

October 7, 2010

**CARE REAFFIRMS VARIOUS OUTSTANDING INSTRUMENTS/FACILITIES OF DEWAN HOUSING FINANCE CORPORATION LTD.**

CARE has reaffirmed ‘CARE AA+’ [Double A Plus] rating to the various Non Convertible Debenture Issues and Long Term Bank Facilities of Dewan Housing Finance Corporation Ltd. CARE has also retained the existing ‘CARE AA+(FD)’ [Double A Plus] rating to the Fixed Deposit Programme of DHFL.

CARE has also reaffirmed the ‘CARE AA’ [Double A] rating to the outstanding Subordinated debt and Preference Shares of Dewan Housing Finance Corporation Ltd.

<b>Instrument</b>	<b>Amount Rated/ Outstanding as on March 31, 2010 (Rs. crore)</b>	<b>Ratings<sup>1</sup></b>
Non Convertible Debentures	637.17	‘CARE AA+’
Non Convertible Debentures (Not placed as on March 31, 2010) (Not placed as on March 31, 2010)	1000	‘CARE AA+’
Fixed Deposit Programme	500	‘CARE AA+’
Long Term Bank Facilities	3684.84	‘CARE AA+(FD)’
Subordinated Debt	80	‘CARE AA’
Preference Shares	30	‘CARE AA’

**Rating Rationale**

The rating factors in DHFL’s long-standing track record in housing finance business, its expertise in catering to middle and lower-middle class housing finance segment, consistent growth and comfortable profitability parameters. DHFL’s ability to scale up its operations in a highly competitive business environment coupled with its ability to ensure timely infusion of capital to meet the growing business needs while managing interest rate risk, asset-liability mismatches and maintaining asset quality continue to remain the key rating sensitivities.

**Company Profile**

DHFL, incorporated in 1984, is among the oldest private sector Housing Finance Companies (HFC) in India. It is the fourth-largest HFC with total asset size of around Rs.9943 crore as on March 31, 2010. In FY10, DHFL had recorded PAT of Rs.150.69 crore (FY09:- Rs.91.76 crore) on a Total Income of Rs.992.54 crore (FY09:-Rs. 693.60 crore). DHFL’s Capital Adequacy Ratio as of Mar 31, 2010 was 17.26%.

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

For Q1FY11 DHFL recorded a PAT of Rs.51 crore on a Total Income of Rs.299 crore. Gross and Net NPA ratios stood at 1.09% and 0.7% respectively as on June 30, 2010.

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***CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.***

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