

No. HUDCO/SE/2020-21

25th June, 2020

Listing Department BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400001 Scrip Code-540530	Listing Department National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai-400051 NSE Symbol-HUDCO
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Sub: Announcement under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – International Credit Rating by Fitch Ratings

Dear Sir/ Ma'am,

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you about assignment of 'International Credit Rating' as under:

- Fitch Ratings – 24th June, 2020 – has affirmed the ratings of Housing and Urban Development Corporation Ltd. (HUDCO) at “BBB-” level (i.e. at the Sovereign ceiling). At the same time, Fitch Ratings has revised the outlook of HUDCO to ‘Negative’ from ‘Stable’. The rating action follows the change in the outlook on Govt. of India’s rating to ‘Negative’ from ‘Stable’ on 18th June, 2020.

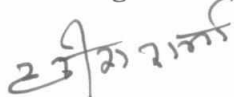
The press release in this regard published by Fitch Ratings is attached.

The above is submitted for your information and dissemination.

Thanking You,

Yours Sincerely

For **Housing & Urban Development Corporation Ltd.**



Harish Kumar Sharma
Company Secretary & Compliance Officer

हाउसिंग एंड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड (भारत सरकार का उपक्रम),
कोर 7 ए, हडको भवन, भारत पर्यावास केन्द्र लोधी रोड, नई दिल्ली-110003
दूरभाष : 011-24648160, फैक्स: (011) 24625308, आई एस ओ 9001:2015 प्रमाणित कम्पनी
वेबसाईट : www.hudco.org सी आई एन : L74899DL1970GOI005276 GST : 07AAACH0632A1ZF

Housing & Urban Development Corporation Ltd., (A Govt. of India Enterprise)
Core - 7'A', HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi - 110 003,
Tel:011-24648160, Fax:011-24625308, AN ISO 9001:2015 Certified Company
website : www.hudco.org CIN : L74899DL1970GOI005276 GST : 07AAACH0632A1ZF



Profitability with Social Justice



RATING ACTION COMMENTARY

Fitch Revises Outlook on Housing and Urban Development Corporation to Negative; Affirms at 'BBB-'

Wed 24 Jun, 2020 - 3:55 AM ET

Fitch Ratings - Hong Kong - 24 Jun 2020: Fitch Ratings has revised the Outlook on Housing and Urban Development Corporation Limited (HUDCO) to Negative from Stable. The Long-Term Issuer Default Ratings (IDRs) have been affirmed at 'BBB-'.

The rating action follows the revision in the Outlook on India's 'BBB-' sovereign rating to Negative from Stable on 18 June 2020 as HUDCO's rating is credit-linked to that of India (see "Fitch Revises India's Outlook to Negative; Affirms IDR at 'BBB-'" at <https://www.fitchratings.com/site/pr/10126674>).

HUDCO is an Indian policy institution that provides housing finance and non-commercial urban infrastructure financing. It is regulated by the National Housing Bank (NHB) and under the administrative control of the 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.

KEY RATING DRIVERS

See our rating action commentary, "Fitch Affirms Housing and Urban Development Corporation at 'BBB-'; Outlook Stable", published 10 March 2020, at <https://www.fitchratings.com/site/pr/10113146> for the detailed key rating drivers.

DERIVATION SUMMARY

Fitch classifies HUDCO as a GRE that is credit-linked to the Indian sovereign. 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 that of 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.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

Any positive rating action on the sovereign would result in similar rating action on the issuer.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

Any negative rating action on the sovereign would result in similar rating action on the issuer.

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.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Public Finance issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of three notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

The highest level of ESG credit relevance, if present, is a score of 3. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity(ies), either due to their nature or to the way in which they are being managed by the entity(ies). For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

RATING ACTIONS

ENTITY/DEBT	RATING
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ENTITY/DEBT	RATING		
Housing and Urban Development Corporation Limited	LT IDR	BBB- Rating Outlook Negative	Affirmed
●	LC LT IDR	BBB- Rating Outlook Negative	Affirmed
● senior unsecured	LT	BBB-	Affirmed

VIEW ADDITIONAL RATING DETAILS

FITCH RATINGS ANALYSTS

Kelvin Tsui, CFA, FRM

Senior Director

Primary Rating Analyst

+852 2263 9965

Fitch (Hong Kong) Limited 19/F Man Yee Building 60-68 Des Voeux Road Central
Hong Kong

Irwansyah Maryanto

Associate Director

Secondary Rating Analyst

+62 21 2988 8530

Guido Bach

Senior Director

Committee Chairperson

+49 69 768076 111

MEDIA CONTACTS

Alanis Ko

Hong Kong

+852 2263 9953

alanis.ko@thefitchgroup.com

Wai Lun Wan

Hong Kong

+852 2263 9935

wailun.wan@thefitchgroup.com

Additional information is available on www.fitchratings.com**APPLICABLE CRITERIA**

Rating Criteria for International Local and Regional Governments (pub. 13 Sep 2019) (including rating assumption sensitivity)

Government-Related Entities Rating Criteria (pub. 13 Nov 2019)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Housing and Urban Development Corporation Limited

EU Endorsed

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