

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company in consultation with the Book Running Lead Managers on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should refer to “Risk Factors”, “Our Business”, “Restated Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 29, 333 and 391 respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are as follows:

- Highly granular retail loan book, bolstered by a large and rapidly growing customer base with a focus on serving the underbanked customer segments.
- Large, diversified and seasoned product portfolio with a sustainable track record of diversification, growth and profitability through the cycles.
- Tailored sourcing supported by an omni-channel and digitally powered pan-India distribution network.
- Comprehensive systems and processes contributing to robust credit underwriting and strong collections.
- Advanced technology tools driving enhanced customer experience and efficiency across each stage of the customer lifecycle.
- High-quality liability franchise with access to low cost, diversified borrowing sources and the highest credit rating.
- Track record of robust financial performance with sustainable and profitable growth.
- Stable, highly experienced and professional management team supported by a talented workforce.
- Distinguished parentage of HDFC Bank, India’s largest private bank, enjoying strong trust and brand equity with consumers.

For details, see “Our Business – Our Strengths” on page 248.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see “Restated Consolidated Financial Information” and “Other Financial Information” beginning on pages 333 and 390, respectively.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Restated Basic and Diluted Earnings Per Equity Share (“EPS”) (face value of each Equity Share is ₹10):

Fiscal / Period ended	Restated Basic EPS (in ₹) ⁽²⁾	Restated Diluted EPS (in ₹) ⁽³⁾	Weight
March 31, 2025	27.4	27.3	3
March 31, 2024	31.1	31.0	2
March 31, 2023	24.8	24.8	1
Weighted Average⁽¹⁾	28.2	28.1	-

Notes:

(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.

(2) Basic EPS (₹) = Basic earnings per share are calculated by dividing the net restated profit or loss for the year/ period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year/ period.

(3) Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the net restated profit or loss for the year/ period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year/ period as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year/ period.

(4) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/ period adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/ period.

(5) Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 ‘Earnings per share’.

B. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ 700 to ₹ 740 per Equity Share:

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for the financial year ended March 31, 2025	25.5*	27.0*
Based on diluted EPS for the financial year ended March 31, 2025	25.6*	27.1*

*P/E Ratio has been calculated by dividing the Floor Price/ Cap Price by the Basic Diluted Earnings per share for the Fiscal 2025 as applicable.

C. Industry Peer Group P/E ratio

	P/E Ratio (x)
Highest	34.3
Lowest	13.0
Average	23.2

Notes:

- (1) The industry high and low has been considered from the industry peers set out in Part G of this section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed.
- (2) P/E Ratio has been computed based on the closing market price of equity shares on NSE on June 18, 2025 divided by the diluted earnings per share.
- (3) All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the audited financial statements of the relevant companies for Fiscal 2025, as available on the websites of the stock exchanges.

D. Industry Peer Group P/B ratio

Based on the peer group information (excluding our Company) given below in this section, details of the highest, lowest and industry average P/B ratio are set forth below:

	P/B Ratio (x)
Highest	5.9
Lowest	1.7
Average	3.6

Notes:

- (1) The industry composite has been calculated as the arithmetic average P/B of the industry peer set disclosed.
- (2) P/B Ratio has been computed based on the closing market price of equity shares on NSE on June 18,, 2025 divided by the NAV per Equity Share as of March 31, 2025.
- (3) All the financial information for listed industry peers mentioned above is taken as is sourced from the audited financial statements of the relevant companies for Fiscal 2025, as available on the websites of the stock exchanges.

E. Return on Average Equity (“RoE”)

Fiscal/Period ended	RoE ⁽¹⁾ (%)	Weight
March 31, 2025	14.7	3
March 31, 2024	19.6	2
March 31, 2023	18.7	1
Weighted Average	17.0	—

Notes:

- (1) Return on Average Equity (%) = Ratio of Restated Profit/(loss) after tax for the relevant period to Average Total Equity (which comprises of equity share capital and other equity) as at the last day of the relevant period. Average Total Equity represents the simple average of total equity as at the last day of the relevant period and total equity of the last day of the preceding period.
- (2) Total Equity, which is a Non-GAAP measure, means the aggregate value of the Equity Share capital and other equity as of the last day of relevant period.
- (3) Weighted average = Aggregate of year-wise weighted Return on Average Equity divided by the aggregate of weights i.e. [(Return on Average Equity x Weight) for each year] / [Total of weights]

F. Net Asset Value (“NAV”) per Equity Share⁽¹⁾

Financial Year/Period	Amount (₹)
As on March 31, 2025	198.8
As on March 31, 2024	173.3
- At the Floor Price ³	220.3*
- At the Cap Price ³	220.8*
Offer Price	[●]*

Notes:

*Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

- (1) Net Asset Value (“NAV”) per Equity Share is calculated by dividing Total Equity⁽²⁾ of the company as per the Restated Consolidated Financial Information by the total number of equity shares outstanding as of the last day of relevant period.
- (2) Total Equity means sum of paid up equity share capital and other equity as of the last day of relevant period.
- (3) NAV at the Floor price and the Cap Price has been calculated by adding the amount of proceeds from Fresh Issue to the Total Equity as on March 31, 2025 and dividing the same by number of Equity shares outstanding as at March 31, 2025 plus the number of equity shares that would be allotted pursuant to the fresh issue at Floor Price or Cap Price as applicable

G. Comparison of accounting ratios with Listed Peers⁽¹⁾

The peer group of the Company has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses in terms of our size and our business model:

Name of the Company	Standalone/ Consolidated	Total revenue from operations for year ended March 31, 2025	Face Value	P/E ratio ^{(2)^}	P/B ratio ^{(3)^}	Restated Earning Per Equity Share for the year ended March 31, 2025 (₹)		Return on Average Equity ended March 31, 2025 ⁽⁴⁾ (%)	Net Asset Value per equity share ended March 31, 2025 ⁽⁵⁾ (₹)
		(₹ in million)	(₹ per share)			Basic	Diluted		
HDB Financial Services Limited [#]	Consolidated	163,002.8	10	NA	NA	27.4	27.3	14.72	198.8
Listed peers*									
Bajaj Finance Limited	Consolidated	696,835.1	1 ^{\$}	34.3	5.9	26.89	26.82 ^{\$}	19.35%	1,55.6
Sundaram Finance Limited	Consolidated	84,856.3	10	28.1	4.0	170.53	170.53	15.48%	1,187.8
L&T Finance Limited	Consolidated	159,242.4	10	17.9	1.8	10.61	10.57	10.79%	102.5
Mahindra & Mahindra Financial Services Limited	Consolidated	184,631.0	2	14.5	1.7	18.32	18.31	10.91%	154.9
Cholamandalam Investment and Finance Company Limited	Consolidated	258,459.8	2	31.4	5.6	50.72	50.60	19.71%	281.5
Shriram Finance Limited	Consolidated	418,344.2	2	13.0	2.2	50.82	50.75	18.17%	300.3

[#] Financial information of our Company has been derived from the Restated Consolidated Financial Information.

[^] To be updated upon finalization of the Price Band.

^{\$} Adjusted for bonus issue of shares in the ratio of 4:1, and a stock split in the ratio of 1:2 with ex-date of June 16, 2025

* Sources for listed peers information included above:

1. All the financial information for listed industry peers is on a consolidated basis and is sourced from the financial information of such listed industry peer as at and for the year ended March 31, 2025 available on the website of the stock exchanges or the Company.
2. P/E ratio for the listed industry peers has been computed based on the closing market price of equity shares on NSE Limited ("NSE") as on June 18, 2025 divided by the diluted earnings per share for the year ended March 31, 2025.
3. P/B ratio for the listed industry peers has been computed based on the closing market price of equity shares on NSE as on June 18, 2025 divided by the net asset value per equity share as of the last day of the year ended March 31, 2025.
4. Return on Average Equity (%) = Ratio of Restated Profit/(loss) after tax for the relevant period to Average Total Equity (which comprises of equity share capital and other equity) as at the last day of the relevant period. Average Total Equity represents the simple average of total equity as at the last day of the relevant period and total equity of the last day of the preceding period.
5. Net asset value per equity share (book value per equity share) is calculated by dividing Total Equity of the company as of the last day of the relevant period by the total number of issued and subscribed equity shares outstanding as of the last day of the relevant period.

H. Key Performance Indicators ("KPIs")

The table below sets forth the details of our KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 19, 2025, and the Audit Committee has confirmed that the KPIs pertaining to our Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus have been disclosed in this section and have been subject to verification and certification by Manian & Rao, Chartered Accountants pursuant to report dated June 19, 2025 which has been included as part of the "Material Contracts and Documents for Inspection" on page 605. The KPIs disclosed below have been historically used by the Company to understand and analyze its business performance and will also help in analyzing its growth in comparison to its peers.

Further, the members of our Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any Promoter or member of Promoter Group or Directors in their capacity as Shareholders at any point of time during the three years prior to the date of filing of this Red Herring Prospectus. Further, the CFO has certified pursuant to the certificate dated June 19, 2025 the KPIs disclosed below comprising the GAAP, Non-GAAP and operational measures.

The management of our Company has prepared a note that inter-alia takes on record GAAP, Non-GAAP and operational

measures identified as KPIs along with the rationale for the classification of each of these KPIs under GAAP, Non-GAAP and operational measures along with the rationale for such classification. The note was placed before the members of our Audit Committee prior to the resolution dated June 19, 2025, approving and confirming the KPIs disclosed below.

The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational key financial and operational metrics, to make an assessment of our Company's performance in various business verticals and make an informed decision. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Statements. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS and may have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these KPIs should not be considered in isolation or construed as an alternative to Ind AS measures of performance, liquidity, profitability or results of operation.

(₹ in million, unless otherwise specified)

Particulars	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
Number of Customers ¹ (count, in million)	19.2	15.8	12.2
Number of Branches ² (count)	1,771	1,682	1,492
Number of Locations ³ (count)	1,170	1,148	1,054
Number of Total Employees ⁴ (count)	60,432	56,560	45,883
Breakdown of Total Gross Loans by verticals: ⁵			
- Enterprise Lending	420,058.6	368,225.6	316,187.1
- Asset Finance	406,488.3	341,946.6	263,262.7
- Consumer Finance	242,228.8	192,007.1	120,857.2
Total Gross Loans⁵	1,068,775.8	902,179.3	700,307.0
Total Gross Loans Growth y-o-y % ⁶	18.47%	28.83%	14.19%
Secured Loans as % of Total Gross Loans ⁷	73.01%	71.34%	72.87%
Net Interest Income ⁸	74,456.4	62,924.0	54,158.6
Other Financial Charges ⁹	11,924.5	9,531.1	7,564.1
Net Total Income ¹⁰	86,934.7	73,572.5	62,570.3
Credit Cost ¹¹	21,130.5	10,673.9	13,304.0
Profit after Tax (PAT)* ¹²	21,759.2	24,608.4	19,593.5
PAT growth y-o-y %* ¹³	(11.58%)	25.59%	93.73%
Basic Earnings per Share (EPS)* ¹⁴ (In ₹)	27.40	31.08	24.78
Average Yield % ¹⁵	14.04%	13.92%	13.59%
Average Cost of Borrowings % ¹⁶	7.90%	7.53%	6.76%
Net Interest Margin % ¹⁷	7.56%	7.85%	8.25%
Cost to Income Ratio ¹⁸	42.84%	42.72%	39.00%
Operating Expense Ratio ¹⁹	3.78%	3.92%	3.71%
Credit Cost Ratio ²⁰	2.14%	1.33%	2.03%
Gross Stage 1 and Gross Stage 2 Loans ²¹	1,044,638.7	885,061.1	681,158.5
Gross Stage 3 Loans ²²	24,137.1	17,118.2	19,148.5
Gross Non-Performing Assets (GNPA)% ²³	2.26%	1.90%	2.73%
Net Non-Performing Assets (NNPA)% ²⁴	0.99%	0.63%	0.95%
Provision Coverage Ratio (PCR) ²⁵	55.95%	66.82%	65.10%
Provisioning Coverage on Stage 1 and Stage 2 Loans ²⁶	2.09%	2.66%	3.53%
Total Equity* ²⁷	158,197.5	137,427.1	114,369.7
Return on Average Equity (ROE)* ²⁸ %	14.72%	19.55%	18.68%
Return on Assets (ROA)* ²⁹ %	2.16%	3.03%	2.97%
Total Borrowings by Instrument			
- Term loans and Working Capital Demand Loans	329,902.1	316,610.3	219,680.0
- Non-Convertible Debentures	360,524.2	336,999.6	270,964.1
- External Commercial Borrowings	89,386.8	20,851.3	18,889.4
- Subordinated debts	45,151.5	46,576.5	28,944.6

Particulars	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
- Perpetual debts	14,885.6	9,905.2	6,466.4
- Commercial paper	34,127.5	11,511.6	0.0
- Borrowing under Securitization	0.0	852.2	3,708.6
Total Borrowings³⁰	873,977.7	743,306.7	548,653.1
Debt to Equity Ratio ^{*31}	5.85	5.81	5.26
CRAR – Tier I ^{*32}	14.67%	14.12%	15.91%
CRAR – Tier II ^{*33}	4.55%	5.13%	4.14%
Breakdown of Total Disbursements by Verticals			
- Enterprise Lending	185,035.1	173,589.4	141,075.0
- Asset Finance Verticals	220,088.6	209,830.1	158,695.4
- Consumer Finance	255,951.3	225,573.1	148,247.2
Total Disbursements ³⁴	661,075.0	608,992.5	448,017.6
Breakdown of Branches by Region ³⁵			
- East	16.49%	16.41%	14.54%
- North	31.56%	32.16%	33.11%
- South	26.48%	25.80%	25.60%
- West	25.47%	25.62%	26.74%

Notes:

**denotes the information that is presented at the Company level. All other metrics are calculated with respect to the Company's lending business.*

- (1) *Number of Customers: Total number of distinct customers to whom we have advanced credit in our lending business as at the last day of the specified period.*
- (2) *Number of Branches: Total number of operational branches as at the last day of the specified period.*
- (3) *Number of Locations: Total number of operational locations as at the last day of the specified period.*
- (4) *Number of Total Employees: Total number of employees in our lending business as at the last day of the specified period.*
- (5) *Total Gross Loans is the aggregate amount of gross loans receivables from customers (including overdue interest but excluding any other charges) before considering impairment allowances as at the last day of the specified period.*
- (6) *Total Gross Loans Growth y-o-y: Percentage growth in Total Gross Loans as at the last day of the specified period over the Total Gross Loans as at the last day of the immediately preceding comparable period.*
- (7) *Secured Loans as % of Total Gross Loans: Percentage of Total Gross Loans secured by tangible assets as a percentage of Total Gross Loans as at the last day of the specified period.*
- (8) *Net Interest Income: Interest Income for the specified period reduced by finance cost for the specified period.*
- (9) *Other Financial Charges: Includes fees received in our lending business for the specified period.*
- (10) *Net Total Income: Net Total income is calculated as total revenue from operations excluding revenue from sale of services as reduced by finance cost during the specified period.*
- (11) *Credit Cost: Amount of impairment of financial instruments recognised during the specified period.*
- (12) *Profit after Tax ("PAT"): Profit before tax as reduced by total tax expenses for the specified period.*
- (13) *PAT growth y-o-y: Percentage growth in Profit after Tax for the specified period over Profit after Tax for the immediately preceding comparable period.*
- (14) *Basic Earnings per Share ("EPS"): Basic earnings per equity share have been calculated by dividing the Profit after Tax attributable to equity shareholders by weighted average number of equity shares outstanding during the specified period.*
- (15) *Average Yield: Average interest rate on loan amounts extended to our customers in the specified period. Average interest rate is calculated as Interest Income as a percentage of Average of total gross loans (Average of Opening and Closing total gross loans during the specified period).*
- (16) *Average Cost of Borrowings: Ratio of the finance cost to Average Total Borrowings for the specified period (Average Total Borrowings is calculated as average of opening and closing total borrowings during the specified period).*
- (17) *Net Interest Margin: Ratio of Net Interest Income to the Average Total Gross Loans during the specified period.*
- (18) *Cost to Income Ratio: Ratio of Operating Expenses to Net Total Income for the specified period. Operating expenses is calculated as total expenses of lending business as reduced by finance cost and impairment on financial instruments.*
- (19) *Operating Expense Ratio: Ratio of Operating Expenses to Average Total Gross Loans for the specified period.*
- (20) *Credit Cost Ratio: Ratio of Credit Cost to Average Total Gross Loans for the specified period.*
- (21) *Gross Stage 1 and Gross Stage 2 Loans: Gross Stage 1 and Gross Stage 2 Loans are loan assets which are 30 days and 60 days past due, respectively, on their contractual payments before considering impairment allowances as at the last day of the specified period.*
- (22) *Gross Stage 3 Loans: Gross Stage 3 Loans are loan assets which are 90 days past due on its contractual payments before considering impairment allowances as at the last day of the specified period.*
- (23) *Gross Non-Performing Assets ("GNPA"): Ratio of Gross Stage 3 Loans to gross carrying amount of Total Gross Loans as at the last day of the specified period.*
- (24) *Net Non-Performing Assets ("NNPA"): Ratio of Net NPA to gross carrying value of Total Gross Loans as at the last day of the specified period. Net NPA is gross stage 3 loans reduced by impairment allowances provided on stage 3 loans as at the last day of specified period.*
- (25) *Provision Coverage Ratio ("PCR"): Impairment loss allowance on stage 3 loans as a percentage of gross carrying value of stage 3 loans as at the last day of the specified period.*
- (26) *Provisioning Coverage on Stage 1 and Stage 2 Loans: Represents the Impairment loss allowance on stage 1 and stage 2 loans as a percentage of the gross carrying value of our stage 1 and stage 2 loans as at the last day of the specified period.*
- (27) *Total Equity: Total Equity is equal to paid up equity share capital plus other equity.*
- (28) *Return on Average Equity ("ROE"): Ratio of Restated Profit/(loss) after tax for the specified period to Average Total Equity (which comprises of equity share capital and other equity) as at the last day of the specified period. Average Total Equity represents the simple average of total equity as at the last day of the specified period and total equity of the last day of the immediately preceding period.*
- (29) *Return on Assets ("ROA"): Ratio of Restated Profit/(loss) after tax to Average Total Assets for the specified period. Average Total Assets represents the simple average of total assets as at the last day of the specified period and total assets of the last day of the immediately preceding period.*
- (30) *Total Borrowings: Outstanding borrowings as at the last day of the specified period. Total Borrowings is the sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as at the last day of the specified period.*

- (31) *Debt to Equity: Ratio of Total Borrowings to Net Worth as at the last day of the specified period. Net Worth is equal to paid-up equity share capital plus other equity less deferred tax asset (net) as at the last day of the specified period.*
- (32) *CRAR – Tier I: Capital to risk (weighted) assets ratio which is computed by dividing our Tier I capital by total risk weighted assets, computed in accordance with RBI guidelines as at the last day of the specified period.*
- (33) *CRAR – Tier II: Capital to risk (weighted) assets ratio which is computed by dividing our Tier II capital by total risk weighted assets, computed in accordance with RBI guidelines as at the last day of the specified period.*
- (34) *Total Disbursements: Total amount of new loans disbursed (either partly or fully) to our customer during the specified period.*
- (35) *Breakdown of Branches by Region: Represents the Percentage of total number of operational branches in each region divided by the total number of our operational branches as at the last day of the specified period..*

Our Company confirms that it shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), 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.

For details of our other operating metrics disclosed elsewhere in this Red Herring Prospectus, see “*Our Business*”, “*Selected Statistical Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 244, 321 and 391, respectively.

I. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

Brief explanation of the relevance of the KPIs for our business operations is set forth below. We have also described and defined the KPIs, as applicable, in “*Definitions and Abbreviations*” beginning on page 1.

KPI	Definition	Relevance
Number of customers	Total number of distinct customers to whom we have advanced credit in our lending business as at the last day of the specified period.	Used by the management to assess the customer franchise, geographic footprint and organisational scale of the Company
Number of Branches	Total number of operational branches as at the last day of the specified period.	
Number of Locations	Total number of operational locations as at the last day of the specified period.	
Number of Total Employees	Total number of employees in our lending business as at the last day of the specified period.	
Total Gross Loans	Total Gross Loans is the aggregate amount of gross loans receivables from customers (including overdue interest but excluding any other charges) before considering impairment allowances as at the last day of the specified period.	Used by the management to assess the scale and growth of the Company
Total Gross Loans Growth	Percentage growth in Total Gross Loans as at the last day of the specified period over the Total Gross Loans as at the last day of the immediately preceding comparable period.	
Secured Loans as % of Total Gross Loans	Percentage of Total Gross Loans secured by tangible assets as a percentage of Total Gross Loans as at the last day of the specified period.	Used by the management to track the level of collateral on the loans extended by the Company
Net Interest Income	Interest Income for the specified period reduced by finance cost for the specified period.	Used by the management to assess the financial performance and profitability of the Company
Other Financial Charges	Includes fees received in our lending business for the specified period.	
Net Total Income	Net Total income is calculated as total revenue from operations excluding revenue from sale of services as reduced by finance cost during the specified period.	
Credit Cost	Amount of impairment of financial instruments recognised during the specified period.	
Profit after Tax	Profit before tax as reduced by total	

KPI	Definition	Relevance
	tax expenses for the specified period.	
PAT growth YoY	Percentage growth in Profit after Tax for the specified period over Profit after Tax for the immediately preceding comparable period.	
EPS	Basic earnings per equity share ("EPS") have been calculated by dividing the Profit after Tax attributable to equity shareholders by weighted average number of equity shares outstanding during the specified period.	
Average Yield	Average interest rate on loan amounts extended to our customers in the specified period. Average interest rate is calculated as Interest Income as a percentage of Average of total gross loans (Average of Opening and Closing total gross loans during the specified period).	
Average Cost of Borrowings	Ratio of the finance cost to Average Total Borrowings for the specified period (Average Total Borrowings is calculated as average of opening and closing total borrowings during the specified period).	
Net Interest Margin	Ratio of Net Interest Income to the Average Total Gross Loans during the specified period.	
Cost to Income Ratio	Ratio of Operating Expenses to Net Total Income for the specified period. Operating expenses is calculated as total expenses of lending business as reduced by finance cost and impairment on financial instruments.	
Operating Expense Ratio	Ratio of Operating Expenses to Average Total Gross Loans for the specified period.	
Credit Cost Ratio	Ratio of Credit Cost to Average Total Gross Loans for the specified period.	Used by the management to assess the asset quality of our loan book and the adequacy of provisions against the portfolio.
Gross Stage 1 and Gross Stage 2 Loans	Gross Stage 1 and Gross Stage 2 Loans are loan assets which are 30 days and 60 days past due, respectively, on their contractual payments before considering impairment allowances as at the last day of the specified period.	
Gross Stage 3 Loans	Gross Stage 3 Loans are loan assets which are 90 days past due on its contractual payments before considering impairment allowances as at the last day of the specified period.	Used by the management to assess the asset quality of our loan book and the adequacy of provisions against non-performing assets.
Gross Non-Performing Assets (GNPA)	Ratio of Gross Stage 3 Loans to gross carrying amount of Total Gross Loans as at the last day of the specified period.	
Net Non-Performing Assets (NNPA)	Ratio of Net NPA to gross carrying value of Total Gross Loans as at the last day of the specified period. Net NPA is gross stage 3 loans reduced by impairment allowances provided on stage 3 loans as at the last day of the specified period.	
Provision Coverage Ratio (PCR)	Impairment loss allowance on stage 3 loans as a percentage of gross carrying value of stage 3 loans as at the last day of the specified period.	

