

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 24, 2024

Rajendra Gandhi

Managing Director

DIN: 01646143

Ramakrishna Pendyala

Chief Financial Officer

Place : Bengaluru

Date : May 24, 2024

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 80-28016222
E-mail: cs@stovekraft.com Website: www.stovekraft.com

NOTICE OF THE 25TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 25th Annual General Meeting of Stove Kraft Limited will be held on Friday, 20th September 2024 at 11.00 A.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company 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 2024, 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 declare Dividend on Equity Shares and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED that a Dividend of ₹ 2.50 per Equity Share of INR 10 each (i.e.,25%) for the financial year ended 31 March 2024, as recommended by the Board of Directors at its meeting held on 24 May 2024, be and is hereby declared."

3. To appoint a Director in place of Mrs. Neha Gandhi, Executive Director, who retires by rotation and being eligible has offered herself for reappointment and in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mrs. Neha Gandhi (holding DIN 07623685) who retires in accordance with the provisions of the Companies Act, 2013 and has offered herself for reappointment be and is hereby reappointed as Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

4. 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, 2014 and Companies (Cost Records and Audit) Rules, 2014 (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 31 March 2025, as recommended by the Audit Committee and approved by the Board of Directors of the Company, amounting ₹ 1,25,000 plus applicable taxes and out of the pocket expenses incurred for conducting the aforesaid audit, be and hereby ratified and confirmed".

5. To reappoint Mr. Rajendra Gandhi as Managing Director of the Company and in this regard pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196,197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other Rules made thereunder and applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law applicable to the Company for time being in force, including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and in accordance with relevant provisions of the

Articles of Association of the Company, and upon recommendations of Nomination Committee and Board of Directors of the Company (hereinafter referred to as the 'Board') and subject to such other approval(s), permission(s) and sanction(s) as may be required in this regard, consent of the members be and is hereby accorded for the reappointment of Mr. Rajendra Gandhi (holding DIN:01646143) as Managing Director of the Company for a further period of five (5) years with effect from 17 March 2025, not liable to retire by rotation, on such terms and conditions and at such remuneration, as detailed in the explanatory statement attached hereto.

RESOLVED FURTHER that pursuant to Section II of Part II of Schedule V and other applicable provisions, if any, of the Act and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay the remuneration as detailed in the Statement pursuant to Section 102 of the Act annexed hereto as minimum remuneration to Mr. Gandhi in any financial year, in which the Company has no profit or the profit is inadequate.

RESOLVED FURTHER that the Company be and is hereby authorized to pay remuneration to Mr. Gandhi, as detailed in the Statement pursuant to Section 102 of the Act annexed hereto which may exceed the limits as specified in Regulation

17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER that the Nomination and Remuneration Committee and the Board of Directors of the Company shall, in accordance with the statutory limits/approvals as may be applicable for the time being in force, be at full liberty to revise and/or change the terms and conditions of the appointment and remuneration of Mr. Gandhi from time to time as may be deemed appropriate.

RESOLVED FURTHER that any of the Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be required, including filing of requisite forms / returns/ applications with the Registrar of Companies or other regulatory authorities and to approve the execution of all such documents, instruments and writings as may be necessary to give effect to this resolution."

By Order of the Board

Shrinivas P Harapanahalli
Company Secretary &
Compliance Officer
(Membership No. A26590)

Place: Bangalore
Date: 10 August 2024

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No 4:

Ratification of remuneration of the Cost Auditors

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the reappointment and remuneration of M/s. GS & Associates, Cost Accountants as the Cost Auditor of the Company for the financial year 2024-25.

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 is 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 2024-25 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. 4 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. 5:

Reappointment of Managing Director

At the Annual General Meeting (AGM) held on 24 September 2020, Mr. Rajendra Gandhi, (holding DIN 01646143) was reappointed as the Managing Director of the Company for a period of five years with effect from 17 March 2020 till 16 March 2025.

