STOVEKRAFT

STOVE KRAFT LIMITED

20TH ANNUAL REPORT

2018-19

THE BOARD OF DIRECTORS

- Rajendra Gandhi, Chairman
- Bharat Singh
- Lakshmikant Gupta
- Neha Gandhi
- Rajiv Mehta Nitinbhai
- Shubha Rao Mayya

BOARD COMMITTEES

Audit Committee:

- Ms.Shubha Rao Mayya (Chairperson)
- Mr.Rajiv Mehta Nitinbhai
- Mr.Lakshmikant Gupta
- Mr.Rajendra Gandhi

Nomination & Remuneration Committee:

- Mr.Rajiv Mehta Nitinbhai (Chairman)
- Ms.Shubha Rao Mayya
- Mr.Lakshmikant Gupta

Stakeholders Relationship Committee

- Mr.Rajiv Mehta Nitinbhai (Chairman)
- Ms.Shubha Rao Mayya
- Mr.Rajendra Gandhi

CSR Committee

- Mr.Rajendra Gandhi (Chairman)
- Shubha Rao Mayya
- Lakshmikant Gupta

Chief Financial Officer & Company Secretary

- Shashidhar SK

REGISTERED OFFICE

81/1 Medamaranahalli, Harohalli Hobli, Harohalli Industrial Area, , Ramanagara district, Bangalore 562112

CORPORATE IDENTIFICATON NUMBER

U29301KA1999PLC025378

STATUTORY AUDITORS

Deloitte Haskins & Sells, Chartered Accountants

PLANTS

- Unit 1, Harohalli industrial Area, Bangalore
- Unit 2 Harohalli industrial Area, Bangalore
- Baddi, Himachal Pradesh

BANKERS

- Standard Chartered Bank
- HDFC Bank
- South Indian bank
- IDFC First Bank Limited
- Tata Capital Financial Services Limited

NOTICE OF 20th ANNUAL GENERAL MEETING

STOVEKRAFT®

STOVE KRAFT LIMITED

Registered office: 81/1, Medamaranahalli Village, Harohalli Hobli, Harohalli Industrial Area, Kanakapura Taluk, Ramanagara District-562112 Karnataka
CIN: U29301KA1999PLC025387
EMAIL: cs@stovekraft.com Telephone: +91 80 28016222Website: www.stovekraft.com

NOTICE is hereby given that the 20th (Twentieth) Annual General Meeting of the shareholders of Stove Kraft Limited (the "**Company**") will be held on **Thursday, the July 25th 2019 at 11.30 A.M.** at the registered office of the Company at 81/1, Medamaranahalli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagara District- 562112, Karnataka, India, to transact the following business:

ORDINARY BUSINESS:

1. ***To consider and adopt the audited Financial Statements of the Company for the year Financial ended 31st March, 2019,and Report of Board of Directors and Auditors thereon:***

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"**RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31st March, 2019 and report of Board of Directors and Auditors thereon, including annexure thereto as recommended by the board of directors for adoption by the members of the Company be and are hereby approved and adopted."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above said resolution, Mr. Rajendra Gandhi, Managing Director, Ms. Neha Gandhi, Executive Director and Mr. Shashidhar S K Chief Financial Officer, Company Secretary and Compliance officer of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto including but not limited to filing of necessary forms with the Registrar of Companies, Bangalore and to comply with all other requirements in this regard under Companies Act, 2013 and rules and regulations made there under and such other law as may be applicable."

2. ***To consider the re-appointment of the current auditors M/s Deloitte Haskins & Sells, Chartered Accountants as the statutory auditors of the Company and to fix their remuneration:***

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"**RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Company hereby re-appoints **M/s Deloitte Haskins & Sells, Chartered Accountants (Firm registration**

STOVE KRAFT LTD. Bangalore Pin-562112 RAMANAGAR DIST

number: 008072S), as the statutory auditors of the Company, for the second term of 2 (two) years from the conclusion of Twentieth (20th) annual general meeting till the conclusion of the Twenty Second (22nd) Annual General meeting to be held in the year 2021 at a remuneration of **Rs. 35 Lakhs (Thirty-Five Lakhs)** for each Financial year, plus applicable taxes and reimbursement of out-of-pocket expenses incurred by them in connection with the said audit."

3. ***To appoint Ms. Neha Gandhi, who retires by rotation and being eligible, offers herself for re-appointment as a Director.***

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Neha Gandhi, DIN (07623685)who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the company, liable to retire by rotation."

4. ***To appoint Mr. Rajendra Gandhi, who retires by rotation and being eligible, offers self for re-appointment as a Director.***

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rajendra Gandhi, DIN (01646143)who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Managing Director of the company, liable to retire by rotation."

SPECIAL BUSINESS:

5. *To ratify the remuneration of Cost Auditor's for the FY 2019-20.*

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT, in accordance with the provisions of Section 148 of the Companies Act, 2013, or any amendment thereto or modification thereof, the remuneration of Messrs. G S & Associates, the Cost Accountants, appointed by the Board of Directors of the Company as the Cost Auditors to conduct audit of Cost Records maintained in respect of applicable products of the Company, for the financial year 2019-2020 at 1,00,000/-plus applicable taxes, and reimbursement of out-of-pocket expenses incurred, be and is hereby ratified."

STOVE KRAFT LTD. Bangalore Pin-562112 RAMANAGAR DIST

6. *To alter the object clause of the Memorandum of the Company:*

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Section 13 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 read with rules thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), the approval of the members of the Company, is hereby accorded to amend the Memorandum of association of the Company as follows;"

ALTERATION IN CLAUSE III OF THE MEMORANDUM OF ASSOCIATION

Addition of sub-clause III to the existing clause of the Memorandum of Association of the Company as follows:

a) To carry on the business of manufacturers, importers, exporters, dealers and distributors of electrical and electronic goods, Electrical Cables, Wires, instruments, apparatus, generators, transformers, futurities and fittings, machinery and equipment's operated by electricity, other domestic, commercial and industrial appliances, goods and equipment's used in generation, transmission and distribution of electricity and components, parts, accessories (all allied products of all and or any kind of the aforesaid items.

b) To carry on the business of assembling, fabricating, repairing, processing or altering of the electrical and electronic articles and apparatus of every nature and description including the electrical and electronic household /domestic items.

c) To carry on the business of manufacturing, buying, selling, distributing, importing, exporting and dealing in all types of Plastics, Polymers, PVC Compounds, elastomer, Polypropylene, Polyethylene, Bakelite, thermoplastic and raw materials for them.

d) To carry on the business of manufacturers, importers, exporters, dealers and distributors of Electrical Cables, Wires, Instruments, wires made of aluminium, copper, steel, iron, and other metals including Jelly Filled Cables and components." The 'main objects' clause and 'objects incidental or ancillary to the attainment of main objects' clause, as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

"**RESOLVED FURTHER THAT** Mr. Rajendra Gandhi, Managing Director, Ms Neha Gandhi, Director and/ or Mr. Shashidhar SK CFO & Company Secretary, of the Company be and is hereby authorised to sign and file e-forms and to do all such acts, deeds and things ancillary or incidental thereto for giving effect to this resolution."

By and on behalf of the Board

KRAFT LTD. Bangalore Pin-562112 RAMANAGAR DIST

Place: Bangalore
Date: June 19, 2019

Neha Gandhi
Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER.

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING

3. INFORMATION REGARDING APPOINTMENT/RE-APPOINTMENT OF DIRECTORS AND EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES TO BE TRANSACTED ARE ANNEXED HERETO.

ANNEXURE TO THE NOTICE OF 20th ANNUAL GENERAL MEETING FOR THE FY 2018-19

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE OF THE 20th ANNUAL GENERAL MEETING OF THE COMPANY

Item 3: To ratify the remuneration of Cost Auditor's for the FY 2019-20.

The Board of Directors of the Company ('the Board') at the meeting held on 19th June, 2019 approved the appointment and remuneration of M/s. ***G S & Associates***, Cost Accountant, to conduct audit of Cost Records maintained by the Company for the financial year 2019-2020. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors needs ratification by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in the aforesaid resolution.

The Board recommends this Resolution for your approval.

Item 4: To alter the object clause of the Memorandum of the Company:

The Company, since FY17 is importing and trading in LED (bulbs, batons and downlights) imported from China, under its Pigeon brand and has built a network of 120 distributors and more than 5,000 dealers across South India.

Having achieved critical mass, in terms of customer acceptance, market reach, revenue and distribution network, the Company is now in the process of establishing a LED manufacturing and assembly line, at its Harohalli, Bangalore facility, to achieve price competitiveness and volume build-up.

The Company's business expansion into LED is not properly represented in the object's clause of the Company's Memorandum of Association, and hence needs amendment

The Company needs to seek the shareholders' approval, by way of special resolution, in order to change the objects clause of Memorandum of Association (MOA), on the approval of the Board in the meeting held on June 19, 2019.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in the aforesaid Resolution.

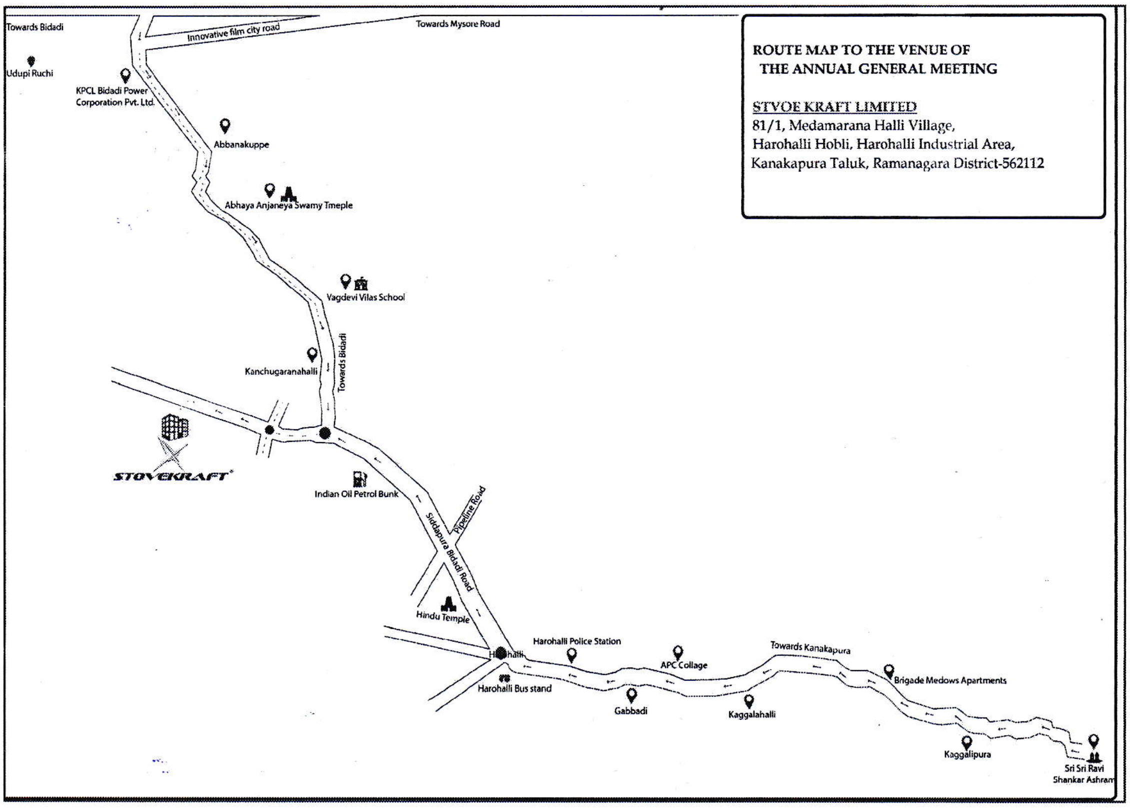
The Board recommends this Resolution for your approval to consider and pass it as a special resolution.

By and on behalf of the Board

STOVE KRAFT LTD.
Bangalore
Pin-562112
RAMANAGAR DIST

Neha Gandhi
Director

Place: Bangalore
Date: June 19, 2019



STOVEKRAFT®

CORPORATE INFORMATION

THE BOARD OF DIRECTORS

- Rajendra Gandhi, Chairman
- Bharat Singh
- Lakshmikant Gupta
- Neha Gandhi
- Rajiv Mehta Nitinbhai
- Shubha Rao Mayya

BOARD COMMITTEES

Audit Committee:

- Ms.Shubha Rao Mayya (Chairperson)
- Mr.Rajiv Mehta Nitinbhai
- Mr.Lakshmikant Gupta
- Mr.Rajendra Gandhi

Nomination & Remuneration Committee:

- Mr.Rajiv Mehta Nitinbhai (Chairman)
- Ms.Shubha Rao Mayya
- Mr.Lakshmikant Gupta

Stakeholders Relationship Committee

- Mr.Rajiv Mehta Nitinbhai (Chairman)
- Ms.Shubha Rao Mayya
- Mr.Rajendra Gandhi

CSR Committee

- Mr.Rajendra Gandhi (Chairman)
- Shubha Rao Mayya
- Lakshmikant Gupta

Chief Financial Officer & Company Secretary

- Shashidhar SK

REGISTERED OFFICE

81/1 Medamaranahalli, Harohalli Hobli, Harohalli Industrial Area, , Ramanagara district, Bangalore 562112

CORPORATE IDENTIFICATON NUMBER

U29301KA1999PLC025378

STATUTORY AUDITORS

Deloitte Haskins & Sells, Chartered Accountants

PLANTS

- Unit 1, Harohalli industrial Area, Bangalore
- Unit 2 Harohalli industrial Area, Bangalore
- Baddi, Himachal Pradesh

BANKERS

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- HDFC Bank
- South Indian bank
- IDFC First Bank Limited
- Tata Capital Financial Services Limited

STOVE KRAFT LTD. Bangalore Pin-562112 RAMANAGAR DIST.

STOVEKRAFT®

BOARD'S REPORT

TO THE MEMBERS OF STOVEKRAFT LIMITED

Your Directors present their 20th Annual Report, together with the audited financial statements of the Company for the year ended 31st March, 2019

COMPANY PERFORMANCE

The Company's standalone financial performance under Ind AS for the financial year ended 31st March, 2019 is given below

Rs.in Million

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Revenue from Operations	6,409.38	5,289.52
Other non-operating Income	19.20	56.31
Total Income	6,428.58	5,345.83
EBITDA	320.09	158.40
Interest & Finance Expenses	178.81	169.35
Profit/(Loss) before Depreciation	141.28	(10.95)
Depreciation	122.02	116.83
Profit/(Loss) Before Taxes for the year	19.26	(127.78)
Tax Expense	0.28	-
Profit/(Loss) for the Year	18.98	(127.78)
Other Comprehensive Income	1.69	2.99
Total Comprehensive Income/(Loss) for the year	20.67	(124.79)
Brought Forward Profit / (Loss)	(1,969.96)	(1,845.17)
Securities Premium account on conversion of CCDs to Equity	1,094.37	-
Profit/(Loss) carried to Balance Sheet	(854.92)	(1,969.96)

REVIEW OF OPERATIONS

During the year under review, your Company registered net sales revenue of Rs.6,409.38 million as against Rs.5,289.52 million in the previous year FY18. This represents a growth of 21.17% over the previous financial year.

The Company reported Earnings Before Interest Tax and Depreciation (EBITDA) of Rs.320.09 million, as against Rs.158.40 million in the previous year. The Company's Profit After Tax is at Rs.20.67 Million as against loss of Rs.124.79 Million in the previous year.

