

HDB Financial Services LIMITED

IPO NOTE

Business Highlights

- HDB Financial Services Limited ("HDB" or "Company") the seventh largest leading, diversified retail-focused non-banking financial company ("NBFC") in India in terms of the size of Total Gross Loan book at ₹902.2 billion as at March 31, 2024, amongst our NBFC peers, according to the CRISIL
- HBD offers a large portfolio of lending products that cater to a growing and diverse customer base through a wide omni-channel distribution network.
- HBD's lending products are offered through our three business verticals: Enterprise Lending, Asset Finance and Consumer Finance.
- HBD Began its journey in 2007 as a subsidiary of HDFC Bank Limited ("HDFC Bank"), which is the largest private sector bank in India in terms of total assets of ₹39,102.0 billion as at March 31, 2025, with businesses (including those of its subsidiaries) spanning across retail and commercial banking, asset management, life insurance, general insurance and broking.
- Under HDFC Bank's parentage, HBD has embedded a philosophy of balancing between delivering long-term sustainable growth and profitability.
- India's second largest and third fastest growing customer franchise amongst our NBFC peers (for which data is available), according to the CRISIL Report, and has served 19.2 million customers as at March 31, 2025, which grew at a CAGR of 25.45% between March 31, 2023 and March 31, 2025.
- The company primarily caters to underserved and underbanked customers in low to middle-income households with minimal or no credit history.
- The company's customers mainly comprise of salaried and self-employed individuals, as well as business owners and entrepreneurs. HBD aims to meet the demands of its various customer categories with its diversified product offerings, strong geographical presence across India, technology backed rapid turnaround times and strong customer service.

IPO Transaction Details

Fresh issuance of Equity Shares aggregating upto **₹ 25000 Million** and **Offer for Sale** from Promoter Shareholders of **Equity Shares** aggregating upto **₹ 100,000 Million**

Price Band	₹ 700 to ₹ 740 per Equity Share
Bid Lot	20 Equity Shares and in multiples of 20 shares thereafter
Post Issue Implied Mcap	₹ 587,847 Million - ₹ 620,010 Million
Issue Size (Amount)	₹ 125,000 Million
BRLM	JM Financial, BNP Paribas, BofA Securities, Goldman Sachs (India), HSBC Securities, IIFL Capital, Jefferies India, Morgan Stanley, Motilal Oswal , Nuvama Wealth Management, Nomura, UBS Securities
Registrar	MUFG Intime India Private Limited
Listing	BSE Limited and National Stock Exchange of India Limited

All Retail Applications compulsorily in UPI Mode

IPO Transaction Timelines

Bid/Offer Opens on:	Wednesday, June 25, 2025
Bid/Offer Closes on:	Friday, June 27, 2025
Finalization of Basis of Allotment:	On or about Monday, June 30, 2025
Refunds / Unblocking of ASBA Accounts	On or about Tuesday July 1, 2025
Credit of Equity Shares	On or about Tuesday, July 1, 2025
Listing and Trading of Equity Shares	On or about Wednesday, July 2, 2025

Investor Categories Break-up

(approx .)	No. of Shares (in lakhs)		In ₹ Cr		% of Issue
	@ Floor Price	@ Cap Price	@ Floor Price	@ Cap Price	
QIB	802.1	758.7	5,615.0	5,615.0	44%
NIB	24.06	22.73	1,684.5	1,684.5	13%
- NIB 1	8.02	7.58	561.5	561.5	
- NIB 2	16.04	15.17	1,123.0	1,123.0	
Retail	56.15	53.14	3,930.5	3,930.5	31%
SRP	178.5	168.9	1,250.0	1,250.0	10%
ERP	2.85	2.70	20.0	20.0	0.1%
Total	1,785.7	1689.1	12,500	12,500	100%