Proviso to Section 196(2) of the Companies Act, 2013 provides that the reappointment of Managing Director may be done one year before the expiry of his term. The Board of Directors on recommendation of Nomination and Remuneration Committee at its meeting held on 10 August 2024 has approved the reappointment and remuneration of Mr. Rajendra Gandhi, as Managing Director for a period of five years from 17 March 2025 to 16 March 2030, subject to the approval of shareholders at AGM.

Mr. Rajendra Gandhi, aged 56, is the esteemed promoter and founder of Stove Kraft Limited. He has over 23 years of industry experience. Mr. Gandhi's visionary leadership and remarkable achievements have been instrumental in driving Stove Kraft's growth and success. With his entrepreneurial acumen, he has

built Stove Kraft to become one of the leading brands for kitchen appliances in India. His strategic insights and unwavering commitment have not only elevated the company's market presence but also fostered a culture of innovation and excellence. As the Managing Director, Mr. Gandhi continues to inspire and lead Stove Kraft towards new milestones, ensuring sustainable growth and long-term success for the company and its stakeholders. He is closely involved in the day-to-day affairs of the Company and is instrumental in promoting Stove Kraft's culture of innovation.

The Board is of the opinion that Mr. Rajendra Gandhi possesses the requisite expertise, experience and competency to take the Company to new heights.

Mr. Rajendra Gandhi has given the consent and other declarations to the Company, affirming that he is not disqualified from being appointed as a Managing Director under the applicable provisions of the Companies Act, 2013 and is also not debarred from holding the office of Director pursuant to any order issued by the SEBI or any other authority.

The terms and conditions of Mr. Rajendra Gandhi's remuneration effective from 17 March 2025 in accordance with the Nomination and Remuneration Policy of the Company are as under:

- (i) Basic Salary: ₹ 63,76,464 per annum. The annual increment, in accordance with the Nomination and Remuneration Policy of the Company, will be effective from 01 April 2026 and thereafter every year from 01 April.
- ii) House Rent Allowance: 40% of the basic salary.
- iii) Bonus: ₹ 5,31,156 per annum.
- iv) Perquisites & Allowances: Conveyance Allowance, Medical Allowance, Helper Allowance, Uniform allowance, Children Education Allowance, LTA, Books & Periodical, Fuel Allowance & Maintenance, Other Allowance, as per the applicable policies or as may be agreed to between the Company and Mr. Gandhi.
- v) Retirement benefits: Contribution to Provident Fund as per the Company's policy. Gratuity to be paid in accordance with Payment of Gratuity Act, 1972 and encashment of leave at the end of tenure.

The Board shall be entitled to add, alter or vary any of the foregoing terms of remuneration, benefits or perquisites of the Managing Director within the

overall ceiling on managerial remuneration prescribed under the Companies Act, 2013, or any statutory modification or re-enactment thereof.

Minimum Remuneration: Where in any financial year during the term of the Managing Director, the Company has no profit or its profit is inadequate, the Company will pay remuneration specified herein above as minimum remuneration, subject to the requisite approvals, if any.

It is proposed to pass this resolution as a Special Resolution, in order to enable the Company to pay the above remuneration to Mr. Gandhi which may be in excess of the limits as specified in Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The statement as required under Section II, Part II of Schedule V of the Companies Act, 2013 with reference to aforesaid item is given below:

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013

I. General information:

(1) Nature of industry	Manufacturer of kitchen and home appliances
(2) Date of commencement of commercial production	28 June 1999
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
(4) Financial performance based on given indicators	

Particulars	₹ in million		
	FY2023-24	FY2022-23	FY2021-22
Revenue from Operations	13,643.30	12,838.47	11,363.59
EBITDA (Earnings before interest, tax, depreciation and amortization)	1,188.67	954.97	932.73
Profit before tax	455.51	472.80	625.4
Net Profit	341.35	357.70	562.15

