



IPO INSIGHTS



HDB Financial Services Limited

Issue Dates - Opens: 25-06-2025 | Closes: 27-06-2025

IPO Note

1. HDB Financial Services Limited is a retail-focused, non-banking financial company.
2. The company 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 the branches located outside the 20 largest cities in India by population.

Rating

★★★ (Good)

IPO SNAPSHOT

Issue Size

₹12,500 Crores

Issue Type

Book Building IPO

Fresh Issue

₹2,500 Crores

Offer for Sale

₹10,000 Crores

Face Value Per Share

₹10

Price Band Per Share

₹700 to ₹740

Minimum Lot Size

20 Shares

Listing On

BSE, NSE

Registrar to the Issue

MUFG Intime India Private Limited

IPO SNAPSHOT- HDB Financial Services Limited

About the Company

- Incorporated in 2007.
- HDB Financial Services is the seventh largest leading, diversified retail-focused non-banking financial company (“NBFC”) in India in terms of the size of Total Gross Loan book amongst their NBFC peers.
- The Company is categorized as an Upper Layer NBFC (NBFC-UL) by the RBI.
- They offer a large portfolio of lending products that cater to a growing and diverse customer base through a wide omni-channel distribution network.
- Their lending products are offered through three business verticals: Enterprise Lending, Asset Finance and Consumer Finance.
- They believe that the success of their business model and operating philosophy is evidenced by their strong and sustained growth and profitability metrics.
- They began their journey 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 spanning across retail and commercial banking, asset management, life insurance, general insurance and broking.
- Under HDFC Bank’s parentage, they have embedded a philosophy of balancing between delivering long-term sustainable growth and profitability.
- They have derived benefits from HDFC Bank’s parentage, including its brand recognition, while still establishing a set-up independent from HDFC Bank across their various functions including sourcing, underwriting, operations and risk management functions.

Competitive Strengths

- 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.

Financials (₹ in Crores)

| Particulars | 31-3-2023 | 31-3-2024 | 31-03-2025 | Y-o-Y |
|---------------|-----------|-----------|------------|-------|
| Revenue | 12402.88 | 14171.12 | 16300.28 | 15% |
| EBITDA | 6251.16 | 8314.13 | 9512.37 | 14% |
| EBITDA Margin | 50.4% | 58.67% | 58.4% | |
| PAT | 1959.35 | 2460.84 | 2175.92 | -12% |
| PAT Margin | 15.80% | 17.37% | 13.35% | |

Valuation

- Attributing Annualized FY25 Earnings asking P/E = 27.00

Peers

| Company Name | P/E ratio |
|--|-----------|
| Bajaj Finance Limited | 33.65 |
| Sundaram Finance Limited | 28.26 |
| L&T Finance Limited | 17.67 |
| Mahindra & Mahindra Financial Services Limited | 14.33 |
| Cholamandalam Investment and Finance Company Limited | 30.72 |
| Shriram Finance Limited | 13.11 |

Note- P/E ratio is calculated as on 20th June, 2025

Promoters

- HDFC Bank Limited

Objects of the issue

- Augmentation of the Company’s Tier – I Capital base to meet their Company’s future capital requirements including onward lending under any of the Company’s business verticals i.e. Enterprise Lending, Asset Finance and Consumer Finance.

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