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# SPANDANA SPHOORTY FINANCIAL LIMITED

Our Company was incorporated as Spandana Sphoorty Innovative Financial Services Limited (“**SSIFSL**”) on March 10, 2003 at Hyderabad, Andhra Pradesh, India as a public limited company under the Companies Act, 1956. A certificate of commencement of business was issued to SSIFSL on November 11, 2003 by the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad (“**RoC**”). On October 16, 2004, the Reserve Bank of India (“**RBI**”) granted a certificate of registration bearing registration no. N-09.00414 to our Company, for the registration of our Company as a non-deposit accepting non-banking financial company (“**NBFC**”) under Section 45IA of the Reserve Bank of India Act, 1934. Subsequently, pursuant to a special resolution dated November 26, 2007 passed by our shareholders, the name of our Company was changed to Spandana Sphoorty Financial Limited. Pursuant to a letter dated December 26, 2007, the RBI granted its no objection to the change of name of our Company to Spandana Sphoorty Financial Limited and a fresh certificate of incorporation consequent to change of name was issued by the RoC to our Company on January 3, 2008. Further, a fresh certificate of registration bearing registration no. N-09.00414 pursuant to the change of name was issued by the RBI on January 11, 2008. Our Company was granted NBFC – Microfinance Institution (“**NBFC-MFI**”) status by the RBI with effect from April 13, 2015 and a modified certificate of registration bearing registration no. N-09.00414 was issued by the RBI to this effect. For further details of the changes in the name and registered office of our Company, see “**History and Certain Corporate Matters**” on page 154 of the Red Herring Prospectus dated July 25, 2019 and for further details of the registrations in relation to the business of our Company, see “**Government and Other Approvals**” on page 411 of the Red Herring Prospectus.

**Registered and Corporate Office:** Plot No: 31 & 32, Ramky Selenium Towers, Tower A, Ground Floor, Financial District, Nanakramguda, Hyderabad 500 032, Telangana, India; **Tel:** +91 40 4812 6666; **Fax:** +91 40 4438 6640; **Contact Person:** Rakesh Jhinharia (Company Secretary and Compliance Officer); **E-mail:** secretarial@spandanaindia.com; **Website:** www.spandanaindia.com; **Corporate Identity Number:** U65929TG2003PLC040648

## OUR PROMOTERS: PADMAJA GANGIREDDY AND KANGCHENJUNGA LIMITED

INITIAL PUBLIC OFFER OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[•] PER EQUITY SHARE) AGGREGATING UP TO ₹ [•] MILLION (“OFFER”), COMPRISING A FRESH ISSUE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹4,000.00 MILLION (“FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO 9,356,725 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION, COMPRISING OF AN OFFER FOR SALE OF UP TO 5,967,097 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY KANGCHENJUNGA LIMITED (“CORPORATE PROMOTER SELLING SHAREHOLDER”), UP TO 1,423,114 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY PADMAJA GANGIREDDY (“INDIVIDUAL PROMOTER SELLING SHAREHOLDER”), UP TO 796,509 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY VIJAYA SIVA RAMI REDDY VENDIDANDI (“VSSRRV”), UP TO 783,747 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY VALIANT MAURITIUS PARTNERS FDI LIMITED (“VALIANT”), 132,831 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY HELION VENTURE PARTNERS II, LLC (“HELION II”), UP TO 129,732 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY KEDAARA CAPITAL ALTERNATIVE INVESTMENT FUND – KEDAARA CAPITAL AIF 1 (“KEDAARA AIF 1”) AND UP TO 123,695 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY HELION VENTURE PARTNERS, LLC (“HELION”) (TOGETHER, “INVESTOR SELLING SHAREHOLDERS” AND, TOGETHER WITH THE CORPORATE PROMOTER SELLING SHAREHOLDER, THE INDIVIDUAL PROMOTER SELLING SHAREHOLDER, KEDAARA AIF 1, VSSRRV, HELION II, HELION AND VALIANT, “SELLING SHAREHOLDERS” AND SUCH OFFERED SHARES, “OFFERED SHARES”) (“OFFER FOR SALE”).

• QIB Portion: Not more than 50% • Retail Individual Bidders: Not less than 35% • Non-Institutional Bidders: Not less than 15%

Price Band: ₹ 853 to ₹ 856 per Equity Share of face value of ₹ 10 each.

