

HDFC to raise up to Rs 13,000 cr via equity, convertible instruments

HDFC needs to participate in HDFC Bank's preferential offer not exceeding Rs 8,500 crore to maintain roughly its shareholding in the latter

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Last Updated at December 20, 2017 02:24 IST



HDFC

**HOUSING DEVELOPMENT
FINANCE CORPORATION
LTD**

[Housing Development Finance Corporation \(HDFC\)](#), the country's largest mortgage lender, is planning to raise up to Rs 13,000 crore by issuing equity shares and other securities.

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BSE 1,698.85 -10.85 (-0.63%)
NSE 1,698.00 -11.15 (-0.65%)



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It will use the proceeds to invest up to Rs 8,500 crore in [HDFC Bank](#) to retain its stake at 21 per cent in the latter.

It will also invest in healthcare insurance, buy distressed [real estate](#) assets, fund inorganic growth in the affordable housing finance sector, and support growth plans of subsidiaries.

The board of directors of [HDFC](#) at its meeting on Tuesday gave approval for raising funds by issuing equity shares and/or other permissible securities of an amount not exceeding Rs 13,000 crore.

The money will be raised through a preferential issue, qualified institutional placement, or any other “permissible mode or combination”, subject to necessary shareholder and regulatory approvals, [HDFC](#) said in a statement on Tuesday.

Elaborating the objectives of raising capital, Vice-Chairman and Chief Executive [Keki Mistry](#) said the [private bank](#) proposed to raise further capital.

[HDFC](#) needs to participate in [HDFC Bank](#)'s preferential offer not exceeding Rs 8,500 crore to maintain roughly its shareholding in the latter.

The corporation, together with its wholly owned subsidiaries, holds 21.01 per cent of the paid-up equity share capital of [HDFC Bank](#). [HDFC](#) did not participate in the last equity issue of private lender in February 2015.

[HDFC](#), along with its subsidiary [HDFC ERGO General Insurance Company](#), was exploring opportunities in the health insurance sector, he said.

Mistry said [HDFC](#) was evaluating opportunities in acquiring and resolving stressed assets in [real estate](#). The plan is to acquire incomplete and half-completed projects. It will complete the projects and use [HDFC](#)'s brand to sale space.

The corporation has set up funds for investing in the equity and mezzanine debt of affordable housing projects. It has committed sponsor support to these funds.

It might require capital in some of its subsidiary [companies](#) including [HDFC ERGO General Insurance Company](#), [HDFC Education and Development Services](#), and [HDFC Credila Financial Services](#).