NIB 1 – NII Bidding between ₹ 2 lakhs – ₹10 lakhs

NIB 2 – NII bidding greater than ₹10 lakhs

Business Overview

IPO NOTE

- The Company's Total Gross Loans stood at ₹1,068.8 billion as at March 31, 2025, reflecting a CAGR of 23.54% between March 31, 2023 to March 31, 2025.
- The Company's assets under management stood at ₹1,072.6 billion as at March 31, 2025 reflecting a CAGR of 23.71% between Fiscal 2023 and Fiscal 2025.
- In Fiscal 2025, HBD generated a profit after tax of ₹21.8 billion, which reflected a CAGR of 5.38% between Fiscal 2023 and Fiscal 2025.
- HBD's Total Gross Loans growth, operating efficiencies and strong asset quality helped deliver Return on Assets of 2.16% and Return on Average Equity of 14.72% for Fiscal 2025, which is the seventh and fifth highest amongst NBFC peers, respectively, according to the CRISIL Report.
- HBD is a diversified NBFC, with a goal of having an optimal mix across products, while maintaining a balanced approach to secured and unsecured loans in its loan book. The Company believes that its strategy of portfolio diversification across both products and geographies creates a strong and sustainable franchise.
- The Company's diversified product portfolio serves multiple credit needs of customers across three business verticals:
 - Enterprise Lending, accounting for 39.30% of Total Gross Loans as at March 31, 2025—secured and unsecured loans primarily to micro, small and medium enterprises ("MSMEs") to meet their varied and evolving business needs;
 - Asset Finance, accounting for 38.03% of Total Gross Loans as at March 31, 2025—secured loans for purchase of new and used commercial vehicles, construction equipment and tractors, all of which are income generating assets for customers; and
 - Consumer Finance, accounting for 22.66% of Total Gross Loans as at March 31, 2025—secured and unsecured loans for purchase of consumer durables, digital and lifestyle products, two-wheelers, automobiles and other unsecured personal loans.
- Secured loans represented 73.01% of Total Gross Loans and unsecured loans represented 26.99% of Total Gross Loans as at March 31, 2025.
- The Company also offer business process outsourcing ("BPO") services such as back-office support services, collection and sales support services to HBD's Promoter as well as fee-based products such as distribution of insurance products primarily to the company's lending customers.
- The Company's omni-channel "phygital" distribution model combines a large branch network, in-house tele-calling teams and various external distribution networks and channel partners. As at March 31, 2025, HBD had a pan-India network of 1,771 branches in 1,170 towns and cities across 31 States and Union Territories, with over 80% of its branches located outside the 20 largest cities in India by population, based on the 2011 census report.
- The Company's network of branches is complemented by external distribution channel partnerships with over 80 brands and original equipment manufacturers ("OEMs") and external distribution networks with over 140,000 retailers and dealer touchpoints as at March 31, 2025.
- The Company has a hybrid underwriting structure depending on the product, customer segment and ticket size. HBD has implemented a hybrid credit approach with a centralised credit assessment and underwriting unit for Consumer Finance products (where ticket size is small and tenure is short) and decentralised regional and branch-level credit assessment and local underwriting teams that have a more nuanced and contextual understanding of the customer's profile for Enterprise Lending and Asset Finance products (where ticket size is bigger and tenure is longer).
- HBD's tech-enabled operating processes have contributed to maintaining a strong asset quality and low Credit Costs despite the company's fast-growing customer base and distribution network. This is evidenced by GNPA and NNPA ratios of 2.26% and 0.99%, respectively, as at March 31, 2025 and Credit Costs Ratio of 2.14% for Fiscal 2025.

Key Financial & Operational Statistics

IPO NOTE

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:			
- 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 % ¹⁶	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
- 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	220,088.6	209,830.1	158,695.4
- Consumer Finance	255,951.3	225,573.1	148,247.2
Total Disbursements³⁴	661,075.0	608,992.5	448,017.6

Key Strengths

IPO NOTE

Highly granular retail loan book, bolstered by a large and rapidly growing customer base with a focus on serving the underbanked customer segments

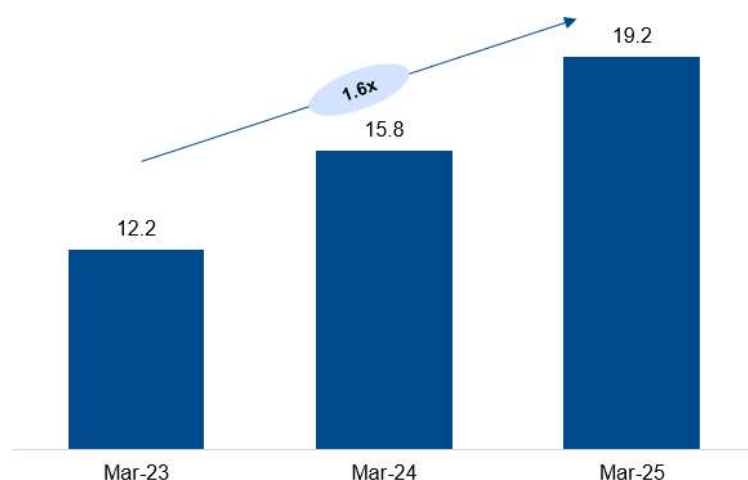
India's second largest and third fastest growing customer franchise amongst its NBFC peers, according to the CRISIL Report, and has served 19.2 million customers as at March 31, 2025, which grew at a CAGR of 25.45% between March 31, 2023 and March 31, 2025. The growth of HBD's customer base is supported by the government's policies aiming to promote financial inclusion for the middle-class.

The Company's customers are primarily composed of middle-class salaried and self-employed individuals, as well as small business owners and entrepreneurs. This customer base has contributed to a loan book that is expected to have the potential of delivering competitive risk-adjusted returns. HBD's low customer concentration reduces dependence on any particular set of customers. The 20 largest customers contributed to less than 0.34% of Total Gross Loan book as at March 31, 2025. A key customer segment for the company's strategy is the underbanked but bankable population of India, and believe this market segment features favourable customer characteristics and profitable economics with only a few lenders of scale operating in the same market segment.

The Company's ability to serve the underbanked is backed by its capabilities to underwrite customers with minimal or no credit history. As at March 31, 2025, 11.57% of Total Gross Loans were to customers who are classified as "new to credit". HBD have been able to sustainably deliver strong loan book growth over 18 years of operations. This has been supported by long-term strategic vision and initiatives across customer sourcing, product quality, credit underwriting quality, robust collections and controlled costs of operations and financing. As at March 31, 2025, the average ticket sizes of HBD's loan book in Enterprise Lending, Asset Finance and Consumer Finance were approximately ₹0.62 million, ₹0.89 million and ₹0.05 million, respectively, with average loan tenures of 6, 4 and 2 years, respectively.

