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हाउसिंग एण्ड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड, (भारत सरकार का उपक्रम), कोर 7ए, हडको भवन, भारत पर्यावास केन्द्र, लोधी रोड, नई दिल्ली-110003
दूरभाष : 011-24648160 फैक्स : 011-24625308 Visit us at : www.hudco.org सीआईएन : L74899DL1970GOI005276 जी.एस.टी : 07AAACH0632A1ZF
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Telephone : 011-24648160 Fax : 011-24625308 Visit us at : www.hudco.org CIN : L74899DL1970GOI005276 GST : 07AAACH0632A1ZF

आई. एस. ओ. 9001:2008 प्रमाणित कम्पनी **AN ISO 9001 : 2008 CERTIFIED COMPANY**

HUDCO/CS/SE/2019 13th March, 2019

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Scrip Code- 540530

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051
NSE Symbol- HUDCO

Sub: Announcement under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of International Credit Rating.

Dear Sir/ Ma'am

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Code for 'Prevention of Insider Trading in Housing and Urban Development Corporation Limited Equity Shares/ Securities', we wish to inform you about assignment of 'International Credit Rating' as under:

Fitch Ratings-Hong Kong /Jakarta, 12th March 2019 - Fitch Ratings has assigned HUDCO Long Term Foreign Currency and Local Currency Issuer Default ratings of "BBB-". The Outlook is Stable.

The press release in this regard published by Fitch Ratings is attached.

The above is submitted for your information and record.

Thanking you

Yours faithfully
For **Housing and Urban Development Corporation Ltd**

Harish Kumar Sharma
Company Secretary & Compliance Officer

5789

FitchRatings

Fitch Rates Housing and Urban Development Corporation 'BBB-'; Outlook Stable

Fitch Ratings-Hong Kong/Jakarta-12 March 2019: Fitch Ratings has assigned Housing and Urban Development Corporation Limited (HUDCO) Long-Term Foreign-Currency and Local-Currency Issuer Default Ratings of 'BBB-'. The Outlook is Stable.

HUDCO is a policy institution that accepts deposits and provides housing finance. It is regulated by the National Housing Bank (NHB) and under the administrative control of India's Ministry of Housing and Urban Affairs (MOHUA). The company's key mission is to support the construction of affordable housing for lower-income households and the development of non-commercial urban infrastructure.

Fitch classifies HUDCO as a government-related entity (GRE) that is credit linked to the Indian sovereign (BBB-/Stable/F3). This is attributable to our assessment of the entity's strong legal status, control and oversight, very strong level of historical financial support, and very strong socio-political and financial implications of a potential default.

These factors mean there is a strong likelihood of HUDCO receiving extraordinary state support, if required. The assessment translates into an overall support score of 55 under our Government-Related Entities Rating Criteria, leading to the equalisation of HUDCO's rating with the Indian sovereign, regardless of the entity's standalone credit profile.

Fitch has not assigned HUDCO a standalone credit profile as it is difficult to detach the entity from the government framework in which it operates. In addition, HUDCO's entire loan book is directed towards its core policy focus segment.

KEY RATING DRIVERS

'Strong' Status, Ownership, Control: The state owns 90% of HUDCO after a 10.1% stake was divested during an IPO in May 2017. The government has proposed a further 10% divestment due to a requirement from the Securities and Exchange Board of India. However, the state expects to maintain a majority shareholding in HUDCO. The MOHUA signs annual memorandums of understanding with HUDCO that set operational and financial performance targets, which are reviewed quarterly. The entity's board of directors is appointed by the central government. The 10-member board has two representatives from the ministry, along with five independent directors.

'Very Strong' Support Record, Expectations: The government's support for HUDCO to pursue its policy role in a high-profile sector includes access to tax-free bonds, guaranteed foreign-currency debt from multilateral institutions and waivers on the guarantee fees applicable on the debt. The tax-free bonds provide access to low-cost funding and dominate HUDCO's funding sources, accounting for 46% of total debt in the financial year ended March 2018 (FY18).

The NHB also allows HUDCO to have larger loan exposure to government agencies, when compared with other Indian housing finance companies. Lending to the government and its agencies can make up 50% (individual exposure limit) and 100% (group exposure limit) of HUDCO's net owned funds, compared with limits of 15% and 25%, respectively, for other housing finance companies. Consequently, 93% of the company's loan portfolio is dominated by the government and its agencies' projects. The government also

provided guarantees for loans extended to its agencies' projects, which amounted to 77% of the total loan portfolio in FY18. The guarantees help the company to achieve its policy role and maintain favourable asset quality. Fitch believes the government's very strong support is evident from HUDCO's access to low-cost funding, the regulatory flexibility, and its financial stability.

'Very Strong' Socio-Political Default Impact: HUDCO plays an important role in the implementation of the government's various urbanisation programmes as affordable housing is a priority for India's urban growth. HUDCO provides financing such as viability-gap funding and longer durations for repayment. It is also involved in project appraisals, the propagation and dissemination of government scheme details, monitoring and site inspections and organising awareness programmes. Its focus on its policy role is evident from its funding of a total of 18.02 million homes, out of which 86% belong to the lower-income population.

Fitch believes HUDCO cannot be easily substituted as it is the sole policy entity for financing affordable housing projects. The attribute was assessed as 'Very Strong' as a default would disrupt the availability of affordable housing and the development of urban infrastructure as well as the government's political agenda.

'Very Strong' Financial Default Implications: Fitch believes HUDCO is a proxy funding vehicle for the MOHUA to finance the government's high-priority programmes by allocating its housing subsidies. A financial default would have significant implications for the government, its borrowing and refinancing capacity in capital markets and investor sentiment towards the sovereign, other GREs and India's affordable housing and urban-infrastructure sector. The importance of the housing sector was underlined by the government's seven-year programme (2015-2022), known as Pradhan Mantri Awas Yojana, to provide affordable housing for the poor.

RATING SENSITIVITIES

Credit-Linked with Sovereign: HUDCO's ratings are credit-linked to those of the government of India, hence positive or negative rating action on the sovereign would result in similar rating action on the issuer.

Downward Pressure: A material weakening of the operational and administrative links with the sponsor and/or direct government control, manifested in HUDCO's lower strategic importance in the funding of government policies in the affordable housing and urban-infrastructure sector, would result in negative rating action.

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Additional information is available on www.fitchratings.com
Applicable Criteria
Government-Related Entities Rating Criteria (pub. 25 Oct 2018)
International Local and Regional Governments Rating Criteria - Outside the United States (pub. 18 Apr 2016)

Additional Disclosures
Dodd-Frank Rating Information Disclosure Form
Solicitation Status
Endorsement Policy

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UNSOLICITED ISSUERS

Entity/Security	ISIN/CUSIP/COUPON RATE	Rating Type	Solicitation Status
Housing and Urban Development Corporation Limited	-	Long Term Issuer Default Rating	Unsolicited
Housing and Urban Development Corporation Limited	-	Local Currency Long Term Issuer Default Rating	Unsolicited

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