



CONFIDENTIAL

Ref No: 2010-11/815/419

June 21, 2010

Mr. Asit Jivani
Chief Financial Officer
IDBI Homefinance Limited
1204/2 Gopika Niketan,
Ghole Road, Shivaji Nagar
Pune-411 004

Dear Sir,

Re : ICRA Credit Rating for the Short Term Debt (including Commercial Paper) Programme of Rs.800 crore (enhanced from Rs.600 crore)

Please refer to your request vide your letter dated June 18, 2010 for rating the above mentioned Short Term Debt (including Commercial Paper) Programme of your company. The Rating Committee of ICRA, after due consideration, has assigned an "A1+" (pronounced as A one plus) rating to the aforesaid Short Term Debt (including Commercial Paper) Programme of Rs.800 crore. This is the highest-credit-quality rating assigned by ICRA to short-term debt instruments. Instruments rated in this category carry the lowest credit risk in the short term. Within this category, certain instruments are assigned the rating of A1+ to reflect their relatively stronger credit quality.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as "A1+". We would appreciate if you can sign on the duplicate copy of this letter and send it to us within 10 days from the date of this letter as a token of your acceptance and use of the assigned rating. The rationale for assigning the above rating will be sent to you on receipt of your confirmation about the use of our rating, as above. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you.

Kindly note:

(a) Subject to Clause (b) below, our rating is valid from the date of this letter till July 31, 2011. The rating will generally be due for review at the end of the Validity Period. The maturity date of the Short Term Debt (including Commercial Paper) shall not be after the end of the Validity Period.

(b) ICRA reserves the right to suspend, withdraw or revise the above rating at any time on the basis of new information or unavailability of information or such circumstances, which ICRA believes, may have an impact on the aforesaid rating assigned to you.

You are required to forthwith inform us about any default or delay in repayment of interest and/or principal amount of the instrument rated, as above, or any other debt instruments / borrowings. You are also required to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/debts of the company with any lender (s) / investor (s). ..2/-

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The rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us.

If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned.

You are required to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.

ICRA reserves the right to suspend, withdraw or revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The ratings, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the above Short Term Debt (including Commercial Paper).

The rating is restricted to your above Short Term Debt (including Commercial Paper) Programme size of Rs.800 crore only. In case, you propose to enhance the size of the above Short Term Debt (including Commercial Paper) Programme, the same would require to be rated afresh. ICRA does not assume any responsibility on its part, for any liability, that may arise consequent to your not complying with any eligibility criteria, applicable from time to time, for issuance of above Short Term Debt (including Commercial Paper) Programme.

Should you require any clarifications, please do not hesitate to get in touch with us. We thank you for your kind co-operation during the course of the rating exercise.

With kind regards,

Yours faithfully,
For ICRA Limited

A handwritten signature in black ink, appearing to read 'L. Shivakumar', is written over a horizontal line.

L.SHIVAKUMAR
Senior Group Vice President and
Head-Western Region

A handwritten signature in blue ink, appearing to read 'Karthik Srinivasan', is written over a horizontal line.

KARTHIK SRINIVASAN
Senior Vice President and
Co-Head Financial Sector Ratings