Sustained Growth in Customer Franchise

(MM)



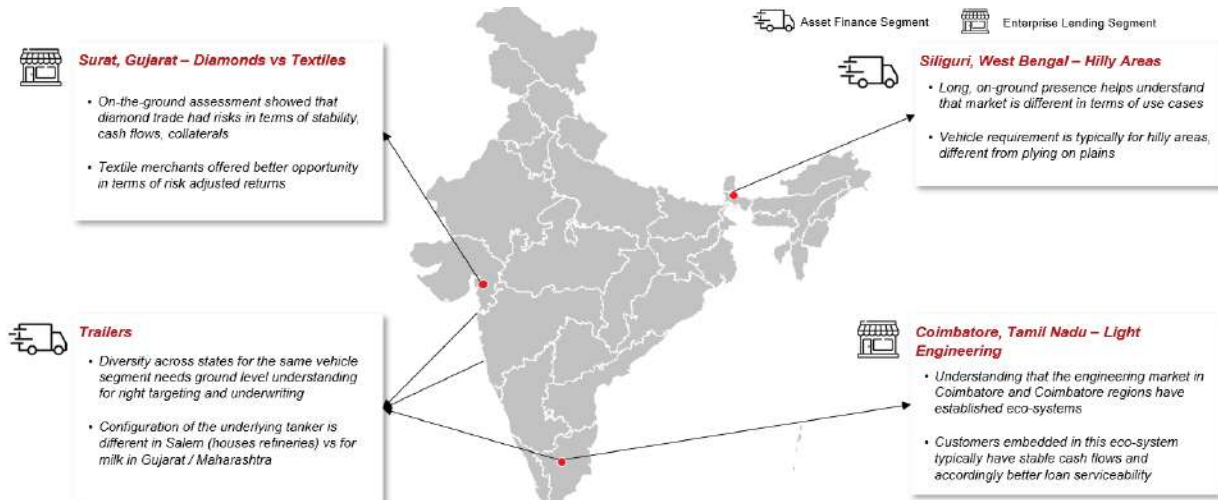
Large, diversified and seasoned product portfolio with a sustainable track record of diversification, growth and profitability through the cycles

The company has built a balanced and diversified portfolio of lending products that seek to fulfil a wide range of needs and aspirations for its customers, including underbanked customers. As at March 31, 2025, HBD's product portfolio consisted of 13 lending products spanning across three business verticals of Enterprise Lending, Asset Finance and Consumer Finance. The Company's product suite varies by type of loan, type of customer, tenure and interest rate. HBD believes that its products offering is capable of addressing the key borrowing needs of customers that span from business loans (for working capital and business expansion purposes) to loans for the purchase of new and used vehicles and equipment (for income-generating purposes) to loans for the purchase of consumer, digital and lifestyle durables and personal vehicles (for personal needs). We also offer business process outsourcing ("BPO") services to Promoter and fee-based products such as distribution of insurance products primarily to lending customers.

Key Strengths






















IPO NOTE

Since inception, HBD has been able to develop, refine and enhance a strategy for launching relevant, cost-effective and scalable new products. Through deep understanding of customer segments, the company has been able to diversify three business verticals by adding new products that address specific needs of customers. As illustrated in the map below, HBD's deep understanding of local nuances across India has enabled the company to ensure that it is targeting the right customers with the right products in each region



The Company's diversified product portfolio also contributes to driving increased cross- and up-selling across products from existing customers. HBD's deep understanding of customer behaviour also creates opportunities for deepening customer engagement.

The below image provides an overview of the company's main products in each of our verticals as of March 31, 2025.

Customer Segment	Products					
 Enterprise Lending	 Business Loan	 LAP	 Gold Loans	 Enterprise Business Loan	 Salaried Personal Loan	
 Asset Finance	 Tractor Loans	 Commercial Vehicle Loans	 Construction Equipment Loans			
 Consumer Finance	 Personal Loans	 Auto Loans	 Two-Wheeler Loans	 Digital Loans	 Consumer Durable Loans	 Microfinance Loans
 Fee Products	 General Insurance	 Life Insurance	 Health Insurance			

Tailored sourcing supported by an omni-channel and digitally powered pan-India distribution network

The Company's phygital sourcing network is composed of its own internal distribution network, external distribution network as well as its digital capabilities. HBD has a pan-India presence with no region accounting for more than 35% of Total Gross Loans as at March 31, 2025.

