

HDB/SLC/2026/1431

January 14, 2026

To,
Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No C/1, Block G,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400051
Scrip Code: HDBFS

To,
Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400001
Scrip Code: 544429

Dear Sir / Madam,

Sub.: Monitoring Agency Report on the utilisation of proceeds raised through issuance of equity shares by way of Public Issue of the Company

Pursuant to Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulations 41(4) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") please find enclosed the Monitoring Agency Report issued by CARE Ratings Limited (Monitoring Agency), in respect to utilization of the proceeds raised through issuance of equity shares by way of Public Issue of the Company for the quarter ended December 31, 2025.

This is for your information and appropriate dissemination.

Thanking you,

For HDB Financial Services Limited

Dipti Jayesh Khandelwal
Company Secretary and Compliance Officer
Membership No. F11340

Monitoring Agency Report

No. CARE/NRO/GEN/2025-26/1147

**The Board of Directors
HDB Financial Services Limited**

HDB House, Tukaram Sandam Marg,
A – Subhash Rd, Navpada, Vile Parle East,
Mumbai, Maharashtra – 400057

January 14, 2026

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended December 31, 2025 - in relation to the Initial Public Offer (IPO) of HDB Financial Services Limited ("the Company")

We write in our capacity of Monitoring Agency for the IPO for the amount aggregating to Rs. 2,500 crore of the Company and refer to our duties cast under 41 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended December 31, 2025, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated June 12, 2025.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,



Jatin Arora
Assistant Director
jatin.arora@careedge.in

Report of the Monitoring Agency

Name of the issuer: HDB Financial Services Limited

For quarter ended: December 31, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not Applicable

Declaration:

We declare that this report provides an objective view of the utilization of the gross issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name and designation of the Authorized Signatory: Jatin Arora

Designation of Authorized person/Signing Authority: Assistant Director

1) Issuer Details:

Name of the issuer	: HDB Financial Services Ltd
Name of the promoter	: HDFC Bank Limited
Industry/sector to which it belongs	: Non-Banking Financial Companies (NBFC)

2) Issue Details

Issue Period	: June 27, 2025, to June 29, 2025
Type of issue (public/rights)	: Initial Public Offer
Type of specified securities	: Equity Shares
IPO Grading, if any	: Not Applicable
Issue size (in crore)	: Rs. 12,500 crore (of which fresh issue aggregating to Rs. 2,500 crore and Rs. 10,000 crore is related to offer for sale)

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Offer document, Chartered Accountant Certificate*, Bank Statements	All the proceeds from IPO have been utilized appropriately so far, as per offer document.	No Comments
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No Deviation	Chartered Accountant Certificate*	Not Applicable, since no deviations.	No Comments
Whether the means of finance for the disclosed objects of the issue have changed?	No	Chartered Accountant Certificate*	No comments	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	No	Chartered Accountant Certificate*	No comments	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	No approval required	Not applicable	No comments	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not Applicable	Chartered Accountant Certificate*	No comments	No Comments
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Chartered Accountant Certificate*	There have not been any such events so far.	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	Chartered Accountant Certificate*	No comments	No Comments

*Chartered Accountant certificate from G D Apte & Co Chartered Accountants dated January 08, 2026

#Where material deviation may be defined to mean:

a) Deviation in the objects or purposes for which the funds have been raised

b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	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#	Offer Document, Chartered Accountant certificate*	2,458.62	Not Applicable	Not Applicable	No Comments	No Comments	No Comments
2	Offer Expenses	Offer Document, Chartered Accountant certificate*	41.38	Not Applicable	Not Applicable	No Comments	No Comments	No Comments
Total			2,500.00	Not Applicable				

* Chartered Accountant certificate from G D Apte & Co Chartered Accountants dated January 08, 2026

Company's utilization is aggregating to 2,461.22 crore, (this includes ₹4.60 crore interest accrued on fixed deposit) which has been utilized towards augmenting for tier-I capital base to meet future business requirements of company towards onward lending.

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Issue expenses^	Offer Document, bank statement, Chartered Accountant certificate*	41.38	-	37.11^	37.11	4.27	Offer expenses aggregating to Rs. 37.11 crore have been utilised in Q3FY2026, as certified by CA in its certificate and the remaining balance of Rs.	No Comments	No Comments

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
								4.27 crore is yet to be utilised		
2	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	Offer Document, bank statement, Chartered Accountant certificate*	2,458.62	2,456.62	-	2,456.62	2.00	The proceeds net off issue expenses, have been utilized in accordance with the objects of the issue. (99.92% of the net proceeds have been utilized). However, ₹2 crore held in escrow by Book running lead manager (BRLMs), will be released upon confirmation of final offer expenses which are yet to be utilised.	No Comments	No Comments
Total			2,500.00	2,456.62	37.11	2,493.73	6.27			

Company's utilization is aggregating to 2,461.22 crore, (this includes ₹4.60 crore interest accrued on fixed deposit) which has been utilized towards augmenting for tier-I capital base to meet future business requirements of company towards onward lending.

[^]Since there were numerous transactions in the current account statement shared by the company with respect to issue expenses, CareEdge Ratings has relied on documents submitted by the company, including Statutory auditor certificate for certifying expenses.

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1	Allotment account (HDFC Bank)	23.36	-	-	-	-
	Less: offer for sale expenses	17.09	-	-	-	-
	Unutilized proceeds	6.27				

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
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	31-03-2026	Ongoing*	Not applicable	No Comments	No Comments
Offer expenses^	Not Mentioned in offer document	Not Applicable	Not applicable	No Comments	No Comments

* Company has utilised ₹2,456.62 crore during Q2FY25. However, balance ₹2 crore held in escrow by BRLMs (which are yet to be utilized), will be released upon confirmation of final offer expenses.

^ ₹4.27 crore held in escrow account against offer expenses which are yet to be utilised.

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document: Not Applicable

Disclaimers to MA report:

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as "**Monitoring Agency/MA**"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditor which is a peer reviewed audit firm appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from statutory auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.