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STOVEKRAFT®

STOVE KRAFT LIMITED

Our Company was incorporated as Stove Kraft Private Limited on June 28, 1999 with a certificate of incorporation issued by the Registrar of Companies, Bangalore, Karnataka ("**RoC**") as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting held on May 28, 2018 and the name of our Company was changed to Stove Kraft Limited. A fresh certificate of incorporation consequent upon change of name was issued by the RoC on August 13, 2018. For further details in relation to the change in the name and the registered address of our Company, see "History and Certain Corporate Matters" on page 146 of the Prospectus dated February 1, 2021 ("**Prospectus**") filed with the RoC and thereafter with the Securities Exchange Board of India ("**SEBI**"), BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with the BSE, the "**Stock Exchanges**").

Registered and Corporate Office: 81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagar District, 562 112, Karnataka, India. **Tel**: +91 80 2801 6222; **Fax**: +91 80 2801 6209
Contact Person: Shashidhar SK, Chief Financial Officer, Company Secretary and Compliance Officer; **E-mail**: cs@stovekraft.com; **Website**: www.stovekraft.com, **Corporate Identity Number**: U29301KA1999PLC025387

OUR PROMOTERS: RAJENDRA GANDHI AND SUNITA RAJENDRA GANDHI

Our Company has filed the Prospectus with the RoC on February 1, 2021 and the Equity Shares are proposed to be listed on the Stock Exchanges and trading is expected to commence on February 5, 2021.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFER OF 10,717,532 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF STOVE KRAFT LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹385 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹375 PER EQUITY SHARE) AGGREGATING UP TO ₹4,126.25 MILLION ("OFFER") COMPRISING OF A FRESH ISSUE OF 2,467,532 EQUITY SHARES AGGREGATING UP TO ₹950.00 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF 8,250,000 EQUITY SHARES COMPRISING OF 690,700 EQUITY SHARES BY OUR PROMOTER, RAJENDRA GANDHI, 59,300 EQUITY SHARES BY OUR PROMOTER, SUNITA RAJENDRA GANDHI ("PROMOTER SELLING SHAREHOLDERS"), 1,492,080 EQUITY SHARES BY SEQUOIA CAPITAL INDIA GROWTH INVESTMENT HOLDINGS I ("SCI-GIH") AND 6,007,920 EQUITY SHARES BY SCI GROWTH INVESTMENTS II ("SCI", TOGETHER WITH SCI-GIH, "INVESTOR SELLING SHAREHOLDERS") (THE INVESTOR SELLING SHAREHOLDERS TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS"), AND SUCH OFFERED SHARES, THE "OFFERED SHARES") AGGREGATING UP TO ₹3,176.25 MILLION ("OFFER FOR SALE"). THE OFFER WILL CONSTITUTE 32.93% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹10 EACH. THE OFFER PRICE IS 38.5 TIMES THE FACE VALUE OF THE EQUITY SHARES.

OFFER PRICE: ₹385 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH
ANCHOR INVESTOR OFFER PRICE: ₹385 PER EQUITY SHARE
THE OFFER PRICE IS 38.50 TIMES THE FACE VALUE

RISKS TO INVESTORS:

- The two book running lead managers ("BRLMs") associated with the Offer have handled 18 public issues in the past three years out of which 7 issues closed below the issue price on listing date.
- The average cost of acquisition of equity shares for Promoter Selling Shareholders ranges from ₹3.18 per Equity Share to ₹8.49 per Equity Share and for Investor Selling Shareholders ranges from ₹113.48 per Equity Share to ₹239.34 per Equity Share and Offer Price at upper end of Price band ₹385.
- The Price/Earnings ratio based on adjusted diluted EPS for Fiscal 2020 for the Issuer at the upper end of the Price band is as high as 366.67 as compared to the average industry peer group PE ratio of 123.82.
- Weighted Average Return on adjusted Net Worth for the financial years 2020, 2019 and 2018 is 1.46%.