Key Strengths

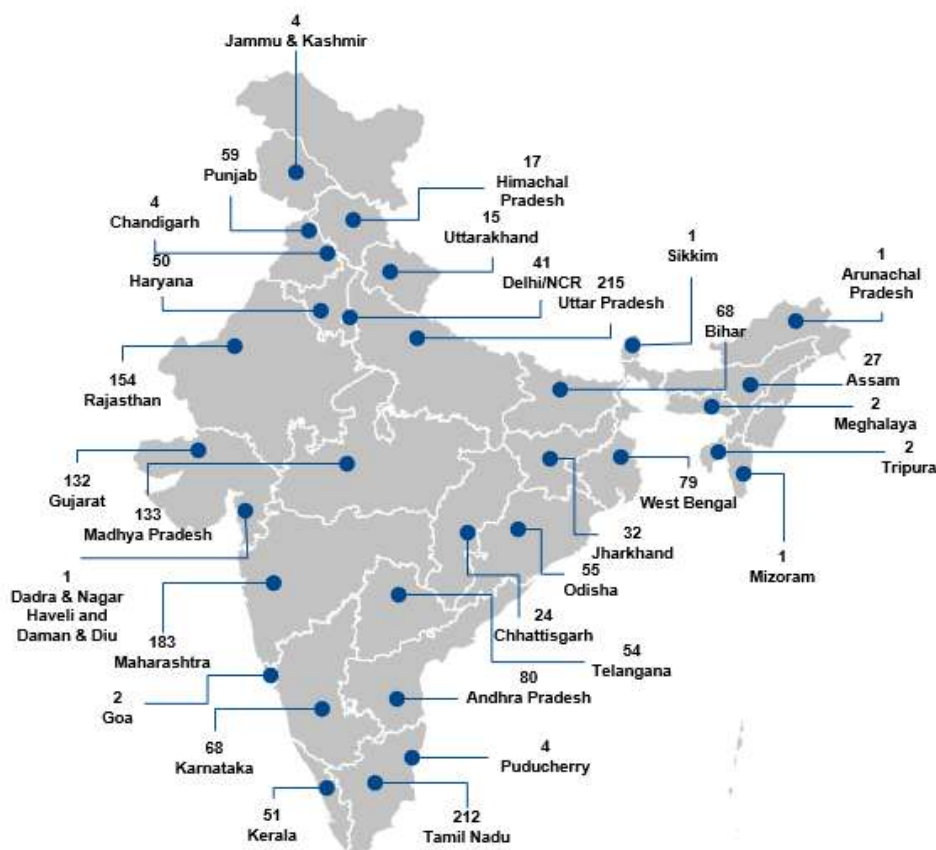
IPO NOTE

Given the highly fragmented geographic dispersion of India's underbanked population beyond the metropolitan cities, we have further tailored our distribution presence to strengthen our visibility beyond metropolitan cities and towns in India. We have customized different sourcing strategies for each of our business verticals to optimise distribution.

Internal Distribution Network: Branch distribution and Direct Selling

The Company has established a strong presence across India with a country-wide network of 1,771 physical branches spreading across over 1,170 towns and cities spread across 31 States and Union Territories as at March 31, 2025. Branches have grown from 1,492 branches as at March 31, 2023 to 1,771 branches as at March 31, 2025.

The following map shows our pan-India branch distribution network as of March 31, 2025.



External distribution

The Company's internal distribution network is highly complemented by its external distribution networks and channels of third-party partners which include leading Indian and global auto OEMs, consumer and digital durable brands, dealers for auto, two-wheelers, cars, tractors and construction equipment, point-of-sales locations (such as malls, supermarket and retail stores), lifestyle goods and direct selling agents. As at March 31, 2025, HBD had partnerships with over 80 brands and OEMs. Similarly, HBD's external distribution network has grown to over 140,000 retailers and dealer touchpoints as of March 31, 2025.

Digital Distribution

The company is growing its external digital distribution channels, such as by partnering with fintechs. The Company has also built and are expanding their own digital distribution channels. The HDB On-The-Go application allows customers to access most products. It had around 9.2 million downloads as of March 31, 2025. Further, the company's FOS, OEMs, dealers and DSAs are equipped with digitally assisted sales tools that aim to improve their decision matrix, productivity and customer engagement.

Key Strengths

IPO NOTE

Comprehensive systems and processes contributing to robust credit underwriting and strong collections

A key focus of the company's credit risk management framework has been to establish strong credit underwriting and collections capabilities which has ensured sustainable growth. HBD have instituted a robust and comprehensive underwriting and collections process led by the company's Chief Credit Officer and supported by a dedicated and experienced team of professionals.

Underwriting

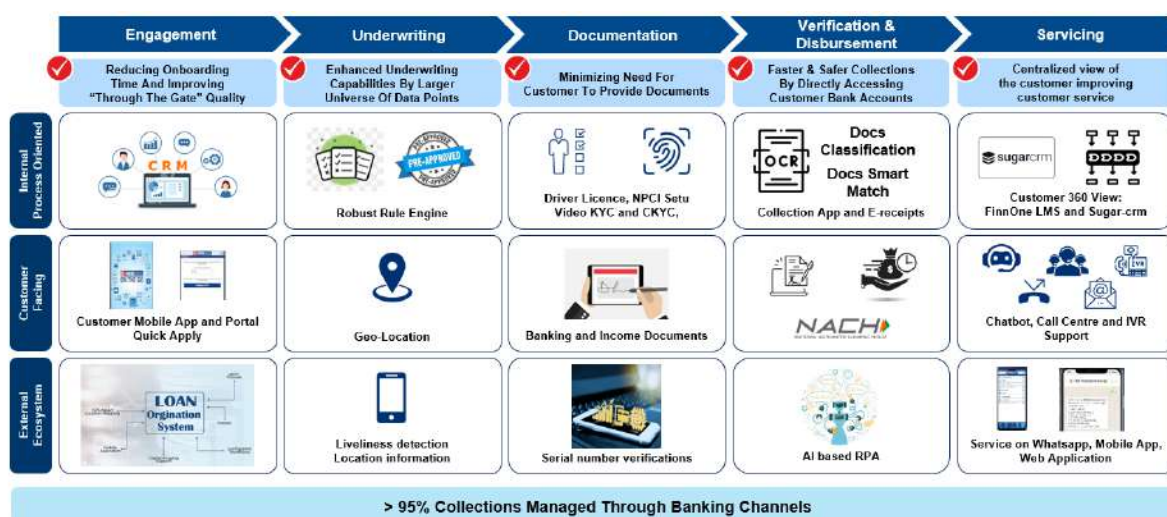
We have built an in-house, experienced and dedicated underwriting team of over 4,500 members as at March 31, 2025 that operates independently of our sales team. We have ensured that there are no overlap of responsibilities between our credit and sales teams in terms of targets, key responsibility areas and outcomes.

Collections

As at March 31, 2025, HBD's overall collections team consisted of over 12,500 employees. The Company's collection teams operate at the central, regional and branch level and act in tandem with the sales and credit underwriting teams to ensure robustness of collections with low delinquencies. An in-house dedicated team of approximately 170 specialists in legal and regulatory compliance for handling cases of recovery and enforcement of collections. While a vast majority of collections are handled in-house, HBD also employ collections agents after thorough reviews and vetting to handle a small portion of collections for certain products within its Consumer Finance vertical. A majority of loan repayments are received through the National Automated Clearing House ("NACH") mandate, but to the extent repayments are not received through NACH, they are collected through an in-house tele-calling and collections team. As at March 31, 2025, HBD had a team of over 3,700 employees for making tele-calls to customers for collections.

Advanced technology tools driving enhanced customer experience and efficiency across each stage of the customer lifecycle

HBD have an advanced technology and data analytics platform that covers all key areas and stages of business, including customer sourcing, onboarding and underwriting as well as operations and collections. As such, technology capabilities are benefiting customers, third-party partners as well as sales teams. HBD believe its technology platform provides the company with a competitive advantage by increasing efficiency in sourcing and retaining revenue, increasing employee productivity and optimising cost of operations. HBD's advanced technology and data analytics are also an important part of maintaining credit quality.



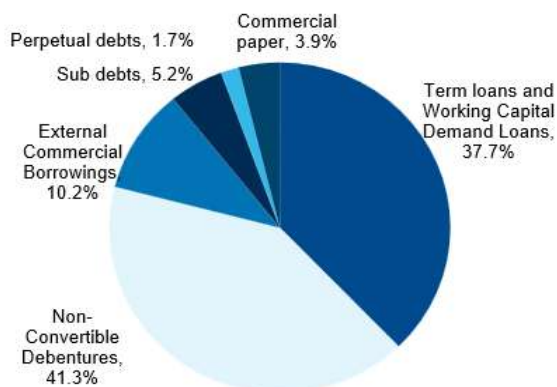
Key Strengths

IPO NOTE

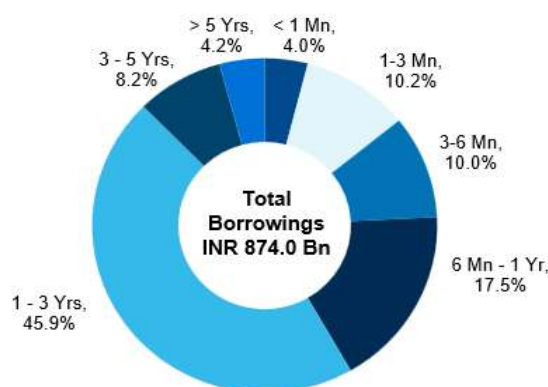
High-quality liability franchise with access to low cost, diversified borrowing sources and the highest credit rating

HBD has a diversified liability franchise supported by a strong credit rating of AAA stable by CRISIL and CARE, which is the highest that can be assigned on the credit rating scale for any NBFC in India, according to the CRISIL Report. This has allowed HBD to fund operations at competitive rates and tenors across fixed and floating-rate debt instruments. The Company's Average Cost of Borrowings stood at 7.90% as at March 31, 2025, which is the sixth lowest amongst competitors, according to the CRISIL Report. HBD finances borrowings through a diversified mix of sources including from the public sector, the private sector, foreign banks, mutual funds, insurance companies, pension funds and financial institutions. The company's funds are spanning across liability classes including Term Loans, Non-Convertible Debentures ("NCDs"), Subordinated Bonds, Perpetual Bonds and Commercial Papers Instruments. The diversified borrowing sources allow to maintain a sustainable maturity profile for borrowings, as illustrated in the graphs below.

Diversified Liabilities Franchise
As on Mar-25



Maturity Profile of Borrowings
As on Mar-25



We work with **20+** Banks

Track record of robust financial performance with sustainable and profitable growth

