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S.P. APPARELS LIMITED

Our Company was incorporated in Avinashi, Tamil Nadu as S.P. Apparels Limited, a public limited company under Part IX of the Companies Act, 1956, pursuant to a certificate of incorporation dated November 18, 2005 issued by the Registrar of Companies, Tamil Nadu located at Coimbatore. For further details, see the section "History and Certain Corporate Matters" on page 144 of the RHP. For information in relation to changes in our registered office, see the section "History and Certain Corporate Matters" on page 144 of the RHP.

Registered Office and Corporate Office: 39-A, Extension Street, Kaikattipudur Avinashi 641 654, Tirupur District, Tamil Nadu, India. **Tel:** +91 4296 304000, **Fax:** +91 4296 304280, **Contact Person:** Ms. K. Vinodhini, Company Secretary and Compliance Officer, **E-mail:** csoffice@s-p-apparels.com, **Website:** http://www.spapparels.com, **Corporate Identity Number:** U18101TZ2005PLC012295.

OUR PROMOTERS: MR. P. SUNDARARAJAN AND MRS. S. LATHA

INITIAL PUBLIC OFFERING OF UP TO [·] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF S.P. APPARELS LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹ [·] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [·] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ [·] MILLION CONSISTING OF A FRESH ISSUE OF UP TO [·] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 2,150 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 900,000 EQUITY SHARES AGGREGATING UP TO ₹ [·] MILLION ("OFFERED SHARES") BY NEW YORK LIFE INVESTMENT MANAGEMENT INDIA FUND (FVCI) II LLC (THE "SELLING SHAREHOLDER") AND SUCH OFFER OF EQUITY SHARES BY THE SELLING SHAREHOLDER, THE "OFFER FOR SALE". THE FRESH ISSUE AND THE OFFER FOR SALE ARE TOGETHER REFERRED TO AS THE "OFFER". THE OFFER WILL CONSTITUTE [·]% OF THE FULLY-DILUTED POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH.

Price Band: ₹258 to ₹268 per Equity Share of face value of ₹10 each.

The Floor Price is 25.8 times the face value and the Cap Price is 26.8 times the face value.

Bids can be made for a minimum of 55 Equity Shares and in multiples of 55 Equity Shares thereafter.

RISKS TO INVESTORS:

- The two BRLMs associated with the Offer have handled four public issues in the past three years out of which three issues closed below the issue price on listing date.
- Average cost of acquisition of Equity Shares for the Promoters of the Company is ₹10 and the average cost of acquisition for the Selling Shareholder is ₹200 and the Offer Price for the public at the upper end of Price Band is as high as ₹268.

BID / OFFER PERIOD

OPENS ON: TUESDAY, AUGUST 2, 2016⁽¹⁾

CLOSES ON: THURSDAY, AUGUST 4, 2016

⁽¹⁾ Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period will be one Working Day prior to the Bid/Offer Opening Date.

ASBA*

Simple, Safe, Smart way of Application - Make use of it!!!

*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 issue from January 1, 2016. No cheque will be accepted.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the BRLMs, the terminals of the Syndicate Members and the Self Certified Syndicate Banks ("SCSBs").

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR"), this is an Offer for at least 25% of the post-Offer capital. The Offer is being made through the 100% 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 (the "SEBI ICDR Regulations"), wherein not more than 50% of the Offer will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Category"), provided that our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the "Anchor Investor Portion"), of which one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category will be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer will be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank accounts which will be blocked by the Self Certified Syndicate Banks ("SCSBs"), to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see the section "Offer Procedure" on page 363 of the RHP.

Bidders should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders' sole risk. Bidders should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidder should ensure that the beneficiary account provided in Bid cum Application Form is active.

Contents of the Memorandum of Association of the Company as regards its Objects: For information on the main objects and other objects of the Company, see "History and Certain Corporate Matters" on page 144 of the RHP and Clause III of the Memorandum of Association of the Company. The Memorandum of Association of the Company is a material document for inspection in relation to the Offer. For further details, see the section "Material Contracts and Documents for Inspection" on page 434 of the RHP.

Liability of the members of the Company: Limited by shares.

Amount of share capital of the Company and Capital structure: The authorized, issued, subscribed and paid-up share capital of the Company as on the date of the RHP is as follows: The authorized capital of the Company is ₹472.50 million divided into 27,250,000 Equity Shares of face value of ₹10 each and 20,000,000 Redeemable Preference Shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of the Company is ₹371.45 million (prior to the Offer) divided into 17,145,212 Equity Shares and 20,000,000 Redeemable Preference Shares. For details, see the section "Capital Structure" beginning on page 66 of the RHP.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them: Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association: (1) P. SUNDARAJAN (3,975,000 Equity Shares) (2) S. LATHA (1,000,000 Equity Shares) (3) V. SENTHIL (5,000 Equity Shares) (4) S. SANTHA (5,000 Equity Shares) (5) P. VELUSAMY (5,000 Equity Shares) (6) V. PADMINI (5,000 Equity Shares) (7) P. ASHOKARAMAN (5,000 Equity Shares).

Listing: The Equity Shares offered through the RHP are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated January 8, 2016 and January 29, 2016, respectively. For the purposes of the Offer, the Designated Stock Exchange will be the BSE. A copy of the RHP has been delivered to the RoC and a copy of the Prospectus will be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the RHP up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 434 of the RHP.

Disclaimer Clause of SEBI: SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 342 of the RHP for the full text of the Disclaimer Clause of SEBI.

Disclaimer Clause of BSE (The Designated Stock Exchange): It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 347 of the RHP for the full text of the Disclaimer Clause of BSE.

Disclaimer Clause of NSE: It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the offer document. The investors are advised to refer to page 347 of the RHP for the full text of the Disclaimer Clause of NSE.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the SEBI, nor does the SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the investors is invited to the section "Risk Factors" on page 14 of the RHP.

BOOK RUNNING LEAD MANAGERS



Motilal Oswal Investment Advisors Private Limited
Motilal Oswal Tower, Rahimtullah Sayani Road
Opposite Parel ST Depot, Prabhadevi
Mumbai- 400 025, Maharashtra, India
Tel: +91 22 3980 4200, **Fax:** +91 22 3980 4315
E-mail: spapparels.ip@motilaloswal.com
Investor Grievance
E-mail: moiapredressal@motilaloswal.com
Website: http://www.motilaloswalgroup.com
Contact person: Subodh Mallya
SEBI Registration No.: INM000011005
CIN: U67190MH2006PTC160583



Centrum Capital Limited
Centrum House, CST Road, Vidyanagari Marg
Kalina, Santacruz (East), Mumbai 400 098
Maharashtra, India
Tel: +91 22 4215 9000, **Fax:** +91 22 4215 9444
E-mail: spapparels.ip@centrum.co.in
Investor Grievance E-mail: igmbd@centrum.co.in
Website: http://www.centrum.co.in
Contact person: Aanchal Wagle
SEBI Registration No.: INM000010445
CIN: L65990MH1977PLC019986

REGISTRAR TO THE OFFER



Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup West
Mumbai 400 078, Maharashtra, India
Tel: +91 22 6171 5400, **Fax:** +91 22 2596 0329
E-mail: spal.ip@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance E-mail: spal.ip@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

COMPANY SECRETARY AND COMPLIANCE OFFICER

K. Vinodhini
39-A, Extension Street, Kaikattipudur
Avinashi 641 654, Tirupur District
Tamil Nadu, India
Tel: +91 4296 304000, **Fax:** +91 4296 304280
E-mail: csoffice@s-p-apparels.com

Bidders may contact any of the BRLMs who have submitted the due diligence certificate to SEBI for any complaints, information or clarifications pertaining to the Offer. Bidders can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letter of allotment, non-credit of Allotted Equity Shares in the respective beneficiary account or non-receipt of refund intimations and non-receipt of funds by electronic mode.

