

September 15, 2010

**CARE REAFFIRMS THE RATING ASSIGNED TO BANK FACILITIES OF
HOUSING DEVELOPMENT FINANCE CORPORATION LTD**

CARE has reaffirmed 'CARE AAA (Is)' [CARE Triple A (Issuer)] rating assigned to Housing Development Finance Corporation Ltd (HDFC). CARE has retained 'CARE AAA' [CARE Triple A] rating assigned to the Long-term Bank Facilities of HDFC, aggregating to Rs.8,984.71 crore as on June.30, 2010. This rating is applicable to facilities having tenure of more than one year. CARE has also retained 'PR1+' [PR One Plus] rating assigned to the Short-term Bank Facilities of HDFC aggregating to Rs.20,405.98 crore as on June.30, 2010. This rating is applicable to facilities having a tenure upto one year.

Instrument	Amount (Rs. Crore)	Ratings¹
Long-term Bank Facilities	8,984.71	CARE AAA
Short-term Bank Facilities	20,405.98	PR1+
Total	29,390.69	

Rating Rationale

The ratings factor in HDFC's market leadership in the housing finance industry, its vast marketing as well as distribution network and it's ability to raise resources in both the domestic and foreign markets. The rating also considers HDFC's long-standing track record of operations, adequate capitalisation levels, low operating costs, technology efficiency and good asset quality. Maintaining spreads in a competitive environment and funding the capital needs of the subsidiaries would be the key rating sensitivities.

¹ Complete definition of the ratings assigned are available at www.careratings.com and in other CARE publications

Company Profile

HDFC was incorporated in 1977 as the first specialised mortgage finance company in India. With almost three decades of successful operations, HDFC offers a whole gamut of products like home loans, home improvement loans, home extension loans, home equity loans etc. The financial conglomerate has subsidiaries and associates in insurance (general & life), asset management, venture funds, banking services etc. The Foreign Institutional Investors (FIIs) holding in the company stood at 57.78% and total foreign holding stood at 72.78% as on June.30, 2010. In FY10, on a standalone basis HDFC reported PAT of Rs.2826 crore (FY09:-Rs.2282 crore) on Total income of Rs.11361 crore (FY09:-Rs.11017 crore).

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

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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