HBD have an established track record of delivering robust financial performance. Total Gross Loan book has grown from ₹700.3 billion as of Fiscal 2023 to ₹1,068.8 billion as of Fiscal 2025, reflecting a CAGR of 23.54%. Our interest income has grown at a CAGR of 24.49% from ₹89,277.8 million during Fiscal 2023 to ₹138,357.9 million during Fiscal 2025, driven by a growing yield on Total Gross Loan book, from 13.59% in Fiscal 2023 to 14.04% in Fiscal 2025. HBD have also been focusing on growing its fee-income services such as distribution of life and non-life insurance products. This has resulted in the increase in Fee Income at a CAGR of 25.56% in the last two Fiscals, from ₹7,564.1 million during Fiscal 2023 to ₹11,924.5 million during Fiscal 2025. Further, net cash used in operating activities for Fiscal 2025 was ₹136,263.3 million, net cash flow from investing activities for Fiscal 2025 was ₹11,590.2 million, while net cash generated from financing activities for Fiscal 2025 was ₹127,699.2 million. Furthermore, the company has also balanced thier growth with increasing profitability. HBD's profit after tax increased from ₹19,593.5 million in Fiscal 2023 to ₹21,759.2 million in Fiscal 2025, reflecting a CAGR of 5.38%. Net Total Income for the lending business increased from ₹62,570.3 million in Fiscal 2023 to ₹86,934.7 million in Fiscal 2025, reflecting a CAGR of 17.87%. Operating expenses for the lending business represented 3.71% of Average Gross Loans in Fiscal 2023 and 3.78% of Average Gross Loans in Fiscal 2025. In addition, HBD have continued to maintain a healthy asset quality across economic cycles with Credit Costs to Total Gross Loans of 2.14% and Gross Stage 3 Loans of 2.26% in Fiscal 2025. Net Interest Income for the lending business increased from ₹54,158.6 million in Fiscal 2023 to ₹74,456.4 million in Fiscal 2025, reflecting a CAGR of 17.25%.

Key Strengths

IPO NOTE

Stable, highly experienced and professional management team supported by a talented workforce

HBD are led by a management team with deep industry experience of over 25 years each in the retail banking and lending sectors. A number of key members of the management team have been with the Company since its early days of inception. The management team is backed by a distinguished Board of Directors composed of 9 members, including 7 independent members, experienced in diversified fields allowing to navigate diverse challenges and capitalize on opportunities for growth.

The strength and combined experience of the management team is a key competitive advantage and helps implement business strategies. The company's Key Managerial Personnel and members of Senior Management have a deep and nuanced understanding of the Indian lending market that enables the company to identify and take advantage of strategic and tactical opportunities and respond effectively to the rapidly evolving financial services landscape in India. For example, the Managing Director and Chief Executive Officer, Mr. Ramesh Ganesan, has been with the Company since the year of inception and, prior to that, with the HDFC Bank group for over eight years.

Distinguished parentage of HDFC Bank, India's largest private bank, enjoying strong trust and brand equity with consumers

The Company was established in 2007 as a subsidiary of HDFC Bank. The Promoter, HDFC Bank, held 94.09% of the issued paid up capital of the Company (on a fully diluted basis) as of March 31, 2025. HDFC Bank is India's largest private sector bank in terms of total assets of ₹39,102.0 billion as at March 31, 2025, with businesses (including those of its subsidiaries) spanning across retail and commercial banking, asset management, life insurance, general insurance and brokering. The Promoter was established in 1994 by HDFC Limited, India's largest housing finance company, which merged with HDFC Bank in July 2023. While we operate as an independent company, the company has been privileged to enjoy the long-term support and brand value of its Promoter. The company rely on the parentage of its Promoter for certain areas of business, including as a lender under its borrowings for the funding of growth, as well as for its strong credit ratings and low costs of borrowing.

Strategies

Diversify and expand addressable customer segments by widening and enhancing product offering

The Company has created a highly diversified portfolio of lending products for target customer segments. The products are designed to address demands across the lifecycle of customer segments. Product innovation has been a key focus area and driver of diversified and sustainable growth in the past and will continue to keep adding new products to the portfolio while enhancing existing products to improve value proposition to customers.

Continue to expand pan-India omni-channel distribution network

The Company has established a pan-India hybrid presence, with a physical branch country-wide network of over 1,771 physical branches spread across over 1,170 Indian towns and cities located in 31 States and Union Territories as at March 31, 2025, combined with a digitally powered distribution network composed of in-house and third-party channels. In addition, had over 80 OEM and brand partnerships and a network of over 140,000 retailers and dealer touchpoints as at March 31, 2025. The Company intends to continue to grow and diversify its distribution network by opening additional new branches to expand coverage across the entirety of India while also deepening relationships with OEMs, dealers, brands, points of sales distribution and DSAs, and continuing to add more partners, with the goal of ensuring that they are present in all channels wherever existing and target customers are located.

Key Strengths

IPO NOTE

Continue to invest in technology, data analytics and artificial intelligence to further improve customer experience, increase organisational productivity and decrease costs

The company's technology platform has been a core enabler of success and it will continue to have a key role in driving up efficiency across operations. HBD's technology investments are expected to continue to improve various aspects of business from the experience of customers to the lending lifecycle from origination to repayment. HBD's technological solutions also have an important role in its ability to increase cross-sell and up-sell opportunities, increase underwriting and collections efficiency and enhance employee productivity. The company expects to continue to increase the scope of usage of new and emerging technologies such as data analytics, machine learning and generative AI models to further improve capabilities and efficiency. The company will also focus on ensuring that its data security platforms are positioned to handle all emerging digital threats.

Continue to diversify borrowing profile to optimise borrowings costs

The Company aims to continue to further diversify funding sources by enlarging and deepening lender base to optimise both leverage level and Average Cost of Borrowings.

Further strengthen and improve robust risk management framework as well as underwriting and collections capabilities to minimise the risk of credit losses

The company intends to focus on enhancing robust risk-management framework to ensure they are able to retain high credit quality. HBD continues to upgrade credit underwriting, collections and risk management policies and strategies by training employees in customised credit assessment processes, using technology and improving the speed of decisioning process.