The Company's key business drivers are its varied offerings for all segments of the market in kitchen and home solutions under its brands Pigeon, Gilma and Black & Decker (Licenced from Stanley Black & Decker). The Company has a strong pan India presence established through its various channels of distribution, namely General Trade, E Commerce, Modern Retail, Corporate Sales, Franchisee Stores. The Company also exports its products to several countries, through its own brand 'Pigeon' as well as by white label manufacturing for American super market chains

The Company's business from its various brands as well as distribution channels registered healthy growth in FY19, as against the previous year. Particularly, the ecommerce business registered a growth of 76% over the previous year and exports grew by 67% as compared to the previous year.

The EBITDA for the year was lower than planned as a result of temporary spike in aluminium prices during the year as well as realized/unrealized foreign exchange loss on it imports

FUTURE OUTLOOK

The Company's business outlook for the financial year 2019-20 continues to be positive. The Company expects to maintain its growth momentum and record improved financial results in FY20, by a combination of revenue growth, cost rationalization and resource utilization.

To drive revenue growth, the Company will continue to introduce new product categories as well leverage and grow its current distribution channels as well as explore new distribution channels to reach its customers. It is the endeavour of the Board and Management to continue to improve operating and financial performance of the Company, year on year.

DIVIDENDS AND TRANSFER TO RESERVES

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

DRAFT RED HERRING PROSPECTUS (DRHP)

The Company intends to undertake an initial public offer of its equity shares of face value of Rs. 10 each/-, which includes, a fresh issue of Equity Shares and an offer for sale of Equity Shares by the promoters and Primary Investor, namely, Sequoia Capital India Growth Investment Holding I and SCI Growth Investments II.

The Company filed a Draft Red Herring Prospectus with SEBI on 27th September, 2018, for its proposed Initial Public Offering (IPO), which was registered by SEBI on 23rd January'2019. The Company has time till 22nd January'2020 to conclude the IPO.

DIRECTORS

During the year, Mr.Rajiv Mehta Nitinbhai and Mr. Lakshmikanth Gupta were appointed as additional Directors of the Company under Section 149 of the Companies Act, 2013, effective from 11th May, 2018 and their appointment as Independent Directors on the Board was considered and ratified by the shareholders in the General meeting dated 28th May, 2018.

Ms. Shubha Rao Mayya was appointed as Additional Director (Independent) on the Board at the Board Meeting held on 30th August, 2018 and her appointment was ratified as an Independent Director with effect from General meeting held on 10th September, 2018.

Mr. Abhay Kumar Pandey, Nominee Director resigned from the Board of the Company, with effect from 11th September,2018, pursuant to his resignation from the Board of Sequoia Growth Investments II, The Board places on record, its appreciation for the services rendered by Mr. Abhay Kumar Pandey during his tenure as Director of the Board.

Mr. Bharat Singh was appointed as Nominee Director on the Board by Sequoia Growth Investments II, in the place of Mr.Abhay Kumar Pandey with effect from 21st September,2018.

Mr.Rajendra Gandhi and Ms.Neha Gandhi continue to be Directors on the Board. They retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment

KEY MANAGERIAL PERSONNEL

Mr.Rajendra Gandhi was appointed to the office of Managing Director at the Board meeting held on 17th March,2015 for the period upto 16th March,2020

During the year, Mr. Vivek Mishra, Company Secretary resigned with effect from April 30, 2018 and Ms. Rehana Anna Rajan was appointed as Company Secretary effective May 11, 2018.

Mr. Shashidhar SK was appointed as Chief Financial Officer with effect from July 2, 2018. He assumed additional charge as Company Secretary and Compliance Officer, with effect from July 27, 2018, on the resignation of Ms Rehana Anna Rajan.

INTERNAL FINANCIAL CONTROLS

The Company has adequate internal controls and systems in place to ensure that all its assets are well protected. The Audit Committee reviews such controls periodically for continuous improvements. The Internal Auditors carry out a focused internal audit program on the adequacy of appropriate systems and controls, in consultation with the Audit Committee. In accordance with Companies Act, 2013, The Company has implemented Internal Controls on Financial Reporting (ICFR) by defining and deploying Risk Control Matrix (RCMs) pertaining to various business cycles. SKL regularly tests the effectiveness of ICFR. The ICFR is audited by the Auditors during the process of statutory audit

REMUNERATION POLICY

The remuneration policy of the Company is based on the factors laid down in section 178 (4) of the Companies Act, 2013, which are as under:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- Relationship of the remuneration to performance is clear and meets appropriate performance benchmarks, and
- Remuneration to key managerial personnel and senior management strikes a balance between fixed and incentive pay, reflecting short term and long term performance objectives, appropriate to the working of the Company and its goals

The principles governing the remuneration policy are governed by market competitiveness, company performance in both revenue and profitability, individual performance, consistent with industry best practice, and aligned to any regulatory requirements. In accordance with the policy, KMPs/employees are paid salary, benefits, allowances, perquisites, annual increments and performance linked incentives, which are driven by the outcome of performance appraisal process

Bangalore
Pin-562112

As determined by the Board, the Non-Executive Independent Directors, are paid sitting fee of Rs.1,00,000 (Rs.One Lakh), for attending each meeting of the Board and Rs.50,000 (Rs.Fifty Five Thousand Only) for attending each meeting of the Committees of the Board. Apart from the sitting fee, no other remuneration, by way of commission or otherwise is payable to any of the Directors.

The Nomination and Remuneration Committee (NRC) identifies persons who are qualified to become Directors and who may be appointed in senior management, in accordance with identified criteria, recommends to the Board their appointment or removal and carries out annual evaluation of Directors.

The NRC recommends nomination and appointment of Directors based on

- Qualifications- experience, knowledge, age and gender to ensure that the Board has an appropriate blend of functional and industry expertise.
- Positive Attributes- Apart from the duties as prescribed in the Companies Act, 2013, the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment and are expected to abide by the respective code of conduct applicable to them
- Independence-A director will be considered independent if he/she meets the criteria laid down in section 149(6) of the Companies Act, 2013 and Tata Group internal guidelines

NUMBER OF BOARD MEETINGS

During the Financial Year 2018-19, the Board met Eight (8) times. The intervening gap between the Meetings was within prescribed limits, specified under the Companies Act, 2013

The details of Board and Committee Meetings are attached and forms part of this report as **Annexure 1**

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were at an arm's length basis and in the ordinary course of business. All related party transactions are reported to the Audit Committee. Prior approval of the Audit Committee is obtained on a yearly basis for the transactions which are planned and/or repetitive in nature. The details of the transactions with related parties during 2018-2019 are provided in the accompanying financial statements.

The disclosure in Form AOC 2, specified under section 134 (3) (h) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is furnished in **ANNEXURE 2** , which forms part of this report

The Policy on Related Party Transactions, as approved by the Board, is uploaded and is available on the Company's website

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of business ethics, and provides for adequate safeguards against victimization of the Director (s) and the Employee(s), who avail of the mechanism. No Director/Employee has been denied access to the Chairman of the Audit Committee

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

As required by the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading with the Company Secretary as Compliance Officer.

The Code of Conduct is applicable to all Directors and identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company.

SHARE CAPITAL/ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS

The Share Capital of the Company as on 31.03.2019 is Rs. 400,000,050 comprising of 3,99,99,995(Three crore Ninety Nine Lakhs Ninety Nine thousand Nine Hundred Ninety Five) Equity Shares of ₹ 10 (Ten) each and 10 (ten) class A equity shares of ₹ 10 (Ten) each of the Company"(the "Class A Equity Shares").

The Issued, Subscribed and Paid up Equity Share Capital of the Company as on 31st March 2019 is Rs. 247,167,270 /-consisting of 247,167,27 Equity shares of Rs. 10/- each and 10 Class A Equity Shares of Rs.10/- each.

DEPOSITS

The Company has not accepted any deposits during the financial year ended March 31, 2019, under the purview of Section 74 of the Companies Act, 2013,

EMPLOYEES STOCK OPTION SCHEME 2018

Your Company with the objective of introducing a long term incentive tool to attract, motivate and retain talent and reward loyalty, has formulated 'Stovekraft Employee Stock Option Plan 2018' ("ESOP 2018") for grant of a maximum of 8,13,000 stock options to the eligible employees of the Company. During the year 2018-19, the Nomination and Remuneration Committee of the Company approved a grant of 8,13,000 stock options to the eligible employees of Stove Kraft Limited. The Scheme has been implemented in accordance with the applicable SEBI Guidelines and approval by Members at the Annual General Meeting held in the year 2018-19. There is no material change in the scheme, the same is in compliance with the applicable regulations.

The necessary disclosure pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) with regard to Employee Stock Option Scheme of the Company is available at Company's website i.e. www.stovekraft.com

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a CSR Committee with Mr.Rajendra Gandhi, Ms.Shubha Mayya and Mr.Lakshmikant Gupta as members of the Committee

In accordance with provisions of section 135 (5) of the Companies Act, 2013 and Companies (Corporate Social Responsibility Rules) 2014, based on the average net profits of the Company, during the immediately preceding 3 financial years, the Company is not required to spend any amount on CSR

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

STOVE KRAFT LTD. Bangalore

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The provisions of section 134 (p) of the Companies Act, 2013, with respect to Annual evaluation of the Board, its Committees and Individual Directors are not applicable to the Company, as the paid up share capital of the Company is less than Rs.25 crores as on 31/03/2019.

RISK MANAGEMENT

The Company Risk Management is primarily driven by its internal audit function and internal business reviews. The Company is in the process of formulating a risk management policy and building a risk register, identifying the key risks the Company is exposed to. Suitable mitigation measures are formulated implemented for various risks that are identified.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in form MGT-9 for the financial year 2018-19 has been enclosed with this report attached as **Annexure 3** and copy of the same is uploaded on Company's website: www.stovekraft.com.

PARTICULARS OF EMPLOYEES

The disclosure with respect to remuneration as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.as the company is not paying its employees exceeding the prescribed limit.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed herewith as **ANNEXURE-4**

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

The Company has zero tolerance for sexual harassment at workplace and has put in place a Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Compliance Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any complaint on sexual harassment during the year 2018-19.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would materially impact the going concern status of the Company and its future operations

STOVE KRAFT LTD. Bangalore Pin-562112 RAMANAGAR DIST.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, WHICH OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are not material changes and commitments, if any, which could affect the financial position of the Company, which occurred between the end of the financial year to which the Financial Statements relate and the Date of the Directors' Report

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed BMP & Co LLP, Bangalore Practicing Company Secretaries to undertake Secretarial Audit of the Company.

The Secretarial Audit Report is annexed herewith and forms part of this Report as **Annexure 5.**

There are no qualifications or observations or other adverse remarks in the Secretarial Auditors Report.

AUDITORS AND AUDITORS REPORT

The Members at 19th AGM, held on 29th September, 2018 ratified the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S) as Statutory Auditors of the Company who holds office till the conclusion of AGM to be held in the year 2019.

The board at its meeting held on 19th June, 2019 has recommended the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S) as Statutory Auditors of the Company, at the ensuing annual general meeting, for the second term of 2 years, effective from the conclusion of Twentieth (20th) annual general meeting till the conclusion of the Twenty Second (22nd) Annual General meeting to be held in the year 2021

M/s Deloitte Haskins & Sells, Chartered Accountants have confirmed that they are eligible under section 141 of the Companies Act, 2013 ('the Act") and the Rules thereunder for re-appointment as the Statutory Auditors and have further furnished their consent under the second proviso to Section 139 of the Act and also necessary confirmations.

Further, they have also furnished a copy of the certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

M/s GS Associates was appointed as Cost Auditors for audit of the Cost Accounting records of the Company for the year ended 31st March, 2018

The Auditors Report for the financial year 2018-2019, does not contain any qualifications, reservations or adverse remarks.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

Bangalore
Pin-562112

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that

(a) In the preparation of the annual accounts for the financial year ended 31st March, 2019 the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) That 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 the company at the end of the financial year 31st March, 2019 and of the profit of the company for that period;

(c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) That they have prepared the annual accounts on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. The terms and conditions of appointment of the Independent Directors are posted on the website of the Company www.stovekraft.com

ACKNOWLEDGEMENTS

The Board of Directors wish to place on record, their appreciation for the support from its investors, Sequoia Capital India Growth and Investment Holdings and SCI Growth Investments. The Board is also thankful to its Customers, Vendors, Government Agencies, Bankers, for their support and co-operation. The Directors also wish to place on record their appreciation of the efforts put in by all the employees of the Company during the year

Bengaluru

19th June, 2019

On behalf of the Board of Directors

STOVE KRAFT LTD. Bangalore Pin-562112 RAMANAGAR

Mr.Rajendra Gandhi
Managing Director

Ms.Neha Gandhi
Director

ANNEXURE 1 TO BOARD'S REPORT

(A) Board Meeting and Committee meeting dates and attendance

The dates on which the Board meetings were held during the F.Y. 2018-19 are May 11,2018, July 10,2018, July 26,2018, August 30,2018 , September 21,2018 September 23,2018 December 21,2018 and March 15,2019.

During the F.Y 2018-19, two meetings of the audit committee were held on 21.12.2018 and 15.03.2019. The intervening gap between the two meetings did not exceed one hundred and twenty days.

During the F.Y 2018-19, two meetings of Nomination & Remuneration Committee were held on 21.09.2018 and 23.09.2018

During the F.Y 2018-19, no meetings were held for CSR and Stakeholders Relationship Committee.

The attendance of each Director at the meetings of Board and Committees during the year ended 31 March 2019 are as follows:

Sl.no	Name of the Director	Board Meeting Attended	Audit Committee Attended	Nomination and Remuneration Committee Attended
1	Mr.Rajendra Gandhi	8	2	----
2	Mr.Bharat Singh(a)	3	--	-----
3	Mr.Lakshmikant Gupta(b)	3	2	1
4	Ms.Neha Gandhi	8	--	-----
5	Mr.Rajiv Mehta Nitinbhai(c)	4	2	2
6	Ms.Shubha Rao Mayya(d)	3	2	2
7	Abhay Kr Pandey(e)	2	-----	------

(a) Mr. Bharat Singh was appointed on Board in the meeting held on 21st September, 2018
(b) Mr. Lakshmikant Gupta was appointed on the Board effective from 11th May, 2018
(c) Mr. Rajiv Mehta Nitinbhai was appointed on the Board in the meeting held on 11th May, 2018
(d) Ms .Shubha Rao Mayya was appointed as Director on the Board in the meeting held on 30th August, 2018
(e) Mr. Abhay Kr Pandey has resigned w.e.f 11th Sept, 2018

ANNEXURE 2 TO BOARD'S REPORT

Form No. AOC-2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis.

There were no transactions during the year, which were not at arm's length basis

2. **Details of material contracts, arrangement, or transactions at arm's length basis:**

Sr. No	Particulars	Details		
1	Name(s) of the related party and nature of relationship	**Shinag Allied Enterprises Private Limited**	**Sunita Gandhi**	**SK India**
		Directors Brother's Wife is the Director of the Company	Director's Wife	Director is one of the Partner
2	Nature of contracts/ arrangements/transactions	Purchase and/or sale of Kitchen & Cookware appliances, plant & machineries and Job works	Rent Agreement	Rent Agreement
3	Duration of the contracts / arrangements/transactions	01/04/2018 to 31/03/2019	**4 Years** 01/04/2018 to 31/03/2022	**3 Years** 01.04.2017 To 31.03.2020
5	Salient terms of the contracts, arrangements, or transaction including the value, if any.	As per the Purchase order 1,50,00,000.	As per contract Rs.60000 P.M	As per contract Rs. 2,20,000 P.M
6	Date(s) of Approval by the Board	11/05/2018	11/05/2018	11/05/2018
7	Amount paid as advance, if any	N.A.	N.A	N.A

ANNEXURE 3 TO BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	**CIN**	U29301KA1999PLC025387
2.	**Registration Date**	28th June,1999
3.	**Name of the Company**	Stove Kraft Limited
4.	**Category/Sub-category of the Company**	Company Limited by Shares/ Indian Non-Government Company
5.	**Address of the Registered office & contact details**	81/1, Medamarana Halli Village, Harohalli Hobli, Kanakpura Taluk , Ramanagar District-562112, Karnataka Tel:**+91 8028016222** **Email: cs@stovekraft.com**
6.	**Whether listed company**	Unlisted
7.	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	N/A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Pressure Cooker	28997	20.92%
2	LPG Stoves	29302	21.75%
3	Non Stick Cookwares	28997	16.76%

III. PARTICULARS OF HOLDING , SUBSIDIARY AND ASSOCIATES COMPANIES

Sr. No.	Name, Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Pigeon Appliances Private Limited	U31909KA2003PTC031896	Associate	37.5%	Sect 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	0	18,443,922	18,443,922	97.59	18443919	0	18443919	74.62	(22.97)
b) Central Govt	0	0	0	0.00	0				
c) State Govt(s)	0	0	0	0.00	0				
d) Bodies Corp.	0	0	0	0.00	0				
e) Banks / FI	0	0	0	0.00	0				
f) Any other	0	0	0	0.00	0				
Total shareholding of Promoter (A)	**0**	**18443922**	**18443922**	**97.59**	18443919	0	18443919	74.62	(22.97)
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	0	0	0	0.00	0				
b) Banks / FI	0	0	0	0.00	0				
c) Central Govt	0	0	0	0.00	0				
d) State Govt(s)	0	0	0	0.00	0				
e) Venture Capital Funds	0	0	0	0.00	0				
f) Insurance Companies	0	0	0	0.00	0	0			
g) FIIs	0	0	0	0.00	0	0			

h) Foreign Venture Capital Funds	0	456188	456188	2.41	6272815	0	6272815	25.37	22.96
i) Others (specify)	0	0	0	0.00	0				
Sub-total (B)(1):-	**0**	**456188**	**456188**	**2.41**	6272815	**0**	6272815	25.37	22.96
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0.00	0				
ii) Overseas	0	0	0	0.00	0				
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0.00	3	0	3	0.000012	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0.00	0				
c) Others (specify)									
Non Resident Indians	0	0	0	0.00	0				
Overseas Corporate Bodies	0	0	0	0.00	0				
Foreign Nationals	0	0	0	0.00	0				
Clearing Members	0	0	0	0.00	0				
Trusts	0	0	0	0.00	0				
Foreign Bodies - D R	0	0	0	0.00	0				
Sub-total (B)(2):-	0	0	0	0.00	0				

Total Public Shareholding (B)=(B)(1)+ (B)(2)	**0**	**456188**	**456188**	**2.41**	**3**	0	3	0.000012	
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**				
Grand Total (A+B+C)	**0**	**18900110**	**18900110**	**100.00**	**2,47,16,737**	**0**	**2,47,16,737**	**100**	

B) Shareholding of Promoter

SN	**Shareholder's Name**	**Shareholding at the beginning of the year 01-April-2018**			**Shareholding at the end of the year 31-March-2019**			**% change in shareholding during the year**
		No. of Shares	**% of total Shares of the company**	**% of Shares Pledged / encumbered to total shares**	**No. of Shares**	**% of total Shares of the company**	**%of Shares Pledged / encumbered to total shares**	
1	Rajendra Gandhi	18,184,622	96.21	0	18,184,619	73.57	0	(22.64)
2	Sunita Rajendra Gandhi	2,59,300	1.37	0	2,59,300	1.05	0	(0.32)

C) Change in Promoters' Shareholding (please specify, if there is no change

SN	**Particulars**	**Shareholding at the beginning of the year As on 01-April-2018**		**Cumulative Shareholding during the year**	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1	**Rajendra Gandhi**	18,184,622	96.21	18,184,619	73.57
	At the beginning of the year: 18,184,622				

Date	No of shares	% of shares	Reasons
September 11,2018	(1)	0.00004	Transfer of shares
September 21,2018	(2)	0.00008	Transfer of shares

At the end of the year: 18,184,619

Particulars		Shareholding at the beginning of the year As on 01-April-2018		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Sunita Rajendra Gandhi	259,300	1.37	259,300	1.05
	At the beginning of the year: 259,300				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):**No Change**				
	At the end of the year: 259,300				

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Sequoia Capital India Growth Investment Holdings I**				
	At the beginning of the year	2,28,094	1.21	2,28,094	1.21
	Increase of shares by conversion of CCD, dated September 23,2018	-	-	1,08,3,111	4.09
	At the end of the year			1,31,1,205	5.30
2	**SCI Growth Investments II**				
	At the beginning of the year	228094	1.21	**228094**	**1.21**
	Increase of shares by conversion of CCD, dated September 23,2018	-	-	4733516	18.86
	At the end of the year			4961610	20.07
3	**Narayanan Venkitesh**				
	At the beginning of the year	**-**	**-**	-	-
	Increase of shareholding by the virtue of Transfer dated September 21,2018			1	0.000004
	At the end of the year			1	0.000004

4	**Raju Senthil Kumar**				
	At the beginning of the year	-	-	-	-
	Increase of shareholding by the virtue of Transfer dated September 21,2018			1	0.000004
	At the end of the year			1	0.000004
5	**Neha Gandhi**				
	At the beginning of the year	-	-	-	-
	Increase of shareholding by the virtue of Transfer dated September 11,2018			1	0.000004
	At the end of the year			1	0.000004

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year As on 01-April-2018		Cumulative Shareholding during the year	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1	**Rajendra Gandhi**				
	At the beginning of the year	18184622	96.21	18184622	73.57
	Decrease in Shareholding during the year due to transfer of shares dated September 11,2018 and September 21,2018	-	-	(3)	0.00012
	At the end of the year			**18184619**	73.57
2	**Neha Gandhi**				
	At the beginning of the year	-	-	-	-
	Increase of shareholding by the virtue of Transfer dated September 11,2018	-	-	1	0.00004
	At the end of the year			1	0.00004
3	**Abhay Kr. Pandey*** **Nominee Director**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

4	**Bharat Singh** **Nominee Director**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
5	**Lakshmikant Gupta** **Independent Director**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
6	**Rajiv Mehta Nitinbhai** **Independent Director**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
7	**Shubha Rao Mayya** **Independent Director**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
8	**Shashidhar SK** **Chief Financial Officer & Company Secretary**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

* Mr. Abhay Kr Pandey has resigned w.e.f 11th Sept, 2018

F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Amount in Rs

Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	96,25,40,000	3,00,00,00,000		3,96,25,40,000
ii) Interest due but not paid				-
iii) Interest accrued but not due	19,91,286			19,91,286
Total (i+ii+iii)	**96,45,31,286**	**3,00,00,00,000**	**-**	**3,96,45,31,286**
Change in Indebtedness during the financial year		-		
* Addition	40,52,48,714	-		40,52,48,714
Reduction		1,15,25,30,000		11525,30,000
Net Change	40,52,48,714	- 1,15,25,30,000	-	- 7472,81,286
Indebtedness at the end of the financial year		-		
i) Principal Amount	1,36,36,40,000	1,84,74,70,000		32111,10,000
ii) Interest due but not paid				-
iii) Interest accrued but not due	61,40,000			61,40,000
Total (i+ii+iii)	**1,36,97,80,000**	**1,84,74,70,000**	**-**	**3,21,72,50,000**

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Managing Director	Total Amount
		Rajendra Gandhi	
1	Gross salary	88,67,760	88,67,760
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	88,67,760	88,67,760
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	80,000	80,000
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify…	-	-
5	Others, please specify	5,68,752	5,68,752
	Total (A)	**9,516,512**	**9,516,512**
	*Ceiling as per the Act	N/A	N/A

Note: * The remuneration paid to MD is beyond prescribed limit, the approval of shareholders has been taken in this regard at the AGM held on 29th sept, 2018

B. Remuneration to other directors

SN.	Particulars of Remuneration	Executive Director	Name of Independent Directors				Total Amount
		Neha Gandhi	Bharat Singh	Lakshmikant Gupta	Rajiv Mehta Nitinbhai	Shubha Rao Mayya	
	Gross Salary	20,30,256					20,30,256
	Fee for attending board committee meetings	-	-	4,50,000	7,00,000	5,00,000	16,50,000
	Commission	-	-	-	-		-
	Others, please specify	1,41,600	-	-	-		1,41,600
	Total (1)	21,71,856	**0**	4,50,000	7,00,000	5,00,000	**3821856**
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA	NA

Note: * The remuneration paid to Executive Director is beyond prescribed limit, the approval of shareholders has been taken in this regard at the AGM held on 29th sept, 2018

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N/A

Type	*Section of the Companies Act*	*Brief Description*	*Details of Penalty/ Punishment/ Compounding fees imposed*	*Authority [RD/NCLT/ COURT]*	*Appeal made, if any (give Details)*
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					

ANNEXURE-4 TO BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO, ETC.

A. CONSERVATION OF ENERGY:

(A)	**Conservation of Energy:**	
	(i) the steps taken or impact on conservation of energy;	Company has a Energy Purchase agreement with Hero Future Energies & Vsyhali Energy Private Ltd for solar and wind energy respectively as alternative sources of energy. In 2018-19, we consumed 68,21,000 Units of power from alternative sources i.e. 91.6% of total energy consumption.
	(ii) the steps taken by the company for utilizing alternate sources of energy;	
	(iii) the capital investment on energy conservation equipments	
(B)	**Technology Absorption**:	
	(i) Efforts made towards technology absorption:	Continuous on the job training
	(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:	Improvement in production efficiency and cost reduction
	(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	--------
	(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) the expenditure incurred on Research and Development.	19,40,584/-
(C)	**Foreign Exchange Earnings and Outgo:**	
	Actual Inflows(Exports)	55,57,04,416/-
	Actual Outflows (Imports)	1,30,21,78,608/-
	Actual Outflows (Expenses)	1,70,70,081/-

ANNEXURE 5 TO BOARD'S REPORT

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st March 2019

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

To,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and 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 31st March 2019, has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder to the extent of its applicability to an unlisted Company;

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

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

v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): - Since the Company is unlisted the Regulations are not applicable.

vi. Other laws applicable to the Company namely:

1. Factories Act, 1948 & the Central Rules or Concerned State Rules, made thereunder
2. Boilers Act, 1923 & Rules made thereunder
3. Indian Electricity Act, 1956 & its Central Rules / Concerned State Rules, made thereunder
4. Gas Cylinder Rules, 1981 (Under Indian Explosives Act)
5. Static and Mobile Pressure Vessels (Unfired) Rules, 1981 (Under Indian Explosives Act)
6. Environment (Protection) Act, 1986
7. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/ Concerned State Rules.
8. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/ Concerned State Rules
9. Hazardous Wastes (Management and Handling) Rules, 1989
10. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
11. The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ Concerned State Rules.
12. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.
13. The Employees' State Insurance Act, 1948 & its Central Rules/ Concerned State Rules.
14. The Minimum Wages Act, 1948 & its Central Rules/ Concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade.
15. The Payment of Wages Act, 1936 & its Central Rules/ Concerned State Rules if any.
16. The Payment of Bonus Act, 1965 & its Central Rules/ Concerned State Rules if any.
17. The Payment of Gratuity Act & its Central Rules/ Concerned State Rules if any.

18. The Maternity Benefit Act, 1961 & its Rules.
19. The Equal Remuneration Act, 1976.
20. The Industrial Employment (Standing Orders) Act, 1946 & its Rules.
21. The Apprentices Act, 1961 & its Rules.
22. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.
23. The Workmen's Compensation Act, 1923
24. The Industrial Dispute Act, 1947
25. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013

We have also examined compliance with following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India;
ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015: - Since the Company is unlisted the Regulations are not applicable

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

We further report that

I. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
III. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
IV. We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
V. The Company was converted into a public Ltd Company on 13/08/2018.

VI. The Company has filed Draft Red Hearing Prospectus with SEBI on 27/09/2018 for an offer for sale from the existing promoters of 71,63,721 equity shares of face value of `10 each ("equity shares") of the Company for cash at a price per equity share (including a share premium) to be decided at the time of filing Red Hearing Prospectus. The Company has received the SEBI observation letter on 23/01/2019 which is valid for a period of one year.

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

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

For BMP & Co. LLP
Company Secretaries

Pramod S M
Partner
FCS 7834;
CP No. 13784

Place: Bangalore,

Date: 19th June, 2019

Annexure A to Secretarial Audit Report

To,

The Members,
STOVE KRAFT LIMITED
(Formerly known as STOVE KRAFT PRIVATE LIMITED)
U29301KA1999PLC025387
81/1, Medamarana Halli Village Harohalli Hobli,
Kanakapura Taluk Ramanagar Dist Ka 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 as opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/ Director taken on record by the Board of the Company,

in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws.

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

For BMP & Co. LLP
Company Secretaries

Pramod S M
Partner
FCS 7834;
CP No. 13784

Place: Bangalore,
Date: 19th June, 2019

Deloitte Haskins & Sells

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru - 560 001
Karnataka, India

Tel: +91 80 6188 6000
Fax: +91 80 6188 6011

INDEPENDENT AUDITOR'S REPORT

To The Members of Stove Kraft Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Stove Kraft Limited ("the Parent") and its partnership firm considered as subsidiary (the Parent and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director Board's report including Annexures to Director's report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The Board of Directors of the Parent and the partners of the partnership firm included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Parent and the partners of the partnership firm included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Parent and the partners of the partnership firm included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

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

We communicate with those charged with governance of the Parent and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2019 taken on record by the Board of Directors of the Parent, in respect of one of the directors, disqualification was attracted u/s 164(2) of the Act, however the Parent has received an order to maintain status quo of the directorship of the director from National Company Law Tribunal as referred in note no. 46 and all other directors are not disqualified as on March 31st, 2019 from being appointed as director in the term of section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

      ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

S. Sundaresan

S. Sundaresan
Partner
(Membership No. 25776)

BENGALURU, June 19, 2019
SS/JKS/2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Stove Kraft Limited (hereinafter referred to as "Parent"), as of that date.

Management's Responsibility for Internal Financial Controls
The Board of Directors of the Parent which is the only company of the Group incorporated in India to which reporting on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act is applicable, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system over financial reporting.

