



STOVE KRAFT LIMITED

Transcript of 25th Annual General Meeting

Moderator: Shrinivas sir, you may start please. Thank you.

Shrinivas: Thank you, Bhaskar. I welcome all members, directors and executives of Stove Kraft Limited to the 25th Annual General Meeting of the company. This meeting is being held through video conferencing or other video visual facility in accordance with the circulars issued by Minister of Corporate affairs and SEBI. The requisite quorum being present I request Mrs. Shuba Rao Mayya, our chairperson to commence the proceedings.

Shuba Rao Mayya: Good morning. Welcome to the 25th Annual General Meeting of Stove Kraft Limited. It's a pleasure to connect with all of you through the virtual mode. I hope all of you are safe and in good health. The requisite quorum being present, I declare the meeting as properly constituted. I would like to introduce all of my colleagues on the board of the company. Myself, Shuba Rao Mayya and the chairperson of the board and chairperson of the Stakeholders Relationship Committee. Then we have Mr. Rajendra Gandhi.

Rajendra Gandhi: Good morning.

Shuba Rao Mayya: Yeah. Mr. Natrajan Ramakrishna Independent Director, Chairperson of Audit committee.

Natrajan Ramakrishna: Good morning.

Shuba Rao Mayya: Mr. Anup S. Shah, Independent Director Chairperson of Nomination and remuneration committee.

Shuba Rao Mayya: Okay. Mr. Avinash Gupta, Independent Director Chairperson of Risk Management Committee.

Avinash Gupta: Good morning all.

Shuba Rao Mayya: Mrs. Neha Gandhi, Executive Director Chairperson of the Corporate Social Responsibility Committee.

Neha Gandhi: A very good morning to everyone.



Shuba Rao Mayya: Yeah and Mrs. Sunita Rajendra Gandhi, Non-Executive Director. Mr. Ramakrishna, Chief Financial Officer and Mr. Shrinivas, Company Secretary. Mr. Mohan Danivas, Mr. Sandeep Roddam Statutory Auditors and Mr. Pramod. S.M. secretarial auditors are also present at this meeting. I request Shrinivas, company secretary to take us further. Thank you.

Shrinivas: Thank you ma'am. Members may note that Register of Directors and Key Management Personnel and their shareholdings and the Register of Contracts or arrangements in which directors are interested. Certificate of Secretarial Auditors certifying the Stovekraft ESOP scheme 2018 has been implemented as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 and necessary documents referred to in the notice are available for inspection electronically during the AGM. Now I would request our MD, Mr. Rajendra Gandhi to address the shareholders.

Rajendra Gandhi:

Good morning and a warm welcome to the 25th AGM of Stove Kraft Limited. I hope you and your loved ones are safe and healthy.

The fiscal year 2023-24 was a pivotal one for Stove Kraft, characterized by substantial growth in diverse business and consumer areas. We concentrated on increasing our retail footprint, broadening our product range, boosting manufacturing capabilities, and enhancing operational efficiency, all while maintaining our dedication to innovation, quality, and affordability. We expanded our product portfolio, launched new manufacturing units, and increased backward integration to enhance business agility.

Our committed efforts, combined with strong demand, drove a 6.3% increase in revenue from the previous year, reaching Rs. 1,364 Crore. We achieved a key milestone by opening 117 new retail stores during the financial year.

Our strategies to enhance product offerings and decrease reliance on imports led to higher profit margins and quicker turnover of working capital. This resulted in a 100 basis point increase in our EBITDA percentage. The gross margin reached 36.9%, driven by in-house production, faster product development, and better sales realization.

As a testament to our unwavering commitment to innovation, product quality, and customer satisfaction, we were honoured with the “Retailer of the Year - Kitchenware” award at the Asia Retail Congress 2024 and received the “Emerging Retailer of the Year” title in the kitchen appliances category.



In a remarkable feat, we have launched new manufacturing units for bottles, kettles, flasks, air fryers, electric rice cookers, hobs, and ovens, allowing us greater control over supply, cost, and quality. In November, we commissioned a new warehouse on 2.75 acres of land adjacent to our registered office, with an investment of Rs. 17 crore and a capacity of 25,500 pallets. Recently, we also commissioned a 4 MWp solar power plant on the roof of Unit 3 at a cost of Rs. 14 crore, which is expected to generate 6 million units annually and meet 20% of our current power requirements. We are also in the process of building a fully automated cast iron foundry plant for cookware and a new mega plant.

Our growth is closely tied to our accessibility and strong customer engagement. To capitalize on this, we have strategically broadened our reach across multiple channels, including general trade, modern trade, e-commerce, corporate sales, and exports. We also launched several high-aspiration products, namely air fryers with Airwhirl technology, the 'Jumbo' gas stove range, the Pigeon Ultra-Fast Turbo Chopper, and a Cold Press Juicer, all of which bolstered our market presence. We are pleased to inform that more than 90% of all Stovekraft products are now proudly - Made in India.

During the financial year, we had 171 operational retail stores across 42 cities and 8 states in India. The overwhelming response has encouraged us to venture into Northern India and open 12 new stores in Delhi NCR. We plan to open 25-30 new stores each quarter over the next six quarters. Additionally, our company-owned, franchise-operated store model presents an excellent opportunity to grow our retail presence while maintaining healthy cash flows.

Substantial marketing spends made in the year has strengthened brand recall and boosted brand visibility for our brand 'Pigeon'. Our exports contributed to more than 12% of the overall sales. The distribution network has also expanded remarkably over 1,28,000 outlets, helping us to reach an increasing number of prospective customers and steering us towards sustainable growth.

India is set to become the fastest-growing major economy, fueled by a cost-conscious yet aspirational middle class with growing purchasing power, making it a key market for consumer businesses. Increased government spending is expected to boost rural demand, and better electrification is likely drive demand for smaller appliances.

In view of the same, we will remain dedicated to enhancing our manufacturing capabilities, broadening our distribution network, improving quality, reducing



costs, and increasing operational efficiencies, all in alignment with our vision to become a leader in kitchen appliances in India.

To conclude, I appreciate our employees' dedication and hard work, which has been crucial to our success. I also extend my gratitude to our Board Members for their invaluable guidance and acknowledge the continued support of our stakeholders—customers, channel partners, investors, and the wider community.

Finally, I thank all our shareholders for their confidence in the company. Thank you.

Shrinivas: Thank you sir. With the concurrence of members, I take the notice of 25th AGM Financial Statements, Boards Reports and Auditors Reports as read. The members may note that auditors report do not contain any qualification, reservation or adverse remark. There are five items of ordinary and special business set out in notice of AGM which deal with:

1. Adoption of Audited Financial Statements for the Financial Year ended 31 March 2024.
2. Declaration of dividend of Rs. 2.50/- per equity share for the Financial Year 2023-24.
3. Reappointment of Ms. Neha Gandhi, Executive Director retiring by rotation.
4. Ratification of remuneration of cost auditors for the Financial Year ended 31 March 2025.
5. Reappointment of Managing Director, Mr. Rajendra Gandhi for a period of five years.

We wish to inform that company had provided the facility to cast the votes electronically on all above resolution as set out in the notice. Members who have not cast their votes yet electronically and who are participating in the meeting will have an opportunity to cast their votes during the meeting through instaPoll / e-voting system provided by KFin.

Members can click on vote tab on video conference screen to avail this feature once the Chairperson calls for e-voting.

If any member desires to ask any question pertaining to any item of the notice, they may do so now. Members are requested to keep their questions brief and specific. The moderator will facilitate the questions on



the video feature. Before we go with Q and A, here are some points to note for your convenience. Kindly turn on your video when you are projected on the broadcast screen. Kindly unmute yourself and proceed to ask the question. Please mention your name, Demat account number and location from where you are joining the meeting. Each shareholder will have three minutes for questions. Once you have asked the questions, you can continue to watch the proceedings. Bhaskar, you can start that Q and A session.

Bhaskar: Thank you, Shrinivasji. We have our first speaker, Mr. Vinay Vishnu Bhide from Mumbai. May I request Vinay Vishnuji to kindly unmute himself. Switch on his webcam if he desires to do so. And put forth his perspective please.

Vinay Vishnu: Hello. Are you able to hear me.

Moderator: Sir, we are able to hear you.

Vinay Vishnu: Fine, sir. Let me turn on the camera also. Okay, fine. Chairperson, Mrs. Shubha Rao Mayya.

Shuba Rao Mayya: Yes.

Vinay Vishnu: Managing director, Mr. Rajendra Gandhi, Executive Director Mrs. Neha Gandhi madam, other distinguished directors present, Company shareholders. Good morning to all of you. At the outset, let me now congratulate the Company for having, you know, improved revenues from 1283 crores to 1364 crores. Revenues of course, you know, flat at around 35 crores. Return on equity has slightly gone down. But the debt equity ratio stands now steady. If I compare the performance in this financial year then the situation is that for the quarter have improved from 297 crores to 314 crores. And net profit is steady at eight crores. The questions that I would like to ask you is that what is the position of new product launches this year in our entire portfolio? and how do you expect the current season to pair out of in terms of, you know, all our white goods? You know that we are selling. Otherwise I think, you know we have done most of the restructuring in the past years. So I support all the resolutions and I thank you for giving opportunity to speak. Thank you so much.

Shuba Rao Mayya: Thank you, Vinay.

