

## Press Release

### Brickwork Ratings assigns “BWR AA+” for IPDI Issue of ₹ 300 crore and reaffirms rating for other outstanding instruments of Dewan Housing Finance Corporation Limited

**Issue Rating: BWR AA+**

**Outlook: Stable**

Brickwork Ratings (BWR) has assigned BWR AA+ (Stable) as on July 25, 2011 for IPDI Issue of ₹ 300 crores and reaffirmed the outstanding ratings for the following Issues of Dewan Housing Finance Corporation Limited:

Instruments	Assigned/ Reaffirmed
IPDI	BWR AA+ (Stable) (Assigned)
Fixed Deposit (₹ 1000 crore)	BWR FAAA (Stable) (Reaffirmed)
Subordinated Debt (₹ 250 crore)	BWR AAA (Stable) (Reaffirmed)
Subordinated Debt (₹ 250 crore)	BWR AAA (Stable) (Reaffirmed)
NCD (₹ 1000 crore)*	BWR AAA (Stable) (Reaffirmed)

*“For a detailed rating history of the above instruments, refer to the rating rationale published by Brickwork Ratings at [www.brickworkratings.com](http://www.brickworkratings.com)”*

The ratings “BWR AA+” indicates that the instrument is considered to have a HIGH degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The rating “BWR AAA” indicates that the instrument is considered to have the HIGHEST degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The rating “BWR F AAA” indicates that the Company’s Fixed Deposits are considered to offer the HIGHEST degree of safety in terms of timely servicing of interest and principal. (The rating assigned is subject to the following: Brickwork Ratings application for

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registration with RBI and NHB is pending and the Rating given could be used as an additional third party opinion).

DHFL has posted strong growth in sanctions and disbursement of loans along with improvement in quality of loans in FY11. As on March 31, 2011, the sanctioned loans grew by 70% and stood at ₹ 8949 crores while disbursements grew by 68% and stood at ₹ 6505 crores.

DHFL's interest income has increased by 46% from ₹ 990 crores in FY10 to ₹ 1449 crores in FY11 as against the interest expenses which increased by 44% from ₹ 670 crores during FY10 to ₹ 965 crores during FY11. It has posted profit before tax of ₹ 341.48 crores for FY11 as compared to ₹ 202.19 crores for FY10. The company has registered net profit of ₹ 265.13 crores in FY11 as compared to ₹ 150.69 crores in FY10.

The company's asset quality has shown improvement with its gross NPA levels at 0.67% as on 31<sup>st</sup> March 2011 as compared to 1.16% on 31<sup>st</sup> March 2010. Net NPAs have shown a similar trend and have decreased from 0.73% in FY10 to 0.10% in FY11.

DHFL has, along with its promoter group entity Wadhawan Housing Private Limited and Caledonia Investments Plc, an existing long term investor in DHFL, acquired 100% stake in Deutsche Postbank Home Finance Ltd from BHW Holding AG, a 100% subsidiary of Deutsche Postbank, AG. Post acquisition, DHFL, through its subsidiary DHFL Holdings Pvt. Ltd., hold 67.50% equity stake in the Company. The Promoter group of DHFL will hold 18.50% of equity stake while Caledonia Investments Plc will hold 14% stake.

With appropriate initiatives being taken by the Company, growth in earnings and improvement in asset quality are expected to continue. Overall, Brickwork Ratings expects the performance of DHFL to remain stable over the next year.

Analysts	Media
<p><b>Shilpi Agarwal</b> <a href="mailto:shilpi.a@brickworkrating.com">shilpi.a@brickworkrating.com</a></p> <p><b>Sameer Singhvi</b> <a href="mailto:sameer.s@brickworkratings.com">sameer.s@brickworkratings.com</a></p>	<p><b>Anitha G</b> <a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a></p> <p><b>Relationship Contact</b></p> <p>K N Suvarna Senior VP - Business Development <a href="mailto:kn.suvarna@brickworkratings.com">kn.suvarna@brickworkratings.com</a></p>
<p><b>Phone: 1-860-425-2742</b></p>	

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