

HDB/TROPS/2020/230

May 13, 2020

To,
The Department of Corporate Affairs
BSE Limited
P J Towers, Dalal Street
Mumbai- 400 001

K.A.: Ms. Netra Sahani

Subject: Statement of Material Deviation under Regulation 52(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for half year ended March 31, 2020.

Dear Sir / Madam,

Pursuant to the provisions of Regulation 52(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the statement of material deviation in the use of the proceeds of issue of Non-Convertible Debenture from the objects stated in the offer document is enclosed herewith.

Please take the above on record.

Thanking you,

For HDB Financial Services Limited

Haren Parekh
Chief Financial Officer

Encl: a/a

Statement of Material Deviation or Variation for the half year ended March 31, 2020

| | |
|---|---|
| Name of listed entity | HDB Financial Services Limited |
| Mode of Fund Raising | Private Placement |
| Type of instrument | Non-Convertible Debentures/Bonds |
| Date of Raising Funds | As per Annexure-I |
| Amount Raised | As per Annexure-I |
| Report filed for half year ended | March 31, 2020 |
| Is there a Deviation / Variation in use of funds raised? | No |
| Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document? | No |
| If yes, details of the approval so required? | Not Applicable |
| Date of approval | Not Applicable |
| Explanation for the Deviation / Variation | Not Applicable |
| Comments of the audit committee after review | None |
| Comments of the auditors, if any | None |
| Objects for which funds have been raised and where there has been a deviation, in the following table. | |
| Original Object | <p>For NCD: The object of the Issue was to augment the long-term resources of the Company and to increase the average maturity period of its borrowings in compliance with the Applicable Laws.</p> <p>The proceeds of the Issue would be utilised by the Company, inter-alia, for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the working capital requirements of the Company, and for the general corporate purposes of the Company in compliance with the Applicable Laws</p> <p>For Sub debt: Issue of bonds is being made for augmenting the Tier-II Capital of the Company for strengthening its Capital Adequacy and for enhancing the long-term resources of the Company. The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities, which the Company has been carrying on till date. The proceeds of the Issue would be utilised by the Company, inter-alia, for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the working capital requirements of the Company, and for the general corporate purposes of the Company.</p> |

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| | For PDI: The primary objective of PDIs is to raise Tier I capital for the Company as per the applicable guidelines of RBI. The funds raised by the issue of PDIs shall be a subordinated debt to be utilized by the Company, to augment the resources of the Company for regular business activities including its financing / lending activities, working capital and general corporate purposes in compliance with the provisions of Applicable Laws. |
| Modified Object, if any | NIL |
| Original Allocation | Funds have been allocated as per the objects stated above in compliance with the applicable laws |
| Modified allocation, if any | NIL |
| Funds Utilised | Funds have been utilised as per the objects stated above in compliance with the applicable laws |
| Amount of Deviation/Variation for the half year according to applicable object (INR Crores and in %) | Not Applicable |
| Remarks, if any | NIL |

Deviation could mean:

- (a) Deviation in the objects or purposes for which the funds have been raised
- (b) Deviation in the amount of funds actually utilized as against what was originally disclosed.

Haren Parekh
Chief Financial Officer

Annexure-I

| Security Type | Date of Raising Funds | Amount Raised (in Rs.) |
|----------------------|------------------------------|-------------------------------|
| NCD | October 24, 2019 | 2,200,000,000 |
| NCD | November 19, 2019 | 2,550,000,000 |
| NCD | November 25, 2019 | 3,000,000,000 |
| NCD | November 25, 2019 | 2,600,000,000 |
| NCD | December 26, 2019 | 2,400,000,000 |
| NCD | December 26, 2019 | 2,600,000,000 |
| NCD | January 16, 2020 | 2,570,000,000 |
| NCD | January 30, 2020 | 2,500,000,000 |
| NCD | January 30, 2020 | 8,000,000,000 |
| NCD | February 17, 2020 | 3,800,000,000 |
| NCD | March 03, 2020 | 500,000,000 |
| NCD | March 03, 2020 | 5,100,000,000 |
| SUB DEBT | January 24, 2020 | 2,285,000,000 |
| PDI | November 29, 2019 | 1,000,000,000 |
| Total | | 41,105,000,000 |