Moderator: Thank you, Vinay ji. We will move on to our next speaker. Mr Santosh Kumar Saraf. Mr Santosh Kumar Saraf. You are requested to kindly



unmute yourself. Switch on your webcam if you desire to do so and put forth your perspective sir.

Santosh Kumar Saraf: Okay sir. Just a minute. If you allow me. I start my video. Just a minute. मान्यनीय सभापतिजी उपस्थित निर्देशक मंडल की सदयासगण अधिकारगण और कर्मचारिगण में संतोष कुमार सराफ कलकत्ता से आप सभी को राम राम करता हूँ आशा करता हूँ आप सब अच्छे स्वास्थ्य में होंगे साब सर कंपनी की 25वें मीटिंग हैं यानी हम 25 साल पूरी किया है और 25 वें मीटिंग हैं सर इसकेलिए हम अरेंजमेंट सब वर्कर को धन्यवाद देता हूँ की हमने इस सक्सेसफुल 25 साल बिताया हैं सर. सर आपने अपने वक्तव्य में काफी कुछ बताया हैं इसलिए बहुत ज़्यादा प्रश्न तो नहीं बनते हैं. लेकिन में एक दो प्रश्न ज़रूर कहूंगा। पहले तो में कहूंगा 2200 कर्मचारी का आभार प्रकट करता हूँ जिनकी कड़ी मेहनत का फल हैं की हमारी कंपनी इतनी अच्छा ग्रोथ कर रही हैं. इसके समसर आपकी फॅमिली और हमारा 2200 कर्मचारियों के फॅमिली का भी आभार प्रकट करता हूँ जो सदा back बनकर सदा उनके साथ में खड़ी रहती हैं सर. सर आपने काफी कुछ बताया जहां आपने काम जो प्लान हैं सोलर पैनल की क्या वेवस्था की हैं सोलर पैनल में क्या किये हैं और सर एनर्जी ऑडिट करवाते साल में कितने बार करवाते हैं भी बता दीजियेगा सर. और सर फायर सेफ्टी के लिए क्या कदम उठाया हैं. ये भी बताने का कष्ट करियेगा कार्बन एमिशन कितना रेडूस किया हैं और जीरो कार्बन कब तक करेंगे इसके टारगेट इसके बारे में भी बता दीजियेगा। सर. सर CSR ऑडिट के बारे में भी देखिएगा की बहुत NGO आके पैसे लेता हैं लेकिन काम नहीं करते हैं सर. सर आर्टिफीसियल टेक्नोलॉजी कबसे कंपनी में यूंस कर रहे हो जिसे हमारी कंपनी में प्रोडक्टिविटी का ग्रोथ होगा इसके बारे में भी बतादिजियेगा सर, एक सर जियोपोलिटिकल टेंशन जो चल रहा हैं उसके tackle करने की हमारी कंपनी कि system बताधिजिये सर, सर मेरा दुःख की बात ये ही की हमारे मेल एम्प्लोयी को आप पाटर्निटी बेनिफिट नहीं देते हैं. उसका क्या कारण हैं सर. और भी who are eligible for पाटर्निटी बेनिफिट की आपने बहुत एम्प्लॉय के 2200 और 2300 एम्प्लाइज के पाटर्निटी किसी को भी बेनिफिट नहीं दी. इसके बारे में ज़रूर विचार करियेगा सर. और ये dispute cases की बहुत लम्बी लिस्ट हैं. उसके बारे में विचार करिये. क्योंकि जब तक clean नहीं करते तो बैलेंस शीट अच्छी नहीं धिकायी देती. ज़्यादा समय नहीं लूँगा. एक बार आप जितने भी आप हमारे डायरेक्टर भाई हैं जितने भी हमारे कर्मचारी भाई हैं भाई बहन हैं उनको फाइनेंसियल ईयर 2024 की शुभकामनायें देता हूँ और सर आप को आपकी फॅमिली को और हमारे जितने कर्मचारी फॅमिली हैं उनकी फॅमिली का आभार प्रकट करता हूँ और भगवान् से प्रार्थना करता हूँ वो सदा खुश रहेंगे और जो त्यौहार आनेवाला हैं उसकी शुभकामनाये देता हूँ और सर आपके रीजन के त्यौहार उसकी भी शुभकामनायें देता हूँ और सर मॉडरेटर भास्कर का भी आभार प्रकट करता हूँ, he is one of the best videoconference platform. Hope आप इस फ्यूचर में कंटिन्यू करके रखियेगा. Gandhi सर कंपनी की 25 साल पूरे हुए हैं तो कमसेकम मोमेंटो ज़रूर बनता है दीपावली के टाइम में. बाकी आपकी इच्छा हैं. में आप देंगे तो अच्छा लहँगा हैं भी 25 साल पूरे किये हमारी कंपनी दीपावली पर दोस्तों के साथ में हमें भी याद रखा. राम राम, धन्यवाद सेक्रेटरी और उनके टीम का आभार प्रकट करते हुए आप सब की लम्बी उम्र के कामना करते हुए अपने वक्तव्य में समाप्त: करता हूँ. नमस्कारजी



Moderator: Thank you. Mr Santosh Kumar Saraf ji for the records. Let me announce the name of the rest of the speakers who are not available at this point in time in the meeting. The registered speakers were Mr. Ramesh Shankar Golla from Hyderabad, Ms. Davinder Kaur from Delhi, Mr K. Bharat Raj from Hyderabad, Ms. Celestine Elizabeth Mascarenhas and Mr. Aloysius Peter Mascaranhes from Mumbai, Keshav Garg from Pune and Yusuf Yunus Rangwala from Mumbai. These are the gentlemen and ladies who had registered themselves as speakers but are currently not available in the meeting. I hand it back to the board to answer the rest of the questions that has been asked. Over to you, chairman, ma'am.

Shrinivas: MD sir, you can just put light on the questions.

Rajendra Gandhi: Thank you. First of all for all the appreciation and accolades. The first question was on new product launch. We are continuously working on introducing more and more consumer friendly dedicated to the Indian community appliances and also the strategies to make these products in India. So we make them affordable. And there is a lineup for not only this one or two quarters, for the next few quarters we have a huge lineup. I can only share with you that in the days to come as we progress to become the leaders in this category in this country.

We are launching a range of small appliances with the immediate we will be commissioning our cast iron foundry which is a completely automated foundry for cookware. It is the only dedicated automated foundry in the country for cast iron cookware. We hope this will bring lot of healthy cooking into the Indian families. On the employee count, of course I appreciate again and thank you for appreciating the efforts of the employees. We are a family of 6500. I want to stand corrected if you have got this information of 2200. The family is growing as we are increasing our manufacturing facilities. Of course the employee count is also growing.

On solar we are already at 50% of our energy consumption is generated within the captive facilities that the company has invested in both on solar and wind. On compliance we are a fully compliant company. More so it also is the confidence that I can give you is we are continuously audited by the large US retailers regularly and we have been rated high and compliance to continue to be supplying them.

On CSR currently we are completely investing our CSR funds into two schemes of the government which will definitely skill the future of India. So these schemes



are called as NAPS and NATS and we bring in fresh graduates and undergraduates and train them within the facilities of Stovekraft also absorbed within the facilities of Stovekraft are also once they are ready they can perform anywhere in the manufacturing facilities.

So our CSR I can say it is fully applied to the best of the outcome from the investment we assume is the best possible that we can do. I hope I am able to answer all the questions that were raised but if there are any questions anytime you can write to us. We will definitely come back to you. Thank you again.

Shrinivas: Bhaskar, you can just check the next available speaker.

Moderator: Shrinivas ji at this point in time there is nobody who is available who have registered themselves as a speaker shareholder. So you can conclude the event with the concluding remarks please. Thank you.

Shrinivas: Okay thank you. I thank our MD for responding to the queries of the shareholders. With this we are over with Q and A and for any other queries shareholders can write to us. Pursuant to the relevant provisions of Companies Act and SEBI regulations, the Company provided remote e-voting facility to its members to enable them to cast their votes on all resolutions contained in the Notice of 25th AGM. The aforesaid facility was arranged by company through KFin Tech. The remote e-voting period commenced from the 17 September 09:00 AM and ended on the 19 September 2024 at 05:00 PM. During this period, members of the Company holding shares as on cut off date, that is the 13 September 2024 were entitled to cast their vote through e-voting facility. In accordance with the provisions of Companies Act, the Company is providing e-voting facility to the members attending this AGM also. The board of directors has appointed Mr. Pramod SM failing him Mr. Biswajit Ghosh of BMP and Company LLP practicing company secretaries as scrutinizer to supervise the remote e voting and voting process. Further on receipt of consolidated report from scrutinizers the results of the voting will be declared. I now request Mrs. Shuba Mayya chairperson to declare the commencement of e voting.

Shuba Rao Mayya: Thank you Shrinivas. There are five resolutions proposed to be passed at the AGM. E-voting on the KFin platform will begin now and will be open for 15 minutes. Members who have not voted are requested to do so. I authorize Mr. Shrinivas, the company secretary to declare the result of the voting and place it on the website of the company at the earliest. Thank you.



Shrinivas: Thank you ma'am. We are grateful to all our directors, shareholders and executives who joined us today through video conferencing. Thank you all for attending the meeting and the meeting is now concluded. Thank you very much.

Speakers: Thank you. Thank you.