

 JM Financial Limited 7 th Floor, Energy, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6630 3030/ 3262 E-mail: hdbfs.ipo@jmf.com Website: www.jmf.com SEBI Registration No.: INM000010361 CIN: L67120MH1986PLC038784	 BNP Paribas 1 North Avenue, Maker Maxity Bandra-Kurla Complex Bandra (E), Mumbai 400 051 Maharashtra, India Tel: +91 22 3370 4000 E-mail: DL.HDBFS.IPO@bnpparibas.com Website: www.bnpparibas.co.in SEBI Registration No.: INM000011534 FCRN: F00743	 BofA Securities India Limited Ground Floor, "A" Wing, One BKC, "G" Block Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 6632 8000 E-mail: dg.hdb_financial_services_ipo@bofa.co Website: http://www.ml-india.com SEBI Registration No.: INM000011625 CIN: U74140MH1975PLC018618	 Goldman Sachs (India) Securities Private Limited 951-A, Rational House, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6616 9000 E-mail: hdbipo@gs.com Website: http://www.goldmansachs.com/ SEBI Registration No.: INM000011054 CIN No.: U74140MH2006FTC160634
 HSBC HSBC Securities and Capital Markets (India) Private Limited 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001 Maharashtra, India Tel: +91 22 6864 1289 E-mail: hdbfsipo@hsbc.co.in Website: https://www.business.hsbc.co.in/en-gb/regulations/hsbc-securities-and-capital-market SEBI Registration No.: INM000010353 CIN: U67120MH1994PTC081575	 IIFL Securities Limited 24th Floor, One Lodha Place, Senapati Bapat Marg Lower Parel (West), Mumbai 400 013 Maharashtra, India Tel: +91 22 4646 4728 E-mail: hdbfs.ipo@iiflcap.com Website: http://www.iiflcap.com SEBI Registration No.: INM000010940 CIN: L99999MH1996PLC132983	 Jefferies Jefferies India Private Limited Level 16, Express Towers Nariman Point, Mumbai 400 021 Maharashtra, India Tel: +91 22 4356 6000 E-mail: HDB.FinancialServices.IPO@jefferies.com Website: www.jefferies.com SEBI Registration No.: INM000011443 CIN: U74140MH2007PTC200509	 Morgan Stanley Morgan Stanley India Company Private Limited 18F, Tower 2, One World Centre Plot 841, Jupiter Textile Mill Compound, Senapati Bapat Marg Lower Parel, Mumbai 400 013 Maharashtra, India Tel: +91 22 6118 1000 E-mail: hdb_ipo@morganstanley.com Website: www.morganstanley.com/india SEBI Registration No.: INM000011203 CIN: U22990MH1998PTC115305
 Motilal Oswal Investment Banking Motilal Oswal Investment Advisors Limited Motilal Oswal Tower, Rahimtullah Sayani Road Opposite Parel ST Depot Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 7193 4380 E-mail: hdb.ipo@motilaloswal.com Website: http://www.motilaloswalgroup.com SEBI Registration No.: INM000011005 CIN: U67190MH2006PLC160583	 NOMURA Nomura Financial Advisory and Securities (India) Private Limited Ceejay House, Level 11 Plot F, Shivsagar Estate Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India Tel: +91 22 4037 4037 E-mail: hdbfsipo@nomura.com Website: www.nomuraholdings.com/company/group/asia/india/index.ht ml SEBI Registration No.: INM000011419 CIN: U74140MH2007PTC169116	 nuvama Nuvama Wealth Management Limited 801-804, Wing A, Building No 3 Inspire BKC, G Block Bandra Kurla Complex Bandra East, Mumbai 400 051 Maharashtra, India Tel: +91 22 4009 4400 E-mail: hdbfs.ipo@nuvama.com Website: www.nuvama.com SEBI Registration No.: INM000013004 CIN: L67110MH1993PLC344634	 UBS UBS Securities India Private Limited Level 2, 3, North Avenue, Maker Maxity Bandra Kurla Complex Bandra East, Mumbai 400 051 Maharashtra, India Tel: +91 22 6155 6000 E-mail: ol-hdbfsipo@ubs.com Website: http://www.ubs.com/indiaoffers SEBI Registration No.: INM000013101 CIN: U67120MH1996PTC097299

ANNEXURE III

October 30, 2024

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India

Dear Sir/Madam,

Re: Proposed initial public offering of equity shares of face value of ₹10 each (the “Equity Shares”) of HDB Financial Services Limited (the “Company”, and such initial public offering, the “Offer”) comprising a fresh issue of Equity Shares by the Company and an offer for sale of Equity Shares by the promoter of the Company