BID/OFFER PERIOD:
OPENED ON: MONDAY, JANUARY 25, 2021
CLOSED ON : THURSDAY, JANUARY 28, 2021
ANCHOR INVESTOR BIDDING DATE WAS:
FRIDAY, JANUARY 22, 2021

The Offer was made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI Issue of Capital and Disclosure Requirements Regulations, 2018 ("**SEBI ICDR**") and was made in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein at least 75% of the Offer was made available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Category**"). Our Company and Selling Shareholders have, in consultation with the BRLMs, allocated 60% of the QIB Category to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds only at or above the Anchor Investor Allocation Price. Further, such number of Equity Shares representing 5% of the QIB Category (excluding the Anchor Investor Portion) was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category was made available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids having been received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, the Bid Amounts received by our Company shall be refunded. Further, not more than 15% of the Offer was made available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer was made available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price. All Bidders (except Anchor Investors) were required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA accounts, and UPI ID, in case of RIBs, if applicable, in which the corresponding Bid Amounts were blocked by the SCSBs or under the UPI Mechanism, as applicable. Anchor Investors were not permitted to participate in the Offer through the ASBA process. For details, see *"Offer Procedure"* on page 285 of the Prospectus.

The Offer received 478,728 applications for 10,53,40,294 Equity Shares (prior to technical rejections) resulting in 9.8288 times subscription. The details of the applications received in the Offer from various categories are as under (before technical rejections):

Sr. No.	Category	No. of Applications Applied	No. of Equity Shares	Shares Reserved as per Prospectus	No. of times Subscribed	Amount (Rs.)
A	Qualified Institutional Bidders (excluding Anchor Investors)	43	2,57,45,760	32,15,260	8.01	9,91,21,17,600
B	Non Institutional Investors	869	5,11,06,884	16,07,629	31.79	19,67,61,61,892
C	Retail Individual Investors	4,77,784	2,31,88,892	10,71,753	21.64	8,92,85,16,886
D	Anchor Investors	32	52,98,758	48,22,890	1.10	2,04,00,21,830
	Total	**4,78,728**	**10,53,40,294**	**1,07,17,532**	**9.83**	**40,55,68,18,208**

Final Demand

A summary of the final demand as per BSE and NSE as on the Offer Closing Date at different Bid prices is as under:

Sr. No.	Bid Price	No. of Equity Shares	% to Total	Cumulative Total	Cumulative % of Total
1	384	2,35,410	0.22	2,35,410	0.22
2	385	8,45,36,966	78.13	8,47,72,376	78.35
3	CUTOFF	2,34,30,572	21.65	10,82,02,948	100.00
	TOTAL	**10,82,02,948**	**100.00**		

The Basis of Allotment was finalized in consultation with the Designated Stock Exchange, being the BSE on February 2, 2021.

A. Allotment to Retail Individual Bidders (After Technical Rejections) (including ASBA Applications)

The Basis of Allotment to the Retail Individual Bidders, who have bid at the Cut-Off Price or at the Offer Price of ₹385 per Equity Share, was finalized in consultation with the BSE. This category has been subscribed to the extent of 21.0539 times. The total number of Equity Shares Allotted in Retail Portion is 1,071,753 Equity Shares to 28,204 successful Retail Individual Bidder. The category-wise details of the Basis of Allotment are as under:

Category	No. of Applications Received	% of Total	Total No. of Equity Shares applied	% to Total	No. of Equity Shares allotted per Bidder	Ratio	Total No. of Equity Shares allotted
38	4,24,875	91.29	1,61,45,250	71.55	38	289 : 4769	9,78,386
76	20,556	4.42	15,62,256	6.92	38	2 : 33	47,348
114	6,530	1.40	7,44,420	3.30	38	2 : 33	15,048
152	2,824	0.61	4,29,248	1.90	38	2 : 33	6,498
190	2,501	0.54	4,75,190	2.11	38	2 : 33	5,738
228	1,092	0.23	2,48,976	1.10	38	2 : 33	2,508
266	1,067	0.23	2,83,822	1.26	38	2 : 33	2,470
304	392	0.08	1,19,168	0.53	38	3 : 49	912
342	219	0.05	74,898	0.33	38	13 : 219	494
380	1,231	0.26	4,67,780	2.07	38	2 : 33	2,812
418	176	0.04	73,568	0.33	38	11 : 176	418
456	324	0.07	1,47,744	0.65	38	5 : 81	760
494	3,628	0.78	17,92,232	7.94	38	2 : 33	8,360
					1	1 : 2457	1
TOTAL	**4,65,415**	**100.00**	**2,25,64,552**	**100.00**			**10,71,753**

Please Note: 1 additional Share shall be allotted to 1 Allottees from amongst 2,457 Successful Applicants from the categories 76 - 494 (i.e. excluding successful applicants from Category 38) in the ratio of 1 : 2457

B. Allotment to Non-Institutional Bidders (After Technical Rejections)

The Basis of Allotment to the Non-Institutional Bidders, who have bid at the Offer Price of ₹385per Equity Share or above, was finalized in consultation with the BSE. The Non-Institutional Portion has been subscribed to the extent of 31.6361 times. The total number of Equity Shares Allotted in this category is 1,607,629 Equity Shares to 633 successful Non-Institutional Bidder. The category-wise details of the Basis of Allotment are as under (Sample):

Category	No. of Applications Received	% of Total	Total No. of Equity Shares applied	% to Total	No. of Equity Shares allotted per Bidder	Ratio	Total No. of Equity Shares allotted
532	228	26.76	1,21,296	0.24	38	101 : 228	3,838
570	81	9.51	46,170	0.09	38	38 : 81	1,444
608	17	2.00	10,336	0.02	38	9 : 17	342
646	15	1.76	9,690	0.02	38	8 : 15	304
684	9	1.06	6,156	0.01	38	5 : 9	190
722	2	0.23	1,444	0.00	38	1 : 2	38
760	40	4.69	30,400	0.06	38	5 : 8	950
1038958	2	0.23	20,77,916	4.09	32,841	1 : 1	65,682
1082582	1	0.12	10,82,582	2.13	34,220	1 : 1	34,220
1263082	2	0.23	25,26,164	4.97	39,925	1 : 1	79,850
1272696	1	0.12	12,72,696	2.50	40,229	1 : 1	40,229
1298688	2	0.23	25,97,376	5.11	41,051	1 : 1	82,102
1870094	1	0.12	18,70,094	3.68	59,113	1 : 1	59,113
1948032	1	0.12	19,48,032	3.83	61,576	1 : 1	61,576
2289348	1	0.12	22,89,348	4.50	72,365	1 : 1	72,365
2337646	1	0.12	23,37,646	4.60	73,892	1 : 1	73,892
2597376	3	0.35	77,92,128	15.32	82,102	1 : 1	2,46,306
2662318	1	0.12	26,62,318	5.23	84,154	1 : 1	84,154
2675314	3	0.35	80,25,942	15.78	84,565	1 : 1	2,53,695
TOTAL	**852**	**100.00**	**5,08,59,162**	**100.00**			**16,07,629**

C. Allotment to QIBs (After Technical Rejections)

Allotment to QIBs, who have Bid at the Offer Price of ₹385 per Equity Share or above, has been done on a proportionate basis in consultation with the BSE. This category has been subscribed to the extent of 8.0074 times of QIB Portion. As per the SEBI Regulations, Mutual Funds were Allotted 5% of the Equity Shares of QIB Portion available i.e. 160,763 Equity Shares and other QIBs and unsatisfied demand of Mutual Funds were Allotted the remaining available Equity Shares i.e. 3,054,497 Equity Shares on a proportionate basis. The total number of Equity Shares Allotted in the QIB Portion is 3,215,260 Equity Shares, which were allotted to 43 successful QIB Bidders. The category-wise details of the Basis of Allotment are as under:

Category	FIs/Banks	FIIs/FPIs	IC	MFs	OTHs	Total
QIB	5,11,651	17,12,619	1,25,588	3,90,846	4,74,556	32,15,260

D. Allotment to Anchor Investors

The Company and the Selling Shareholders, in consultation with the BRLMs, have allocated 4,822,890 Equity Shares to 32 Anchor Investors through 15 Applications (including 3 Mutual Funds through 20 schemes) at the Anchor Investor Offer Price of ₹385 per Equity Share in accordance with the SEBI Regulations. This represents 60% of the QIB Portion.

Category	MFs	ICs	AIFs	FPI/FIIs	OTHs	Total
Anchor	12,98,688	3,63,622	12,16,687	19,43,893	–	48,22,890

The basis of allotment of Equity Shares was approved by the Designated Stock Exchange, being BSE and the IPO Committee of the Board of Directors of the Company on February 3, 2021 has allotted the Equity Shares to successful Bidders. The Allotment Advice-cum-Intimations will be dispatched to the address of the investors as registered with the depositories. Further, the instructions to the Self Certified Syndicate Banks for unblocking of funds and transfer to Public Offer Account have been issued on February 02, 2021 and payment to non-Syndicate brokers have been issued on February 3, 2021. In case the same is not received within ten days, investors may contact the Registrar to the Offer at the address given below. The Equity Shares Allotted to the successful Allottees have been uploaded on February 03, 2021 for credit into the respective beneficiary accounts subject to validation of the account details with the depositories concerned. The Company is in the process of obtaining the listing and trading approvals from NSE and BSE and the trading is expected to commence on February 05, 2021.

All capitalised terms used and not specifically defined herein shall have the same meaning as ascribed to them in the Prospectus.

INVESTORS PLEASE NOTE

The details of the allotment made will be hosted on the website of the Registrar to the Offer, KFin Technologies Private Limited at www.kfintech.com

All future correspondence in this regard may kindly be addressed to the Registrar to the Offer quoting full name of the first/ sole Bidder, Bid -cum-Application Form number, Bidder DP ID, Client ID, PAN, date of submission of Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. and a copy of the Acknowledgment Slip received from the Designated Intermediary at the address given below:

KFINTECH

KFin Technologies Private Limited
Selenium, Tower B, Plot No. 31-32, Financial District, Nanakramguda Serilingampally,
Hyderabad Rengareddi 500 032, Telangana, India
Tel: +91 40 6716 2222; **Fax**: +91 40 2343 1551
E-mail: stovekraft.ipo@kfintech.com, **Investor grievance e-mail**: einward.ris.ipo@kfintech.com
Website: www.kfintech.com; **Contact Person**: M. Murali Krishna, **SEBI Registration No.**: INR000000221

For **STOVE KRAFT LIMITED**
On behalf of the Board of Directors
Sd/-
Chief Financial Officer, Company Secretary and Compliance Officer

Place: Bengaluru
Date: February 4, 2021

THE LEVEL OF SUBSCRIPTION SHOULD NOT BE TAKEN TO BE INDICATIVE OF EITHER THE MARKET PRICE OF THE EQUITY SHARES ON LISTING OR THE BUSINESS PROSPECTS OF STOVE KRAFT LIMITED.

STOVE KRAFT LIMITED has filed the Prospectus with the RoC on February 1, 2021 and thereafter with the SEBI and the Stock Exchanges. The Prospectus is available on the websites of SEBI, BSE and NSE at www.sebi.gov.in, www.bseindia.com and www.nseindia.com, respectively, and is available on the websites of the BRLMs, i.e., Edelweiss Financial Services Limited and JM Financial Limited at www.edelweissfin.com and www.jmfl.com, respectively. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please see "*Risk Factors*" on page 19 of the Prospectus.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to: the registration requirements of the Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S. There will be no offering of the Equity Shares in the United States.