Continue to attract, upskill and retain talented employees by strengthening organizational culture

Employees have been key to sustainable growth and performance and will continue to be instrumental in future growth. HBD has instituted strong processes for ensuring that we continue to recruit the right people while retaining and training its existing workforce. The company also trains new employees and provides continuous training to boost the skills of existing employees, ensuring that they are kept up to date with new technologies. Further, the company has created a holistic organisational culture to instil a strong sense of togetherness in employees. The company intends to continue to deepen and embed this culture in the organisation and create a valuable consumer lending franchise that will last for generations and benefit customers, partners, employees and communities.

Objects of the IPO

The Offer comprises a Fresh Issue by the Company and an Offer for Sale by the Selling Shareholders. The following table sets forth the details of the schedule of the expected deployment of the Net Proceeds:

(In ₹ million)

Particulars	Amount (in ₹ million)	Percentage of Net Proceeds (%)	Amount to be deployed from the Net Proceeds in Fiscal 2026
Augmentation of our Company's Tier – I Capital base to meet our Company's future capital requirements including onward lending under any of our Company's business verticals i.e. Enterprise Lending, Asset Finance and Consumer Finance	[●]	100%	[●]
Total	[●]	100%	[●]

The balance funds, after deducting Offer Expenses, will be deployed towards general corporate purposes

RETAIL PAYMENT CHART

IPO NOTE

Number of Shares	Cap Price	Total Amount
20	₹ 740	₹ 14,800
40	₹ 740	₹ 29,600
60	₹ 740	₹ 44,400
80	₹ 740	₹ 59,200
100	₹ 740	₹ 74,000
120	₹ 740	₹ 88,800
140	₹ 740	₹ 1,03,600
160	₹ 740	₹ 1,18,400
180	₹ 740	₹ 1,33,200
200	₹ 740	₹ 1,48,000
220	₹ 740	₹ 1,62,800
240	₹ 740	₹ 1,77,600
260	₹ 740	₹ 1,92,400

INDICATIVE TIMETABLE

Anchor Investor Bidding Open & Close	Tuesday, June 24, 2025
Issue Opens on	Wednesday, June 25, 2025
Issue Closes on	Friday, June 27, 2025
Finalization of Basis of Allotment	On or about Monday, June 30, 2025
Initiation of refunds/un-blocking of ASBA Accounts	On or about Tuesday July 1, 2025
Credit of Equity Shares	On or about Tuesday, July 1, 2025
Trading begins on	On or about Wednesday, July 2, 2025

Restated Balance Sheet

IPO NOTE

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Assets			
Financial assets			
Cash and cash equivalents	9,504.6	6,478.5	3,959.0
Bank balance other than cash and cash equivalents	338.1	546.6	2,579.2
Derivative financial instruments	1,080.0	19.1	1,653.4
Trade receivables	2,251.7	1,246.1	657.6
Loans	1,033,430.4	867,212.6	663,826.7
Investments	20,601.3	33,803.3	12,432.5
Other financial assets	476.5	395.0	348.7
Non-financial assets			
Current tax assets (net)	768.9	412.9	251.1
Deferred tax assets (net)	8,832.5	9,399.5	10,008.7
Property, plant and equipment	2,431.2	1,625.3	1,223.7
Capital work-in-progress	-	-	-
Other intangible assets	323.0	221.5	204.1
Right-of-use assets	4,596.7	3,265.1	2,442.7
Other non-financial assets	1,998.0	939.6	916.5
Total assets	1,086,632.9	925,565.1	700,503.9
Liabilities and equity			
Liabilities			
Financial liabilities			
Derivative financial instruments	20.6	47.7	-
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,526.8	5,090.0	2,918.4
Debt securities	394,651.7	348,511.2	270,964.1
Borrowings (other than debt securities)	419,288.9	338,313.8	242,278.0
Subordinated liabilities	60,037.1	56,481.7	35,411.0
Other financial liabilities	39,440.8	29,552.7	27,784.3
Non-financial liabilities			
Current tax liabilities (Net)	656.6	586.5	419.7
Provisions	5,645.1	5,029.4	3,689.6
Other non-financial liabilities	4,167.8	4,525.0	2,669.1
Equity			
Equity share capital	7,957.8	7,930.8	7,914.0
Other equity	150,239.7	129,496.3	106,455.7
Total Equity	158,197.5	137,427.1	114,369.7
Total liabilities and equity	1,086,632.9	925,565.1	700,503.9

