

## BASIS FOR OFFER PRICE

The Price Band will be determined by our Company in consultation with the Book Running Lead Managers. The Offer Price will also be determined by our Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should refer to “*Risk Factors*”, “*Our Business*”, “*Restated Consolidated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 24, 151, 237 and 335, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

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

- HFC focused on the low income housing segment (ticket size less than ₹1.5 million) in India with the highest AUM and net worth among our analyzed peers in Fiscal 2021, Fiscal 2022, Fiscal 2023 and nine months ended December 31, 2022 and December 31, 2023;
- Seasoned business model with strong resilience through business cycles
- Extensive branch and sales office network, geographical penetration and sales channels which contribute significantly to loan sourcing and servicing;
- Robust, comprehensive systems and processes for underwriting, collections and monitoring asset quality;
- Access to diversified and cost-effective long-term financing with a disciplined approach to asset liability and liquidity management;
- Social objectives are one of the core components of our business model; and
- Experienced, cycle-tested and professional management team with strong corporate governance.

For details, see “*Our Business – Competitive Strengths*” on page 154.

### Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see “*Restated Consolidated Financial Information*” and “*Other Financial Information*” on pages 237 and 333, respectively.

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

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

Fiscal / Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2021	8.6	8.4	1
March 31, 2022	11.3	10.9	2
March 31, 2023	13.8	13.4	3
<b>Weighted Average</b>	12.1	11.7	
For the nine months ended December 31, 2022 <sup>(i)</sup>	10.2	9.9	-
For the nine months ended December 31, 2023 <sup>(i)</sup>	13.9	13.5	-

- (i) Basic and diluted earnings per share is not annualised for the nine months’ period ended December 31, 2023 and December 31, 2022.
- (ii) The shareholders vide special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 on January 16, 2021 in extraordinary general meeting (EGM). Consequently, earnings per share has been restated for all the years presented.

Notes:

The above ratios have been computed as below:

- i. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.
- ii. Earnings per Share (₹) = Net profit after tax attributable to equity shareholders divided by Weighted average number of equity shares outstanding during the period.
- iii. Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
- iv. As at, March 31, 2023, March 31, 2022 and March 31, 2021, there are potential equity shares, hence considered in the calculation of diluted earnings per share.

#### B. Price/Earning (“P/E”) ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share: