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DHFL/CSD/2018-19/1363

Date: 25 February 2019

The Manager Listing Department Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400 001 Fax no. 2272 2082 / 3132/ 3121	The Manager Listing Department National Stock Exchange of India Limited, 'Exchange Plaza', C-1, Block G, Bandra- Kurla Complex, Bandra (East), Mumbai- 400 051. Fax No. 26598237 / 38
Scrp Code : 511072	DHFL

Dear Sir/madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), 2015

Ref: Press Release on questionable rating action by ICRA

Please find attached Press Release dated 25th February, 2019 on questionable rating action by ICRA.

Kindly take the above on record.

Thanking you.
Yours sincerely,
for Dewan Housing Finance Corporation Limited

Kapil Wadhawan
Chairman and Managing Director
DIN: 00028528

Encl. A/a.

Press Release on questionable rating action by ICRA

Since the liquidity crisis in September 2018, which had impacted the HFC/NBFC sector as a whole, DHFL had been able to come out strong by discharging all its liabilities of Rs. 17,876 crores till 31st December 2018 which included Rs. 9,965 crores of Commercial Papers.

Our Commercial Papers ratings were reaffirmed by ICRA ratings in September 2018, followed by another revalidation in December 2018.

DHFL's short term ratings were downgraded in the press release published by ICRA rating agency this evening. This action comes barely three weeks after the company was downgraded and kept on watch by all the rating agencies. Since then, no material event has taken place which would have compelled the rating agency to review the ratings in less than a month's time.

The rating was for outstanding Commercial Papers of only Rs. 1,525 crores out of a rated amount of Rs. 8,000 crores, which forms less than 2% of the company's outstanding borrowings.

The company had also indicated its intent to the rating agency to extinguish the Commercial Paper outstanding by the end of March – which is acknowledged by ICRA in their press release as well.

The rating agency has not taken cognizance of this in their decision and has chosen to go ahead with the rating action. They have also taken this action without taking cognizance of the fact that the company is in advanced stages of fund raising transactions.

This rating action has been taken in spite of repeated representations to the rating agency as well as representing the potential market panic they could create.

ICRA's uncalled-for action triggers question on the motivation of this rating action, especially when the company is slowly getting back to normalcy and has met each of its obligations on time. This rating action is not merit based at all, especially at a time, when the company has demonstrated its overall commitments including asset sell down like it did with its stake in Aadhar HFC, reducing CP exposures etc.

However we will take all remedial measures to protect the interests of all our stakeholders and continue to service all our obligations as we have done in this industry crisis since September 2018. In DHFL's borrowings, ICRA has rated only the short term instruments of company namely Commercial Papers; and post repayment of outstanding CP of 1525 crores, DHFL will not have any outstanding commercial paper rated by ICRA.