



SPANDANA

SPANDANA SPOHOORTY 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 451A 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 Prospectus dated August 8, 2019 ("Prospectus") 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 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 Jhinjaria (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

Our Company has filed the Prospectus dated August 8, 2019 with the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad and the Equity Shares are proposed to be listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") and the trading will commence on or about August 19, 2019.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFER OF 13,900,110 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹856 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹846 PER EQUITY SHARE) AGGREGATING TO ₹11,898.49 MILLION ("OFFER"), COMPRISING A FRESH ISSUE OF 4,543,385 EQUITY SHARES AGGREGATING TO ₹3,889.14 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF 9,356,725 EQUITY SHARES, COMPRISING AN OFFER FOR SALE OF 5,967,097 EQUITY SHARES AGGREGATING TO ₹5,107.84 MILLION BY KANGCHENJUNGA LIMITED ("CORPORATE PROMOTER SELLING SHAREHOLDER"), 1,423,114 EQUITY SHARES AGGREGATING TO ₹1,218.19 MILLION BY PADMAJA GANGIREDDY ("INDIVIDUAL PROMOTER SELLING SHAREHOLDER"), 796,509 EQUITY SHARES AGGREGATING TO ₹681.81 MILLION BY VIJAYA SIVA RAMI REDDY VENDIDANDI ("VSRV"), 783,747 EQUITY SHARES AGGREGATING TO ₹670.89 MILLION BY VALIANT MAURITIUS PARTNERS FDI LIMITED ("VALIANT"), 132,831 EQUITY SHARES AGGREGATING TO ₹113.70 MILLION BY HELION VENTURE PARTNERS II, LLC ("HELION II"), 129,732 EQUITY SHARES AGGREGATING TO ₹111.05 MILLION BY KEDAARA CAPITAL ALTERNATIVE INVESTMENT FUND - KEDAARA CAPITAL AIF 1 ("KEDAARA AIF 1") AND 123,695 EQUITY SHARES AGGREGATING TO ₹105.88 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, VSRV, HELION II, HELION AND VALIANT, "SELLING SHAREHOLDERS" AND SUCH OFFERED SHARES, "OFFERED SHARES") AGGREGATING TO ₹8,009.36 MILLION ("OFFER FOR SALE").

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH.
THE OFFER PRICE IS 85.6 TIMES THE FACE VALUE OF THE EQUITY SHARES.

OFFER PRICE: ₹ 856 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH
ANCHOR INVESTOR OFFER PRICE: ₹ 856 PER EQUITY SHARE

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.

BID/ OFFER PERIOD

OPENED ON: MONDAY, AUGUST 5, 2019

CLOSED ON : WEDNESDAY, AUGUST 7, 2019

ANCHOR INVESTOR BIDDING DATE WAS : FRIDAY, AUGUST 2, 2019

The Offer was made in terms of Rule 19(2)(b)(iii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"). The Offer was made through the Book Building Process, in compliance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("2009 SEBI ICDR Regulations"), wherein not more than 50% of the Offer was allocated on a proportionate basis to QIBs ("QIB Portion"), provided that our Company and the Selling Shareholders, in consultation with the GCBRLMs and the BRLMs, allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"), at the Anchor Investor Allocation Price. At least one-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price. 5% of the Net QIB Portion was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds was less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion was allowed to be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer was made available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer was made available for allocation to Retail Individual Bidders in accordance with the 2009 SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, mandatorily participated in this Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank accounts and UPI ID, in case of RBIs, if applicable, which were blocked by the Self-Certified Syndicate Banks ("SCSBs"). Anchor Investors were not permitted to participate in the Offer through ASBA Process. For details, see "Offer Procedure" on page 441 of the Prospectus.

The Offer received 20,267 applications for 14,751,614 Equity Shares (prior to technical rejections) resulting in 1.05 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 (₹)
A	Qualified Institutional Bidders (excluding Anchor Investors)	31	8,695,398	2,805,924	3.10	7,441,853,904
B	Non Institutional Investors	52	1,040,451	2,104,444	0.49	890,623,914
C	Retail Individual Investors	20,166	4,35,217	4,910,368	0.09	372,654,909
D	Anchor Investors	18	4,580,548	4,208,886	1.09	3,920,949,088
	Total	20,267	14,751,614	14,029,622	1.05	12,626,081,815

Final Demand

A summary of the final demand as at different Bid prices is as under:

Sr. No.	Bid Price	Bids Quantity	(%) to Total	Cumulative Total	% Cumulative Total
1	853	474,011	4.59	474,011	4.59
2	854	2,227	0.02	476,238	4.61
3	855	2,584	0.03	478,822	4.63
4	856	9,518,351	92.09	9,997,173	96.72
5	CUTOFF	338,589	3.28	10,335,762	100.00
	TOTAL	10,335,762	100.00		

The Basis of Allotment was finalized in consultation with the Designated Stock Exchange, being the NSE on August 13, 2019.