We, JM Financial Limited, BNP Paribas, BofA Securities India Limited, Goldman Sachs (India) Securities Private Limited, HSBC Securities and Capital Markets (India) Private Limited, IIFL Securities Limited, Jefferies India Private Limited, Morgan Stanley India Company Private Limited, Motilal Oswal Investment Advisors Limited, Nomura Financial Advisory and Securities (India) Private Limited, Nuvama Wealth Management Limited UBS Securities India Private Limited, the book running lead managers to the Offer (the “BRLMs”), confirm that:

- (1) We have examined various documents including those relating to litigation, including commercial disputes, patent disputes, disputes with collaborators, etc. and other material while finalizing the draft red herring prospectus dated October 30, 2024 (“DRHP”) pertaining to the Offer; - **Complied with to the extent applicable**
- (2) On the basis of such examination and the discussions with the Company, its Directors and other officers, other agencies and independent verification of the statements concerning the objects of the Offer, price justification, contents of the documents and other papers furnished by the Company and the Promoter Selling Shareholder, we confirm that:
 - (a) the DRHP filed with the Securities and Exchange Board of India (“SEBI”) is in conformity with the documents, materials and papers which are material to the Offer;
 - (b) all material legal requirements relating to the Offer as specified by the SEBI, the Central Government and any other competent authority in this behalf have been duly complied with; and

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- (c) the material disclosures made in the DRHP are true and adequate to enable the investors to make a well informed decision as to the investment in the proposed Offer and such disclosures are in accordance with the requirements of the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”) and other applicable legal requirements.
- (3) Besides ourselves, all intermediaries named in the DRHP are registered with the SEBI and that till date, such registration is valid. – **Complied with and noted for Compliance.**
- (4) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments. – **Noted for compliance.**
- (5) Written consent from the Promoter has been obtained for inclusion of their specified securities as part of promoter’s contribution subject to lock-in and the specified securities proposed to form part of promoter’s contribution subject to lock-in, shall not be disposed or sold or transferred by the Promoter during the period starting from the date of filing the DRHP with the SEBI until the date of commencement of lock-in period as stated in the DRHP. – **Complied with and noted for compliance.**
- (6) All applicable provisions of the SEBI ICDR Regulations, which relate to specified securities ineligible for computation of promoter’s contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the DRHP. – **Complied with and noted for compliance.**
- (7) All applicable provisions of the SEBI ICDR Regulations which relate to receipt of promoter’s contribution prior to opening of the Offer, shall be complied with. Arrangements have been made to ensure that the promoter’s contribution shall be received at least one day before the opening of the Offer and that the auditors’ certificate to this effect shall be duly submitted to the SEBI. We further confirm that arrangements have been made to ensure that the promoter’s contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the Company along with the proceeds of the Offer. – **Not applicable.**
- (8) Necessary arrangements shall be made to ensure that the monies received pursuant to the Offer are credited or transferred to in a separate bank account as per the provisions of sub-section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from all the Stock Exchanges, and that the agreement entered into between the bankers to the Offer, the Promoter Selling Shareholder, and the Company specifically contains this condition. – **Noted for compliance.**
- (9) The existing business as well as any new business of the Company for which the funds are being raised fall within the ‘main objects’ in the object clause of the Memorandum of Association or other charter of the Company and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association. – **Complied with, to the extent applicable.**
- (10) Following disclosures have been made in the DRHP:
- An undertaking from the Company that at any given time, there shall be only one denomination for the Equity Shares of the Company, excluding SR equity shares, where the Company has outstanding SR equity shares; and – **Complied with, to the extent applicable, and noted for compliance. There are no SR equity shares issued by the Company.**
 - An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by the SEBI. – **Complied with to the extent applicable.**
- (11) We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations. – **Noted for compliance.**
- (12) If applicable, the entity is eligible to list on the innovators growth platform in terms of the provisions of Chapter X of the SEBI ICDR Regulations. – **Not Applicable.**

We enclose a note explaining the process of due diligence that has been exercised by us including in relation to the business of the Company, the risks in relation to the business, experience of the Promoter and that the related party transactions entered into for the period disclosed in the DRHP have been entered into by the Company in accordance with

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applicable laws **Please refer to the due diligence process note enclosed as Annexure III-A.**

We have also enclosed a checklist confirming regulation-wise compliance with the applicable provisions of the SEBI ICDR Regulations, containing details such as the regulation number, its text, the status of compliance, page number of the DRHP where the regulation has been complied with and our comments, if any. **Please refer to the checklist enclosed as Annexure III-B.**

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to such terms in the DRHP.

