

July 13, 2010

CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF HOUSING DEVELOPMENT FINANCE CORPORATION LTD. (FOR ENHANCED AMOUNT)

CARE has assigned '**CARE AAA**' [**CARE Triple A**] rating to the Long-term Bank Facilities of HDFC for an enhanced limit aggregating Rs.8,995.30 crore (as on Mar.31, 2010). This rating is applicable to facilities having tenure of more than one year. CARE has also assigned '**PR1+**' [**PR One Plus**] rating assigned to the Short-term Bank Facilities of HDFC aggregating Rs. 20,100.20 crore (as on Mar.31, 2010).

Instrument	Amount (Rs. Crore)	Ratings¹
Long-term Bank Facilities	8,995.30	CARE AAA
Short-term Bank Facilities	20,100.20	PR1+
Total	29,095.50	

Rating Rationale

The ratings factor in HDFC's market leadership in the housing finance industry, its vast marketing as well as distribution network and its 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.

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.

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

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 Mar.31, 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).

Analyst Contact

Name : Vijay Agrawal

Tel # 6754 3416

Mobile # 98191 61912

Email: vijay.agrawal@careratings.com

CARE 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.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. Ankur Sachdeva

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

Website: www.careratings.com

OFFICES

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Prahaldnagar Corporate Road, Satellite, Ahmedabad - 380 015. Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's PlaceNo. 6, Raja Ram Mohan Roy Road, Richmond Circle, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail :Pradeep.kumar@careratings.com</p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar Hyderabad - 500 029 Tel – 040 40102030 Mobile – 91766 47599 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail :swati.agrawal@careratings.com</p>