(5) Foreign investments or collaborations, if any. Not Applicable

II. Information about the appointee:

(1) Background details	Mr. Rajendra Gandhi, is the Promoter and Managing director of the Company and has extensive experience in the manufacturing and marketing of kitchen and home appliances.
(2) Past remuneration	The details of remuneration paid to Mr. Rajendra Gandhi during the last three financial years were as under: FY2023-24: He was paid remuneration of ₹ 1,35,40,189/- during the financial year ended 31 March 2024. FY2022-23: He was paid remuneration of ₹ 1,36,94,825 /- during the financial year ended 31 March 2023. FY2021-22: He was paid remuneration of ₹ 1,06,00,000/ during the financial year ended 31 March 2022.
(3) Recognition or awards	-
(4) Job profile and his suitability	Mr. Rajendra Gandhi will continue to devote his full time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the company.
(5) Remuneration proposed	Details are given in the Statement pursuant to Section 102 of the Act.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration payable to Mr. Rajendra Gandhi has been benchmarked with remuneration being drawn by similar positions in the industry and has been approved by the Nomination and Remuneration Committee at its meeting held on 10 August 2024.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Father of Mrs. Neha Gandhi, Executive Director and Spouse of Mrs. Sunita Rajendra Gandhi, Non-Executive Director.
(8) Directorships held in other public companies (excluding foreign companies and Section 8 Companies)/Limited liability partnership	Nil
(9) Memberships/ chairmanships of Committee of other Public companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil
Shareholding in the Company as on 31st March 2024	1,82,69,115 shares (55.27%)

III. Other information:

(1) Reasons of loss or inadequate profits	Not Applicable
(2) Steps taken or proposed to be taken for improvement	Not Applicable
(3) Expected increase in productivity and profits in measurable terms	Not Applicable

Although the Company has shown growth and profit from its operations over the past years and is expected to consistently earn profits in the coming years also, it is proposed to pass the resolution given at Item No. 5 of this Notice as a Special Resolution, in order to enable the Company to pay the remuneration detailed above as minimum remuneration to Mr. Gandhi in the eventuality of loss/inadequacy of profits in any financial year during his tenure in terms of the provisions of Section II, Part II of Schedule V of the Companies Act, 2013.

IV. Disclosures:

The remuneration package of the managerial personnel has been described in the statement pursuant to section 102 of the Act and the same will also be provided in the Corporate Governance Reports of the subsequent years.

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.

Mr. Gandhi is not related to any Director or Key Managerial Personnel of the Company or their relatives except his spouse Mrs. Sunita Rajendra Gandhi, Non-Executive director and his daughter Mrs. Neha Gandhi, Executive Director.

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.

Annexure to Item No. 3 and 5

Details of Directors seeking reappointment at the forthcoming AGM [as per provisions of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings].

ANNEXURE

Name of the Director	Mrs. Neha Gandhi	Mr. Rajendra Gandhi
DIN	07623685	01646143
Age (years)	31	56
Nationality	Indian	Indian
Date of appointment on the Board	30 September 2016	28 June 1999
Qualifications	<ul style="list-style-type: none"> Bachelor's degree in Business administration from Christ University. Post graduate certificate Programme in Sales and Marketing Management from MICA (formerly Mudra Institute of Communications, Ahmedabad) 	SSLC
Expertise in specific functional area	Specialization in Sales and Marketing	A first generation entrepreneur with extensive experience in manufacturing, distribution, sales and marketing especially in Kitchen and Home Appliance Sector.
Number of shares held in the Company including Shareholding as beneficial owner	1	1,82,69,115 (As on 31 March 2024, 27,00,000 shares are pledged)
Directorships held in other public companies (excluding foreign companies and Section 8 companies)/ Limited Liability Partnership.	Nil	Nil
Number of Board Meetings attended during the year 2023-24	4/4	4/4
Memberships / Chairmanships of committees of other public companies along with Listed Entities from which the person has resigned in the past three years	Nil	Nil
Resignation from listed entities in the past three years	Nil	Nil
Relationships between Directors interse	Daughter of Rajendra Gandhi and Mrs. Sunita Rajendra Gandhi.	Spouse of Mrs. Sunita Rajendra Gandhi and father of Mrs. Neha Gandhi.
Terms and Conditions of Appointment	As per resolution passed by the shareholders at the AGM held on 31 August 2021.	Please refer statement pursuant to Section 102 in notes to AGM.
Remuneration details	Please refer Corporate Governance Report.	