Encl.: Annexures as above

Place: Mumbai

Sincerely,

Signature page to the letter to be submitted to SEBI for the initial public offering of Equity Shares of HDB Financial Services Limited

For JM Financial Limited

Authorized Signatory

Name: Nikhil Panjwani

Designation: Director

Contact Number: +91-22-66303495

E-mail: nikhil.panjwani@jmfl.com

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Signature page to the letter to be submitted to SEBI for the initial public offering of Equity Shares of HDB Financial Services Limited

For BNP Paribas





Authorized Signatory

Name: Sameer Lotankar

Designation: Director

Contact Number: +91 96190 92741

E-mail: sameer.lotankar@asia.bnpparibas.com

For BNP Paribas





Authorized Signatory

Name: Naveen Akkara

Designation: Director

Contact Number: +91 86528 89510

E-mail: naveen.akkara@asia.bnpparibas.com

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 HSBC	 IIFL SECURITIES	 Jefferies	 Morgan Stanley
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Signature page to the letter to be submitted to SEBI for the initial public offering of Equity Shares of HDB Financial Services Limited

For BofA Securities India Limited




Authorized Signatory

Name: Debasish Purohit
Designation: Managing Director & Co-Head of India IBK
Contact Number: +91-9867566493
E-mail: debasish.purohit@bofa.com

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Signature page to the letter to be submitted to SEBI for the initial public offering of Equity Shares of HDB Financial Services Limited

For Goldman Sachs (India) Securities Private Limited






Authorized Signatory

Name: Sumit Roy

Designation: Managing Director

Contact Number: 91 22 6616 0000

E-mail: hdbipo@gs.com

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Signature page to the letter to be submitted to SEBI for the initial public offering of Equity Shares of HDB Financial Services Limited

For HSBC Securities and Capital Markets (India) Private Limited





Authorized Signatory

Name: Ranvir Davda
Designation: Managing Director and
Co-Head of Investment Banking, India
Contact: +91 98207 97234
Email ID: ranvirdavda@hsbc.co.in

Rishi Tiwari
Vice President, ECM India

+91 89767 85793
rishi.tiwari@hsbc.co.in

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 HSBC	 IIFL SECURITIES	 Jefferies	Morgan Stanley
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Signature page to the letter to be submitted to SEBI for the initial public offering of Equity Shares of HDB Financial Services Limited

For IIFL Securities Limited

Authorized Signatory

Name: Pawan Kumar Jain
Designation: Vice President
Contact Number: +91 22 4646 4728
E-mail: pawan.jain@iiflcap.com










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For Jefferies India Private Limited




Authorized Signatory

Name: Shekher Asnani
Designation: Vice President
Contact Number: +91 22 4356 6000
E-mail: HDB.FinancialServices.IPO@jefferies.com

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 MULLER & POON WALL	NOMURA	 nuvama	 UBS

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For Morgan Stanley India Company Private Limited



Authorized Signatory

Name: Samarth Jagnani

Designation: Managing Director

Contact Number: +91 22 6118-3354

E-mail: Samarth.Jagnani@MorganStanley.com

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For Motilal Oswal Investment Advisors Limited

Authorized Signatory

Name: Subodh Mallya

Designation: Director – Investment Banking

Contact Number: 022 - 71934380

E-mail: subodh.mallya@motilaloswal.com

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Signature page to the letter to be submitted to SEBI for the initial public offering of Equity Shares of HDB Financial Services Limited

For Nomura Financial Advisory and Securities (India) Private Limited




Authorized Signatory

Name: Vishal Kanjani

Designation: Executive Director

Contact Number: +91 22 4037 4037

E-mail: vishal.kanjani@nomura.com

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Signature page to the letter to be submitted to SEBI for the initial public offering of Equity Shares of HDB Financial Services Limited

For Nuvama Wealth Management Limited

Neetu



Authorized Signatory

Name: Neetu Ranka

Designation: ED and Co-Head, ECM – Corporate Finance

Contact Number: +91 98198 38110

E-mail: neetu.ranka@nuvama.com

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Signature page to the letter to be submitted to SEBI for the initial public offering of Equity Shares of HDB Financial Services Limited

For UBS Securities India Private Limited



Authorized Signatory

Name: Abhishek Joshi

Designation: Executive Director

Contact Number: +91 98200 35294

E-mail: abhishek.j.joshi@ubs.com



For UBS Securities India Private Limited



Authorized Signatory

Name: Ashish Zambre

Designation: Associate Director

Contact Number: +91 99675 43065

E-mail: ashish.zambre@ubs.com

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ANNEXURE III-A

Note explaining how the process of due diligence has been conducted

In connection with the draft red herring prospectus dated October 30, 2024 (the “**DRHP**”), we, the BRLMs, have carried out due diligence in relation to the current business of the Company and its background for the purposes of complying with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”), and to the extent that it is customary in initial public offerings in India, along with other professionals and experts engaged in connection with the Offer.

All capitalized terms used herein and not specifically defined shall have the same meaning ascribed to such terms in the DRHP.

For the purposes of the Offer, Cyril Amarchand Mangaldas acted as legal counsel to the Company as to Indian law, S&R Associates acted as the legal counsel to the BRLMs as to Indian Law and Cravath, Swaine & Moore LLP acted as the international legal counsel to the BRLMs (collectively, the “**Legal Counsel**”). The Legal Counsel assisted the BRLMs in carrying out documentary legal due diligence, drafting of the DRHP in compliance with SEBI ICDR Regulations and advised the Company and the BRLMs on relevant legal matters related to the Offer, in their respective roles. Trilegal acted as legal counsel to the Promoter Selling Shareholder as to Indian Law.

The BRLMs were also assisted by the peer reviewed joint statutory auditors of the Company, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants and M/s. G D Apte & Co., Chartered Accountants (the “**Joint Statutory Auditors**”) in the financial due diligence process and they have provided an examination report dated October 16, 2024 (the “**Examination Report**”) in relation to the restated consolidated financial information of the Company and its controlled structured entity (the “**Restated Consolidated Financial Information**”). In addition to the Restated Consolidated Financial Information and the Examination Report, the Joint Statutory Auditors have provided a statement of special tax benefits available to the Company and its shareholders, under the direct and indirect tax laws in force in India, and verified and reviewed certain matters including the computation of the Company’s net tangible assets, monetary assets, operating profits, net worth for equity shareholders and eligibility of the Company to undertake the Offer. The Joint Statutory Auditors have consented to be named as an expert, in terms of the Companies Act, 2013, as amended (the “**Companies Act**”) in the DRHP and such consent has not been withdrawn as on the date of the DRHP.

In addition, Manian & Rao, Chartered Accountants, an independent peer reviewed chartered accountant firm ((the “**Independent Chartered Accountant**”), have verified and provided certifications in respect of certain other information included in the DRHP such as key performance indicators (“**KPIs**”) of the Company included in the “*Basis for Offer Price*” section of the DRHP, operational information about the Company, average cost of acquisition of the Equity Shares held by the Promoter, which is also the Promoter Selling Shareholder and weighted average price of Equity Shares acquired by the Promoter, which is also the Promoter Selling Shareholder in the last one year, verified and provided certifications in respect of certain other matters in respect of, *inter alia*, eligibility of the Company to undertake the Offer, share capital build-up of the Company, weighted average cost of acquisition of Equity Shares transacted in last one year, 18 months and three years, compliance with corporate governance requirements by the Company, details of any amounts outstanding to micro, small and medium enterprises, material creditors and other creditors of the Company, all related party transactions entered into for the periods disclosed in the DRHP have been entered into by the Company in accordance with applicable laws, on an arm’s length basis, and certain other certifications with respect to the financial information included in the DRHP.

In addition, Mehta & Mehta, independent peer reviewed practicing company secretaries (“**PCS**”), assisted the BRLMs in, *inter alia*, (i) providing confirmations in relation to the build-up of the share capital of the Company and certain other corporate actions undertaken by the Company being in compliance with the relevant provisions of the Companies Act and Companies Act, 1956 (as applicable); (ii) providing confirmations that the ESOP Scheme is in compliance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the “**SEBI SBEB & SE Regulations**”), the SEBI ICDR Regulations and the Companies Act along with the Companies (Share Capital and Debentures) Rules, 2014, as amended and (iii) providing confirmations on the independence of the Independent Directors in compliance with the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**SEBI Listing Regulations**”).

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The Company has also placed reliance industry and market data derived from the CRISIL Report commissioned by the Company and prepared by CRISIL, exclusively for the purposes of confirming the Company's understanding of the industry it operates in, in connection with the Offer pursuant to a technical proposal dated September 6, 2024.

The due diligence process carried out by the BRLMs and the Legal Counsel involved, among other things, attending a physical kick-off meeting at the Company's Corporate Office situated at HDB House, Tukaram Sandam Marg, A-Subhash Road, Vile Parle (East), Mumbai 400 057, and interactions with the Directors, Key Managerial Personnel, other members of the Senior Management of the Company and representatives of the Promoter to gain an understanding of the business of the Company, key risks involved and financial overview of the Company, among other matters. These due diligence interactions were conducted with the objective of assisting the Company in preparing necessary disclosures as required under the SEBI ICDR Regulations and other applicable laws in relation to the Offer. In this regard, the Company was provided with a due diligence questionnaire and information request list that was prepared in consultation with the Legal Counsel. The Company provided us with the documents and information, to the extent available, in relation to the questionnaire for our review and due diligence and provided relevant explanations. In order to facilitate such a review, the Company set up a virtual data room where copies of such supporting documents were made available for undertaking such due diligence.

1. ***Business and commercial diligence***

The due diligence process in relation to general business and commercial matters included:

- (a) Organizing and attending transaction related calls and, physical and virtual meetings with the management of the Company to develop an understanding of the business, history and other matters of the Company, including the industry overview and the regulatory environment, which were attended by members of the senior management of the Company team, the BRLMs, the Legal Counsel and the Joint Statutory Auditors. A broad overview of the business of the Company, the industry in which they operate, their financial information, the regulatory framework with respect to the business, the corporate structure as well as the Company's capital structure, its shareholding pattern and the details of the Promoter of the Company was provided, followed by interactive discussions among the abovementioned participants.
- (b) Requesting the Company to provide all relevant documents in the virtual data room and/or over e-mails based on the due diligence requirements and requirements under applicable law, including the SEBI ICDR Regulations, and reviewing such documents along with the Legal Counsel, as is customary in such transactions.
- (c) Regularly interacting with the senior management team of the Company, including the Company's Key Managerial Personnel, the Senior Management (including senior personnel from the Company's secretarial, operations, legal and finance departments), the Joint Statutory Auditors and the Independent Chartered Accountant for the purpose of gaining an understanding of the business, the risks involved and a financial overview of the Company, among other matters. These interactions included: (i) due diligence calls and drafting sessions to discuss the disclosures in the DRHP; (ii) due diligence calls with the Joint Statutory Auditors and the Independent Chartered Accountant to discuss the disclosures in the DRHP; (iii) bring-down due diligence calls to receive updated information from the Company before filing the DRHP; (iv) discussions with the Independent Chartered Accountant to seek appropriate certifications with respect to the KPIs, operational data and other information; and (v) seeking appropriate certifications from the Company, its Directors, the Key Managerial Personnel, the Senior Management, the Promoter, which is also the Promoter Selling Shareholder, the Promoter Group and Group Companies, for certain other information. These interactions were conducted with the objective of assisting the Company to prepare the disclosures in the DRHP as required under the SEBI ICDR Regulations and other applicable laws in relation to the Offer. Accordingly, based on such interactions and the documents made available, disclosures in respect of the business carried out by the Company as well as associated risks in relation thereto, have been made in the sections "*Our Business*" and "*Risk Factors*", respectively, in the DRHP. The BRLMs shall undertake these interactions and due diligence calls until the allotment of Equity Shares in the Offer.

Further, the BRLMs together with the Legal Counsel and the Company also interacted with representatives of the Promoter Selling Shareholder on the disclosures in the DRHP in relation to the Promoter Selling Shareholder and the Offered Shares and obtained relevant confirmations from the Promoter Selling Shareholder. These interactions were conducted with the objective of assisting the Company to prepare disclosures as required under

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the SEBI ICDR Regulations and other applicable laws in connection with the Offer. The BRLMs shall undertake these interactions until the allotment of Equity Shares in the Offer

- (d) Obtaining and relying on:
- (i) letters on tick-and-tie circle-up confirmations from the Joint Statutory Auditors on financial information included in the DRHP as well as certifications and tick-and-tie circle-up confirmations from the Independent Chartered Accountant for the KPIs, operational data and certain other financial information included in the DRHP, in each case, as of and for the periods specified therein;
 - (ii) certificates, formal representations and undertakings from the Company, the Promoter which is also the Promoter Selling Shareholder, the members of the Promoter Group, the Group Companies, the Directors, the Key Managerial Personnel and the Senior Management of the Company, the Joint Statutory Auditors, the Independent Chartered Accountant, the PCS and other documents in support of certain disclosures made in the DRHP, for compliance with the SEBI ICDR Regulations;
 - (iii) management certificates from the Company in respect of certain information disclosed in the DRHP for ensuring compliance with the SEBI ICDR Regulations; and
 - (iv) certificate on corporate and secretarial matters each dated October 30, 2024 from the PCS.
- (e) Conducting site visits to the Company's Corporate Office and the information technology business processing operations office located in Mumbai, the Registered Office located in Ahmedabad and branch offices in Noida and Ahmedabad to understand the Company's consolidated operations and key business processes.
- (f) Reviewing together with the Legal Counsel, other documents executed by the Company with its customers on a sample basis and other material agreements executed by, or in relation to, the Company and such other documents as were deemed necessary and as have been provided to us by the Company, from time to time.
- (g) Interacting with the industry consultant, namely CRISIL, and obtaining consent from them for including extracts of their report in support of certain disclosures included in the DRHP. These interactions included: (i) due diligence call; and (ii) interactions with the representatives of CRISIL to discuss the contents of the CRISIL Report and corresponding disclosures in the DRHP.

