



हडको/एसई/2025-26

12 फरवरी, 2026

लिस्टिंग विभाग
बीएसई लिमिटेड
फ़िरोज़ जीजीभाय टावर्स
दलाल स्ट्रीट
मुंबई - 400001
स्क्रिप कोड-540530

लिस्टिंग विभाग
नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड
एक्सचेंज प्लाज़ा, प्लॉट नं. सी/1, जी ब्लॉक
बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व)
मुंबई - 400051
एनएसई कोड-हडको

विषय: एसईबीआई (लिस्टिंग दायित्व और प्रकटीकरण आवश्यकताएं) विनियम, 2015 के विनियम 30 के अंतर्गत घोषणा - अंतर्राष्ट्रीय क्रेडिट रेटिंग फिच रेटिंग्स द्वारा।

महोदय/या,

सेबी (लिस्टिंग दायित्व एवं प्रकटीकरण आवश्यकताएं) विनियम, 2015 के विनियम 30 के अनुपालन में, यह सूचित किया जाता है कि फिच रेटिंग्स, सिंगापुर ने प्रेस विज्ञप्ति के माध्यम से निम्नलिखित सूचना दी है :-

- फिच रेटिंग्स ने हाउसिंग एंड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड (हडको) की रेटिंग को 'बीबीबी-' स्तर पर 'स्थित' दृष्टिकोण के साथ बरकरार रखा है, जो भारत की संप्रभु रेटिंग के समकक्ष है।

फिच रेटिंग्स द्वारा जारी प्रेस विज्ञप्ति संलग्न है।

यह आपकी जानकारी के लिए है।

भवदीय
कृते हाउसिंग एंड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड

ह./-
विकास गोयल
कंपनी सचिव और कंप्लायंस ऑफिसर

RATING ACTION COMMENTARY

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

Wed 11 Feb, 2026 - 9:10 AM ET

Fitch Ratings - Singapore/Jakarta - 11 Feb 2026: Fitch Ratings has affirmed Housing and Urban Development Corporation Limited's (HUDCO) Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) at 'BBB-', with a Stable Outlook. The rating on HUDCO's INR50 billion medium-term note programme has also been affirmed at 'BBB-'.

HUDCO is a government-related entity (GRE) rated under Fitch's GRE criteria and is credit-linked to the Indian sovereign (BBB-/Stable). HUDCO's IDR reflects the government's significant responsibility and incentive to provide financial support, given the entity's key policy role to support the government's housing and urban development priorities aligned with national social and development policies. HUDCO's ratings are equalised with those of India accordingly.

KEY RATING DRIVERS

Support Score Assessment 'Virtually certain'

We believe extraordinary support from the Indian government to HUDCO would be 'Virtually Certain' in case of need, reflecting a support score of 55 (out of a maximum 60) under Fitch's GRE criteria. This reflects a combination of responsibility and incentive to support factor assessments.

Responsibility to Support

Decision Making and Oversight 'Strong'

HUDCO's rating benefits from strong oversight, reflecting the Indian government's 75% ownership and close institutional control through the Ministry of Housing and Urban Affairs. Government representation on HUDCO's board, together with an annual memorandum of understanding that sets financial and operational targets, demonstrates sustained policy oversight. Fitch does not expect material changes to

HUDCO's control framework over the medium term, notwithstanding past minority stake divestments.

Precedents of Support 'Very Strong'

The rating reflects very strong precedents of government support for HUDCO, evident through consistent access to low-cost funding, regulatory flexibility, and guarantees on its lending. Support measures include earlier issuance of tax-free bonds, and government serviced bond structures. Policy-driven regulatory support allowing higher exposure to government borrowers further underpins asset quality, as the majority of HUDCO's loan book is to government entities, typically backed by state guarantees.

Incentives to Support

Preservation of Government Policy Role 'Very Strong'

HUDCO plays a critical and largely irreplaceable role in advancing the government's affordable housing and urban infrastructure agenda, supporting a key social and developmental priority. Its functions extend beyond financing to include project appraisal, viability gap funding, subsidy disbursement, and long-tenor concessional lending targeted at lower-income segments. Fitch believes that substituting HUDCO in the short term would be difficult, and any disruption to its operations would impair the government's ability to deliver on its national housing and urban development objectives.

Contagion Risk 'Very Strong'

Fitch assesses HUDCO's contagion risk as very strong, given its position as a key financing intermediary for government housing and urban development programmes and its prominence in domestic capital markets. A default would likely disrupt funding access for HUDCO and other government entities, with adverse implications for investor confidence. Narrow spreads relative to sovereign bonds underscore HUDCO's perceived closeness to the government and reinforce the strong incentives for state support to avoid reputational and market-wide spillovers.