The Floor Price is 85.3 times the face value and the Cap Price is 85.6 times the face value of the Equity Shares.

Bids can be made for a minimum of 17 Equity Shares and in multiples of 17 Equity Shares thereafter.

**ASBA** #

Simple, Safe,  
Smart way of Application!!!

# Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, For further details, check section on ASBA below.  
Mandatory in public issues. No cheque will be accepted.



UPI-Now mandatory in ASBA for Retail Investors applying through Registered Brokers, CDPs & RTAs. Retail Investors also have the options to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.

• Investors have to apply through the ASBA process. • ASBA has to be availed by all the investors except Anchor investors. • For details on the ASBA and UPI process, please refer to the details given in ASBA Form and abridged prospectus and also please refer to the section “**Offer Procedure**” beginning on page 441 of the Red Herring Prospectus. • The process is also available on the website of Association of Investment Bankers of India “**AIBI**”, Stock Exchanges and in the General Information Document. ASBA Forms can be downloaded from the websites of BSE Limited and National Stock Exchange of India Limited and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in. List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. ICICI Bank Limited has been appointed as Sponsor Bank for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018. • For details of the Banks eligible to act as Issuer Banks for UPI, kindly refer to the website of SEBI at www.sebi.gov.in. • For UPI related queries, investors can contact NPCI at the toll free number-18001201740 and Mail Id-ipo.upi@npci.org.in. • For the list of UPI Apps and Banks live on IPO, please refer to the link https://www.npci.org.in/upi-live-ipo.

### Risks to Investors

- The four Global Co-ordinators and Book Running Lead Managers and two Book Running Lead Managers associated with the Offer have handled 47 public issues during the current financial year and two financial years preceding the current financial year, out of which 16 public issues closed below the issue/offer price on listing date.
- The Price/Earnings ratio based on diluted EPS for fiscal 2019 for the Company at the upper end of the Price band is as high as 16.21 times, on a standalone basis and 16.04 times, on a consolidated basis as compared to the average industry peer group Price/Earning ratio is 21.3 times on a consolidated basis.
- The average cost of acquisition per Equity Share for our Selling Shareholders is in the range of ₹3.33 to ₹322.81 per Equity Share. The Offer Price at the upper end of the Price Band is ₹ 856.

## CORRIGENDUM TO THE RED HERRING PROSPECTUS: NOTICE TO INVESTORS

This corrigendum is with reference to the Red Herring Prospectus dated July 25, 2015 (“**Red Herring Prospectus**”) filed with the Registrar of Companies, Andhra Pradesh and Telangana situated at Hyderabad (the “**RoC**”) and the Securities and Exchange Board of India (“**SEBI**”) in relation to the Offer. All capitalized terms used in this notice shall, unless the context otherwise requires, have the meanings ascribed in the Red Herring Prospectus.

Investors should note that pursuant to an amendment agreement to the Escrow and Sponsor Bank Agreement dated August 2, 2019 (“**Escrow and Sponsor Bank Amendment Agreement**”), ICICI Bank Limited has been appointed by the Company and the Selling Shareholders as the Sponsor Bank in relation to the Offer. Further, pursuant to the Escrow and Sponsor Bank Amendment Agreement, the appointment of Kotak Mahindra Bank Limited as the Sponsor Bank to the Offer has been terminated. Accordingly, the following changes will be reflected in the Prospectus to be filed with the RoC.