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 ₹ 856 per Equity Share, was finalized in consultation with the NSE. This category has been subscribed to the extent of 0.08656 times. The total number of Equity Shares Allotted in Retail Portion is 425,017 Equity Shares to 19,685 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 Applicant	Ratio	Total No. of Equity Shares Allotted
17	18,108	91.99	307,836	72.43	17	1 : 1	307,836
34	757	3.85	25,738	6.06	34	1 : 1	25,738
51	272	1.38	13,872	3.26	51	1 : 1	13,872
68	99	0.50	6,732	1.58	68	1 : 1	6,732
85	79	0.40	6,715	1.58	85	1 : 1	6,715
102	83	0.42	8,466	1.99	102	1 : 1	8,466
119	40	0.20	4,760	1.12	119	1 : 1	4,760
136	14	0.07	1,904	0.45	136	1 : 1	1,904
153	6	0.03	918	0.22	153	1 : 1	918
170	35	0.18	5,950	1.40	170	1 : 1	5,950
187	2	0.01	374	0.09	187	1 : 1	374
204	14	0.07	2,856	0.67	204	1 : 1	2,856
221	176	0.89	38,896	9.15	221	1 : 1	38,896
TOTAL	19,685	100.00	425,017	100.00			425,017

Unsubscribed portion of 4,485,351 Equity Shares spilled over to QIB Category.

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 ₹ 856 per Equity Share or above, was finalized in consultation with the NSE. The Non-Institutional Portion has been subscribed to the extent of 0.49407 times. The total number of Equity Shares Allotted in this category is 1,039,737 Equity Shares to 49 successful Non-Institutional 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 Applicant	Ratio	Total No. of Equity Shares Allotted
238	7	14.29	1,666	0.16	238	1 : 1	1,666
306	2	4.08	612	0.06	306	1 : 1	612
340	2	4.08	680	0.07	340	1 : 1	680
357	1	2.04	357	0.03	357	1 : 1	357
391	1	2.04	391	0.04	391	1 : 1	391
425	1	2.04	425	0.04	425	1 : 1	425
510	1	2.04	510	0.05	510	1 : 1	510
578	2	4.08	1,156	0.11	578	1 : 1	1,156
595	1	2.04	595	0.06	595	1 : 1	595
850	1	2.04	850	0.08	850	1 : 1	850
918	1	2.04	918	0.09	918	1 : 1	918
1020	1	2.04	1,020	0.10	1,020	1 : 1	1,020
1173	1	2.04	1,173	0.11	1,173	1 : 1	1,173
1224	1	2.04	1,224	0.12	1,224	1 : 1	1,224
1445	2	4.08	2,890	0.28	1,445	1 : 1	2,890
1700	2	4.08	3,400	0.33	1,700	1 : 1	3,400
2040	4	8.16	8,160	0.78	2,040	1 : 1	8,160
4658	1	2.04	4,658	0.45	4,658	1 : 1	4,658
5100	1	2.04	5,100	0.49	5,100	1 : 1	5,100
5814	1	2.04	5,814	0.56	5,814	1 : 1	5,814
5831	2	4.08	11,662	1.12	5,831	1 : 1	11,662
5848	1	2.04	5,848	0.56	5,848	1 : 1	5,848
7310	1	2.04	7,310	0.70	7,310	1 : 1	7,310
9996	1	2.04	9,996	0.96	9,996	1 : 1	9,996
16507	1	2.04	16,507	1.59	16,507	1 : 1	16,507
20434	1	2.04	20,434	1.97	20,434	1 : 1	20,434
23358	1	2.04	23,358	2.25	23,358	1 : 1	23,358
35037	1	2.04	35,037	3.37	35,037	1 : 1	35,037
44506	1	2.04	44,506	4.28	44,506	1 : 1	44,506
93449	1	2.04	93,449	8.99	93,449	1 : 1	93,449
146013	2	4.08	292,026	28.09	146,013	1 : 1	292,026
204442	1	2.04	204,442	19.66	204,442	1 : 1	204,442
233563	1	2.04	233,563	22.46	233,563	1 : 1	233,563
TOTAL	49	100.00	1,039,737	100.00			1,039,737

Unsubscribed portion of 1,064,707 Equity Shares spilled over to QIB category.

C. Allotment to QIBs

Allotment to QIBs, who have Bid at the Offer Price of ₹ 856 per Equity Share or above, has been done on a proportionate basis in consultation with the NSE. This category has been subscribed to the extent of 0.98450 times of QIB Portion. As per the SEBI Regulations, Mutual Funds were Allotted 5% of the Equity Shares of QIB Portion available i.e. 140,296 Equity Shares and other QIBs and unsatisfied demand of Mutual Funds were Allotted the remaining available Equity Shares i.e. 8,355,982 (including spilled over from RII, NIB & QIB MF Categories) Equity Shares on a proportionate basis. The total number of Equity Shares Allotted in the QIB Portion is 8,226,470 Equity Shares, which were allotted to 29 successful QIB Bidders. The category-wise details of the Basis of Allotment are as under:

Category	FIs/Banks	FII	MFs	ICs	NBFC	Others	Total
QIB	817,717	2,024,632	-	4,004,452	1,156	1,378,513	8,226,470

Includes spilled over of 5,690,354 Equity Shares from Retail Category, NIB category and QIB Mutual Funds.

*Unsubscribed portion of 129,512 Equity Shares not allocated to any other category. After meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer was met through the sale of all Offered Shares offered by the Selling Shareholders in the Offer for Sale in proportion to their shareholding in our Company as on the date of the Red Herring Prospectus dated July 25, 2019, and thereafter through the issuance of balance portion of equity shares forming part of the Fresh Issue.

D. Allotment to Anchor Investors

The Company and the Selling Shareholders, in consultation with the GCBRLMs and the BRLMs, have allocated 4,208,886 Equity Shares to 18 Anchor Investors at the Anchor Investor Offer Price of ₹ 856 per Equity Share in accordance with the SEBI Regulations. This represents 60% of the QIB Portion.

Category	FIs/Banks	MFs	ICs	AIF	FPI	OTH	Total
Anchor	-	-	1,051,433	871,934	2,285,519	-	4,208,886

The IPO Committee of our Company on August 13, 2019 has taken on record the Basis of Allotment of Equity Shares approved by the Designated Stock Exchange, being NSE and has allotted the Equity Shares to various successful Bidders. The Allotment Advice and/or notices 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, transfer to Public Offer Account have been issued on August 13, 2019 and payments to non-Syndicate brokers have been issued on August 14, 2019. 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 August 14, 2019 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 final listing and trading approval from NSE and BSE and the trading will commence on or about August 19, 2019.

Pursuant to the finalization of basis of allotment, the unsubscribed portion of 129,512 Equity Shares was reduced from the Fresh Issue and the size of the Fresh Issue was reduced from ₹4,000.00 million to ₹3,889.14 million. Accordingly, the minimum Promoters' contribution and the statement of capitalisation on standalone and consolidated basis in the Prospectus dated August 8, 2019 shall stand amended.

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, Karvy Fintech Private Limited (formerly known as, KCPL Advisory Services Private Limited) at www.karisma.karvy.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:

KARVY FINTECH

Karvy Fintech Private Limited

(formerly known as, KCPL Advisory Services Private Limited)
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, Telangana, India
Tel: +91 40 6716 2222; Fax: +91 40 2343 1551, E-mail: einward.ris@karvy.com
Investor grievance E-mail: spandana.ipso@karvy.com, Website: www.karisma.karvy.com
Contact Person: M. Murali Krishna, SEBI Registration No.: INR000000221

For Spandana Sphoorty Financial Limited

On behalf of the Board of Directors

Sd/-

Company Secretary and Compliance Officer

Place: Hyderabad

Date: August 16, 2019

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 SPANDANA SPOHOORTY FINANCIAL LIMITED

Spandana Sphoorty Financial Limited has made an initial public offer of its Equity Shares and has registered the Prospectus with the RoC on August 8, 2019. RHP and the Prospectus are 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.

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.

*Pursuant to the transfer of Merchant Banker registration, issued under the SEBI (Merchant Bankers) Regulations, 1992, from IIFL Holdings Limited, as approved by SEBI vide letter dated July 12, 2019, with continuance of registration number.