Deloitte
Haskins & Sells

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

S. Sundaresan

S. Sundaresan
Partner
(Membership No. 25776)

BENGALURU, June 19, 2019
SS/JKS/2019

Stove Kraft Limited
(Formerly Stove Kraft Private Limited)
Consolidated Balance Sheet
(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Non-current assets				
Property, plant and equipment	3(a)	1,787.14	1,806.24	1,852.21
Capital work-in-progress		17.30	6.08	0.86
Intangible assets	3(b)	18.16	35.99	55.07
Financial assets				
Investments	4	-	-	-
Other financial assets	5	50.96	38.01	30.88
Non-current tax asset (net)	6	46.57	47.14	47.64
Other non-current assets	7	17.98	34.62	22.56
Total non-current assets		**1,938.11**	**1,968.08**	**2,009.22**
Current assets				
Inventories	8	974.14	1,051.38	726.27
Financial assets				
Trade receivables	9	896.56	795.52	592.84
Cash and cash equivalents	10(a)	285.24	4.00	5.42
Bank balances other than cash and cash equivalents as above	10(b)	29.55	33.81	31.25
Loans	11	4.52	3.37	70.30
Other financial assets	12	11.20	1.69	0.61
Other current assets	13	131.37	93.03	94.86
Total current assets		**2,332.58**	**1,982.80**	**1,521.55**
Total assets		**4,270.69**	**3,950.88**	**3,530.77**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14(a)	247.17	189.00	189.00
Other equity	14(b)	(873.18)	(1,975.56)	(1,851.11)
Equity attributable to owners of the company		**(626.01)**	**(1,786.56)**	**(1,662.11)**
Non-controlling interests	15	2.17	2.14	2.54
Total Equity		**(623.84)**	**(1,784.42)**	**(1,659.57)**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	16	2,100.26	3,113.05	2,867.47
Other financial liabilities	17	96.01	148.27	169.04
Provisions	18	46.12	34.14	30.70
Total non - current liabilities		**2,242.39**	**3,295.46**	**3,067.21**
Current liabilities				
Financial liabilities				
Borrowings	19	999.44	809.58	781.19
Trade payables	20			
(i) total outstanding dues of micro enterprises and small enterprises		59.87	40.28	8.09
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,281.12	1,411.32	1,074.31
Other financial liabilities	21	237.66	110.21	97.47
Provisions	22	15.02	16.07	77.88
Other current liabilities	23	53.92	52.24	78.09
Current tax liabilities (net)	24	5.11	0.14	6.10
Total current liabilities		**2,652.14**	**2,439.84**	**2,123.13**
Total liabilities		**4,894.53**	**5,735.30**	**5,190.34**
Total equity and liabilities		**4,270.69**	**3,950.88**	**3,530.77**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

S. Sundaresan

S. Sundaresan
Partner
Membership Number: 25776

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Place : Bengaluru
Date : June 19, 2019

For and on behalf of the Board of Directors

Rajendra J Gandhi
Managing Director
DIN: 01646143

Neha Gandhi
Director
DIN: 07623685

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119
Place : Bengaluru
Date : June 19, 2019

STOVE KRAFT LTD. Bangalore 562 112. RAMANAGAR DIST.

Stove Kraft Limited
(Formerly Stove Kraft Private Limited)
Consolidated Statement of Profit and Loss
(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	25	6,409.38	5,289.52
Other income	26	16.60	56.33
Total Income		**6,425.98**	**5,345.85**
Expenses			
Cost of materials consumed	27	3,175.40	2,411.19
Purchase of stock in trade	28	1,326.00	1,203.26
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(114.78)	(78.96)
Excise duty		-	53.33
Employee benefits expenses	30	697.95	590.87
Finance cost	31	179.18	169.35
Depreciation & amortization expenses	32	124.41	119.69
Other expenses	33	1,026.59	1,010.11
Total expenses		**6,414.75**	**5,478.84**
Profit/(Loss) before tax		**11.23**	**(132.99)**
Tax expense/(benefit)			
Current tax expense for current year		4.60	-
Current tax expense relating to prior year		0.28	(5.37)
Net tax expense / (benefit)		**4.88**	**(5.37)**
Profit/(Loss) for the year		**6.35**	**(127.62)**
Other comprehensive income			
Items that will not be reclassified to Statement of Profit or Loss			
Remeasurement of the defined benefit Plans - Gains / (losses)		1.64	1.75
Items that will be reclassified to Statement of Profit or Loss			
Fair value changes on cash flow hedges		0.05	1.24
Total other comprehensive income for the year		**1.69**	**2.99**
Total comprehensive Income/(loss) for the year		**8.04**	**(124.63)**
Profit / (Loss) for the year attributable to:			
Owners of the Company		6.32	(127.44)
Non controlling interests		0.03	(0.18)
		6.35	**(127.62)**
Other comprehensive income for the year attributable to:			
Owners of the Company		1.69	2.99
Non controlling interests		-	-
		1.69	**2.99**
Total comprehensive loss for the year attributable to:			
Owners of the Company		8.01	(124.45)
Non controlling interests		0.03	(0.18)
		8.04	**(124.63)**
Earnings per share			
- Basic (in Rs.) (Face value of Rs. 10 each)	38	0.29	(6.74)
- Diluted (in Rs.) (Face value of Rs. 10 each)	38	0.29	(6.74)

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

S. Sundaresan

S. Sundaresan
Partner
Membership Number: 25776

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Place : Bengaluru
Date : June 19, 2019

For and on behalf of the Board of Directors

Rajendra J Gandhi
Managing Director
DIN: 01646143

Neha Gandhi
Director
DIN: 07623685

Shashidhar SK

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119
Place : Bengaluru
Date : June 19, 2019

STOVE KRAFT LTD. Bangalore 562 112. RAMANAGAR DIST.

Stove Kraft Limited

(Formerly Stove Kraft Private Limited)

Consolidated Statement of Cashflows

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cashflow from operating activities		
Net Profit / (loss) before tax	**11.23**	**(132.99)**
Adjustments for :		
Depreciation and amortisation expense	124.41	119.69
Provision for doubtful trade and other receivables, loans and advances and bad debts written off (net)	22.07	59.65
Liability no more required written back	(12.36)	(41.85)
Interest on deposit with bank	(1.66)	(1.80)
Government grants	-	(2.52)
(Profit) / loss on fair valuation of derivative instruments	4.03	(1.33)
Loss on financial liability designated at FVTPL	-	153.80
(Profit) / loss on sale of property, plant and equipment	(0.13)	1.02
Finance cost	179.18	169.35
Net unrealised exchange (gain) / loss	(7.82)	2.98
Operating cash profit before changes in working capital	**318.95**	**326.00**
Changes in working capital		
Adjustment for (increase)/ decrease in operating assets :		
Other financial assets	(16.88)	43.79
Inventories	77.24	(325.11)
Trade receivables	(123.50)	(247.93)
Other assets	(24.62)	(12.47)
Adjustment for increase/ (decrease) in operating liabilities:		
Other financial liabilities	(22.39)	18.35
Trade payables	(92.04)	343.34
Other current liabilities	1.68	(25.85)
Provisions	12.62	9.47
Cash generated from operations	**131.06**	**129.59**
Net income taxes (paid) / refund received	0.66	(0.09)
Net cash generated from /(used in) operating activities (A)	**131.72**	**129.50**
Cashflows from investing activities		
Capital expenditure on property, plant and equipments (including capital advance)	(74.43)	(63.18)
Proceeds from sale of property, plant and equipments	0.13	2.32
Interest received on bank deposits	1.93	1.93
Movement of margin money deposit with banks (net)	4.26	(2.56)
Net cash generated from /(used in) in investing activities (B)	**(68.11)**	**(61.49)**
Cash flows from Financing activities		
Proceeds from long-term borrowings	250.00	125.00
Repayment of long-term borrowings	(38.76)	(56.56)
Proceeds/(repayment) from short-term borrowings (net)	191.87	26.76
Finance cost	(185.48)	(164.63)
Net cash generated from /(used in) financing activities (C)	**217.63**	**(69.43)**
Net decrease in cash & cash equivalents (A+B+C)	**281.24**	**(1.42)**
Cash and cash equivalents at beginning of the year	4.00	5.42
Cash and cash equivalents at the end of the year* (Refer note 10(a))	**285.24**	**4.00**
* Comprises:		
(a) Cash on hand	0.55	0.82
(b) Balances with banks:		
In current accounts	89.69	3.18
In fixed deposits	195.00	-
Total	**285.24**	**4.00**

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) - Statement of cash flows.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

S. Sundaresan
Partner
Membership Number: 25776

Place : Bengaluru
Date : June 19, 2019

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

For and on behalf of the Board of Directors

Rajendra J Gandhi
Managing Director
DIN: 01646143

Neha Gandhi
Director
DIN: 07623685

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119
Place: Bengaluru
Date : June 19, 2019

STOVE KRAFT LTD. Bangalore 562 112. RAMANAGAR DIST.

Stove Kraft Limited
(Formerly Stove Kraft Private Limited)
Consolidated Statement of Changes in Equity
(Amount in Rupees Millions except for share data or as otherwise stated)

Equity share capital

Particulars	Amount
Balance as at 01 April, 2017	189.00
Changes in equity share capital during the year	
Balance as at 31 March, 2018	**189.00**
Changes in equity share capital during the year	
- Conversion of CCDs into equity shares (Refer note 16(v))	58.17
Closing balance	**247.17**

Particulars	Reserves & Surplus		Items of other comprehensive income	Attributable to owners of the parent	Non Controlling Interest	Total Other Equity
	Retained earnings	Securities Premium	Cash flow Hedge reserve			
Balance as at 01 April, 2017	(1,849.82)	-	(1.29)	**(1,851.11)**	2.54	**(1,848.57)**
Loss for the year	(127.44)	-	-	**(127.44)**	(0.18)	**(127.62)**
Remeasurement of defined benefit obligation [Gain/(Loss)]	1.75	-	-	**1.75**	-	**1.75**
Fair Value changes on cash flow hedge	-	-	1.24	**1.24**	-	**1.24**
Minority interest adjusted during the year	-	-	-	-	(0.22)	**(0.22)**
Balance as at March 31, 2018	**(1,975.51)**	-	**(0.05)**	**(1,975.56)**	**2.14**	**(1,973.42)**
Profit / (Loss) for the year	6.32	-	-	**6.32**	0.03	**6.35**
Remeasurement of defined benefit obligation [Gain/(Loss)]	1.64	-	-	**1.64**	-	**1.64**
Fair Value changes on cash flow hedge	-	-	0.05	**0.05**	-	**0.05**
Securities Premium on conversion of CCDs to Equity	-	1,094.37	-	**1,094.37**	-	**1,094.37**
Balance as at March 31, 2019	**(1,967.55)**	**1,094.37**	-	**(873.18)**	**2.17**	**(871.01)**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

S. Sundaresan
Partner
Membership Number: 25776

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Place : Bengaluru
Date : June 19, 2019

For and on behalf of the Board of Directors

Rajendra J Gandhi
Managing Director
DIN: 01646143

Neha Gandhi
Director
DIN: 07623685

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119
Place : Bengaluru
Date : June 19, 2019

STOVE KRAFT LTD. Bangalore 562 112. RAMANAGAR DIST.

Stove Kraft Limited
(Formerly Stove Kraft Private Limited)
Notes to Consolidated Financial Statements

1 Corporate information

Stove Kraft Limited (formerly Stove Kraft Private 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 manufacturer of pressure cookers, LPG stoves, non-stick cookware, stoves and trader of other kitchen and electrical appliances under the brand name "Pigeon" and "Gilma".

The Company changed its name from Stove Kraft Private Limited to Stove Kraft Limited on August 13, 2018.

The Consolidated Financial Statements of the Company and its partnership firm considered as subsidiary (together known as the "Group") comprise of the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash Flows, Consolidated Statement of changes in equity and significant accounting policies and explanatory notes (collectively, the 'Consolidated Financial Statements').

The Consolidated Financial Statements have been authorised for issuance by the Company's Board of Directors on June 19, 2019.

2 Significant accounting policies

2.1 *Statement of compliance*

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and other relevant provisions of the Act as applicable. For periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). The Group has decided to voluntarily adopt Ind AS for the financial year ended March 31, 2019 onwards. In accordance with the transition provision specified under Ind AS 101, the date of transition to Ind AS is April 01, 2017. These are the Group's first Ind AS financial statements.

2.2 Basis of of preparation and presentation

The Consolidated financial statements have been prepared on the historical cost basis except for:

- certain financial assets and liabilities (including derivative instruments), plan assets of the defined benefit plan that are measured at fair values at the end of each reporting period;
- fixed assets of the Group which were fair valued as explained in note 3(a)

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

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

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

Ø Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Ø Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Ø Level 3 inputs are unobservable inputs for the asset or liability.

2.3 First-time adoption of Ind AS

The Group has prepared the Opening Consolidated Balance Sheet as per Ind AS as of April 1, 2017 by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous Indian GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

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a. Deemed cost for property, plant and equipment and intangible assets:
The Group has elected to use fair value of its property, plant and equipment and intangible assets in its opening Ind AS Balance sheet as deemed cost.

b. Derecognition of Financial Assets and Liabilities:
The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

c. Impairment of financial assets:
The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

d. Past Business Combination
The Group has elected not to apply Ind AS 103 Business Combination retrospectively to past business combinations that occurred before the transition date of April 1, 2017.

2.4 Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and the entities controlled by the Company and its partnership firms. Control is achieved where the Company:
• has power over the investee
• is exposed to, or has rights, to variable returns from its involvement with the investee; and
• ability to use its power to effect its returns
The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a Partnership firm begins when the Company obtains control over the partnership firm and ceases when the Company loses control of the partnership firm. Specifically, income and expenses of a partnership firm acquired or disposed of during the year are included in the consolidated statements of profit and loss from the date the Company gains control until the date when the Company ceases to control partnership firm.

Profit or loss and each component of total comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of partnership firms is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having deficit balance.

Where necessary adjustments are made to financial statements of partnership firms to bring their accounting policies in line with the Group's accounting policies.

The financial statements of the Company and its partnership firm Companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income, expenses and cash flows, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.

The Consolidated Financial Statements include the financial statements of Stove Kraft Limited and its partnership firms as set out below.

Name of the partnership firm	Country of Incorporation	% of holding		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Stove Kraft India	India	99%	99%	99%
Saya Industries	India	-	-*	95%

*Note: During the year ended March 31 2018, Saya Industries got dissolved.

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2.5 Summary of significant accounting policies

(a) Revenue Recognition

i. Sale of goods

Effective 01 April 2018, the Group adopted IND AS 115, 'Revenue from Contracts with Customers' using the modified retrospective method. In accordance with this, the comparatives have not been retrospectively adjusted and no material impact was recognised.

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.
The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.
Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates, loyalty benefits and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

ii. Export entitlement

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

iii. Interest Income

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

(b) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price, net of any trade discounts and rebates, any import duties, other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

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

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Individual assets costing less than Rs.5,000/- are depreciated in full in the year of purchase.

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

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

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(c) Intangible assets

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

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

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

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

(d) Investments in associate

Investment in associate is measured at cost less impairment.

(e) Inventories

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

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

(f) Financial Instruments

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

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

A. Financial Assets:

i. Financial assets at amortised cost

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

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

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ii. Financial Assets at fair value through other comprehensive Income

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

iii. Financial assets at fair value through profit or loss

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

iv. Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

v. Derecognition of financial assets

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

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

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C. Derivative financial instruments

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

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

D. Embedded derivatives

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

E. Hedge Accounting

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

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

i. Fair value hedges

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

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

ii. Cash flow hedges

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

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

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

(g) Cash and cash equivalents

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

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(h) Foreign Currency transactions and translations

The functional currency of the Group is Indian Rupee (Rs.).

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

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

(i) Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

For defined benefit plans in the form of gratuity (un-funded), the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:
•service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
•net interest expense or income; and
•re-measurement

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits

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

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(j) Borrowing Costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,
(ii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

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

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

(k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially capitalised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(l) Income Taxes

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

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and the carry forward of unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

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Current and deferred tax for the period

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

(m) Provisions and Contingent Liabilities

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

(n) Impairment of non-financial assets

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

(o). Earnings per share

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

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

(p) Share issue expense

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

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2.6 Use of estimates and management judgments

In application of the accounting policies, which are described in note 2.4, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

1. Useful life of property, plant and equipment and intangible assets
The useful life of the assets are determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance.