- A) In the section “**Definitions and Abbreviations**”, on page 5 of the Red Herring Prospectus we propose to include the following under the definition for “Escrow and Sponsor Bank Agreement”:
- “The agreement dated July 24, 2019, amongst our Company, the Selling Shareholders, the Registrar to the Offer, GCBRLMs and the BRLMs, the Syndicate Member, the sponsor bank, the Escrow Collection Bank, the Public Offer Account Bank and the Refund Bank for collection of the Bid Amounts and where applicable, remitting refunds (if any) on the terms and conditions thereof, as amended by an amendment agreement dated August 2, 2019, amongst our Company, the Selling Shareholders, the Registrar to the Offer, GCBRLMs and the BRLMs, the Syndicate Member, the Sponsor Bank, the Escrow Collection Bank, the Public Offer Account Bank and the Refund Bank”*
- B) In the section “**Definitions and Abbreviations**”, on page 8 of the Red Herring Prospectus we propose to include the following under the definition for “Sponsor Bank”:
- “A Banker to the Offer which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLMs to act as a conduit between the Stock Exchanges and NCPL to push the UPI Mandate Request in respect of RIBs as per the UPI Mechanism, in this case being ICICI Bank Limited”*
- C) In the section “**Definitions and Abbreviations**”, on page 8 of the Red Herring Prospectus we propose to include the following under the definition for “Syndicate Agreement”:
- “The agreement dated July 24, 2019, amongst the GCBRLMs and the BRLMs, the Syndicate Member, the Registrar to the Offer, our Company and the Selling Shareholders in relation to the collection of Bid cum Application Forms by the Syndicate Member”*
- D) In the section “General Information”, on page 71 of the Red Herring Prospectus we propose to include the following under the details of the “Sponsor Bank”:
- “ICICI Bank Limited  
Capital Markets Division, 1st Floor  
122, Mistry Bhavan, Dinshaw Vachha Road  
Backbay Reclamation, Churchgate  
Mumbai 400 020, Maharashtra, India  
Tel: +91 22 6681 8933/ 23/ 24  
Fax: +91 22 2261 1138  
E-mail: kmr.saurabh@icicibank.com  
Website: www.icicibank.com  
Contact Person: Saurabh Kumar”*
- E) In the section “**Material Contracts and Documents for Inspection**”, on page 583 of the Red Herring Prospectus we propose to replace point number 3 under “Material Contracts for the Offer” with:
- “3.Escrow and Sponsor Bank Agreement dated July 24, 2019, between our Company, the Selling Shareholders, the Registrar to the Offer, the GCBRLMs, the BRLMs, the Syndicate Member, the sponsor bank and the Escrow Collection Bank(s), the Public Offer Account Bank, the Refund Bank(s) and the Registrar to the Offer, as amended by an amendment agreement dated August 2, 2019, amongst our Company, the Selling Shareholders, the Registrar to the Offer, GCBRLMs and the BRLMs, the Syndicate Member, the Sponsor Bank, the Escrow Collection Bank, the Public Offer Account Bank and the Refund Bank”*
- F) In the section “Material Contracts and Documents for Inspection”, on page 583 of the Red Herring Prospectus we propose to replace point number 5 under “Material Contracts for the Offer” with:
- “5. Syndicate Agreement dated July 24, 2019, as amended on August 2, 2019, between our Company, the Selling Shareholders, the GCBRLMs, the BRLMs and the Syndicate Member.”*

The Red Herring Prospectus, the Bid cum Application Forms, the pre-Offer advertisement dated July 30, 2019, the advertisement announcing the Price Band dated July 30, 2019 and the Abridged Prospectus shall be read in conjunction with this notice. The above notice is required to be read in conjunction with other disclosures in the Red Herring Prospectus.

Place: Hyderabad  
Date: August 02, 2019

For Spandana Sphoorty Financial Limited  
On behalf of the Board of Directors  
Sd/-  
Company Secretary and Compliance Officer

Spandana Sphoorty Financial Limited is proposing, subject to, applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has registered the Red Herring Prospectus with the RoC on July 25, 2019. The Red Herring Prospectus shall be available on the websites of SEBI, BSE, NSE at www.sebi.gov.in, www.bseindia.com and www.nseindia.com, respectively, and is available on the websites of the GCBRLMs, i.e. Axis Capital Limited, ICICI Securities Limited, IIFL Securities Limited and JM Financial Limited at www.axiscapital.co.in, www.icicisecurities.com, www.iiflcap.com and www.jmfi.com, respectively and on the websites of the BRLMs, i.e. IndusInd Bank Limited and YES Securities (India) Limited at www.indusind.com and www.yesinvest.in, respectively. Potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see “Risk Factors” beginning on page 18 of the Red Herring Prospectus. Potential investors should not rely on the DRHP for any investment decision.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only (1) in the United States to institutions that are “qualified institutional buyers” as defined in Rule 144A under the U.S. Securities Act (“**Rule 144A**”), and (2) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act (“**Regulation S**”) and the applicable laws of the jurisdictions where those offers and sales occur. Prospective purchasers that are “qualified institutional buyers” as defined in Rule 144A are hereby notified that the sellers of Equity Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The Equity Shares are not transferable except in accordance with all applicable laws and the restrictions described under “**Purchaser Representations and Transfer Restrictions**” of the Preliminary Offering Memorandum.