2. **Industry information**

The Company has relied on industry and market data derived from the CRISIL Report commissioned by the Company and prepared by CRISIL, exclusively for the purposes of confirming the Company's understanding of the industry it operates in, in connection with the Offer pursuant to a technical proposal dated September 6, 2024. The BRLMs have also conducted due diligence calls and interacted with representatives of CRISIL to discuss the contents of the CRISIL Report. The industry related information contained in certain sections of the DRHP, including "Summary of the Offer Document", "Risk Factors", "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", have been included from the CRISIL Report. The CRISIL Report will be made available on the website of the Company on and from the date of filing of the DRHP with SEBI until the Bid/Offer Closing Date and has been included as a material document which will be available to the public for inspection at the Registered Office from the date of the RHP until the Bid/Offer Closing Date.

3. **Financial information and Financial Indebtedness**

The DRHP includes the Restated Consolidated Financial Information which comprises the restated consolidated financial information of the Company and its controlled structured entity (together, the "HDB Group") consisting of the restated consolidated statement of assets and liabilities as at September 30, 2024, September 30, 2023, March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and, the restated consolidated statement of cash flows for the six months period ended September 30, 2024 and September 30, 2023 and for and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the six months period ended September 30, 2024, and notes to the restated consolidated financial information as approved by the Board.

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 HSBC	 IIFL SECURITIES	 Jefferies	 Morgan Stanley
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The BRLMs have reviewed the examination report and other reports and obtained certifications with respect to certain financial information included in the DRHP from the Joint Statutory Auditors. The BRLMs had extensive discussions with the Joint Statutory Auditors on the form and manner of the reports required for such financial information. Further, the Joint Statutory Auditors were required to review the financial information relating to the Company in the DRHP and have delivered a customary comfort letter to the BRLMs confirming the accuracy of the financial information contained in the DRHP. The Independent Chartered Accountant has verified and provided certifications in respect of the KPIs and certain other operating information included in the DRHP. Such comfort letter and certificates will be re-issued or brought down at certain future dates as the Offer moves forward.

In addition to the above, as part of our diligence, we have had discussions with the management of the Company and the Joint Statutory Auditors and have relied on explanations and representations provided to the BRLMs by the management of the Company and a certificate delivered by the Independent Chartered Accountant that all related party transactions entered into for the periods disclosed in the DRHP have been entered into by the Company in accordance with applicable laws.

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of the Company as at and for the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 (*i.e.*, the three financial years immediately preceding the date of filing of the DRHP) have been uploaded on the Company's website at <https://www.hdbfs.com/investor/offer-documents>.

In relation to the information disclosed in summarized form in the section “*Financial Indebtedness*” of the DRHP, the relevant sanction letters issued by, and agreements entered into with, the lenders as well as other financing related documents were made available. On the basis of the documents reviewed, relevant intimations were made to and consent was obtained from the relevant lenders in connection with the corporate actions related to the Offer, as required under the loan documentation and arrangements with such lenders. The BRLMs have also relied on a certificate from the Independent Chartered Accountant to ascertain the amount of sanctioned and outstanding borrowings of the Company as of September 30, 2024, as disclosed in the section “*Financial Indebtedness*” of the DRHP.

4. ***Key Performance Indicators***

Suitable disclosures have been made in line with the SEBI ICDR Regulations in relation to key performance indicators of the Company in the section “*Basis for Offer Price*” and other relevant sections in the DRHP. Further, such key performance indicators were approved by the Audit Committee of the Board of Directors pursuant to its resolution dated October 28, 2024. The Company shall continue to disclose such key performance indicators, on a periodic basis, as required under the SEBI ICDR Regulations. Such key performance indicators disclosed by the Company have been certified by the Independent Chartered Accountant, and such certificate dated October 30, 2024, issued by the Independent Chartered Accountant, is included in the section “*Material Contracts and Documents for Inspection*” of the DRHP and will be available as a material document for inspection by the public in relation to the Offer, in accordance with the RHP.

5. ***Promoter, which is also the Promoter Selling Shareholder, Promoter Group, Group Companies, Directors, Key Managerial Personnel, Senior Management***

For the purposes of making certain disclosures with respect to the Promoter, which is also the Promoter Selling Shareholder, the Promoter Group, the Group Companies, the Directors, the Key Managerial Personnel and the Senior Management in the DRHP, we have obtained certifications and confirmations from such relevant entities/persons. We also interacted with the relevant parties, along with the Legal Counsel, to assist them to understand the requirements of law and disclosures required in terms of the SEBI ICDR Regulations.

For the purposes of disclosure of the professional experience and educational qualifications of Directors, Key Managerial Personnel and Senior Management of the Company, reliance was placed on relevant transcripts, degree certificates, mark-sheets and confirmations from certain previous employers or other back-up, including publicly available information in relation to the respective educational qualifications or experience of the Directors, the Key Managerial Personnel and the Senior Management.

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In addition, the BRLMs have received confirmation from the Company, the Directors, the Promoter which is also the Promoter Selling Shareholder, the Promoter Group, and the Group Companies, stating that they have not been debarred or prohibited from accessing or operating in the capital markets, restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI. The BRLMs have also received confirmations from the Company, its Promoter and its Directors that none of the Company, the Promoter or the Directors of the Company have been declared as “wilful defaulters” or “fraudulent borrowers” as defined under the SEBI ICDR Regulations and the Promoter and the Directors are not “fugitive economic offenders” as defined under the SEBI ICDR Regulations. Further, the BRLMs have also carried out searches on websites such as ‘Watchout Investors’ and ‘CIBIL’ for the Company, the Directors, the Promoter, the members of the Promoter Group, the Group Companies, the Key Managerial Personnel and the Senior Management.

Additionally, confirmations have also been obtained from the Company, the Promoter (which is also the Promoter Selling Shareholder) and the Promoter Group in respect of their compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, as of the date of the DRHP, to the extent applicable.

The Company has received a consent letter from the Promoter Selling Shareholder to participate in the Offer and the BRLMs have received certification from the Promoter Selling Shareholder providing various confirmations as required from a selling shareholder.

The term “group companies” under the SEBI ICDR Regulations includes companies (other than the promoters and any subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed in the offer documents, as covered under the applicable accounting standards, and also other companies as considered material by the Board of Directors of the Company. The Board, has through a resolution dated October 28, 2024 adopted a materiality policy for identification of group companies. Based on the above materiality policy, the details of the Group Companies are set out in the section “*Group Companies*” of the DRHP.

6. *Outstanding litigation and dues to creditors*

The Company has disclosed outstanding litigation, as applicable, involving the Company, the Directors and the Promoter (“**Relevant Parties**”), as required under the SEBI ICDR Regulations and in accordance with the policy on determination of material litigation approved by the Board in its meeting held on October 28, 2024. The materiality threshold in relation to litigation proceedings as approved by the Board has been disclosed in the DRHP.

In terms of the materiality threshold, any pending proceedings (other than criminal proceedings, actions by statutory and/or regulatory authorities and taxation matters) involving any of the Relevant Parties (other than the Promoter) shall be considered “material” if the value or expected impact in terms of value, exceeds the lower of the following:

1. 2% of turnover as per last audited consolidated financial statements;
2. 2% of net worth as per last audited consolidated financial statements, except in case arithmetic value of net worth is negative; or
3. 5% of average of absolute value of profit/ loss after tax as per last three audited consolidated financial statements.

For the purpose of 3 above, it is clarified that the average of absolute value of profit or loss after tax is to be calculated by disregarding the ‘sign’ (positive or negative) that denotes such value.

Based on the above, pending civil cases (including arbitration proceedings) involving the Relevant Parties (other than the Promoter) which involved an amount of more than ₹ 905.27 million shall be considered material.

Further, the following shall also be considered material litigation in relation to the Relevant Parties (other than the Promoter):

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- a. Litigations where the decision in one litigation is likely to affect the decision in similar litigations and the cumulative amount involved in all such litigations exceeds ₹ 905.27 million, even though the amount involved in an individual litigation may not exceed ₹ 905.27 million; and
- b. All outstanding litigation which may not meet the monetary threshold and/or where the monetary liability is not quantifiable, but where an adverse outcome would materially and adversely affect the business, prospects, operations, performance, financial position or reputation of the Company on a standalone or consolidated basis.

For purposes of disclosure of outstanding material legal proceedings involving HDFC Bank Limited, the Promoter, which is a listed company, the materiality policy adopted by the Promoter in accordance with Regulation 30 of the SEBI Listing Regulations has been considered. Based on the above, pending civil cases (including arbitration proceedings) involving the Relevant Parties (other than the Promoter) which involved an amount of more than ₹24,685.3 million shall be considered material

Further, the following shall also be considered material litigation in relation to the Promoter:

- a. Litigations where the decision in one litigation is likely to affect the decision in similar litigations and the cumulative amount involved in all such litigations exceeds ₹24,685.3 million, even though the amount involved in an individual litigation may not exceed ₹24,685.3 million; and
- b. All outstanding litigation which may not meet the monetary threshold and/or where the monetary liability is not quantifiable, but where an adverse outcome would materially and adversely affect the business, prospects, operations, performance, financial position or reputation of the Company on a standalone or consolidated basis.

For purposes of disclosure of outstanding legal proceedings involving the Group Companies, any pending litigation involving the Group Companies which may have a material impact on the Company, shall be considered.

