

SBFC | SBFC FINANCE LIMITED



(Please scan the QR to view the RHP and the Abridged Prospectus)

Our Company was originally incorporated on January 25, 2008 at Mumbai, India as 'MAPE Finserve Private Limited', a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). The Board of our Company approved the change in the name of our Company from 'MAPE Finserve Private Limited' to 'Small Business Fincredit India Private Limited' by their resolution dated July 3, 2017, which was thereafter approved by the Shareholders of our Company through their resolution dated August 24, 2017 and a fresh certificate of incorporation, under the Companies Act, 2013, was issued by the RoC on August 31, 2017. Thereafter, the Board of our Company approved the change in the name of our Company from 'Small Business Fincredit India Private Limited' to 'SBFC Finance Private Limited' by their resolution dated October 24, 2019, for the ease of reference that a shorter name provides, which was thereafter approved by the Shareholders of our Company through their special resolution dated December 11, 2019 and a fresh certificate of incorporation, under the Companies Act, 2013, was issued by the RoC on January 13, 2020. Subsequently, our Company was converted into a public limited company under the Companies Act, 2013 and consequently the name of our Company was changed from 'SBFC Finance Private Limited' to 'SBFC Finance Limited' pursuant to a resolution passed by the Board of our Company on September 21, 2022 and a special resolution passed by the Shareholders of our Company on September 23, 2022, and a fresh certificate of incorporation dated September 30, 2022 was issued by the RoC. For details of the change in the name and the registered office of our Company, see "History and Certain Corporate Matters" on page 240 of the red herring prospectus dated July 26, 2023 ("RHP" or "Red Herring Prospectus").

Corporate Identity Number: U67190MH2008PLC178270

Registered and Corporate Office: 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai 400 059, Maharashtra, India. Contact Person: Jay Mistry, Company Secretary and Compliance Officer; Tel: +91 22 67875344; E-mail: complianceofficer@sbfc.com; Website: www.sbfc.com

OUR PROMOTERS: SBFC HOLDINGS PTE. LTD., CLERMONT FINANCIAL PTE. LTD., ARPWOOD PARTNERS INVESTMENT ADVISORS LLP, ARPWOOD CAPITAL PRIVATE LIMITED AND EIGHT45 SERVICES LLP

INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF SBFC FINANCE LIMITED ("COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ 10,250 MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 6,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [•] EQUITY SHARES BY ARPWOOD PARTNERS INVESTMENT ADVISORS LLP, ARPWOOD CAPITAL PRIVATE LIMITED AND EIGHT45 SERVICES LLP ("PROMOTER SELLING SHAREHOLDERS") (AGGREGATING UP TO ₹ 4,250 MILLION ("OFFERED SHARES")) ("OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER INCLUDES A RESERVATION OF UP TO [•] EQUITY SHARES, AGGREGATING UP TO ₹ 102.50 MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES NOT EXCEEDING 5% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [•] AND [•]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE OFFER FOR SALE BY THE PROMOTER SELLING SHAREHOLDERS AND THEIR RESPECTIVE WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE			
NAME OF THE PROMOTER SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE ⁽¹⁾ (IN ₹)
Arpwood Partners Investment Advisors LLP	Promoter Selling Shareholder	Up to [•] Equity Shares aggregating up to ₹ 3,062.50 million	12.69
Arpwood Capital Private Limited	Promoter Selling Shareholder	Up to [•] Equity Shares aggregating up to ₹ 751.62 million	15.98
Eight45 Services LLP	Promoter Selling Shareholder	Up to [•] Equity Shares aggregating up to ₹ 435.88 million	12.73

⁽¹⁾ Calculated on a fully diluted basis. ⁽²⁾ As certified by our Statutory Auditors, by way of their certificate dated July 28, 2023.