AVAILABILITY OF RHP: Investors are advised to refer to the RHP, and the Risk Factors, beginning on page 14 therein, before applying in the Offer. Full copy of the RHP is available at www.sebi.gov.in, the websites of the BRLMs to the Offer at www.motilaloswalgroup.com and www.centrum.co.in and websites of BSE and NSE i.e. www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid-cum-Application Forms can be obtained from the Registered Office of S.P. APPARELS LIMITED, BRLMs: **Motilal Oswal Investment Advisors Private Limited**, **Tel:** +91 22 3980 4200, **Fax:** +91 22 3980 4315 and **Centrum Capital Limited**: **Tel:** +91 22 4215 9000, **Fax:** +91 22 4215 9444; Syndicate Member: **Motilal Oswal Securities Limited**, **Tel:** +91 22 3027 8129/8100, **Fax:** +91 22 3980 4315 and **Centrum Broking Limited**: **Tel:** +91 22 4215 9000; **Fax:** +91 22 4215 9444 and at the select locations of the Sub-syndicate Members (as given below), Registered Brokers, RTAs and CDPs participating in the Offer. Bid-cum-Application Forms will also be available on the websites of BSE, NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-syndicate Members: Achievers Equities Ltd., Amit Jasani Financial Services Pvt. Ltd., Amrapali Capital & Finance Services Ltd., Anand Rathi Share & Stock Brokers Ltd., Angel Broking Pvt Ltd., Anush Shares & Securities Pvt. Ltd., Ashika Stock Broking Ltd., Asit C Mehta Investment Intermediates Ltd., Axis Capital Ltd., Dalal & Broacha Stock Broking Pvt. Ltd., Edelweiss Broking Ltd., Eureka Stock & Share Broking Services Ltd., Fair Intermediate Investment Pvt. Ltd., HDFC Securities Ltd., Hem Securities Ltd., Hitesh Shah Share & Stock Brokers, ICICI Securities Ltd., IDBI Capital Market Services Ltd., India Infoline Ltd., Indiabulls Ventures Ltd., Innovate Securities Pvt. Ltd., JM Financial Services Ltd., Jobanputra Fiscal Services Pvt. Ltd., Karvy Stock Broking Ltd., Kaushik N Shah, Keynote Capitals Ltd., KJMC Market Services Ltd., Kotak Securities Ltd., Lakshminshree Investment & Securities (P) Ltd., LKP Securities Ltd., Magnum Wealth Management Pvt. Ltd., Mehta Equities Ltd., Monarch Network Capital Ltd., Nirmal Bang Securities Pvt. Ltd., Prabhudas Lilladher Pvt. Ltd., Pravin Ratilal Share & Stock Brokers Ltd., Reliance Securities Ltd., Religare Securities Ltd., RR Equity Brokers Pvt. Ltd., SBICAP Securities Ltd., Sharekhan Limited, Sharewealth Securities Ltd., SMC Global Securities Ltd., SPA Securities Ltd., SS Corporate Securities Ltd., Systematix Shares & Stock (I) Ltd., TarunSethia, Viren M Shah, Way2Wealth Brokers Pvt. Ltd.

APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA): 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 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 363 of the RHP. ASBA Forms can also be downloaded from the websites of BSE and NSE. ASBA form can be obtained from the list of banks that is available on the website of SEBI at www.sebi.gov.in. ASBA Form can be obtained from Syndicate, SCSBs, Registered Brokers, RTAs and CDPs, the list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries.

Banker to the Offer, Escrow Collection Bank: ICICI Bank Limited, **Tel:** +91 22 2285 9922, **Fax:** +91 22 2261 1138; and IDBI Bank Limited, **Tel:** +91 422 2220 812 / +91 422 2220 813 / +91 99620 04570, **Fax:** +91 422 222372

Refund Bank: ICICI Bank Limited

Public Offer Bank: ICICI Bank Limited

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

For S.P. APPARELS LIMITED

On behalf of the Board of Directors

Sd/-

Company Secretary and Compliance Officer

Place : Coimbatore

Date : July 25, 2016

S.P. Apparels Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has registered the RHP with the RoC, on July 21, 2016. The RHP is available on the websites of SEBI and Stock Exchanges at www.sebi.gov.in, www.bseindia.com and www.nseindia.com, respectively, and is also available on the websites of the Book Running Lead Managers at www.motilaloswalgroup.com and www.centrum.co.in. 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 14 of the RHP. Potential investors should not rely on the DRHP filed with the SEBI for making any investment decision.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States (as defined in Regulation S of the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.