KPI	Definition	Relevance
Provisioning Coverage on Stage 1 and Stage 2 Loans	Represents the impairment loss allowance on our stage 1 and Stage 2 loans as a percentage of the gross carrying value of our stage 1 and stage 2 loans as at the last day of specified period	Used by the management to assess the asset quality of our loan book and the adequacy of provisions against the portfolio.
Total Equity	Total Equity is equal to paid up equity share capital plus other equity.	Used by the management to assess the ability of the Company to generate returns on its business
Return on Average Equity (ROE)	Ratio of Restated Profit/(loss) after tax for the specified period to Average Total Equity (which comprises of equity share capital and other equity) as at the last day of the specified period. Average Total Equity represents the simple average of total equity as at the last day of the specified period and total equity of the last day of the immediately preceding period.	
Return on Assets (ROA)	Ratio of Restated Profit/(loss) after tax to Average Total Assets for the specified period. Average Total Assets represents the simple average of total assets as at the last day of the specified period and total assets of the last day of the immediately preceding period.	
Total Borrowings	Outstanding borrowings as at the last day of the specified period. Total Borrowings is the sum of debt securities, borrowings (other than debt securities) and subordinated liabilities as at the last day of the specified period.	Used by the management to assess the source of capital borrowed by the Company
Debt to Equity	Ratio of Total Borrowings to Net Worth as at the last day of the specified period. Net Worth is equal to paid-up equity share capital plus other equity less deferred tax asset (net) as at the last day of the specified period.	Used by the management to ensure the adequacy of capital for the business growth of our Company while ensuring that the Company meets the regulatory requirements.
CRAR - Tier I	Capital to risk (weighted) assets ratio which is computed by dividing our Tier I capital by total risk weighted assets, computed in accordance with RBI guidelines as at the last day of the specified period.	
CRAR - Tier II	Capital to risk (weighted) assets ratio which is computed by dividing our Tier II capital by total risk weighted assets, computed in accordance with RBI guidelines as at the last day of the specified period.	
Total Disbursements	Total amount of new loans disbursed (either partly or fully) to our customers during the specified period.	Used by the management to assess the scale and growth of the Company
Breakdown of Branches by Region	Represents the percentage of the total number of our operational branches in each region divided by the total number of our operational branches as at the last day of the specified period.	Used by the management to assess the customer franchise, geographic footprint and organisational scale of the Company

For details of our other operating metrics disclosed elsewhere in this Red Herring Prospectus, see “Our Business” and “Selected Statistical Information” beginning on pages 244 and 321, respectively.

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Comparison of KPIs with Listed Industry Peers

Bajaj Finance Limited (Based on Standalone Financial Statements)

Particulars	Units	HDB Financial Services Limited			Bajaj Finance Limited		
		As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
Number of Customers (count, in million)	(count, in million)	19.2	15.8	12.2	101.8	83.6	69.1
Number of Branches (count)	#	1,771	1,682	1,492	NA	NA	NA
Number of Locations (count)	#	1,170	1,148	1,054	4,263	4,145	3,733
Number of Total Employees (count)	#	60,432	56,560	45,883	61,269	50,653	39,781
Breakdown of Total Gross Loans by verticals*							
- Enterprise Lending	in ₹ million	420,058.6	368,225.6	316,187.1	NA	NA	NA
- Asset Finance	in ₹ million	406,488.3	341,946.6	263,262.7	NA	NA	NA
- Consumer Finance	in ₹ million	242,228.8	192,007.1	120,857.2	NA	NA	NA
Total Gross Loans	in ₹ million	1,068,775.8	902,179.3	700,307.0	NA	2,478,525.3	1,829,379.6
Total Gross Loans Growth y-o-y %	%	18.47%	28.83%	14.19%	NA	35.48%	23.43%
Secured Loans as % of Total Gross Loans	%	73.01%	71.34%	72.87%	NA	48.46%	44.41%
Net Interest Income	in ₹ million	74,456.4	62,924.0	54,158.6	331,112.2	269,393.2	208,566.1
Other Financial Charges	in ₹ million	11,924.5	9,531.1	7,564.1	56,408.7	50,074.1	42,039.6
Net Total Income	in ₹ million	86,934.7	73,572.5	62,570.3	409,824.9	331,025.4	264,013.4
Credit Cost	in ₹ million	21,130.5	10,673.9	13,304.0	78,828.6	45,721.9	30,664.6
Profit after Tax (PAT)	in ₹ million	21,759.2	24,608.4	19,593.5	166,615.0	126,441.1	102,897.4
PAT growth y-o-y %	%	(11.58%)	25.59%	93.73%	31.77%	22.88%	62.03%
EPS	₹	27.40	31.08	24.78	269.33	207.27	170.37
Average Yield	%	14.04%	13.92%	13.59%	18.82%#	18.93%	18.20%
Average Cost of Borrowings	%	7.90%	7.53%	6.76%	7.44%	7.25%	6.52%
Net Interest Margin	%	7.56%	7.85%	8.25%	12.09%#	12.51%	12.60%
Cost to Income Ratio	%	42.84%	42.72%	39.00%	34.08%	34.67%	35.82%
Operating Expense Ratio	%	3.78%	3.92%	3.71%	5.10%#	5.33%	5.71%
Credit Cost Ratio	%	2.14%	1.33%	2.03%	2.88%#	2.12%	1.85%
Gross Stage 1 and Gross Stage 2 Loans	in ₹ million	1,044,638.7	885,061.1	681,158.5	NA	2,452,521.5	1,807,624.7
Gross Stage 3 Loans	in ₹ million	24,137.1	17,118.2	19,148.5	NA	26,003.8	21,754.9

Particulars	Units	HDB Financial Services Limited			Bajaj Finance Limited		
		As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
Gross Non-Performing Assets (GNPA)	%	2.26%	1.90%	2.73%	1.18%	1.05%	1.19%
Net Non-Performing Assets (NNPA)	%	0.99%	0.63%	0.95%	0.56%	0.46%	0.43%
Provision Coverage Ratio (PCR)	%	55.95%	66.82%	65.10%	52.54%	56.46%	63.84%
Provisioning Coverage on Stage 1 and 2 loans	%	2.09%	2.66%	3.53%	1.45%	1.24%	1.36%
Total Equity	in ₹ million	158,197.5	137,427.1	114,369.7	879,957.1	720,105.3	514,931.3
Return on Equity (ROE)	%	14.72%	19.55%	18.68%	20.83%	20.48%	22.00%
Return on Assets (ROA)	%	2.16%	3.03%	2.97%	5.01%	4.93%	5.35%
Total Borrowings	in ₹ million	873,977.7	743,306.7	548,653.1	2,752,176.0	2,203,786.5	1,616,846.3
Debt to Equity Ratio	times	5.85	5.81	5.26	3.2	3.1	3.2
CRAR – Tier I	%	14.67%	14.12%	15.91%	NA	21.51%	23.20%
CRAR – Tier II	%	4.55%	5.13%	4.14%	NA	1.01%	1.77%
Breakdown of Total Disbursements by verticals*							
- Enterprise Lending	in ₹ million	185,035.1	173,589.4	141,075.0	NA	NA	NA
- Asset Finance	in ₹ million	220,088.6	209,830.1	158,695.4	NA	NA	NA
- Consumer Finance	in ₹ million	255,951.3	225,573.1	148,247.2	NA	NA	NA
Total Disbursements	in ₹ million	661,075.0	608,992.5	448,017.6	NA	NA	NA
Breakdown of Branches by region							
- East	%	16.49%	16.41%	14.54%	NA	NA	NA
- North	%	31.56%	32.16%	33.11%	NA	NA	NA
- South	%	26.48%	25.80%	25.60%	NA	NA	NA
- West	%	25.47%	25.62%	26.74%	NA	NA	NA

*Comparative data not available

Due to non-availability of data of gross advances amount, average net advances amount has been considered

Sundaram Finance Limited (Based on Standalone Financial Statements)

Particulars	Units	HDB Financial Services Limited			Sundaram Finance Limited		
		As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
Number of Customers	(count, in million)	19.2	15.8	12.2	0.6	0.6	0.5
Number of Branches	#	1,771	1,682	1,492	710	710	671
Number of Locations	#	1,170	1,148	1,054	NA	NA	NA
Number of Total Employees	#	60,432	56,560	45,883	7,293	7,459	7,371
Breakdown of Total Gross Loans by verticals*							
- Enterprise Lending	in ₹ million	420,058.6	368,225.6	316,187.1	NA	NA	NA
- Asset Finance	in ₹ million	406,488.3	341,946.6	263,262.7	NA	NA	NA
- Consumer Finance	in ₹ million	242,228.8	192,007.1	120,857.2	NA	NA	NA
Total Gross Loans	in ₹ million	1,068,775.8	902,179.3	700,307.0	NA	425,206.3	342,151.6
Total Gross Loans Growth y-o-y %	%	18.47%	28.83%	14.19%	NA	24.27%	18.14%
Secured Loans as % of Total Gross Loans	%	73.01%	71.34%	72.87%	NA	99.19%	99.16%
Net Interest Income	in ₹ million	74,456.4	62,924.0	54,158.6	24,034.4	19,487.8	16,949.8
Other Financial Charges	in ₹ million	11,924.5	9,531.1	7,564.1	3,276.4	2,789.1	2,396.7
Net Total Income	in ₹ million	86,934.7	73,572.5	62,570.3	33,421.2	29,185.9	23,331.1
Credit Cost	in ₹ million	21,130.5	10,673.9	13,304.0	2,415.1	2,738.1	1,342.5
Profit after Tax (PAT)	in ₹ million	21,759.2	24,608.4	19,593.5	15,426.5	14,540.1	10,883.1
PAT growth y-o-y	%	(11.58%)	25.59%	93.73%	6.1%	33.60%	20.47%
EPS	₹	27.40	31.08	24.78	138.85	130.87	97.95
Average Yield	%	14.04%	13.92%	13.59%	12.37%#	11.79%	10.99%
Average Cost of Borrowings	%	7.90%	7.53%	6.76%	7.38%	7.00%	5.87%
Net Interest Margin	%	7.56%	7.85%	8.25%	5.26%#	5.08%	5.37%
Cost to Income Ratio	%	42.84%	42.72%	39.00%	31.09%	32.49%	33.38%
Operating Expense Ratio	%	3.78%	3.92%	3.71%	2.27%#	2.47%	2.47%
Credit Cost Ratio	%	2.14%	1.33%	2.03%	0.53%#	0.71%	0.42%
Gross Stage 1 and Gross Stage 2 Loans	in ₹ million	1,044,638.7	885,061.1	681,158.5	NA	425,067.9	339,163.7
Gross Stage 3 Loans	in ₹ million	24,137.1	17,118.2	19,148.5	NA	5,456.9	5,765.0

Particulars	Units	HDB Financial Services Limited			Sundaram Finance Limited		
		As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
Gross Non-Performing Assets (GNPA)	%	2.26%	1.90%	2.73%	1.44%	1.26%	1.66%
Net Non-Performing Assets (NNPA)	%	0.99%	0.63%	0.95%	0.75%	0.63%	0.86%
Provision Coverage Ratio (PCR)	%	55.95%	66.82%	65.10%	NA	50.19%	48.56%
Provisioning Coverage on Stage 1 and 2 loans	%	2.09%	2.66%	3.53%	NA	0.40%	0.53%
Total Equity	in ₹ million	158,197.5	137,427.1	114,369.7	111,391.0	94,716.9	77,374.0
Return on Equity (ROE)	%	14.72%	19.55%	18.68%	14.97%	16.90%	14.88%
Return on Assets (ROA)	%	2.16%	3.03%	2.97%	2.80%	3.16%	2.85%
Total Borrowings	in ₹ million	873,977.7	743,306.7	548,653.1	473,201.1	408,768.9	327,549.4
Debt to Equity Ratio	times	5.85	5.81	5.26	4.2	4.3	4.3
CRAR – Tier I	%	14.67%	14.12%	15.91%	NA	16.78%	17.71%
CRAR – Tier II	%	4.55%	5.13%	4.14%	NA	3.72%	5.06%
Breakdown of Total Disbursements by verticals*							
- Enterprise Lending	in ₹ million	185,035.1	173,589.4	141,075.0	NA	NA	NA
- Asset Finance	in ₹ million	220,088.6	209,830.1	158,695.4	NA	NA	NA
- Consumer Finance	in ₹ million	255,951.3	225,573.1	148,247.2	NA	NA	NA
Total Disbursements	in ₹ million	661,075.0	608,992.5	448,017.6	284,050.0	261,630.0	209,660.0
Breakdown of Branches by region							
- East	%	16.49%	16.41%	14.54%	NA	6.8%	7.0%
- North	%	31.56%	32.16%	33.11%	NA	20.1%	21.2%
- South	%	26.48%	25.80%	25.60%	NA	51.8%	51.2%
- West	%	25.47%	25.62%	26.74%	NA	21.3%	20.6%

*Comparative data not available

Due to non-availability of data of gross advances amount, average net advances amount has been considered

Mahindra and Mahindra Financial Services (Based on Standalone Financial Statements)

Particulars	Units	HDB Financial Services Limited			Mahindra and Mahindra Financial Services		
		As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
Number of Customers	(count, in million)	19.2	15.8	12.2	11.0	NA	9.0
Number of Branches	#	1,771	1,682	1,492	1,365	1,370	1,386
Number of Locations	#	1,170	1,148	1,054	NA	NA	NA
Number of Total Employees	#	60,432	56,560	45,883	25,261	26,662	26,329
Breakdown of Total Gross Loans by verticals*							
- Enterprise Lending	in ₹ million	420,058.6	368,225.6	316,187.1	NA	NA	NA
- Asset Finance	in ₹ million	406,488.3	341,946.6	263,262.7	NA	NA	NA
- Consumer Finance	in ₹ million	242,228.8	192,007.1	120,857.2	NA	NA	NA
Total Gross Loans	in ₹ million	1,068,775.8	902,179.3	700,307.0	1,196,730	1,025,967.7	827,425.6
Total Gross Loans Growth y-o-y	%	18.47%	28.83%	14.19%	16.64%	24.00%	27.40%
Secured Loans as % of Total Gross Loans	%	73.01%	71.34%	72.87%	NA	95.10%	94.39%
Net Interest Income	in ₹ million	74,456.4	62,924.0	54,158.6	74,331.1	66,818.2	61,058.5
Other Financial Charges	in ₹ million	11,924.5	9,531.1	7,564.1	5,105.9	1,746.7	1,679.6
Net Total Income	in ₹ million	86,934.7	73,572.5	62,570.3	81,763.9	71,354.8	64,793.7
Credit Cost	in ₹ million	21,130.5	10,673.9	13,304.0	16,178.6	18,227.9	9,992.3
Profit after Tax (PAT)	in ₹ million	21,759.2	24,608.4	19,593.5	23,450.4	17,596.2	19,843.2
PAT growth y-o-y	%	(11.58%)	25.59%	93.73%	33.27%	(11.32%)	100.69%
EPS (In Rs)	₹	27.40	31.08	24.78	18.99	14.26	16.09
Average Yield	%	14.04%	13.92%	13.59%	13.80%	14.15%	14.47%
Average Cost of Borrowings	%	7.90%	7.53%	6.76%	7.70%	7.69%	7.00%
Net Interest Margin	%	7.56%	7.85%	8.25%	6.69%	7.21%	8.27%
Cost to Income Ratio	%	42.84%	42.72%	39.00%	41.72%	41.44%	42.10%
Operating Expense Ratio	%	3.78%	3.92%	3.71%	3.07%	3.19%	3.69%
Credit Cost Ratio	%	2.14%	1.33%	2.03%	1.46%	1.97%	1.35%
Gross Stage 1 and Gross Stage 2 Loans	in ₹ million	1,044,638.7	885,061.1	681,158.5	NA	991,058.7	790,527.7
Gross Stage 3 Loans	in ₹ million	24,137.1	17,118.2	19,148.5	NA	34,909.0	37,171.0

Particulars	Units	HDB Financial Services Limited			Mahindra and Mahindra Financial Services		
		As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
Gross Non-Performing Assets (GNPA)	%	2.26%	1.90%	2.73%	3.69%	3.40%	4.49%
Net Non-Performing Assets (NNPA)	%	0.99%	0.63%	0.95%	1.84%	1.28%	1.87%
Provision Coverage Ratio (PCR)	%	55.95%	66.82%	65.10%	51.16%	63.16%	59.46%
Provisioning Coverage on Stage 1 and 2 loans	%	2.09%	2.66%	3.53%	1.04%	1.21%	1.44%
Total Equity	in ₹ million	158,197.5	137,427.1	114,369.7	198,122.3	181,574.9	170,889.1
Return on Equity (ROE)	%	14.72%	19.55%	18.68%	12.35%	9.98%	12.13%
Return on Assets (ROA)	%	2.16%	3.03%	2.97%	1.87%	1.66%	2.31%
Total Borrowings	in ₹ million	873,977.7	743,306.7	548,653.1	1,128,734.7	922,251.7	749,458.6
Debt to Equity Ratio	times	5.85	5.81	5.26	5.9	5.3	4.6
CRAR – Tier I	%	14.67%	14.12%	15.91%	15.25%	16.39%	19.87%
CRAR – Tier II	%	4.55%	5.13%	4.14%	3.08%	2.47%	2.65%
Breakdown of Total Disbursements by verticals*							
- Enterprise Lending	in ₹ million	185,035.1	173,589.4	141,075.0	NA	NA	NA
- Asset Finance	in ₹ million	220,088.6	209,830.1	158,695.4	NA	NA	NA
- Consumer Finance	in ₹ million	255,951.3	225,573.1	148,247.2	NA	NA	NA
Total Disbursements	in ₹ million	661,075.0	608,992.5	448,017.6	579,000.0	562,080.0	495,410.0
Breakdown of Branches by region							
- East	%	16.49%	16.41%	14.54%	23.0%	22.8%	22.4%
- North	%	31.56%	32.16%	33.11%	32.3%	32.2%	31.2%
- South	%	26.48%	25.80%	25.60%	20.8%	21.2%	22.2%
- West	%	25.47%	25.62%	26.74%	23.9%	23.8%	24.2%

*Comparative data not available

Shriram Finance Limited (Based on Standalone Financial Statements)

Particulars	Units	HDB Financial Services Limited			Shriram Finance Limited		
		As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
Number of Customers	(count, in million)	19.2	15.8	12.2	9.5	8.4	7.3
Number of Branches	#	1,771	1,682	1,492	3,220	3,082	2,922
Number of Locations	#	1,170	1,148	1,054	NA	NA	NA
Number of Total Employees	#	60,432	56,560	45,883	79,872	74,645	64,052
Breakdown of Total Gross Loans by verticals*							
- Enterprise Lending	in ₹ million	420,058.6	368,225.6	316,187.1	NA	NA	NA
- Asset Finance	in ₹ million	406,488.3	341,946.6	263,262.7	NA	NA	NA
- Consumer Finance	in ₹ million	242,228.8	192,007.1	120,857.2	NA	NA	NA
Total Gross Loans	in ₹ million	1,068,775.8	902,179.3	700,307.0	2,599,158.9	2,216,676.6	1,833,384.2
Total Gross Loans Growth y-o-y	%	18.47%	28.83%	14.19%	17.25%	20.91%	45.86%
Secured Loans as % of Total Gross Loans	%	73.01%	71.34%	72.87%	NA	92.04%	93.65%
Net Interest Income	in ₹ million	74,456.4	62,924.0	54,158.6	218,530.6	187,935.4	160,616.0
Other Financial Charges	in ₹ million	11,924.5	9,531.1	7,564.1	6,819.3	4,573.8	2,426.1
Net Total Income	in ₹ million	86,934.7	73,572.5	62,570.3	234,048.9	201,914.9	172,571.3
Credit Cost	in ₹ million	21,130.5	10,673.9	13,304.0	53,116.6	45,183.4	41,591.7
Profit after Tax (PAT)	in ₹ million	21,759.2	24,608.4	19,593.5	97,610.0	71,904.8	59,793.4
PAT growth y-o-y	%	(11.58%)	25.59%	93.73%	35.75%	20.26%	120.81%
EPS	₹	27.40	31.08	24.78	51.92	191.63	159.69
Average Yield	%	14.04%	13.92%	13.59%	16.74%	16.59%	18.51%
Average Cost of Borrowings	%	7.90%	7.53%	6.76%	8.79%	8.61%	9.21%
Net Interest Margin	%	7.56%	7.85%	8.25%	9.08%	9.28%	10.39%
Cost to Income Ratio	%	42.84%	42.72%	39.00%	30.52%	29.66%	28.47%
Operating Expense Ratio	%	3.78%	3.92%	3.71%	2.97%	2.96%	3.18%
Credit Cost Ratio	%	2.14%	1.33%	2.03%	2.21%	2.23%	2.69%
Gross Stage 1 and Gross Stage 2 Loans	in ₹ million	1,044,638.7	885,061.1	681,158.5	NA	2,095,865.1	1,719,562.4
Gross Stage 3 Loans	in ₹ million	24,137.1	17,118.2	19,148.5	NA	120,811.5	113,821.8

Particulars	Units	HDB Financial Services Limited			Shriram Finance Limited		
		As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
Gross Non-Performing Assets (GNPA)	%	2.26%	1.90%	2.73%	4.55%	5.45%	6.21%
Net Non-Performing Assets (NNPA)	%	0.99%	0.63%	0.95%	2.64%	2.70%	3.19%
Provision Coverage Ratio (PCR)	%	55.95%	66.82%	65.10%	43.28%	51.79%	50.14%
Provisioning Coverage on Stage 1 and 2 loans	%	2.09%	2.66%	3.53%	3.79%	3.57%	3.28%
Total Equity	in ₹ million	158,197.5	137,427.1	114,369.7	562,805.7	485,683.9	433,066.4
Return on Equity (ROE)	%	14.72%	19.55%	18.68%	18.62%	15.65%	17.27%
Return on Assets (ROA)	%	2.16%	3.03%	2.97%	3.68%	3.26%	3.46%
Total Borrowings	in ₹ million	873,977.7	743,306.7	548,653.1	2,341,972.5	1,858,414.4	1,579,062.9
Debt to Equity Ratio	times	5.85	5.81	5.26	4.5	4.1	3.8
CRAR – Tier I	%	14.67%	14.12%	15.91%	20.03%	19.55%	21.20%
CRAR – Tier II	%	4.55%	5.13%	4.14%	0.63%	0.75%	1.41%
Breakdown of Total Disbursements by verticals*							
- Enterprise Lending	in ₹ million	185,035.1	173,589.4	141,075.0	NA	NA	NA
- Asset Finance	in ₹ million	220,088.6	209,830.1	158,695.4	NA	NA	NA
- Consumer Finance	in ₹ million	255,951.3	225,573.1	148,247.2	NA	NA	NA
Total Disbursements	in ₹ million	661,075.0	608,992.5	448,017.6	NA	1,421,751.2	1,118,484.4
Breakdown of Branches by region							
- East	%	16.49%	16.41%	14.54%	11.7%	11.7%	12.3%
- North	%	31.56%	32.16%	33.11%	18.0%	17.7%	17.0%
- South	%	26.48%	25.80%	25.60%	51.6%	51.6%	50.9%
- West	%	25.47%	25.62%	26.74%	18.6%	19.0%	19.8%

*Comparative data not available

Cholamandalam Investment and Finance Company (Based on Standalone Financial Statements)

Particulars	Units	HDB Financial Services Limited			Cholamandalam Investment and Finance Company		
		As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
Number of Customers	(count, in million)	19.2	15.8	12.2	4.4	3.6	NA
Number of Branches	#	1,771	1,682	1,492	1613	1,387	1,191
Number of Locations	#	1,170	1,148	1,054	NA	NA	NA
Number of Total Employees	#	60,432	56,560	45,883	64,941	38,235	13,248
Breakdown of Total Gross Loans by verticals*							
- Enterprise Lending	in ₹ million	420,058.6	368,225.6	316,187.1	NA	NA	NA
- Asset Finance	in ₹ million	406,488.3	341,946.6	263,262.7	NA	NA	NA
- Consumer Finance	in ₹ million	242,228.8	192,007.1	120,857.2	NA	NA	NA
Total Gross Loans	in ₹ million	1,068,775.8	902,179.3	700,307.0	1,853,400.0	1,469,450.0	1,070,772.4
Total Gross Loans Growth y-o-y	%	18.47%	28.83%	14.19%	26.13%	37.23%	40.69%
Secured Loans as % of Total Gross Loans	%	73.01%	71.34%	72.87%	NA	90.96%	93.20%
Net Interest Income	in ₹ million	74,456.4	62,924.0	54,158.6	112,351.1	83,830.7	63,334.3
Other Financial Charges	in ₹ million	11,924.5	9,531.1	7,564.1	16,664.9	10,465.8	5,243.7
Net Total Income	in ₹ million	86,934.7	73,572.5	62,570.3	135,699.1	99,856.7	72,292.3
Credit Cost	in ₹ million	21,130.5	10,673.9	13,304.0	24,942.6	13,218.0	8,496.8
Profit after Tax (PAT)	in ₹ million	21,759.2	24,608.4	19,593.5	42,585.3	34,227.6	26,662.0
PAT growth y-o-y	%	(11.58%)	25.59%	93.73%	24.42%	28.38%	24.20%
EPS	₹	27.40	31.08	24.78	50.67	41.20	32.45
Average Yield	%	14.04%	13.92%	13.59%	14.28%	13.87%	13.19%
Average Cost of Borrowings	%	7.90%	7.53%	6.76%	8.07%	7.96%	6.90%
Net Interest Margin	%	7.56%	7.85%	8.25%	6.76%	6.60%	6.91%
Cost to Income Ratio	%	42.84%	42.72%	39.00%	39.34%	40.88%	38.45%
Operating Expense Ratio	%	3.78%	3.92%	3.71%	3.21%	3.21%	3.04%
Credit Cost Ratio	%	2.14%	1.33%	2.03%	1.50%	1.04%	0.93%
Gross Stage 1 and Gross Stage 2 Loans	in ₹ million	1,044,638.7	885,061.1	681,158.5	NA	1,433,001.9	1,038,556.4
Gross Stage 3 Loans	in ₹ million	24,137.1	17,118.2	19,148.5	NA	36,448.1	32,216.0

Particulars	Units	HDB Financial Services Limited			Cholamandalam Investment and Finance Company		
		As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
Gross Non-Performing Assets (GNPA)	%	2.26%	1.90%	2.73%	2.81%	2.48%	3.01%
Net Non-Performing Assets (NNPA)	%	0.99%	0.63%	0.95%	1.56%	1.33%	1.62%
Provision Coverage Ratio (PCR)	%	55.95%	66.82%	65.10%	45.27%	46.45%	46.00%
Provisioning Coverage on Stage 1 and 2 loans	%	2.09%	2.66%	3.53%	0.58%	0.58%	0.82%
Total Equity	in ₹ million	158,197.5	137,427.1	114,369.7	236,274.0	195,565.1	142,960.5
Return on Equity (ROE)	%	14.72%	19.55%	18.68%	19.72%	20.22%	20.51%
Return on Assets (ROA)	%	2.16%	3.03%	2.97%	2.38%	2.54%	2.72%
Total Borrowings	in ₹ million	873,977.7	743,306.7	548,653.1	1749,461.1	1,344,735.8	973,560.6
Debt to Equity Ratio	times	5.85	5.81	5.26	7.7	7.1	7.1
CRAR – Tier I	%	14.67%	14.12%	15.91%	14.41%	15.10%	14.78%
CRAR – Tier II	%	4.55%	5.13%	4.14%	5.34%	3.47%	2.35%
Breakdown of Total Disbursements by verticals*							
- Enterprise Lending	in ₹ million	185,035.1	173,589.4	141,075.0	NA	NA	NA
- Asset Finance	in ₹ million	220,088.6	209,830.1	158,695.4	NA	NA	NA
- Consumer Finance	in ₹ million	255,951.3	225,573.1	148,247.2	NA	NA	NA
Total Disbursements	in ₹ million	661,075.0	608,992.5	448,017.6	1,008,690.0	887,250.0	665,320.0
Breakdown of Branches by region							
- East	%	16.49%	16.41%	14.54%	30.3%	29.7%	30.4%
- North	%	31.56%	32.16%	33.11%	23.9%	22.5%	22.3%
- South	%	26.48%	25.80%	25.60%	21.9%	23.3%	22.5%
- West	%	25.47%	25.62%	26.74%	23.9%	24.5%	24.9%

*Comparative data not available

L&T Finance Limited (Based on Standalone Financial Statements)