Other legal proceedings

All outstanding claims related to direct and indirect tax matters involving the Relevant Parties has been disclosed in the DRHP in a consolidated manner, giving the number of cases and total amount and for tax matters, whether direct or indirect, where any such matters cross the threshold have a separate disclosure in the DRHP. Additionally, any disciplinary action, including penalty imposed by SEBI or stock exchanges against the Promoter in the last five financial years preceding the date of the DRHP, including any outstanding action as required under the SEBI ICDR Regulations has been disclosed in the DRHP.

Pre-litigation notices received by Relevant Parties have not been considered as outstanding litigation if the Relevant Parties are not yet impleaded as a defendant in litigation proceedings before any judicial or arbitral forum. However, any notice issued by any regulatory, government, judicial, quasi-judicial, administrative, tax or statutory authorities against any of the Relevant Parties have been considered as outstanding litigation for the purposes of disclosing the same in the Offer Documents. Further, first information reports (whether cognizance has been taken or not) initiated against a Relevant Party have been disclosed in the DRHP.

The Company has provided a list of outstanding litigation involving the Company and supporting documents for material litigations involving the Company in the online virtual access data room. Further, the BRLMs interacted with the relevant representatives of the Company to understand the status of various pending proceedings involving the Company. For litigation involving the Promoter and the Directors, the Company has provided certifications received from the relevant persons. With respect to the consolidated disclosure of direct and indirect tax matters involving the Relevant Parties, reliance has been placed on a list provided by the Company in relation to the tax proceedings involving the Company, relevant certifications provided by the Promoter and the Directors and also on a certificate dated October 30, 2024 issued by the Independent Chartered Accountant in this regard. There is no outstanding litigation involving the Group Companies, which has a material impact on the business, operations, financial position or reputation of the Company.

A risk factor on the outstanding litigation in the DRHP titled “*We are involved in certain legal proceedings and*

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any adverse outcomes in such proceedings may have a material adverse effect on our reputation, business, results of operations, cash flows and financial conditions.” has been included in the “Risk Factors” section of the DRHP, in accordance with the SEBI ICDR Regulations.

Based on the materiality policy adopted by the Board of Directors in its meeting held on October 28, 2024, disclosures on material creditors of the Company have been included in the DRHP with outstanding dues owed by the Company to such creditor of the Company is equal to or exceeds 5% of total outstanding trade payables of the Company as on the date of the latest period presented in the restated consolidated financial statements of the Company disclosed in the Offer Documents be considered as material dues for the Company. Further, consolidated disclosure on the dues to (a) creditors that are micro, small and medium enterprises; and (b) other creditors have been provided in a summary format (indicating the total number of, and aggregate outstanding amounts due to such creditors) along with a link to the website of the Company where details of the material creditors have been made available.

7. *Objects of the Offer*

The Company proposes to use the funds raised through the Fresh Issue towards augmentation of the Company’s tier – I capital base to meet the Company’s future capital requirements including onward lending.

Further, the Board of Directors have approved the utilization of the Net Proceeds of the Fresh Issue in the manner described in the DRHP, pursuant to their resolution dated October 28, 2024.

8. *Statutory and/or regulatory related and other due diligence*

In connection with diligence of statutory and regulatory matters, the BRLMs have, with the assistance of the Legal Counsel, reviewed the relevant statutory and regulatory records of the Company, including, among other things, relevant corporate records, filings made by the Company with various statutory and regulatory authorities, material licenses, approvals and registrations applied for and/or received by the Company (including the relevant licenses issued by the RBI and relevant regulations governing the Company, and such other documents as we have deemed necessary and as have been provided to us by the Company from time to time. We have also regularly interacted with the officials of the Company to understand the material approvals that are required to be obtained by the Company to carry out their respective business. The DRHP includes a summary of the material approvals required for carrying on the business operations of the Company, including tax registrations and approvals under labor and employment related laws. Such approvals have been disclosed in the section “Government and Other Approvals” in the DRHP and a cross-reference has been included in the sections “Risk Factors” and “Our Business” of the DRHP. Additionally, we have also reviewed material agreements executed by, or in relation to, the Company.

In relation to the build-up of the existing share capital of the Company and the build-up of the shareholding of the Promoter, which is also the Promoter Selling Shareholder, the statutory forms and resolutions filed with the RoC and statutory registers prepared and maintained by the Company and other corporate records have been reviewed. Reliance was also placed on (i) the representations and certifications provided by the Company and the Promoter, which is also the Promoter Selling Shareholder, in connection with such statutory and/ or regulatory matters; and (ii) a certificate delivered by the PCS in connection with the existing share capital of the Company and the build-up of the shareholding of the Promoter, which is also the Promoter Selling Shareholder.

9. *Price information of past issues handled by the BRLMs*

In respect of price information of past issues handled by the BRLMs, reliance has been placed on the information available on the websites of NSE and/or BSE for preparing the statement of price information of the past issues handled by the BRLMs.