SBFC Finance Limited is a systemically important, non-deposit taking non-banking financial company offering loans including secured Micro, Small and Medium Enterprises loans and loans against gold, with a focus on ticket size in the range of ₹ 0.50 million to ₹ 3.00 million. As of March 31, 2023, it has a footprint in 120 cities, spanning 16 Indian states and two union territories, with 152 branches.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

- QIB Portion: Not more than 50% of the Net Offer
- Non-Institutional Portion: Not less than 15% of the Net Offer
- Retail Portion: Not less than 35% of the Net Offer
- Employee Reservation Portion: Upto [•] Equity Shares aggregating up to ₹ 102.50 Million

PRICE BAND: ₹ 54 TO ₹ 57 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH

THE FLOOR PRICE IS 5.4 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 5.7 TIMES THE FACE VALUE OF THE EQUITY SHARES

THE PRICE TO EARNING RATIO FOR FISCAL 2023 BASED ON DILUTED EPS AT THE FLOOR PRICE IS 33.33 TIMES AND AT THE CAP PRICE IS 35.19 TIMES

BIDS CAN BE MADE FOR A MINIMUM OF 260 EQUITY SHARES AND IN MULTIPLES OF 260 EQUITY SHARES THEREAFTER

A DISCOUNT OF ₹ 2 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

A Pre-IPO Placement was undertaken by the Company through the share subscription agreement dated May 18, 2023 ("SSA"), as mentioned below:

Name of Allottee	No. of Equity Shares	Purchase Consideration (at ₹ 55 per Equity Share)	Date of allotment
Amansa Investments Ltd	27,272,727	₹ 1,499,999,985	May 23, 2023

The Pre-IPO Placement was undertaken by our Company on May 23, 2023, in consultation with the Promoter Selling Shareholders and the Book Running Lead Managers. The proceeds from the Pre-IPO Placement have been utilised by our Company in furtherance of our Objects. For further details in relation to the Pre-IPO Placement, see "Capital Structure" and "Risk Factors – Our Company has issued Equity Shares during the preceding one year at a price that is below the Offer Price." on pages 80 and 35 of the RHP, respectively.

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated July 28, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for the Offer Price' section of the RHP vis-a-vis the WACA of primary and secondary transactions, as applicable, disclosed in the 'Basis of the Offer Price' section on page 114-121 of the RHP.

The Promoters of the Company, have sold 15,789,473 Equity Shares, aggregating to 1.65 % of the pre-Offer Equity Share Capital of the Company at a price of ₹ 57 per Equity Share, to certain investors through the:

- share purchase agreement dated July 25, 2023 between the Company, SBFC Holdings Pte. Ltd. and SBI Funds Management Limited (acting as an asset management company to the following mutual fund schemes, namely, SBI Retirement Benefit Fund - Aggressive Plan, SBI Retirement Benefit Fund - Aggressive Hybrid Plan; SBI Retirement Benefit Fund - Conservative Hybrid Plan, and SBI Retirement Benefit Fund - Conservative Plan);
- share purchase agreement dated July 25, 2023 between the Company, SBFC Holdings Pte. Ltd. and ICICI Prudential Banking and Financial Services Fund; ((i) and (ii) together the "Clermont SPAs")
- share purchase agreement dated July 25, 2023 between the Company, Arpwood Partners Investment Advisors LLP and SBI Funds Management Limited (in its capacity as an investment manager of SBI Optimal Equity Fund – Long Term);
- share purchase agreement dated July 25, 2023 between the Company, Arpwood Partners Investment Advisors LLP and ICICI Prudential Banking and Financial Services Fund; ((iii) and (iv) together the "Arpwood Partners SPAs") and
- share purchase agreement dated July 25, 2023 between the Company, Arpwood Partners Investment Advisors LLP, Arpwood Capital Private Limited, Eight45 Services LLP and HDFC Asset Management Company Limited (in its capacity as an investment manager of HDFC Banking and Financial Services Fund) (the "Arpwood Group SPA"). (together the Arpwood Partners SPAs, the Arpwood Group SPA and the Clermont SPAs, the "Promoter Secondary Transactions")

The details of the transactions are as follows:

Transferor	Transferee	No. of Equity Shares	Date of transfer of Equity Shares	Number of Equity Shares held post completion of the transfers
SBFC Holdings Pte. Ltd.	SBI Retirement Benefit Fund - Aggressive Plan	2,728,420	July 28, 2023	622,813,525
	SBI Retirement Benefit Fund - Aggressive Hybrid Plan	1,439,210	July 28, 2023	
	SBI Retirement Benefit Fund - Conservative Hybrid Plan	163,510	July 28, 2023	
	SBI Retirement Benefit Fund - Conservative Plan	54,825	July 28, 2023	
	ICICI Prudential Banking and Financial Services Fund	4,385,964	July 28, 2023	
Arpwood Partners Investment Advisors LLP	SBI Optimal Equity Fund – Long Term	877,193	July 28, 2023	98,837,596
	ICICI Prudential Banking and Financial Services Fund	877,193	July 28, 2023	
	HDFC Banking and Financial Services Fund	3,456,551	July 28, 2023	
Arpwood Capital Private Limited		1,278,901	July 28, 2023	24,257,337
Eight45 Services LLP		527,706	July 28, 2023	10,009,170

Pursuant to the share purchase agreement dated May 18, 2023 ("SPA"), certain Promoters of our Company, SBFC Holdings Pte. Ltd, Arpwood Partners Investment Advisors LLP, Arpwood Capital Private Limited and Eight45 Services LLP have sold an aggregate of 61,818,181 Equity Shares to the entities mentioned below:

Name of selling shareholder	Name of acquirer	No. of Equity Shares	Respective Purchase Consideration (at INR 55 per Equity Share or in USD 0.67 per Equity Shares)	Date of transfer
SBFC Holdings Pte. Ltd	Amansa Investments Ltd	13,636,364	USD 9,115,936.72	May 23, 2023
SBFC Holdings Pte. Ltd	Malabar Select Fund	3,636,364	USD 2,430,916.64	May 23, 2023
SBFC Holdings Pte. Ltd	Steadview Capital Mauritius Limited	8,181,818	USD 5,469,561.77	May 23, 2023
Arpwood Partners Investment Advisors LLP	Steadview Capital Mauritius Limited	10,000,000	INR 550,000,000	May 23, 2023
Arpwood Partners Investment Advisors LLP	Malabar India Fund Limited	6,909,091	INR 380,000,005	May 23, 2023
Arpwood Partners Investment Advisors LLP	Malabar Midcap Fund	1,259,553	INR 69,275,415	May 23, 2023
Arpwood Capital Private Limited	Dovetail Global Fund PCC - Paragon Partners Equity Fund	1,454,545	INR 79,999,975	June 26, 2023
Arpwood Capital Private Limited	Siddharth Parekh	264,070	INR 14,523,850	May 23, 2023
Arpwood Capital Private Limited	Paragon Partners Equity Fund	363,636	INR 19,999,980	May 23, 2023
Arpwood Capital Private Limited	Malabar Midcap Fund	2,376,811	INR 130,724,605	May 23, 2023
Eight45 Services LLP	Massachusetts Institute of Technology	13,636,363	INR 749,999,965	May 23, 2023
Eight45 Services LLP	Siddharth Parekh	99,566	INR 5,476,130	May 23, 2023
Total		61,818,181		

continued from previous page.

The key financial and operational metrics, as disclosed in this section, are the only relevant and material key financial and operational metrics pertaining to our Company which may have a bearing on the Offer Price. The key financial and operational metrics set forth above, have been approved by the Audit Committee pursuant to its resolution dated July 25, 2023 and certified by our Statutory Auditors, Suresh Surana & Associates LLP, Chartered Accountants by their certificate dated July 26, 2023. This certificate has been disclosed as part of the 'Material Contracts and Documents for Inspections' beginning on page 555 of the RHP. Further, the Audit Committee has on July 25, 2023 confirmed that other than the key financial and operational metrics set out above, the Company has not disclosed any other key performance indicators during the three years preceding the Red Herring Prospectus with its investors.