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

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

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

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

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

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

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2.7 Standards issued but not yet effective
Ind AS 116 Leases :

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

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:
• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application either by:

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application
Certain practical expedients are available under both the methods.
The Group is currently assessing the impact on adoption of this standard on the Group's financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :
On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
The standard permits two possible methods of transition -
i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.
The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group is currently assessing the impact on adoption of this standard on the Group's financial statements.

Amendment to Ind AS 12 – Income taxes :
On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

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

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

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.
The amendments require an entity:
• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.
Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

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Note
3(a) Property, plant and equipment

Particulars	Tangible Assets								
	Land	Buildings	Plant and machinery	Furniture and fixtures	Lease hold improvements	Computers	Office equipments	Vehicles	Total
Deemed cost as at 01 April, 2017	843.28	389.43	557.65	19.81	6.91	8.50	12.21	14.42	1,852.21
Additions	-	2.05	39.11	0.20	2.57	0.68	1.92	10.17	56.70
Disposals	-	-	(8.67)	(0.40)	-	(0.08)	-	(0.29)	(9.44)
Gross block as at 31 March, 2018	**843.28**	**391.48**	**588.09**	**19.61**	**9.48**	**9.10**	**14.13**	**24.30**	**1,899.47**
Accumulated Depreciation									
Depreciation expense for the year	-	15.54	68.52	2.78	2.55	4.01	3.27	2.66	99.33
Eliminated on disposal of assets	-	-	(5.40)	(0.37)	-	(0.08)	-	(0.25)	(6.10)
Accumulated depreciation as at 31 March, 2018	-	**15.54**	**63.12**	**2.41**	**2.55**	**3.93**	**3.27**	**2.41**	**93.23**
Carrying amount as at 31 March, 2018	**843.28**	**375.94**	**524.97**	**17.20**	**6.93**	**5.17**	**10.86**	**21.89**	**1,806.24**
Opening Gross block as at 1 April, 2018	843.28	391.48	588.09	19.61	9.48	9.10	14.13	24.30	1,899.47
Additions	1.20	4.49	88.93	0.68	-	1.19	0.27	-	96.76
Disposals	-	-	(12.20)	-	-	-	-	-	(12.20)
Gross block as at 31 March, 2019	**844.48**	**395.97**	**664.82**	**20.29**	**9.48**	**10.29**	**14.40**	**24.30**	**1,984.03**
Accumulated Depreciation									
Opening accumulated depreciation	-	15.54	63.12	2.41	2.55	3.93	3.27	2.41	93.23
Depreciation expense for the year	-	15.88	73.92	2.92	2.27	3.78	3.35	3.43	105.57
Eliminated on disposal of assets	-	-	(1.91)	-	-	-	-	-	(1.91)
Accumulated depreciation as at 31 March, 2019	-	**31.42**	**135.13**	**5.33**	**4.82**	**7.71**	**6.62**	**5.84**	**196.89**
Carrying amount as at 31 March, 2019	**844.48**	**364.55**	**529.69**	**14.96**	**4.66**	**2.58**	**7.78**	**18.46**	**1,787.14**

Refer note 16(i),(ii) and (iii) and note 19(i) for details of hypothecation.

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The Group has elected to fair value all of its property, plant and equipment as of transition date and use that value as its deemed cost as of the transition date.

Asset	Basis of valuation	Fair value hierarchy
Land & Building	The fair value of the land & building has been arrived at, on the basis of a valuation carried out as at transition date by H Jayasurya & Associates, Government registered Valuers and Chartered Engineers, having appropriate qualification and experience in the valuation of Land and Building. The fair value of land has been computed using market approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities such as business. The following inputs have been considered for valuation of land: (i) Guideline value provided by Karnataka Industrial Area Development Board (KIADB) (ii) References with neighbourhood and real estate agents for similar land. The valuation of building has been done on the basis of present day cost of construction after considering depreciation.	Level-3
All other items of Property, Plant and Equipment	The fair value of the all other items of Property, Plant & Equipment i.e. Plant & Machinery, Office Equipments, Furniture & Fixtures and Computers & Accessories has been arrived at, on the basis of a valuation carried out as at transition date by Shree Venkatadri Associates, Government registered valuer and Chartered Engineers, having appropriate qualification and experience in the valuation of Property, plant & Equipment. The valuation has been done on the basis of present day cost including costs upto the date of installation after considering average depreciation.	Level-3

Except for land, the fair value approximates the carrying value of all other items of Property, Plant and equipment.

Particulars	Amount
Land Value as per previous GAAP as on transition date	164.14
Add :- Fair Value adjustment	679.14
Land Value as per Ind AS as on transition date	**843.28**

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3(b) Intangible Assets

Particulars	Computer software	Technical know how	Total
Deemed cost as at 01 April, 2017	7.93	47.14	55.07
Additions	1.28	-	1.28
Disposals	-	-	-
Gross block as at 31 March, 2018	**9.21**	**47.14**	**56.35**
Amortisation			
Amortisation for the year	2.89	17.47	20.36
Eliminated on disposal of assets	-	-	-
Accumulated amortisation as at 31 March, 2018	**2.89**	**17.47**	**20.36**
Carrying amount as at 31 March, 2018	**6.32**	**29.67**	**35.99**
Opening Gross block as at 1 April, 2018	9.21	47.14	56.35
Additions	0.79	0.23	1.01
Disposals	-	-	-
Gross block as at 31 March, 2019	**10.00**	**47.37**	**57.36**
Amortisation			
Opening accumulated amortisation	2.89	17.47	20.36
Amortisation for the year	2.40	16.44	18.84
Eliminated on disposal of assets			
Accumulated amortisation as at 31 March, 2019	**5.29**	**33.91**	**39.20**
Carrying amount as at 31 March, 2019	**4.71**	**13.46**	**18.16**

The Group has elected to fair value all of its intangible assets as of transition date and use that value as its deemed cost as of the transition date.

The fair value approximates the carrying value of all the intangible assets.

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Note

4 **Investments**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
In equity instruments of associate (carried at cost)			
7,500 (Previous year 7,500) Equity shares of Rs. 10/- each fully paid up in Pigeon Appliances Private Limited (Refer note(i) below)	-	-	-
Total	-	-	-

(i) The Company had invested a sum of Rs. 0.08 for 37.5% paid-up equity share capital of Pigeon Appliances Private Limited (PAPL). The business operations of PAPL is controlled by the majority shareholders of PAPL. During the FY 2014-15, the Company had noted certain irregularities in the business operations of PAPL and use of trademarks registered in the name of the Company, without the consent of the Group. The Company had initiated legal action against PAPL for irregularities noted in the business operations and unauthorized use of trademarks.

5 **Other financial asset (non- current)**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(Unsecured considered good unless otherwise stated)			
Security deposits			
Considered good	50.96	38.01	26.12
Considered doubtful	1.18	1.18	1.18
Less: Allowance for doubtful security deposits	(1.18)	(1.18)	(1.18)
	50.96	**38.01**	**26.12**
Derivatives designated as hedges			
Cross currency interest rate swap	-	-	4.76
Total	**50.96**	**38.01**	**30.88**

6 **Non-current tax asset (net)**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance income tax (net)	46.57	47.14	47.64
Total	**46.57**	**47.14**	**47.64**

7 **Other non-current assets**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(Unsecured considered good unless otherwise stated)			
Capital advances			
Considered good	4.32	7.24	9.48
Considered doubtful	2.38	2.60	3.02
Less: Allowance for doubtful advance	(2.38)	(2.60)	(3.02)
	4.32	**7.24**	**9.48**
Tax paid under protest			
Considered good	7.58	7.50	9.21
Considered doubtful	3.54	3.54	-
Less: Allowance for doubtful balances	(3.54)	(3.54)	-
	7.58	**7.50**	**9.21**
Balance with government authorities			
Considered good	3.91	18.19	3.06
Considered doubtful	11.81	11.81	19.31
Less: Allowance for doubtful balances	(11.81)	(11.81)	(19.31)
	3.91	**18.19**	**3.06**
Prepaid rent on discounting of security deposits	0.36	0.50	0.81
Prepaid expenses	1.81	1.19	-
Total	**17.98**	**34.62**	**22.56**

8 **Inventories**
(Lower of Cost and Net Realisable Value)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Raw materials, components and packing materials	343.10	466.84	301.81
Raw material-in-transit	12.84	81.12	-
Work-in-progress	31.98	0.59	0.09
Finished goods (other than those acquired for trading)	246.83	157.70	156.22
Stock-in-trade (acquired for trading)	278.70	244.63	228.75
Goods-in-transit (acquired for trading)	60.69	100.50	39.40
Total	**974.14**	**1,051.38**	**726.27**

Refer note 19(i) for details of hypothecation.

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9 Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade Receivables Considered good - Unsecured	896.56	795.52	592.84
Trade Receivables - Credit impaired	77.26	124.36	94.58
	973.82	**919.88**	**687.42**
Less: Allowance for Credit impaired	(77.26)	(124.36)	(94.58)
Total	**896.56**	**795.52**	**592.84**

The average credit period on sale goods ranges from 60 to 120 days.
Refer note 19(i) for details of hypothecation.

10(a) Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	0.55	0.82	0.46
Balances with banks:			
In current accounts	89.69	3.18	4.96
In fixed deposits	195.00	-	-
Total	**285.24**	**4.00**	**5.42**

10(b) Bank balances other than cash and cash equivalents as above

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with banks:			
in earmarked accounts: balance held as margin money (Refer note (i) below)	29.55	33.81	31.25
Total	**29.55**	**33.81**	**31.25**

Note:
(i) Balances in earmarked accounts represent margin money deposits for non-fund based limits with banks, which are available for use to settle a liability for not more than 12 months from the Balance sheet date.

11 Loans

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(Unsecured considered good)			
Loans and advances to related parties (Refer note 40)	-	-	69.62
Advance to employees	4.52	3.37	0.68
Total	**4.52**	**3.37**	**70.30**

Refer note 19(i) for details of hypothecation.

12 Other financial assets (current)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(Unsecured considered good)			
Derivatives designated as hedges			
Cross currency interest rate swap	-	1.21	-
Insurance Claim Receivable	10.99	-	
Interest accrued on deposit with banks	0.21	0.48	0.61
Total	**11.20**	**1.69**	**0.61**

Refer note 19(i) for details of hypothecation.

13 Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(Unsecured considered good unless otherwise stated)			
Prepaid expenses	53.14	9.09	6.01
Advances to suppliers / service providers			
Considered good	44.13	40.75	71.79
Considered doubtful	9.46	51.64	45.25
Less: Allowance for doubtful advances	(9.46)	(51.64)	(45.25)
	44.13	**40.75**	**71.79**
Balance with government authorities	34.10	43.19	17.06
Total	**131.37**	**93.03**	**94.86**

Refer note 19(i) for details of hypothecation.

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14(a) Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised			
4,00,00,005 (As at March 31, 2018 : 1,99,99,995 ; As at April 01, 2017 : 1,99,99,995) Equity shares of Rs. 10/- each.	400.00	200.00	200.00
10 (As at March 31, 2018 : 10 ; As at April 01, 2017 : 10) Class A Equity shares of Rs. 10/- each [Rs. 100 (As at March 31, 2018 : Rs. 100 and as at April 01, 2017 Rs. 100)].	-	-	-
Total	**400.00**	**200.00**	**200.00**
Issued, subscribed and fully paid up capital			
24,716,727 (As at March 31, 2018 : 1,89,00,100 ;As at April 01, 2017 : 1,89,00,100) Equity shares of Rs. 10/- each.	247.17	189.00	189.00
10 (As at March 31, 2018 : 10 ; As at April 01, 2017 : 10) Class A Equity shares of Rs. 10/- each [Rs. 100 (As at March 31, 2018 : Rs. 100 and as at April 01, 2017 Rs. 100)]	-	-	-
Total	**247.17**	**189.00**	**189.00**

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

Particulars	Equity shares of Rs. 10/- each		Class A equity shares of Rs. 10/- each	
	No. of Shares	Rs.	No. of Shares	Rs.
Equity shares of Rs. 10/- each				
Opening balance as on 01 April ,2017	18,900,100	189.00	10	-
Add: movement during the year	-	-	-	-
Closing balance as at 31 March, 2018	**18,900,100**	**189.00**	**10**	-
Equity shares of Rs. 10/- each				
Opening balance as on 01 April ,2018	18,900,100	189.00	10	-
Add: Conversion of CCDs into equity shares (Refer note 16(v))	5,816,627	58.17	-	-
Closing balance as at 31 March, 2019	**24,716,727**	**247.17**	**10**	-

(ii) **Terms/rights attached to:**

Equity share holders:

The holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

Class A equity share holders:

Class A equity shares are held by SCI Growth Investments II ('Sequoia'). The voting rights of Sequoia in relation to the Class A equity shares at every resolution placed before the shareholders of the Company at any General Meetings of the Company shall be equal to 43.36%. In the event the Board declares dividend, then the dividend payable on the outstanding Compulsory Convertible Debentures (CCD's) (which have not been converted) shall be equal to the dividend declared and calculated based on the number of Equity Shares to be issued to Sequoia on conversion of the CCD.

(iii) **Details of shares held by each shareholder holding more than 5% shares:**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Equity share of Rs. 10/- each			
Rajendra J Gandhi			
No of shares	18,184,619	18,184,622	18,184,622
% of holding	73.57%	96.21%	96.21%
SCI Growth Investments II			
No. of shares	4,961,605	-	-
% of holding	20.07%	-	-
Sequoia Capital India Growth Investment Holdings I			
No. of shares	1,311,200	-	-
% of holding	5.30%	-	-

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Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Class A equity share of Rs. 10/- each			
SCI Growth Investments Holdings I			
No of shares	5	5	5
% of holding	50%	50%	50%
SCI Growth Investments II			
No of shares	5	5	5
% of holding	50%	50%	50%

14(b) Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash flow hedging reserve	-	(0.05)	(1.29)
Retained earnings	(1,967.55)	(1,975.51)	(1,849.82)
Securities Premium	1,094.37		
Total	**(873.18)**	**(1,975.56)**	**(1,851.11)**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
A) Cash flow hedging reserve			
Opening balance	(0.05)	(1.29)	(2.49)
Add : (Loss) / Profit on hedging instruments	0.05	1.24	1.20
Closing balance (a)	-	**(0.05)**	**(1.29)**
B) Retained earnings			
Opening balance	(1,975.51)	(1,849.82)	(1,658.89)
Add: Profit / (Loss) for the year	6.32	(127.44)	(192.25)
Add : Remeasurement gain recognised in Other Comprehensive Income	1.64	1.75	1.32
Closing balance (b)	**(1,967.55)**	**(1,975.51)**	**(1,849.82)**
C) Securities Premium			
Opening balance	-	-	-
Add/(Less) : Securities Premium account on conversion of CCDs to Equity	1,094.37	-	-
Closing balance (c)	**1,094.37**	-	-
Total (a+b+c)	**(873.18)**	**(1,975.56)**	**(1,851.11)**

(i) Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

(ii) Retained Earnings

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

(iii) Securities premium reserve

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

15 Non-controlling interests

Particulars	Non-Controlling interest
Balance as at 01 April, 2017	**2.54**
Changes in non-controlling interest for the year ended March 31, 2018	
Loss for the year	(0.18)
Minority interest adjusted during the year	(0.22)
Balance as at 31 March 2018	**2.14**
Changes in non-controlling interest for the year ended March 31, 2019	
Profit / (Loss) for the year	0.03
Balance as at 31 March 2019	**2.17**

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16 Borrowings (non-current)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured (at amortized cost)			
Term loan from bank (Refer note (i) (ii) and (iii))	247.90	105.09	16.21
Vehicle Loan (Refer note (iv))	4.89	7.96	5.06
Unsecured (at fair value through profit and loss)			
6,089,554 (As at March 31, 2018 : 12,661,812 and as at April 01, 2017 : 12,661,812) Compulsory Convertible Debentures (CCD) of Rs. 10/- each (Refer note (v) below)	1,847.47	3,000.00	2,846.20
Total	**2,100.26**	**3,113.05**	**2,867.47**

(i) The Group has borrowed USD 4 long-term loan from a bank, for the purpose of expansion and modernization. Rate of interest is 3 months London interbank offered rate (LIBOR) + 3.5% and repayable in 16 equal quarterly instalments.

