



July 7, 2023

BSE Limited
The Listing Department
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Fort, Mumbai 400 001
Maharashtra, India

National Stock Exchange of India Limited
The Listing Department
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex
Bandra (East), Mumbai 400051
Maharashtra, India

Sub: Proposed initial public offering (“Offer”) of equity shares of face value of ₹10 each (the “Equity Shares”) of SBFC Finance Limited (the “Company”)

Dear Sir/Madam,

This is in relation to the draft red herring prospectus of the Company dated March 21, 2023 (“**DRHP**”) filed by the Company with the Securities and Exchange Board of India (“**SEBI**”), BSE Limited and National Stock Exchange Limited (“**Stock Exchanges**”) on March 21, 2023, in connection with the Offer, disclosing inter alia, the intention of the Company to undertake an issuance of 27,272,727 Equity Shares on a private placement basis, for cash consideration aggregating up to ₹ 1,500 million through a private placement, preferential offer or any other method as may be permitted under applicable law to any person(s), at its discretion, prior to the filing of the Red Herring Prospectus with the RoC (“**Pre-IPO Placement**”).

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	Paragon Partners	363,636	INR 19,999,980	May 23, 2023

SBFC Finance Limited

(Erstwhile SBFC Finance Private Limited)

Registered Office: Unit No. 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East) Mumbai - 400 059

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CIN No: U67190MH2008PLC178270



Private Limited	Equity Fund			
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		

Pursuant to the above transfers:

- (i) the shareholding of SBFC Holdings Pte. Ltd has decreased from 657,040,000 Equity Shares aggregating to 73.25% of the total paid-up Equity Share capital of the Company to 631,585,454 Equity Shares aggregating to 68.33% of the total paid-up Equity Share capital of the Company, resulting in 4.92% change in shareholding percentage of SBFC Holdings Pte. Ltd.;
- (ii) the shareholding of Arpwood Partners Investment Advisors LLP has decreased from 122,217,177 Equity Shares aggregating to 13.62% of the total paid-up Equity Share capital of the Company to 104,048,533 Equity Shares aggregating to 11.26% of the total paid-up Equity Share capital of the Company, resulting in 2.36% change in shareholding percentage of Arpwood Partners Investment Advisors LLP;
- (iii) the shareholding of Arpwood Capital Private Limited has decreased from 29,995,300 Equity Shares aggregating to 3.34% of the total paid-up Equity Share capital of the Company to 25,536,238 Equity Shares aggregating to 2.76% of the total paid-up Equity Share capital of the Company, resulting in 0.58% change in shareholding percentage of Arpwood Capital Private Limited; and
- (iv) the shareholding of Eight45 Services LLP has decreased from 24,272,805 Equity Shares aggregating to 2.71% of the total paid-up Equity Share capital of the Company to 10,536,876 Equity Shares aggregating to 1.14% of the total paid-up Equity Share capital of the Company, resulting in 1.57% change in shareholding percentage of Eight45 Services LLP.

In addition to the SPA, the 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

As a result of the Pre-IPO Placement and the transfer pursuant to the SPA, Amansa Investments Ltd cumulatively acquired a shareholding of 40,909,091 Equity Shares aggregating to 4.43% of the total paid-up Equity Share capital of the Company.

The consideration required to be paid by all the acquirers to the selling shareholders, for the purchase of the Equity Shares (as mentioned above) has been completed.

Further, we confirm that except for Malabar India Fund Limited, Malabar Select Fund and Malabar Midcap Fund, who were existing shareholders of our Company prior to the SPA, none of the acquirers and allottees (*as listed above*) are in any manner connected with our Company, our Promoters, the Promoter Group, directors or KMPs of our Company, nor with the directors and KMPs of our Subsidiary. Please note that our Company does not have any group company.

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The disclosures regarding the Pre-IPO placement and secondary transfers shall be updated in the RHP and Prospectus, as applicable.

Accordingly, this letter is being issued in light of the latest guidance received from SEBI through their email dated July 4, 2023. Request the Stock Exchanges to take this letter on record and make the same available to the public.

All capitalized terms used herein and not defined have meanings ascribed to such terms in the DRHP. We trust that this is in order.

Yours sincerely,
SBFC Finance Limited
(Erstwhile SBFC Finance Limited)



Jay Mistry
Company Secretary and Compliance Officer

SBFC Finance Limited
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