



27th August, 2019

To,
BSE Limited
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Scrip Code: 540735

Dear Sirs,

Sub: Intimation of revision in rating under Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We wish to inform you that India Ratings and Research (“Ind-Ra”) has downgraded IRIS Business Services Limited’s (“IRIS”) Long-Term Issuer Rating to ‘IND B / Stable’ from ‘IND BB- / Stable’ as follows:

Instrument Type	Maturity Date	Size of Issue (million)	Rating / Outlook (Revised)	Previous Rating / Outlook (August 6, 2018)	Rating Action
Fund-based working capital Limits	--	INR 60	IND B/Stable/IND A4	IND BB- /stable/IND A4+	Downgraded
Non-fund-based working capital limits	--	INR 30	IND A4	IND A4+	Downgraded
Long-term loan	March 2022	INR 60 (reduced from INR 85.87)	IND B/Stable	IND BB-/Stable	Downgraded
Forward contract limits	--	INR20	IND A4	IND A4+	Downgraded

In the rating rationale, the agency says that “The downgrade reflects the EBITDA loss of INR8 million reported by IRIS at the consolidated level in FY19 (FY18: profit of INR2 million) against Ind-Ra’s expectation of an improvement in the same. The EBITDA deteriorated mainly on account of an increase in operating expenses.”

With respect to the above downgrade of IRIS Business Services Limited announced by India Ratings, the Company wishes to state as under:

- (a) We submit that the opinion expressed by the rating agency is completely at variance with the ground reality in the company and is not a well thought out opinion.



IRIS Business Services Limited

- (i) We wish to point out that the rating agency has erred in the calculation of EBITDA. Apart from not accounting for net foreign exchange gains in the calculation, a tax item related to withholding tax write off which should be treated as a post EBITDA charge has been erroneously take as a pre EBITDA charge;
- (ii) We wish to point out that the increase in operational expense is commensurate with the revenue growth of the company; hence the comment on this head is misplaced.
- (b) We wish to assure investors that the rating downgrade comes at a time when the fundamentals of the company are getting stronger.
- (c) We have represented to the rating agency articulating out our concern and our objection.

The details of credit rating (including revision) is also available on the website of the Company at <http://www.irisbusiness.com/investors/credit-rating>

This is for your information and records.

Thanking You,
Yours faithfully,
For **IRIS Business Services Limited**

Jay Mistry
Company Secretary & Compliance Officer
(ICSI Membership No – ACS 34264)