

April 20, 2011

**CARE REAFFIRMS THE RATING ASSIGNED TO THE CP PROGRAMME OF
DLF LIMITED****Ratings Assigned**

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹¹	Remarks
Commercial Paper	1,500.00	'PR1+' (PR One Plus)	Reaffirmed

Rating Rationale

The rating continues to factor in the DLF's rich experience and leading position in the domestic real estate sector, large land bank (which is largely paid for), pan-India presence and diversified revenue stream derived from presence across residential, commercial and retail projects.

The rating also takes comfort from DLF's annuity income from the lease of commercial & retail space and stated intention and efforts towards de-leveraging itself by raising cash from disinvestment of its non-core/non-liquid assets.

Going forward, DLF's ability to improve the revenue and profitability in light of challenging operating environment and timely and adequate realisation from sale of non-core assets shall be the key rating sensitivities. However, the higher-than-envisaged short-term borrowing and/or expenditure towards projects or land acquisition are likely to put pressure on cash flows and may have an adverse impact on the credit risk profile of the company.

Background

DLF Limited (DLF) is the flagship company of the DLF group founded in 1946. Over the years, DLF has evolved as one of the leading real estate developers in India with an extensive track record of developing real estate properties across various spheres of real estate.

During FY10, DLF achieved consolidated PAT of Rs.1,814 crore on total operational income of Rs.7,423 crore. During 9MFY11 (unaudited), DLF achieved a total operating income of Rs.6,878 crore and earned a PAT of Rs.1,295 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.

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¹¹Complete definition of the ratings assigned are available at www.careratings.com and in other CARE publications

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