Financial Performance

HUDCO's operating performance remains strong, supported by its policy role, majority government ownership, robust profitability, and sustained improvements in asset quality. Earnings momentum has continued into the financial year ending March 2026 (FY26), following a strong FY25, with rapid loan book expansion of 16% in 2Q FY26, stable earnings, and further strengthening of headline asset quality metrics, including lower impaired asset ratios (0.07% of net NPA) and higher provision coverage. These

strengths are partly balanced by rising leverage and a moderation in capital ratios (2Q FY26: 38.03%), yet sufficient headroom, as balance sheet growth accelerates.

HUDCO's liquidity position is supported by diversified funding sources, a well-laddered debt maturity, and ample undrawn bank lines, resulting in low near-term refinancing risk. Total debt increased to INR1.3 trillion in 2QFY26, reflecting rapid balance-sheet growth, while leverage rose moderately as asset expansion outpaced equity accretion. The funding mix spans secured and unsecured bonds, bank loans, and largely hedged foreign-currency borrowings. A declining cost of funds, robust market access, and compliance with liquidity metrics continue to support debt-servicing capacity, although leverage management remains a key factor to monitor as growth continues.

Debt Ratings

HUDCO's Indian rupee medium-term note programme is rated in line with its Long-Term IDR as the programme is for senior unsecured long-term bonds.

PEER ANALYSIS

HUDCO's risk-return profile is comparable with that of financial GRE, Indian Railway Finance Corporation Limited (IRFC, BBB-/Stable) and power financiers Power Finance Corporation Limited (BBB-/Stable) and REC Limited (BBB-/Stable). Unlike IRFC's quasi pass-through model with near-zero credit risk, HUDCO undertakes direct lending to states, urban local bodies and project entities, elevating inherent risk but with asset-quality metrics that have tightened materially in FY25-2QFY26. HUDCO's portfolio is more diversified than that of other financial GREs, with steadier long-term impairment trends and historically stronger capital buffers, though rapid growth is narrowing the gap.

Issuer Profile

HUDCO is a policy institution that provides housing finance and non-commercial urban infrastructure financing in India. Its key mission is to support the construction of affordable housing for lower-income households and development of non-commercial urban infrastructure.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Downgrade of the Indian sovereign rating.
- Deterioration in the support score to 42.5 or below.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Upgrade of the Indian sovereign rating.

Criteria Variation

A variation to the Government-Related Entities Rating Criteria was applied to the "Issuers with no SCPs" provision, under which Fitch determined that assigning a Standalone Credit Profile (SCP) to HUDCO is unnecessary for the analysis, even though the specific conditions to consider an SCP "not meaningful" defined in the criteria were not strictly met.

Government support, underpinned by a clear policy mandate, is assessed as 'Virtually Certain'. Along with our assessment that the entity is not in financial distress (where default is a real possibility) and that the supporting government would have ample access to the cash or assets of the GRE so that the rating would be constrained by that of the Indian government, we conclude there is no risk that the IDR would differ if an SCP were assigned, nor that an assessment of SCP would enhance the analysis at this stage.

ESG Considerations

Fitch does not provide ESG relevance scores for Housing and Urban Development Corporation Limited.

In cases where Fitch does not provide ESG relevance scores in connection with the credit rating of a transaction, programme, instrument or issuer, Fitch will disclose any ESG factor that is a key rating driver in the key rating drivers section of the relevant rating action commentary. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products>

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

HUDCO's ratings are credit-linked to the Indian sovereign's ratings.

References for Substantially Material Source Cited as Key Driver Rating

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

RATING ACTIONS

ENTITY / DEBT ↕

RATING ↕

PRIOR ↕

Housing and Urban
Development
Corporation Limited

LT IDR BBB- Rating Outlook Stable

Affirmed

BBB- Rating
Outlook
Stable

LC LT IDR BBB- Rating Outlook Stable

Affirmed

BBB- Rating
Outlook
Stable

senior unsecured

LT BBB- Affirmed

BBB-

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

[Public Policy Revenue-Supported Entities Rating Criteria \(pub. 13 Jan 2024\) \(including rating assumption sensitivity\)](#)

[Government-Related Entities Rating Criteria \(pub. 19 Jul 2025\)](#)

ADDITIONAL DISCLOSURES

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Housing and Urban Development Corporation Limited

EU Endorsed, UK Endorsed

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