



Corporate Announcement

October 14, 2019

Sub.: Indiabulls Housing Finance Limited long-term rating reaffirmed by the rating agency ICRA at "ICRA AA+". Short-term rating reaffirmed by ICRA at "ICRA A1+". Ratings on foreign currency bonds revised by rating agency Moody's from "Ba2" to "B2"

Dear Sirs,

This is with reference to the communication Indiabulls Housing Finance Limited [IBH] received from the rating agency ICRA. The rating committee of ICRA has reaffirmed the long-term rating of Indiabulls Housing Finance Limited at "ICRA AA+". Short-term rating has been reaffirmed at "ICRA A1+".

ICRA cited the following in reaffirming the ratings and resolving the rating watch:

- Established track in domestic mortgage finance industry as one of the three largest Housing Finance Companies
- Comfortable capitalization levels: Capital adequacy ratio of 27.81% against regulatory requirement of 12%, providing adequate cushion for growth
- The available flexibility to securitize a part of the loan portfolio, which provides the company an avenue for raising funds, in addition to shoring up Return on Equity [RoE]
- Strong liquidity position to cover next 12 months' debt repayment
- In resolving the watch to negative outlook, ICRA also commented on near-term challenges in resource mobilization and ability to maintain asset quality indicators

The Company has outstanding foreign currency bonds of USD 350 Mn [₹ 2,485 Crs] as at the end of September, 2019. The Company has applied for regulatory approval for partial buyback of these bonds of up to USD 50 Mn. These foreign currency bonds are rated by the rating agency Moody's. As per communication received from Moody's, ratings on the foreign currency bonds have been revised from "Ba2" to "B2". The rating action was on account of perceived challenges in access to funding and overhang from the Public Interest Litigation against the company. There is no specific ratings related recall clause in the bonds. Moody's rating action is limited to outstanding foreign currency bonds totalling to USD 350 Mn, and has no bearing on any domestic borrowings.

Thanking you,

Yours truly,
For **Indiabulls Housing Finance Limited**