

October 15, 2015

SREI Equipment Finance Limited (SEFL): CARE revises rating for Non-Convertible Debenture & Perpetual Bond issue from 'CARE AA (Double A) to 'CARE AA- (Double A Minus)' and CARE A+ (Single A plus) to CARE A (Single A) respectively.

Credit Analysis & Research Limited ("CARE") has revised its rating on the Non-Convertible Debenture & Perpetual Bond issue from 'CARE AA (Double A) to 'CARE AA- (Double A Minus)' and CARE A+ (Single A plus) to CARE A (Single A) respectively.

The revision in the rating assigned to the Non-Convertible Debentures (NCDs) & Perpetual Bonds takes into account subdued environment in the Indian economy especially in the infrastructure space resulting in deterioration in the asset quality marked by rise in NPAs and restructured assets and resultant moderation in the financial performance of the company.

The ratings continue to draw strength from the established position and satisfactory track record of both the joint venture partners (the SREI group and BNP Paribas Lease group), well-established business network with large customer base, and company's expertise in construction equipment segment. The ratings also factor in SEFL's satisfactory gearing and capitalization levels, gradual diversification into newer segment like IT, healthcare, rural etc. The ability of the company to improve its asset quality and profitability and maintain capital adequacy and gearing would remain the key rating sensitivities.

IDBI Trusteeship Services Limited

Sd/-

Authorised Signatory