Security: First exclusive equitable mortgage of the immovable property (both present and future) of the Group and hypothecation of the movable property (both present and future) of the Group and personal guarantee of Mr. Rajendra J Gandhi (Managing Director) and Mrs. Sunitha Gandhi.

The Group has entered into 'Cross-Currency Rate Swap' arrangement (Swap arrangement) for payment of interest and repayment of above mentioned long-term loan. As per the Swap arrangement, the Group is paying interest at fixed rate and receiving interest at floating rate. The terms of Swap arrangement is from June 27, 2013 to 27 June 2018. The loan is fully repaid during the FY 2018-19

(ii) The Group had taken the term loan from South Indian Bank (SIB) of Rs. 125 during the FY 2017-18. Rate of interest is 12 month Marginal Cost of fund based Lending rate (MCLR) + 2% spread which is subject to yearly reset which is repayable in 60 equal instalments. Repayment of term loan obtained from SIB starts from July 2018.

Security: Equitable mortgage of vacant industrial land of the company located at Harohalli, Ramanagara District and personal guarantee of Mr. Rajendra Gandhi, Mrs. Sunita Gandhi and Ms. Neha Gandhi.

(iii) The Group had taken the working capital term loan from IDFC First Bank (IDFC) of Rs. 250 during the FY 2018-19. Rate of interest is 12 month marginal cost of fund based lending rate (MCLR) + 2.25% spread which is subject to yearly reset which is repayable in 36 equal instalments. Repayment of term loan obtained from IDFC starts from April 2019.
Security: Equitable mortgage of vacant industrial land of the company located at Harohalli, Ramanagara District and personal guarantee of Mr. Rajendra Gandhi, Mrs. Sunitha Gandhi and Ms. Neha Gandhi.

(iv) The Group has borrowed Rs.10 towards vehicle loan from BMW Financial Services. Rate of interest is 9.11% per annum which is repayable in 36 equal monthly instalments.
Security: Exclusive hypothecation on the vehicle.

The Group had borrowed Rs.8 towards vehicle loan from BMW Financial Services. Rate of interest is 8.51% per annum which is repayable in 60 equal monthly instalments.
Security: exclusive hypothecation on the vehicle.

(v) 6,089,554 (As at March 31, 2018 : 12,661,812 and as at April 1, 2017 : 12,661,812) Compulsorily Convertible Debentures (CCD) of Rs. 10/- each: The following are the terms of the issue:

Interest: The holders of the Series B CCD shall be entitled to receive interest at a coupon rate of 0.0000001% per annum.

Dividends rights: Until conversion of all Series B CCD into Equity Shares, in the event the Board declares dividend, then such additional interest shall be payable on the outstanding Series B CCD (which have not been converted) which shall be equal to the dividend declared and calculated based on the number of Equity Shares to be issued to the holders of Series B CCD on conversion of the outstanding Series B CCD.

Conversion: In accordance with the terms and conditions agreed with holders of Series B CCD, each Series B CCD is either (a) compulsorily convertible into equity shares of the Company , at any time after the closing date into such number of fully paid shares as is determined by the conversion ratio and at a price defined in the Investment Agreement or (b) compulsorily convert into equity shares of the Company upon the earlier of the proposed filing of the draft red herring prospectus in connection with the Qualified IPO by the Company or the date as mentioned in the Investment Agreement.

Buy back: The holder of the instrument has right to sell back the CCDs to Company after four years from the closing dates.

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Exit to CCD holders: At any time after the expiry of the fourth anniversary from the closing date, the Company, the Promoters and the Investors shall cause a transaction that would give liquidity to CCD holders investment in the Company ('Exit Option'). At any time after the expiry of the fourth anniversary from the closing date the Company, the Promoters and the CCD holders shall jointly determine to provide one or more of the below mentioned Exit Options:

(a) The Company shall conduct the Qualified IPO; or
(b) The Company shall buy back, some or all outstanding CCD's; or
(c) The holders CCD's shall be entitled to transfer the CCD's to a third party.
During the current year 5,489,147 Series A CCDs were converted into 4,733,516 equity shares (Exchange Ratio - 1 CCD being converted into 0.86 equity shares) and 1,083,111 Series B CCDs were converted into 1,083,111 equity shares (Exchange Ratio - 1 CCD being converted into 1 equity shares)

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

Particulars	As at April 01, 2017	Financing Cash Flow	Non-cash changes			As at March 31, 2018
			Acquisition	Foreign exchange movement	Fair value change/others	
(a)Non Current Borrowings						
Borrowings from bank	81.04	65.00	-	(4.79)	-	141.25
Borrowings from other financial institution	8.27	3.44	-	-	-	11.71
Compulsorily convertible debentures(CCD)	2,846.20	-	-	-	153.80	3,000.00
(b)Current Borrowings	781.19	26.76	-	1.63	-	809.58
Total Borrowings	**3,716.70**	**95.20**	**-**	**(3.16)**	**153.80**	**3,962.54**

Particulars	As at March 31, 2018	Financing Cash Flow	Non-cash changes			As at March 31, 2019
			Acquisition	Foreign exchange movement	Fair value change/others	
(a)Non Current Borrowings						
Borrowings from bank	141.25	214.99	-		-	356.24
Borrowings from other financial institution	11.71	(3.75)	-	-	-	7.96
Compulsorily convertible debentures(CCD)	3,000.00	-	(1,152.53)	-		1,847.47
(b)Current Borrowings	809.58	191.87	-	(2.01)	-	999.44
Total Borrowings	**3,962.54**	**403.11**	**(1,152.53)**	**(2.01)**	**-**	**3,211.11**

17 Other financial liabilities (non-current)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits received	96.01	148.27	169.04
Total	**96.01**	**148.27**	**169.04**

18 Provisions (non-current)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for employee benefits:			
Compensated absence	2.53	-	-
Gratuity (Refer note 35)	35.30	30.50	27.01
Provision for warranties (Refer note (i) below)	8.29	3.64	3.69
Total	**46.12**	**34.14**	**30.70**

(i) The Group has made provision for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations against the sales made by the Group in the current and previous year, the details of which are given below:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Warranty Provision			
Opening balance	10.84	7.62	6.57
Additions during the year	15.38	9.06	5.56
Unwinding of interest on discounting of provision	0.71	0.45	0.46
Reversed / utilisation during the year	(10.74)	(6.29)	(4.97)
Closing balance	**16.19**	**10.84**	**7.62**

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19 Borrowings (current)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured loans repayable on demand from banks (at amortized cost)			
From banks (Refer note (i) below)	885.72	809.58	781.19
From financial institutions (Refer note (ii) below)	113.72	-	-
Total	**999.44**	**809.58**	**781.19**

(i) Secured loans repayable on demand from banks are in the nature of working capital loans which are secured by way of hypothecation of inventory, receivables and other current assets, charge over property, plant and equipment of the Group along with equitable mortgage of immovable properties. Loans repayable on demand from banks is also secured by personal guarantee of Mr. Rajendra Gandhi, Mrs. Sunita Gandhi and Ms. Neha Gandhi.

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

20 Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Other than Acceptances			
Total outstanding dues of micro enterprises and small enterprises	59.87	40.28	8.09
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,281.12	1,411.32	1,074.31
Total	**1,340.99**	**1,451.60**	**1,082.40**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade payables towards materials	857.26	1,042.85	777.27
Trade payables towards services	198.93	188.70	105.70
Trade payables towards accruals	284.79	220.05	199.43
Total	**1,340.99**	**1,451.60**	**1,082.40**

a) Trade payables are non-interest bearing and are normally settled between 60 to 150 days
b) The Group's exposure to currency and liquidity risk related to trade payable is disclosed in Note 34.

21 Other financial liabilities (current)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Current maturities of non-current borrowings			
Term loan from banks (Refer note 16(i) (ii) and (iii))	108.34	35.01	64.84
Vehicle Loan (Refer note 16(iv))	3.07	4.90	3.20
Interest accrued but not due on borrowings	6.14	1.99	1.04
Security deposits received	70.26	39.13	-
Derivative liabilities	2.77	-	1.34
Other payables:			
Payable on purchase of property, plant and equipment	40.35	12.00	13.64
Interest Payable on security deposits	6.73	17.18	13.41
Total	**237.66**	**110.21**	**97.47**

22 Provisions (current)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for employee benefits:			
Gratuity (Refer note 35)	3.88	4.07	1.44
Compensated absence	3.24	4.80	4.67
Provision - others:			
For warranty (Refer note 18(i))	7.90	7.20	3.93
Provision for indirect taxes	-	-	67.84
Total	**15.02**	**16.07**	**77.88**

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23 **Other current liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory remittances	18.78	14.72	40.19
Advance received from customers	19.02	9.06	23.10
Deferred revenue	16.12	28.46	14.80
Total	**53.92**	**52.24**	**78.09**

24 **Current tax liabilities (net)**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for income tax (net)	5.11	0.14	6.10
Total	**5.11**	**0.14**	**6.10**

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25 Revenue from operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products (including excise duty - Refer note (i) below)	6,349.96	5,252.46
Other operating revenue:		
Sale of scrap	24.29	26.83
Duty drawback	35.13	6.98
Mould development charges	-	3.25
Total	**6,409.38**	**5,289.52**

(i) Sale of products

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Manufactured	4,341.22	3,597.73
Traded	2,008.74	1,654.73
Total	**6,349.96**	**5,252.46**

Refer Note 36 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 period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

26 Other income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i)Recurring items		
Interest income (Refer note (i) below)	1.97	3.67
Miscellaneous income	2.14	6.07
Gain on financial instruments designated at FVTPL	-	1.33
Net gain on foreign currency transactions and translation	-	0.89
(ii)Non-recurring items		
Government grant	-	2.52
Profit on sale of property, plant & equipments	0.13	-
Liability no more required written back	12.36	41.85
Total	**16.60**	**56.33**

Note (i) - Interest income comprises:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest from banks on deposits	1.66	1.80
Interest income on financial assets designated at amortized cost	0.17	0.23
Interest on trade receivables	0.14	1.64
Total	**1.97**	**3.67**

27 Cost of materials consumed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock	547.96	301.81
Add: Purchases	3,015.36	2,657.34
	3,563.32	2,959.15
Less: Closing stock	(387.92)	(547.96)
Total	**3,175.40**	**2,411.19**

28 Purchase of stock-in-trade

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of traded goods	1,326.00	1,203.26
Total	**1,326.00**	**1,203.26**

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29 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year:		
Finished goods	246.83	157.70
Work-in-progress	31.98	0.59
Stock-in-trade	339.39	345.13
	618.20	**503.42**
Inventories at the beginning of the year:		
Finished goods	157.70	156.22
Work-in-progress	0.59	0.09
Stock-in-trade	345.13	268.15
	503.42	**424.46**
(Increase)/decrease	**(114.78)**	**(78.96)**

30 Employee benefits expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	613.53	523.48
Contributions to provident fund (Refer note 35)	27.67	27.41
Gratuity expense (Refer note 35)	11.22	10.80
Staff welfare expenses	45.53	29.18
Total	**697.95**	**590.87**

31 Finance costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense on:		
Borrowings	128.02	126.68
Interest paid to others	25.96	26.21
Unwinding of interest on provisions	0.71	0.45
Other borrowing cost:		
Interest on statutory dues	0.37	-
Bank charges and other processing charges	24.12	16.01
Total	**179.18**	**169.35**

32 Depreciation and amortization expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation	105.57	99.33
Amortization	18.84	20.36
Total	**124.41**	**119.69**

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33 Other expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Job work charges	71.06	58.07
Power and fuel	56.92	54.23
Rent including lease rentals (refer note 37)	3.46	14.35
Repairs and maintenance		
Buildings	14.20	13.72
Plant and machinery	31.65	20.54
Others	2.90	2.91
Insurance	3.91	1.80
Rates and taxes	9.37	11.43
Communication	7.03	8.61
Travelling and conveyance	78.74	69.96
Printing and stationery	1.85	1.63
Freight and forwarding	240.16	195.66
Sales commission	134.44	114.85
Business Promotion and Advertisement Expenses	227.01	161.73
Legal and professional fees	45.20	34.83
Payment to auditors comprises (excluding service tax/Goods and Services Tax)		
- For statutory audit	2.37	2.47
- Others	0.06	-
- Out-of-pocket expense	0.65	0.42
Net loss on foreign currency transactions and translation	30.98	
Provision for doubtful trade and other receivables, loans and advances (net) and balance written off	22.07	59.65
Provision for warranty (Refer note 18(i))	15.38	9.06
Loss on sale of property, plant and equipment	-	1.02
Royalty	5.41	3.94
Fair Value changes on derivative instruments	4.03	
Loss on financial liability designated at FVTPL	-	153.80
Miscellaneous expenses	17.74	15.43
Total	**1,026.59**	**1,010.11**

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34 Financial Instruments

34.1 Capital management

The Group 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 Group consists of net debt and total equity of the Group consists of net debt (borrowings as detailed in notes 16 and 19 and current maturities of non-current borrowings as detailed in note 21, offset by cash and bank balances) and total equity.

The Group reviews the capital structure on a semi-annual basis to ensure that it in compliance with the required covenants.

Gearing ratio

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

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Debt (i)	3,211.11	3,962.54	3,716.70
Less: Cash and bank balances	(314.79)	(37.81)	(36.67)
Net Debt (A)	**2,896.32**	**3,924.73**	**3,680.03**
Total Equity (B)	(626.01)	(1,786.56)	(1,662.11)
Net debt to equity ratio (A/B) (Refer note (ii) below)	-	-	-

(i) Debt is defined as non-current borrowings, current maturities of non-current borrowings and current borrowings. (borrowings as detailed in notes 16 and 19 and current maturities of non-current borrowings as detailed in note 21)

(ii) The net debt to equity ratio is not computed as the Group has negative equity as at the end of respective reporting period.

Categories of financial instruments

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial assets			
Measured at fair value through Other Comprehensive Income(FVTOCI)			
Derivatives designated in a cash flow hedge	-	1.21	4.76
Measured at amortised cost			
Trade receivables	896.56	795.52	592.84
Cash and bank balances	314.79	37.81	36.67
Loans	4.52	3.37	70.30
Other financial assets	62.16	38.49	26.73
Financial liabilities			
Measured at fair value through profit or loss (FVTPL)			
Borrowings	1,847.47	3,000.00	2,846.20
Derivatives financial liability	2.77	-	1.34
Measured at amortised cost			
Borrowings (including current maturities of non current borrowings)	1,363.64	962.54	870.50
Trade Payables	1,340.99	1,451.60	1,082.40
Other financial liabilities	219.49	218.57	197.13

34.2 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis.