All the key performance indicators have been defined, consistently and precisely in 'Definitions and Abbreviations - Conventional and General Terms and Abbreviations' on page 11 of the RHP. For details of our other operating metrics, see 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 200 and 382 of the RHP, respectively.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, certified by our Statutory Auditors, at least once in a year (or for any lesser period as determined by the Board), for a duration of one year after the date of listing of the Equity Shares, or until the utilization of Offer Proceeds, whichever is later, on the Stock Exchanges pursuant to the Offer, or for such other period as may be required under the SEBI ICDR Regulations. In case of any change in these KPIs, during the aforementioned period, our Company shall provide an explanation for the same.

Explanation for the key financial and operational metrics:

1. AUM, AUM Growth and Disbursement - These metrics are used by the management to assess the Growth in terms of scale of distribution of the Company; 2. Capital - These metrics are used by the management to ensure the adequacy of Capital financial resources for the business growth of the Company; 3. Profitability - These metrics are used by the management for assessing the financial performance of the company during a particular period; 4. Return Ratios - These metrics are used by the management to assess the returns on the deployed Capital and the Assets in the business of the Company; 5. NPA - These metrics are used by the management to assess the asset quality of the portfolio; 6. Earnings per share - These metrics are used by the management to assess the Earnings on the Capital deployed in the business; 7. No. of States and No. of Branches - These metrics are used by the management to assess the geographical expansion of the business; and 8. Credit Ratings - These metrics help the management to track the overall credit ratings of the Company on the basis of the assessment by independent rating agencies.

Comparison of financial KPIs of our listed peers

The listed peers have been considered basis the business, relevant products, distribution network and target segment (ticket sizes) of the Company.

Table with 16 columns: Particulars, Aavas Financiers Limited, Home First Finance Company India Limited, Aptus Value Housing Finance India Limited, AU Small Finance Bank Limited, Five Star Business Finance Limited. Rows include Scale, AUM, Growth, Product wise disbursement, Secured MSME, Loan against Gold, Others, Capital, Tangible Net Worth, Capital Adequacy Ratio, Total Borrowings to Tangible Equity ratio, Profitability, Total Income, Net interest income, Fee and other income, PAT to Average AUM, RoA, Return on Total Tangible Assets, Return on Tangible Equity, NPA, Gross NPA, Net NPA, Provision Coverage Ratio, Earnings per share, Credit ratings, CARE, ICRA, CRISIL Ratings, India Ratings.

Source: Annual reports and filings to the Stock Exchanges of the company. Note: N.A. represents Not Applicable and '-' represents Not Available. (1) AUM represents aggregate of Gross Loan book and share of Partner Bank for Loan under Co-origination as of the last day of the relevant period. (2) AUM Growth represents growth in AUM for the relevant period over AUM of the previous period. (3) Tangible Net worth represents the sum of equity share capital and other equity and reduced by goodwill as of the last day of the relevant period. (4) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and collateralized borrowing principal outstanding as of the last day of the relevant period. (5) Total Borrowings to Tangible Equity ratio represents Total Borrowings as of the last day of the relevant period upon tangible net worth as of the last day of the relevant period. (6) Net Interest Income represents Interest Income less Adjusted Finance Costs, for the relevant period. (7) Fee and Other Income represents Total Income less Interest Income, for the relevant period. (8) Yield on Average Gross Loan Book represents the ratio of interest income on loan assets for a period to the average Gross Loan Book for the period expressed as a percentage. (9) Spread represents average yield on Gross Loan Book less average cost of borrowings including collateralized borrowings. (10) Net Income to Average AUM represents the difference between total revenue and Adjusted finance cost for the period to the Average AUM for the period. (11) Net Interest Margin represents our net interest income on the loans for a period to the average AUM for the period, represented as a percentage. (12) Operating Expenses to Average AUM represents our operating expenses for a period to the Average AUM for the period. (13) Credit cost to Average AUM represents our Credit Cost for a period to the Average AUM for the period. (14) PAT to Average AUM represents our Profit After Tax for a period to the Average AUM for the period. (15) RoA is calculated as the profit after tax, divided by average of total assets on book. Total assets represents total assets as of the last day of the relevant period. (16) Return on Total Tangible Assets is calculated as the Profit After Tax for the relevant period as a percentage of Average Total Tangible Assets in such period. (17) Return on Tangible Equity is calculated as the Profit After Tax for the relevant period as a percentage of Average Tangible Net Worth in such period. (18) Gross NPA (%) represents the Gross NPA to the Gross Loan Book as of the last day of the relevant period. (19) Net NPA % represents the Net NPA to the Gross Loan book as of the last day of the relevant period. (20) Provision Coverage Ratio represents total provisions held on Gross NPA as of the last day of the period, as a percentage of total Gross NPAs as of the last day of the period. (21) Basic and diluted earnings (loss) per equity share: basic and diluted earnings (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

Comparison with listed industry peers and accounting ratios

Table with 12 columns: Name of Company, Face Value, Closing price on July 7, 2023, Total Income for FY 2023, EPS Basic, EPS Diluted, NAV as on March 31, 2023, P/E, RONW, Networth FY23, PAT FY23, No. of Shares as on March 31, 2023, P/B. Rows include SBFC Finance Limited (Standalone), Peer Companies (Aavas Financiers Ltd, Home First Finance Company India Ltd, Aptus Value Housing Finance India Ltd, AU Small Finance Bank Ltd, Five Star Business Finance Limited).

Source: Basic EPS sourced from the annual report of the company for the year ended March 31, 2023. (2) Diluted EPS refers to the Diluted EPS sourced from the annual report of the peers for the year ended March 31, 2023. (3) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares as on March 31, 2023. (4) P/E Ratio has been computed based on the closing market price of equity shares on July 7, 2023 on BSE, divided by the Diluted EPS provided under Note 2 above. (5) RoNW is computed as net profit after tax (including profit attributable to non-controlling interest) divided by closing net worth. Net worth has been computed as sum of paid-up share capital and other equity. (6) P/B is computed as closing market price of equity shares on BSE as on July 7, 2023, divided by NAV under note 3 above, as on March 31, 2023.

The Offer price is [x] times of the face value of the Equity Shares

The Offer Price of [x] has been determined by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with 'Risk Factors', 'Our Business', 'Management's Discussion and Analysis of Financial Condition and Results of Operations' and 'Financial Statements' on pages 26, 200, 382 and 285 of the RHP, respectively, to have a more informed view.

For further details, please see the chapter titled "BASIS FOR OFFER PRICE" beginning on page 114 of the RHP.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the members of the Syndicate and by an intimation to Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process, pursuant to Regulation 6(1) of the SEBI ICDR Regulations, where not more than 50% of the Net Offer is being made available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Category"), of which our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers, allocated 60% of the QIB Category to Anchor Investors, on a discretionary basis ("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 price at which Equity Shares will be allocated to Anchor Investors. Post allocation to the Anchor Investors, the QIB Category will be reduced by such number of Equity Shares. Further, 5% of the Net QIB Category (excluding the Anchor Investor Portion) will be made available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Category will be made 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 Net Offer will be made available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer was made 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. One-third of the Non-Institutional Portion shall be available for allocation to Non-Institutional Investors with a Bid size of more than ₹ 2,00,000 and up to ₹ 1,00,000 and two-thirds of the Non-Institutional Portion shall be available for allocation to Non-Institutional Investors with a Bid size of more than ₹ 1,00,000 provided that under-subscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Non-Institutional Investors in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids being received from them at or above the Offer Price. All Bidders (other than Anchor Investors) are mandatorily required to participate in this Offer through the Application Supported by Block Amount ("ASBA") process, and are required to provide details of their respective bank account (including UPI ID in case of UPI Bidders using UPI Mechanism) in which the Bid Amount was blocked by the SCSBs or the Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, see "Offer Procedure" on page 466 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID and UPI ID available (for UPI Bidders bidding through the UPI Mechanism) in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants 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/Applicants' sole risk.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes notification dated February 13, 2020 and read with press releases dated June 25, 2021, September 17, 2021 and March 28, 2023 and any subsequent press releases in this regard.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are requested to see "History and Certain Corporate Matters" beginning on page 240 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see "Material Contracts and Documents for Inspection" beginning on page 555 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 13,00,000,000.00 divided into 1,30,00,000 Equity Shares of face value of ₹ 10 each. The issued, subscribed and paid-up Equity share capital of our Company is ₹ 9,589,089,060.00 divided into 958,908,906 Equity Shares of face value of ₹ 10 each. For details of the capital structure of our Company, see "Capital Structure" beginning on page 80 of the RHP.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The names of the initial signatories of the Memorandum of Association of our Company along with their allotment are: Allotment of 1,999,999 equity shares allotted to IMAPE Advisory Group Private Limited and 1 equity share allotted to M. Ramprasad. For details of the share capital history and capital structure of our Company see "Capital Structure" beginning on page 80 of the RHP.