Restated Profit and Loss

IPO NOTE

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations			
Interest income	138,357.9	111,567.2	89,277.8
Sale of services	12,166.6	19,495.5	26,339.3
Other financial charges	11,924.5	9,531.1	7,564.1
Net gain on fair value changes	549.2	1,136.9	850.7
Net gain / (loss) on derecognition of financial instruments under amortised cost category	4.6	(19.5)	(3.1)
Total revenue from operations	163,002.8	141,711.2	124,028.8
Expenses			
Finance costs	63,901.5	48,643.2	35,119.2
Impairment on financial instruments	21,130.5	10,673.9	13,304.0
Employees benefits expenses	36,195.7	38,507.5	40,575.7
Depreciation, amortization and impairment	1,944.2	1,451.4	1,118.4
Other expenses	10,552.9	9,388.5	7,637.5
Total expenses	133,724.8	1,08,664.5	97,754.8
Profit/ (loss) before tax	29,278.0	33,046.7	26,274.0
Tax expense:			
(i) Current tax	7,391.9	7,706.7	6,213.0
(ii) Deferred tax/ (credit)	728.0	731.6	467.5
(iii) Income tax for earlier year	(601.1)	-	-
Total tax expense	7,518.8	8,438.3	6,680.5
Restated Profit after tax	21,759.2	24,608.4	19,593.5
Other comprehensive income/ (loss)			
a)Items that will not be reclassified to profit or loss			
i. Remeasurement loss on defined benefit plans	(94.8)	(315.4)	(54.8)
ii. Income tax relating to items that will not be reclassified to profit or loss	23.8	79.4	13.8
Sub-total (a)	(71.0)	(236.0)	(41.0)
b)Items that will be reclassified to profit or loss:			
i. Movement in Cash flow hedge reserve	(545.0)	(171.0)	195.9
ii. Income relating to items that will be reclassified to profit or loss	137.2	43.0	(49.3)
Sub-total (b)	(407.8)	(128.0)	146.6
Other comprehensive income	(478.8)	(364.0)	105.6
Total comprehensive income for the period	21,280.4	24,244.4	19,699.1
Earnings per equity share			
Basic (in ₹)	27.40	31.08	24.78
Diluted (in ₹)	27.32	31.04	24.76

Restated Statement of Cash Flows

IPO NOTE

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
A Cash flow from operating activities			
Restated Profit/ (loss) before tax	29,278.0	33,046.7	26,274.0
Adjustments for:			
Interest Income	(138,357.9)	(111,567.2)	(89,277.8)
Interest Expenses	62,635.0	47,716.3	35,029.2
(Profit)/loss on sale of asset	(2.0)	(8.5)	(10.1)
Realised net loss/ (gain) on FVTPL investments	(582.1)	(899.1)	(906.7)
Unrealized net loss/(gain) on FVTPL investments	32.9	(237.8)	56.0
Discount on commercial paper	992.5	770.1	90.0
Provision for compensated absence and gratuity	115.4	298.7	65.9
Employee share based payment expense	624.8	552.4	436.4
Depreciation, amortisation and impairment	1,944.2	1,451.4	1,118.4
Impairment on financial instruments	21,130.5	10,673.9	13,304.0
Operating cash flow before working capital changes	(22,188.7)	(18,203.1)	(13,820.7)
Working capital adjustments			
(Increase)/ decrease in Loans	(187,209.1)	(214,059.8)	(104,626.8)
(Increase)/ decrease in trade receivables	(995.2)	(588.5)	760.6
(Increase)/ decrease in other financial assets and others	(4,002.9)	2,913.2	(1.9)
Increase/(decrease) in other financial and non financial liabilities & provisions	7,120.6	(446.0)	5,065.3
Increase/(decrease) in trade payables	(563.2)	2,171.6	449.3
Cash generated from/(Used in) operations before adjustments for interest received and interest paid	(207,838.4)	(228,212.6)	(112,174.2)
Interest Paid	(58,107.4)	(41,105.0)	(38,421.4)
Interest Received	136,630.2	109,461.4	88,413.6
Cash generated from / (Used in) operations	(129,315.6)	(159,856.2)	(62,182.0)
Direct taxes (paid)/net of refunds	(6,947.7)	(7,504.2)	(6,324.1)
Net cash flow generated from/(used in) operating activities [A]	(136,263.3)	(167,360.4)	(68,506.1)
B Cash flow from investing activities			
Purchase of investments	(424,279.0)	(529,172.6)	(492,676.6)
Sale of investments	437,948.6	508,938.7	503,508.0
Purchase of fixed assets	(2,097.9)	(1,233.5)	(1,113.2)
Sale of fixed assets	18.5	11.8	15.0
Net cash generated from / (used in) investing activities [B]	11,590.2	(21,455.6)	9,733.2
C Cash flow from financing activities			
Debt securities issued	262,230.0	221,677.1	100,991.8
Debt securities repaid	(215,660.0)	(144,900.1)	(82,106.0)
Borrowings other than debt securities issued	431,935.9	299,108.7	172,077.5
Borrowings other than debt securities repaid	(352,237.2)	(203,072.9)	(125,072.1)
Subordinated debt issued	8,570.0	23,370.7	-
Subordinated debt repaid	(5,000.0)	(2,300.0)	(6,000.0)
Proceeds from issue of shares and security premium	1,246.2	714.5	339.3
Repayment of lease liabilities	(1,004.7)	(808.7)	(768.1)
Dividend paid	(2,381.0)	(2,453.8)	(1,502.5)
Net cash generated from / (used in) financing activities [C]	127,699.2	191,335.5	57,959.9
Net (decrease)/increase in cash and cash equivalents [A+B+C]	3,026.1	2,519.5	(813.0)
Add: Cash and cash equivalents at the beginning of the year	6,478.5	3,959.0	4,772.0
Cash and cash equivalents as at the end of the year*	9,504.6	6,478.5	3,959.0
*Components of cash and cash equivalents			
Balances with banks	9,096.1	6,061.0	3,585.1
Demand Drafts on hand	56.3	63.0	88.7
Cash on hand	352.2	354.5	285.2
	9,504.6	6,478.5	3,959.0

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* Erstwhile MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.