Particulars	Units	HDB Financial Services Limited			L&T Finance Limited		
		As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
Number of Customers	(count, in million)	19.2	15.8	12.2	9.2	9.4	NA
Number of Branches	#	1,771	1,682	1,492	2297	1,965.0	1,862.0
Number of Locations	#	1,170	1,148	1,054	NA	NA	NA
Number of Total Employees	#	60,432	56,560	45,883	NA	30,534.0	27,506.0
Breakdown of Total Gross Loans by verticals*							
- Enterprise Lending	in ₹ million	420,058.6	368,225.6	316,187.1	NA	NA	NA
- Asset Finance	in ₹ million	406,488.3	341,946.6	263,262.7	NA	NA	NA
- Consumer Finance	in ₹ million	242,228.8	192,007.1	120,857.2	NA	NA	NA
Total Gross Loans	in ₹ million	1,068,775.8	902,179.3	700,307.0	977,614.7	855,645.2	808,928.7
Total Gross Loans Growth y-o-y %	%	18.47%	28.83%	14.19%	14.25%	5.78%	NA
Secured Loans as % of Total Gross Loans	%	73.01%	71.34%	72.87%	NA	56.40%	66.61%
Net Interest Income	in ₹ million	74,456.4	62,924.0	54,158.6	86,651.3	75,356.2	67,737.2
Other Financial Charges	in ₹ million	11,924.5	9,531.1	7,564.1	10,773.4	6,616.4	1,355.3
Net Total Income	in ₹ million	86,934.7	73,572.5	62,570.3	99,333.9	86,666.3	76,282.1
Credit Cost	in ₹ million	21,130.5	10,673.9	13,304.0	21,933.5	13,184.0	15,631.8
Profit after Tax (PAT)	in ₹ million	21,759.2	24,608.4	19,593.5	26,178.1	22,862.3	19,198.7
PAT growth y-o-y	%	(11.58%)	25.59%	93.73%	14.50%	19.08%	NA
EPS	₹	27.40	31.08	24.78	10.5	9.20	7.75
Average Yield	%	14.04%	13.92%	13.59%	16.00%	15.51%	NA
Average Cost of Borrowings	%	7.90%	7.53%	6.76%	7.11%	6.74%	NA
Net Interest Margin	%	7.56%	7.85%	8.25%	9.45%	9.05%	NA
Cost to Income Ratio	%	42.84%	42.72%	39.00%	40.37%	40.83%	37.46%
Operating Expense Ratio	%	3.78%	3.92%	3.71%	4.37%	4.25%	NA
Credit Cost Ratio	%	2.14%	1.33%	2.03%	2.39%	1.58%	NA
Gross Stage 1 and Gross Stage 2 Loans	in ₹ million	1,044,638.7	885,061.1	681,158.5	NA	828,665.2	NA
Gross Stage 3 Loans	in ₹ million	24,137.1	17,118.2	19,148.5	NA	26,980.1	NA
Gross Non-Performing Assets (GNPA)	%	2.26%	1.90%	2.73%	3.29%	3.15%	NA

Particulars	Units	HDB Financial Services Limited			L&T Finance Limited		
		As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023	As at and for Fiscal 2025	As at and for Fiscal 2024	As at and for Fiscal 2023
Net Non-Performing Assets (NNPA)	%	0.99%	0.63%	0.95%	0.97%	NA	NA
Provision Coverage Ratio (PCR)	%	55.95%	66.82%	65.10%	71.00%	NA	NA
Provisioning Coverage on Stage 1 and 2 loans	%	2.09%	2.66%	3.53%	1.80%	2.62%	NA
Total Equity	in ₹ million	158,197.5	137,427.1	114,369.7	252,947.2	231,949.6	2,13,188.4
Return on Equity (ROE)	%	14.72%	19.55%	18.68%	10.80%	10.27%	NA
Return on Assets (ROA)	%	2.16%	3.03%	2.97%	2.35%	2.19%	NA
Total Borrowings	in ₹ million	873,977.7	743,306.7	548,653.1	922,469.0	765,408.7	830,434.5
Debt to Equity Ratio	times	5.85	5.81	5.26	3.9	3.6	4.3
CRAR – Tier I	%	14.67%	14.12%	15.91%	20.76%	21.02%	18.88%
CRAR – Tier II	%	4.55%	5.13%	4.14%	1.51%	1.82%	2.46%
Breakdown of Total Disbursements by verticals*							
- Enterprise Lending	in ₹ million	185,035.1	173,589.4	141,075.0	NA	NA	NA
- Asset Finance	in ₹ million	220,088.6	209,830.1	158,695.4	NA	NA	NA
- Consumer Finance	in ₹ million	255,951.3	225,573.1	148,247.2	NA	NA	NA
Total disbursements	in ₹ million	661,075.0	608,992.5	448,017.6	603,050.0	562,930.0	469,750.0
Breakdown of Branches by region							
- East	%	16.49%	16.41%	14.54%	39.2%	37.4%	37.7%
- North	%	31.56%	32.16%	33.11%	16.6%	17.5%	17.7%
- South	%	26.48%	25.80%	25.60%	13.9%	12.5%	11.7%
- West	%	25.47%	25.62%	26.74%	30.3%	32.6%	32.9%

*Comparative data not available

J. Weighted average cost of acquisition (“WACA”)

- (a) **Price per share of our Company based on primary/ new issue of Equity Shares or convertible securities (excluding Equity Shares issued under employee stock option plans and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transactions and excluding employee stock options granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days**

There have been no primary issuances of Equity Shares or convertible securities, excluding shares issued under employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid – up share capital of the Company (calculated based on the pre – Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- (b) **Price per share of our Company based on secondary sale / acquisition of Equity Shares or convertible securities, where our Promoter, Promoter Selling Shareholder, members of our Promoter Group, or Shareholder(s) having the right to nominate director(s) to the Board of the our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transactions and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days**

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoter, members of the Promoter Group, Promoter Selling Shareholder, or Shareholder(s) having the right to nominate director(s) in the Board Of Directors of our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- (c) **Since there are no transactions to report under K(a) and K(b) above, the details basis the last five primary and secondary transactions (secondary transactions where our Promoter, Promoter Selling Shareholder, Promoter Group, or Shareholder(s) having the right to nominate director(s) to the Board of our Company, are a party to the transaction), during the three years preceding the date of this Red Herring Prospectus, irrespective of the size of transactions are to be included:**

Primary Transactions:

Date of Allotment	Name of Allottee	No of shares Transacted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of consideration	Total Considerations (Rs. In millions)
NA	NA	NA	NA	NA	NA	NA	NA

Secondary Transactions:

Date of Transfer	Name of Transfer	Name of Transferee	No of shares Transacted	Face Value (Rs.)	Price per share	Nature of consideration	Total Considerations (Rs. In millions)
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NA	NA	NA	NA	NA	NA	NA	NA
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K. Weighted average cost of acquisition (“WACA”), floor price and cap price

- (a) Comparison of weighted average cost of acquisition based on primary issue and or secondary sale/ acquisition of Equity Shares or convertible securities

Category of Transactions	Weighted average cost of acquisition (WACA)	Floor Price (₹[●])	Cap Price (₹[●])
	(₹)	is 'X' times the WACA ^{##}	
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during eighteen months preceding the date of this Red Herring Prospectus where such issuance is equal to or more than five per cent of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	[●]	[●]
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoter / promoter group entities or Promoter, Promoter Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during eighteen months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	[●]	[●]
Since there were no primary or secondary transactions of equity shares of our Company during eighteen months preceding the date of filing of this Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where promoter /promoter group entities or selling shareholder or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of this Certificate irrespective of the size of the transaction			
- Based on primary issuances	NA	[●]	[●]
- Based on secondary transactions	NA	[●]	[●]

L. Justification for Basis of Offer Price

Detailed explanation for Offer Price/Cap Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares along with our Company’s KPIs and financial ratios for and Fiscals 2025, 2024 and 2023

[●]*

Note: This will be included on finalisation of Price Band

Explanation for Offer Price/Cap Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in point H above) in view of the external factors which may have influenced the pricing of the Offer

[●]*

Note: This will be included on finalisation of Price Band

M. The Offer Price [●] times of the face value of the Equity Shares

The Offer Price of ₹ [●] has been determined by our Company in consultation with the Book Running Lead Managers, on the basis of assessment 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*”, “*Restated Consolidated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 29, 244, 333, 391, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section entitled “*Risk Factors*” or any other factors that may arise in the future and you may lose all or part of your investment.