LISTING: The Equity Shares offered through the RHP are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters each dated May 10, 2023. For the purpose of the Offer, NSE is the Designated Stock Exchange. A copy of the RHP was filed, and the Prospectus shall be filed, with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents that were made 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 555 of the RHP.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities stated in the Offer Document. The investors are advised to refer to pages 435 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the pages 449-450 of the RHP for the full text of the disclaimer clause of BSE.

DISCLAIMER CLAUSE OF NSE (the Designated Stock Exchange): 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 450 of the RHP for the full text of the disclaimer clause of NSE.

DISCLAIMER CLAUSE OF RBI: The Company has a valid certificate of registration dated October 19, 2022 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinion expressed by the Company and for the repayment of deposits/discharge of liabilities by the Company.

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. Investors 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 have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the investors is invited to "Risk Factors" on page 26 of the RHP.

ASBA* Simple, Safe, Smart way of Application!!!
*Applications Supported by Blocked Amount ("ASBA") is a better way of applying to offers by simply blocking the fund in the bank account. For further details, check section on ASBA. Mandatory in public issues. No cheque will be accepted.

UPI - Now available in ASBA for all individual investors applying in public issues where the application amount is up to ₹ 500,000, applying through Registered Brokers, Syndicate, CDPs & RTAs. Retail Individual Investors and Non-Institutional Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021.

BOOK RUNNING LEAD MANAGERS: ICICI Securities, AXIS CAPITAL, KOTAK Investment Banking, REGISTRAR TO THE OFFER: KFINTeCH, COMPANY SECRETARY AND COMPLIANCE OFFICER: Jay Mistry, SBFC FINANCE LIMITED. Includes logos and contact details for each entity.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 26 of the RHP before applying in the Offer. A copy of the RHP will be made available on the website of SEBI at www.sebi.gov.in and is available on the websites of the BRLMs, ICICI Securities Limited at www.icicisecurities.com, Axis Capital Limited at www.axiscapital.co.in and Kotak Mahindra Capital Company Limited at https://investmentbank.kotak.com and the websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE at www.nseindia.com. AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Offer of our Company, SBFC FINANCE LIMITED: Tel: +91 22 67875344; BRLMs: ICICI Securities Limited, Tel: +91 22 6807 7100; Axis Capital Limited, Tel: +91 22 4325 2183; Kotak Mahindra Capital Company Limited, Tel: +91 22 4336 0000 and Syndicate Members: Kotak Securities Limited, Tel: +91 22 62185410 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Offer. Bid cum Application Form will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI. SUB-SYNDICATE MEMBERS: Anand Rathi Share & Stock Brokers Limited; Anand Share Consultancy; SHS Pvt Limited; Ashwani Dandia & Co; Axis Securities Limited; Centrum Broking Limited; Choice Equity Broking Private Limited; Dalal & Broacha Stock Broking Pvt Limited; DB (International) Stock Brokers Ltd.; Eureka Stock & Share Broking Services Ltd.; Finwizard Technology Private Limited; G Raj & Co. (Consultants) Limited; HDFC Securities Ltd.; IDBI Capital Markets & Securities Limited; IIFL Securities Ltd.; Jhavari Securities; JM Financial Services Limited; Jvatanputra Fiscal Services Private Limited; Kalpataru Multiplier Limited; Keynote Capitals Limited; KJMC Capital Market Services Limited; LakshmiShare