Fair Valuation Techniques and Inputs used

Particulars	Fair value hierarchy	Basis of valuation	Fair value		
			As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial assets					
Cross currency interest rate swaps	Level - 2	Note 2	-	1.21	4.76
Financial liabilities					
Borrowings	Level - 3	Note 3	1,847.47	3,000.00	2,846.20
Derivative Instruments	Level - 2	Note 1	2.77	-	1.34

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1 The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.

2 Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

3 The fair value is determined at a present value which discounts the potential future cash flows.

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values.

Sensitivity of Unobservable inputs used in Level 3 Fair value measurements

The value of series A and series B CCDs is not impacted as both are carried at their maximum value.

Reconciliation of Level 3 fair value measurements

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Opening balance	3,000.00	2,846.20	2,641.00
Conversion of Compulsory Convertible Debentures (CCD) to equity shares during the year	(1,152.53)	-	-
(Gains) or losses:			
in Consolidated Statement of profit and loss*	-	153.80	205.20
Closing balance	**1,847.47**	**3,000.00**	**2,846.20**

*The above said loss on fair valuation of CCD is recognised in consolidated statement of profit and loss.

Financial risk management objectives

The Group's risk management is carried out by Treasury department under policies laid down by the management. The Group's activities expose it to market risk (which includes currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. Treasury department monitors the risk exposures on a periodical basis and reports to the Board of directors on the risks that it monitors and policies implemented to mitigate risk exposures.

The Group 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 Group's policies approved by the board of directors, which provide written principles on foreign exchange tasks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

34.3 Foreign currency risk management

The Group is exposed to foreign exchange risk due to:

a) debt availed in foreign currency

b) exposure arising from transactions relating to purchase of goods including capital goods, revenues, expenses, etc., to be settled in foreign currencies.

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

34.3.1 Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover the risk associated with trade receivables and trade payables.

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

Contracts not designated in cashflow hedges

Particular	Currency	As at March 31, 2019	As at March 31, 2018	As at 01 April, 2017
Trade payables hedged with forward contracts with maturity less than 120 days	USD	3.03	-	1.21
	INR	209.77	-	78.43

The carrying amounts of the Group's foreign currency denominated monetary liabilities (Trade payables) and assets (Trade receivables) at the end of the reporting period are as follows:

Particulars	Currency	As at March 31, 2019	As at March 31, 2018	As at 01 April, 2017
Payable (including current borrowings)	USD	207.44	333.85	209.65
	EURO	-	-	0.05
	RMB	3.93	-	-
Trade receivable	USD	42.79	38.84	42.67
	EURO	-	-	1.22

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34.3.2 Foreign currency sensitivity analysis
The Group is mainly exposed to the currency USD

Financial instruments affected by changes in foreign exchange rates include trade receivables, trade payables and current borrowings. The following table details the Group's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The impact on account of 5% appreciation/depreciation in exchange rate of USD against INR is given below:

Particulars	Increase/(decrease) in equity	
	For the year ended March	For the year ended March
Appreciation of USD	(8.43)	(14.75)
Depreciation of USD	8.43	14.75

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 period might not reflect the exposure during the year.

34.4 Interest rate risk

The Group has taken a loan in foreign currency at variable interest rate, interest being index linked, that is their cost is linked to changes in the London inter-bank offer rate (LIBOR). The Group has entered into a cross currency interest swap to hedge the variable interest risk and foreign currency risk and converted it into a fixed INR interest loan and thereby the Group interest rate is fixed and not subject to any further risks.

The Group has also taken an INR loan at variable interest rate, interest being index linked, that is their cost is linked to changes in the Marginal Cost of fund based lending rate (MCLR).

The Group is not subject to any other material interest rate risks.

At the reporting date the interest rate profile of the group's interest-bearing financial instrument is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018	As at 01 April, 2017
Fixed-rate instruments			
Financial assets			
Balance held as margin money	29.55	33.81	31.25
Fixed Deposit held as cash & cash equivalent	195.00	-	-
Financial Liability			
Borrowings from bank and other financial institution	7.96	27.96	89.31
Security deposit received	166.27	187.40	169.04
	398.78	**249.17**	**289.60**
Variable-rate instruments			
Financial liabilities			
Borrowings from bank and other financial institution	1355.68	934.58	781.19
	1355.68	**934.58**	**781.19**

Interest rate sensitivity analysis

A change of 100 basis points 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, 2019	For the year ended March 31, 2018
Increase of 100 bps on variable rate instruments	(7.89)	(9.50)
Decrease of 100 bps on variable rate instruments	7.89	9.50

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Cash flow hedges

The following table detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

Outstanding receive floating pay fixed contracts	Contracted fixed interest rate	Nominal amounts (In Rs.)	Fair value assets / (liabilities) (In Rs.)
As at March 31, 2019			
Less than 1 year	-	-	-
1 to 2 years	-	-	-
2 to 5 years	-	-	-
Total	-	-	-
As at March 31, 2018			
Less than 1 year	12.25%	15.00	1.21
1 to 2 years	-	-	-
2 to 5 years	-	-	-
Total	-	**15.00**	**1.21**
As at April 1, 2017			
Less than 1 year	-	-	-
1 to 2 years	12.25%	75.00	4.76
2 to 5 years	-	-	-
Total	-	**75.00**	**4.76**

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Group will settle the difference between the fixed and floating interest rate on a net basis.

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

34.5 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. The Group does not hold any collaterals to cover its risk associated with trade receivables.

Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions. The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Reconciliation of expected credit loss - Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018	As at 01 April, 2017
Opening Provision	124.36	94.58	85.24
Change in Provision	(47.10)	29.78	9.34
Closing Provision	**77.26**	**124.36**	**94.58**

Particulars	As at March 31, 2019	As at March 31, 2018	As at 01 April, 2017
Outstanding for more than 6 months	117.05	141.18	106.56
Others	779.51	654.34	486.28
Total	**896.56**	**795.52**	**592.84**

Liquidity risk

Liquidity risk is the risk that the Group could be unable to meet its short term financial demands.

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group 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.

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Liquidity analysis for non derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay. The table include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group would be required to pay.

As at 31 March, 2019

Financial Liabilities	Due within (years)			Total	Carrying amount
	< 1 year	1-3 years	> 3 years		
Borrowings	2,958.32	220.12	32.67	3,211.11	3,211.11
Trade payables	1,340.99	-	-	1,340.99	1,340.99
Other Financial Liabilities	123.48	96.01	-	219.49	219.49
Total	**4,422.79**	**316.13**	**32.67**	**4,771.59**	**4,771.59**

The interest rate for borrowings with variable interest rate is in the range of 10.5 % to 12.5%. The interest rate for borrowings with fixed interest rate is 12.25%. Interest rate for security deposit classified as other financial liabilities is 9%.

As at 31 March, 2018

Financial Liabilities	Due within (years)			Total	Carrying amount
	< 1 year	1-3 years	> 3 years		
Borrowings	3,850.32	54.73	57.42	3,962.47	3,962.54
Trade payables	1,451.60			1,451.60	1,451.60
Other Financial Liabilities	70.30	146.72	1.55	218.57	218.57
Total	**5,372.22**	**201.45**	**58.97**	**5,632.64**	**5,632.71**

The interest rate for borrowings with variable interest rate is in the range of 11 % to 15.15%. The interest rate for borrowings with fixed interest rate is 12.25%. Interest rate for security deposit classified as other financial liabilities is 9%.

As at 01 April, 2017

Financial Liabilities	Due within (years)			Total	Carrying amount
	< 1 year	1-3 years	> 3 years		
Trade Payables	3,690.59	20.06	-	3,710.65	3,716.70
Compulsory Convertible Debentures	1,082.40	-	-	1,082.40	1,082.40
Other financial liabilities	28.09	167.49	1.55	197.13	197.13
Total	**4,801.08**	**187.55**	**1.55**	**4,990.18**	**4,996.23**

The interest rate for borrowings with variable interest rate is in the range of 12 % to 15.75 %. The interest rate for borrowings with fixed interest rate is 12.25%. Interest rate for security deposit classified as other financial liabilities is 9%.

34.6 Financing Facilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at 01 April, 2017
Secured term loan facilities			
- amount used	356.24	141.20	81.05
- amount unused	-	-	-
Secured cash credit facility			
- amount used	999.44	809.58	781.19
- amount unused	149.92	-	68.81
Secured non-fund based bank facilities			
- amount used	122.58	195.80	256.40
- amount unused	27.42	48.62	43.60

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35 Employee Benefit

Defined contribution plans

The Group makes Provident fund and Employees State Insurance Scheme which are defined contribution plans, for qualifying employees. Under the said schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme. The Group recognises the amount paid / payable to such funds in the consolidated statement of profit and loss. The contributions made by the Group towards these schemes are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's contribution to Provident fund	27.67	27.41
Employee State Insurance Scheme	10.65	7.79

Defined benefit plans

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

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Salary Growth: Salary hikes that are higher than the assumed salary escalation will result in to an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit , the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

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

B. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Group 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 & 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.

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Following tables sets out the un-funded status of defined benefit plan and amount recognised in Consolidated Financial Statement.

1 Assumptions

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount Rate	7.31%	7.31%
Salary Escalation	6.00%	10.00%
Attrition rate	25.00%	18.00%

2 Change in present value of obligation

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Present Value of Obligation as at the beginning of year	34.57	28.45	20.98
Interest Cost	2.38	1.97	1.52
Past service cost	8.84	0.84	-
Current Service Cost	-	7.99	7.62
Benefits paid	(4.97)	(2.93)	(0.35)
Actuarial (gain)/loss of obligations	(1.64)	(1.75)	(1.32)
Present Value of Obligation as at the end of the year	**39.18**	**34.57**	**28.45**

3 Fair value of plan assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fair value of plan assets at beginning of year	-	-	-
Expected return of plan assets	-	-	-
Contributions	-	-	-
Benefit Paid	-	-	-
Actuarial gain / (loss) on plan assets	-	-	-
Fair value of plan assets at end of year	-	-	-

4 Amounts to be recognized in consolidated balance sheet

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Present Value of Obligations as at the end of year	39.18	34.57	28.45
Fair value of plan assets as at the end of the year	-	-	-
Funded status	(39.18)	(34.57)	(28.45)
Net balance sheet liability recognized at the end of year	**(39.18)**	**(34.57)**	**(28.45)**
Current Portion	3.88	4.07	1.44
Non-Current Portion	35.30	30.50	27.01

5 Expenses Recognized in consolidated statement of profit and loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service Cost	8.84	7.99
Interest Cost	2.38	1.97
Past service cost	-	0.84
Expenses recognized in statement of profit and loss	**11.22**	**10.80**

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6 Components of defined benefit costs recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial gains arising from changes in demographic assumptions	2.36	(3.36)
Actuarial losses arising from changes in financial assumptions	(10.51)	2.52
Actuarial gains arising from experience adjustments	6.51	(0.91)
Actuarial gains in Other Comprehensive Income	**(1.64)**	**(1.75)**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Effect on DBO due to 100 bps increase in discount rate	37.73	33.06	25.52
Effect on DBO due to 100 bps increase in discount rate	42.50	36.24	31.94

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Effect on DBO due to 100 bps increase in salary escalation rate	42.26	35.96	31.72
Effect on DBO due to 100 bps increase in salary escalation rate	37.91	33.28	25.65

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Effect on DBO due to 100 bps increase in attrition rate	39.82	34.27	28.19
Effect on DBO due to 100 bps increase in attrition rate	40.15	34.89	28.73

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 period, 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 Group to manage its risks from prior periods.

7 Expected future cash outflows (discounted) towards the plan are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Year (1)	4.95	4.07	1.36
Year (2)	4.06	3.11	0.93
Year (3)	3.07	2.55	0.92
Year (4)	4.61	2.03	0.89
Year (5)	2.32	2.36	0.79
Years 6 to 10	13.95	5.08	5.28

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36 **Segment reporting**

Information reported to Chief Operating Decision Maker (CODM) for the purpose of segment performance focuses on manufacturing and trading of kitchen and home appliances.

Revenue from major products and services:

The following is an analysis of the Group's revenue from its major products

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Manufactured product sales		
Kitchen Appliances	4,311.22	3,593.30
Home Appliances	30.00	4.43
Total (a)	**4,341.22**	**3,597.73**
b) Traded product sales		
Kitchen Appliances	1,478.37	1,163.42
Home Appliances	530.37	491.31
Total (b)	**2,008.74**	**1,654.73**
Gross Total (a+b)	**6,349.96**	**5,252.46**

Geographical information:

The Group predominantly operates in India.

a. Revenue earned with in India and outside India are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
India	5,794.26	4,958.00
Others	555.70	294.46
Total	**6,349.96**	**5,252.46**

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

Particulars	As at March 31, 2019	As at March 31, 2018
India	1,840.58	1,889.57
Others	-	-
Total	**1,840.58**	**1,889.57**

*Non-current assets exclude financial assets and non-current tax assets

c. **Revenue from major customers**

Revenue from one customer of the Group is 11.58% of Group's total revenue (As at March 31, 2018 - 7.29%) which is individually more than 10 percent of the Group's total revenue.

37 **Leases**

The Group has entered into operating lease arrangements for office premises and showrooms, which are cancellable at the option of the either party after giving prior notice. Lease payment recognized in the Statement of Profit and Loss against such operating lease arrangements are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent including lease rentals	3.46	14.35

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Note

38 Earnings per share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic		
Net Profit / (loss) after tax attributable to the equity shareholders (Rs. in Million) **(A)**	6.32	(127.44)
Weighted average number of equity shares outstanding **(B)**	21,927,944	18,900,110
Face value per share (Rs.)	10.00	10.00
Basic earning per shares (A/B) (Rs.)	**0.29**	**(6.74)**
Diluted		
Net profit/(loss) after tax attributable to the equity shareholders (Rs in Million) (C)	6.32	(127.44)
Weighted average no. of equity shares outstanding# (D)	21,927,944	18,900,110
Face value per share (Rs.)	10.00	10.00
Diluted earnings per share (C/D) (Rs.)	**0.29**	**(6.74)**

#The conversion of CCDs into equity shares is contingent on various factors and since there exist uncertainty over conversion of CCDs into equity shares, these are not considered in the computation of diluted earnings per share.

39 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	53.46	35.90
(ii) interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.94	0.24
(iii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	5.48	3.51
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	6.42	4.63
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	1.14	2.75

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

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40 Related party transactions
A. List of related parties :

Sl. No.	Name of the related party	Nature of relationship
1	Key managerial personnel (KMP):	
	Mr. Rajendra J. Gandhi	Managing Director (MD)
	Ms. Neha Gandhi	Relative of MD and Director
	Mrs. Shubha Rao Mayya (From 30 August 2018)	Director
	Mr. Lakshmikant Gupta (From 11 May 2018)	Director
	Mr. Rajiv Mehta Nitinbhai (From 11 May 2018)	Director
	Mr. Bharath Singh (From 21 September 2018)	Nominee Director
	Mr. Vivek Mishra (upto 30 April 2018)	Company Secretary
	Ms. Rehana A. Rajan (From 11th May 2018 to 26th July 2018)	Company Secretary
	Mr. Shashidhar SK (From 27 July 2018)	Company Secretary
	Mr. Radhakrishnan (From 19 January 2018 to 6 April 2018)	Chief Financial Officer
	Mr. Shashidhar SK (From 02 July 2018)	Chief Financial Officer
2	Enterprises owned or significantly influenced by KMP or their	
	Shinag Allied Enterprises Private Limited (SAEPL)	MD's brother's wife is a Director
	Pigeon Appliances Private Limited (PAPL)	Company is shareholder and MD is director
3	Relative of KMP	
	Mrs. Sunitha Gandhi	Relative of MD

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

B. Transactions with related parties

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations		
SAEPL	-	7.22
Purchases		
SAEPL	0.14	6.22
Sales Return		
SAEPL	0.37	-
Job work		
SAEPL	0.59	-
Rent including lease rentals		
Mrs. Sunitha R Gandhi	0.72	0.60
Purchase of PPE from		
SAEPL	5.59	-
Managerial remuneration:		
Mr. Rajendra J Gandhi	9.51	8.73
Ms. Neha Gandhi	2.17	2.01
Mr. Vivek Mishra	0.09	0.94
Ms. Rehana A. Rajan	0.09	-
Mr. Manoj Pannalal Jain	-	5.22
Mr. Radhakrishnan	0.11	0.92
Mr. Shashidhar SK	6.11	-
Sitting Fee paid to		
Mrs. Shubha Rao Mayya	0.50	-
Mr. Lakshmikant Gupta	0.45	-
Mr. Rajiv Mehta Nitinbhai	0.70	-

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Note
40 **Related party transactions**
C. Balances with related parties

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance recoverable			
Mr. Rajendra J Gandhi	-	-	69.62
Trade payable			
PAPL	0.29	0.29	0.29
SAEPL	-	1.68	-
Payable on purchase of property, plant and equipment			
SAEPL	2.68	-	-
Trade receivables			
SAEPL	3.38	4.81	2.13
Rent payable			
Mrs. Sunitha R Gandhi	0.06	0.05	0.60
Remuneration payable			
Mr. Rajendra J Gandhi	0.76	0.60	0.39
Ms. Neha Gandhi	0.18	0.15	0.15
Mr. Vivek Mishra	-	0.07	0.06
Ms. Rehana A. Rajan	-	-	-
Mr. Radhakrishnan	-	0.36	-
Mr. Shashidhar SK	2.28	-	-
Sitting fees payables			
Mr. Lakshmikant Gupta	0.05	-	-
Mr. Rajiv Mehta Nitinbhai	0.30	-	-

D. The remuneration of Directors and other members of Key Management Personnel during the year was as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term benefits	17.51	17.18
Post-employment benefits (Refer note (i) below)	0.57	0.64
Total	**18.08**	**17.82**

Note (i) Post - employment benefits excludes gratuity which cannot be separately identified from the composite amount advised by the actuary.

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41 Ind AS adoption reconciliations

41.1 Reconciliation of Equity

Particulars	Note No	As at March 31, 2018	As at April 01, 2017
Share capital		189.00	189.00
Reserves		230.78	204.97
Equity as per Indian GAAP		**419.78**	**393.97**
Add/(Less): Ind AS Adjustment			
Impact on fair valuation of Compulsory Convertible Debentures(CCD)	1	(2,873.38)	(2,719.58)
Hedge accounting on derivative instruments	2	(1.26)	(6.05)
Fair valuation of derivatives	3	-	(1.33)
Fair valuation of security deposits	4	(0.16)	(0.18)
Discounting of provisions	5	3.03	1.88
Revenue Impact (net)	6	(1.08)	5.19
Government grants	7	2.52	-
Impact on fair valuation of Property, plant and equipment	8	679.14	679.14
Adjustment on account of purchase of additional stake in partnership firm	10	(15.15)	(15.15)
Equity as per Ind AS		**(1,786.56)**	**(1,662.11)**

41.2 Reconciliation of Total Comprehensive Income

Particulars	Note reference	For year ended March 31, 2018
Profit as per Indian GAAP		**29.18**
Add/(Less): Ind AS adjustment		
Impact on fair valuation of Compulsory Convertible Debentures	1	(153.80)
Fair valuation of derivatives	3	1.33
Fair valuation of security deposits	4	0.02
Discounting of provisions	5	1.15
Revenue Impact (net)	6	(6.27)
Government grants	7	2.52
Recognition of actuarial Gain /(loss) on defined benefit obligation in Other Comprehensive Income	9	(1.75)
Loss as per Ind AS		**(127.62)**
Other comprehensive income:		
Recognition of actuarial gain on defined benefit obligation and other comprehensive income	1	1.75
Hedge accounting on derivative instruments	2	1.24
Total comprehensive income as per Ind AS		**(124.63)**

Reconciliation of statement of cash flow:
There are no material adjustments to the statement of cash flows as reported under previous GAAP.

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Note

Sl. No.	Explanatory Note
1	The Group has issued Compulsorily Convertible Debentures (CCDs), the instrument provides the holder to get it converted into equity shares. As per the terms of the instrument, CCDs will get converted into variable number of equity shares, the holder of the instrument has also right to sell back the CCDs to Group after four years from the closing dates. As per Ind AS 32, the instrument is assessed as a financial liability, the option given to the holder is treated as an embedded derivative and this derivative has to be fair valued at each reporting date. As per Ind AS 109, Group has to measure this instrument as a whole at fair value through profit or loss. Accordingly the Group has fair valued the CCDs at each reporting dates and recognised the fair value changes in statement of profit and loss.
2	The Group has taken a cross currency interest rate swap (derivative) to hedge a foreign currency floating interest rate loan. It has designated the derivative under cash flow hedging relationship. Under previous GAAP, at the end of every reporting date, the Group restated the foreign currency borrowing and recognised gain or loss on restatement of borrowing under MTM receivable in Balance sheet. However under Ind AS 109 Financial Instruments, the gain or loss on restatement of borrowing is recorded in cash flow hedging reserve (under other comprehensive income).
3	The Group has outstanding foreign currency forward contracts to hedge its foreign currency exposure which were not fair valued. Under Ind AS 109, Financial Instruments, foreign currency forward contracts are fair valued and the resultant gain/loss is recognised in the Consolidated Statement of profit and loss.
4	Under previous GAAP, security deposits were recorded at their transaction value. Under Ind AS, security deposit being a financial asset is recognised at their fair value. Accordingly, the Group has discounted these deposits for the respective lease period and difference between the discounted value (fair value) and the transaction value of security deposit has been recognised as prepaid rent. The prepaid rent is amortised over the lease term and interest income is recorded on the fair value of the security deposit at the interest rate which was used for discounting of the security deposit. The difference in rent expense and interest income have been adjusted with retained earnings as at the transition date and with profit for the respective period.
5	Under previous GAAP, discounting of provisions was not permitted. Under Ind AS, provisions are measured at discounted amounts, to give effect to time value of money.
6	i. Under previous GAAP, the sale of scrap and purchase of the processed raw material are considered as different transactions. Under Ind AS, the sale of scrap and purchase of processed raw material from job worker has to be considered as a single transaction. Hence the sale of scrap and purchase of processed raw material are to be presented net as job worker charges. ii. Under previous GAAP, certain types of discounts and sales schemes offered by entities to their customers were classified as expense and recorded under other expense. Under Ind AS, these have been reduced from revenue. Such re-classifications will not have an impact on the net profits reported by the Group. iii. The Group provides Customer loyalty programmes and the loyalty points are linked to sale transaction. The customer can redeem the award credits by either availing the benefit under the scheme or can adjust the amount against future payable amount. Under previous GAAP, provision was created towards such outstanding loyalty points and these were recorded as expense and corresponding liability was recorded under trade payables. Under Ind AS, the entity identifies the points which is pending to be redeemed as at the reporting date and the defers the revenue to the extent of fair value of these points and thereby the provision created under previous GAAP for accrual of points is reversed under Ind AS.
7	i. The Group has received duty waiver on import of capital goods against meeting export obligation prescribed by the custom authorities. Under Ind AS this benefit has been accounted as government grant and the cost of duty is included as part of the capital asset.
8	Under previous GAAP, property, plant and equipment were measured at cost. Under Ind AS, the Group has elected the option of fair valuing the items of property, plant and equipment basis the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards for deriving the carrying value of these property, plant and equipment ('deemed cost').
9	Under previous GAAP, actuarial gains and losses on defined benefit obligation were recognised in Consolidated Statement of profit and loss. Under Ind AS, the actuarial gains and losses is recognised in other comprehensive income.
10	Under previous GAAP, Group had recognised goodwill on acquisition of additional share of capital in partnership firm. However, under Ind AS any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid should be recognised directly in equity.

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STOVE KRAFT LTD.
Bangalore
562 112.
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(Amount in Rupees Millions except for share data or as otherwise stated)

Note

42 Interest in other entities

Disclosure of interest in partnership firms

Name of the partnership firm	Principal activity	Place of incorporation and place of operation	Proportion of ownership interest and voting power held by the group		
			As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Stove Kraft India	Manufacturing and selling of kitchen appliances	India	99%	99%	99%
Saya Industries (Refer note (i) below)	Manufacturing and selling of kitchen appliances	India	-	-	95%

(i) Saya Industries has been dissolved as on 31st March, 2018.

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Stove Kraft Limited
(Formerly Stove Kraft Private Limited)
Notes to Consolidated Financial Statements
(Amount in Rupees Millions except for share data or as otherwise stated)

Note

43 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(i)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 01 April 2017	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent - Stove Kraft Limited	115.52%	(607.75)	104.48%	(1,780.96)	104.95%	(1,656.17)
Partnership firm - Stove Kraft India	-15.52%	81.63	-4.48%	76.42	-4.92%	77.66
Partnership firm - Saya Industries	0.00%	-	0.00%	-	-0.03%	0.49
	100%	**(526.12)**	**100%**	**(1,704.54)**	**100%**	**(1,578.02)**
Adjustments arising out of consolidation and other adjustments		(97.72)		(79.88)		(81.55)
Total		**(623.84)**		**(1,784.42)**		**(1,659.57)**

(ii)

Particulars	For the year ended 31 March 2018					
	As % of consolidated statement of profit and loss	Amount	As % of consolidated Share in other Comprehensive Income	Amount	As % of consolidated Share in Total Comprehensive Income	Amount
Parent - Stove Kraft Limited	89.62%	(127.78)	100.00%	2.99	89.40%	(124.79)
Partnership firm - Stove Kraft India	9.90%	(14.11)	0.00%	-	10.11%	(14.11)
Partnership firm - Saya Industries	0.48%	(0.69)	0.00%	-	0.49%	(0.69)
	100.00%	**(142.58)**	**100.00%**	**2.99**	**100.00%**	**(139.59)**
Adjustment for arising out of consolidation		15.14		-		15.14
Share of loss attributed to Non-controlling interest		(0.18)		-		(0.18)
Total		**(127.62)**		**2.99**		**(124.63)**

(iii)

Particulars	For the year ended 31 March 2019					
	As % of consolidated statement of profit and loss	Amount	As % of consolidated Share in other Comprehensive Income	Amount	As % of consolidated Share in Total Comprehensive Income	Amount
Parent - Stove Kraft Limited	87.87%	18.98	100.00%	1.69	88.75%	20.67
Partnership firm - Stove Kraft India	12.13%	2.62	0.00%	-	11.25%	2.62
Partnership firm - Saya Industries	0.00%	-	0.00%	-	0.00%	-
	100.00%	**21.60**	**100.00%**	**1.69**	**100.00%**	**23.29**
Adjustment for arising out of consolidation		(15.28)		-		(15.28)
Share of profit attributed to Non-controlling interest		0.03		-		0.03
Total		**6.35**		**1.69**		**8.04**

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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 period.

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

B. Financial liabilities and equity instruments

i. Classification as debt or equity

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

ii. Equity Instrument

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

iii. Financial liabilities

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

iv. Financial liabilities at FVTPL

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

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 periods. 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 period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, 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 period, 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 period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of profit and loss.

vii. Derecognition of financial liabilities

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

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Note

44 Contingent liabilities and

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Contingent Liability			
Indirect tax matters under appeal	65.08	61.56	47.98
Direct tax matters under appeal	-	127.82	127.82
Other disputed claims	2.68	2.68	1.98
Provident fund claims	9.39	9.39	9.39
Tax Liability towards pending C Form	2.29	11.34	-
Commitment			
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (Net of advances)	18.94	27.81	2.24

45 During 2007, the Company (SKL) had entered into an agreement to take over the business of M/s Vardhaman Enterprises ("VE") a sole proprietorship firm owned by the Mr. Rajendra J. Gandhi, the Promoter and Managing Director of the Company.

The Directorate General of Central Excise Intelligence (DGCEI) had issued show cause notice(s) to SKL and M/s VE on January 16, 2009 and February 24, 2009 respectively, for alleged removal of goods without payment of proper excise duty and wrongful availment of Cenvat credit for the period 2004 to 2007. The Commissioner of Central Excise Bangalore, vide order No.'s 20/2010 and 21/2010 dated March 31, 2010 confirmed demands for non-payment of excise duty amounting to Rs 26.88 and Rs 67.84 on VE and SKL respectively (including interest and penalty). Further, in the order no. 21/2010 the Commissioner has also disallowed Cenvat credit reversal of Rs 7.50 and imposed a penalty of an equivalent amount to be recovered from the said Promoter.

The Company was contesting the order no. 21/2010 on SKL and certain provision (net of amounts recoverable from the Promoter) had been accounted in the financial statements. During the year 2017-18, this matter has been settled in favour of the Company.

46 Mr. Rajendra Gandhi, Managing Director of the Company, is also a Non-Executive Director on the Board of Pigeon Appliances Private Limited (referred as PAPL). As a result of certain disputes, which have arisen between PAPL and the Company, PAPL has not filed its annual financial statements for financial years 2014-15, 2015-16 and 2016-17 as required in terms of Section 137 of the Companies Act, 2013. The last date for PAPL to file annual financial statements with the Registrar of Companies (ROC) for the financial year 2016-17 expired on October 30, 2017, as a result of which the provisions pertaining to disqualification of Directors under section 164 (2) and vacation of Office of Director under section 167 (1) of the Companies Act, 2013, was attracted. The Company and Mr. Rajendra Gandhi filed a petition before the National Company Law Tribunal (NCLT), Bangalore, on 22 November 2017 against PAPL, followed by another interim application on 30 May 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 18 July 2018, has directed the ROC, not to disqualify Mr. Rajendra Gandhi as a Director on the Board of the Company.

47 The Group has a net deferred tax asset with respect to certain timing differences. These have not been recognised as the recognition criteria have not been met in accordance with the accounting policies followed by the Group.

The Group has not recognized the net deferred tax asset on the accumulated losses as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized

a) Current Tax - During the year, the Group does not have taxable income as per regular computation and as per Minimum Alternate Tax under section 115 JB of the Income Tax Act, 1961.

b) Deferred Tax - The timing differences mainly relates to carried forward business losses, unabsorbed depreciation and current depreciation resulting in net deferred tax asset at end of each year. This has not been recognised as a matter of prudence.

48 The management of StoveKraft India (the firm) decided to discontinue the manufacturing operations in the firm and with effective from 3 January,2015, the manufacturing operations in the firm had been discontinued. Stove Kraft Limited (SKL), the majority partner in the firm, has not yet decided on alternative business plans for the firm, if any. SKL has the assured continuous financial support to the firm to meet its obligations. Pending decision on the future business plan for the firm and based on the financial support from SKL, the financial statements of the firm have been prepared under the historical cost convention except for property, plant and equipment of the firm which were fair valued.

For and on behalf of the Board of Directors

Rajendra J Gandhi	**Neha Gandhi**	**Shashidhar SK**
Managing Director	Director	Chief Financial Officer & Company Secretary
DIN: 01646143	DIN: 07623685	Membership Number: FCS 7119

Place : Bengaluru
Date : June 19, 2019

STOVE KRAFT LTD. Bangalore 562 112. RAMANAGAR DIST.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

STOVE KRAFT LIMITED

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