Notes:-

1. General Circular Nos.14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022 and 11/2022 dated December 28, 2022, September 25, 2023 and all other relevant circulars (collectively called as the 'MCA Circulars') and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 25th AGM of the Company is being conducted through Video Conferencing (VC)/Other audio visual means (OAVM) facility, without the physical presence of Members at a common venue. The deemed venue for the 25th AGM shall be the Registered Office of the Company. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.
2. The 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. 4 and 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 AGM is annexed hereto.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Participation of Members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
5. M/s. KFin Technologies Limited, Registrar & Transfer Agent of the Company ("RTA"), shall be providing facility for voting and attending the AGM through VC. Members may note that the VC facility provided by RTA allows participation of up to 1,000 members on a first-come-first-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 (fifteen) minutes prior to the scheduled time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. The detailed instructions for remote e-voting, participation in the AGM through VC and for e-voting during the AGM are provided in annexure enclosed hereto.
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 RTA.
7. In case of joint holders attending the Meeting, only first holder will be entitled to vote.
8. Dividend:
 - (a) The Dividend on equity shares, if declared, at the AGM will be credited / despatched within thirty days from the date of AGM to those members whose names appear on the Company's Register of Members as on record date i.e., 13 September 2024. In respect of the shares held in dematerialised form the dividend will be paid to the members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on record date i.e., 13 September 2024. In case of joint holders only the first holder will be entitled to receive dividend.

- (b) Members holding shares in electronic form may note that the bank particulars registered against their respective demat accounts will be used by the Company for payment of dividend. The Company or RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes need to be advised by the members directly to the Depository Participants (DPs) with whom they are maintaining a demat account.
- (c) Non-Resident Indian (NRI) members are requested to inform their DPs immediately about:
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their PAN and bank account maintained in India with complete name, branch, account type, account number, IFSC Code and address of the bank with pin code number, if not furnished earlier, to facilitate payment of dividend.
- (d) The members may note that in case their dividend payments for seven consecutive years remain unclaimed then not only such unclaimed / unpaid dividend amount but also the underlying shares will be liable for transfer to Investor Education and Protection Fund constituted by Government of India in this regard.
- (e) **Tax on Dividend:** Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. 01 April 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN their DPs.

A Resident individual shareholder holding PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non – deduction of tax at source by email to einward.ris@kfintech.com copy marked to tharani.priya@stovekraft.com by 13 September 2024. Shareholders are requested to note that in

case their PAN is not registered, the tax will be deducted at such higher rate as may be prescribed by Income Tax department.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to einward.ris@kfintech.com and tharani.priya@stovekraft.com. The aforesaid declarations and documents need to be submitted by the shareholders by 13 September 2024.

9. The Company has appointed BMP Mr. Pramod S M, Company Secretary in Practice (MNo. FCS7834, CPNo.13784) and failing him Mr. Biswajit Ghosh (MNo. FCS8750, CPNo. 8239), Partners of BMP & Co. LLP, Company Secretaries, to act as the Scrutinizer to scrutinize the voting during AGM and remote e-voting process in a fair and transparent manner.
10. **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 13 September 2024, shall only be entitled to vote at the AGM by availing the facility of remote e-voting or by voting at AGM.
11. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the 25th 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 addresses are not updated / registered with the Company or with their respective DPs, and who wish to receive the Notice of the AGM and the Annual Report for the year 2023-24 and all other communication sent by the Company, from time to time, can get their email address updated / registered by contacting their respective DPs.
12. Members may also note that the Notice of this AGM and the Annual Report for the year 2023-24 will also be available on the Company's website www.stovekraft.com for download. The same will also be available on the websites of the Stock

Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of RTA at <https://evoting.kfintech.com/>. Members may also note that pursuant to Sections 101 and 136 of the Act read with the Rules framed thereunder, the Notice calling the AGM along with the Annual Report for Financial Year 2023-24 are being sent by electronic mode to those Members whose e-mail addresses are registered with the DPs unless the Members have requested for a physical copy of the same.

13. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the Directors are interested will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., 20 September 2024. Members seeking to inspect such documents can send an email to cs@stovekraft.com.
14. 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.

15. 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.
16. 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 to their respective DPs.
17. Shareholders' Communication: Members are requested to send all communications relating to shares or dividend to the Registrar and Share Transfer Agents at the following address:

KFin Technologies Ltd.
Selenium, Tower B Plot No. 31-32,
Financial District Nanakramguda,
Srilingampally, Rengareddi,
Hyderabad, Telangana, 500032,
Toll Free No : 1-800-309-4001

Detailed instructions for remote e-voting, the process to receive notice and login credentials by the persons who become members after the cut-off date, participation in the AGM through VC, and for e-voting during the AGM

1. Any person who becomes a Member of the Company after sending this Notice of AGM but on or before the cut-off date viz. 13 September 2024 can access the notice of AGM along with the Annual report for the financial year 2023-24 on the website of the Company 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/>.
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 served or who have become members post sending of this Notice of AGM, may temporarily get their email address and mobile number updated with the Company's RTA, by clicking the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>

Members are requested to follow the process as guided in the above-mentioned link to capture

the email address and mobile number for sending the soft copy of the Notice and e-voting instructions along with the User ID and Password. In case of any queries, please write to einward.ris@kfintech.com.

3. INSTRUCTIONS 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 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"> 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: https://eservices.nsd.com 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. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 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.
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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 https://web.cdslindia.com/myeasitoken/home/login or visit www.cdslindia.com 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 https://web.cdslindia.com/myeasitoken/home/login . Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from the e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin . 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 DPs	<ol style="list-style-type: none"> I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. 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. 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.

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 : helpdesk.evoting@cdslindia.com Contact No. : 022- 23058738 / 22-23058542-43
Individual Shareholders holding securities in Demat mode with NSDL	Email : evoting@nsdl.co.in 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

- 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 (09) 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	17 September 2024
End date and time	19 September 2024

- b) The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled/blocked by RTA upon expiry of the aforesaid period. Once the vote on a resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.
- c) In case of any query pertaining to e-voting, please refer Help' or 'FAQs' and 'User Manual for shareholders' available at the 'Download' section on the website (bottom corner) of our RTA at <https://evoting.kfintech.com/>. Member may also call RTA at toll free number 1-800-394-001 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 declaration by the Chairperson about the commencement of e-voting at AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page.
- d) Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- e) The facility of Instapoll will be available during the time not exceeding 15 minutes from the commencement of e- voting as declared by the Chairman at AGM and can be used for voting only by those Members who hold shares as on the

cut-off date viz. 13 September 2024 and who are attending the meeting and who have not already cast their vote(s) through remote e-voting.

INSTRUCTION FOR MEMBERS FOR ATTENDING THE AGM:

- a) Members will be able to attend the AGM through VC/OAVM provided by RTA at <https://emeetings.kfintech.com/> by clicking on the tab 'video conference' and using their remote e-voting login credentials shared through email. The link for AGM will be available in the Member's login where the event and the name of the Company can be selected. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions mentioned above.
- 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 14 September 2024 at 09.00 a.m IST up to 17 September 2024 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., 13 September 2024.

- f) A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL <https://cruat04.kfintech.com/emeetings/video/howitworks.aspx>
- g) Members who need technical or other assistance before or during the AGM can contact RTA by sending email to emeetings@kfintech.com or call at Helpline: 1800 3094 001 (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 shall formally propose to the Members participating through VC/OAVM facility to vote on the resolutions as set out in this Notice of 25th AGM and shall also announce the start of the casting of the vote at AGM through the e-voting platform of our RTA - KFin Technologies 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 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 &
Compliance Officer
(Membership No. A26590)

Place: Bangalore
Date: 10 August 2024

REGISTERED OFFICE

#81/1 Medamaranahalli,
Harohalli Hobli,
Harohalli Industrial Area,
Ramanagara District,
Bengaluru - 562 112

www.stovekraft.com