

August 20, 2010

CARE ASSIGNS 'CARE A-' RATING TO THE BANK FACILITIES AND ASSIGNS A 'CARE A (FD)' RATING TO THE FD PROGRAMME OF SE INVESTMENTS LTD**Ratings**

Facilities/Instruments	Amount (Rs crore)	Ratings ¹
Long-term Bank Loan Facilities	300	CARE A- (Single A Minus)
Fixed Deposit Programme	20	CARE A [FD] (Single A Fixed Deposit)

Rating Rationale

The rating factors in company's long track record in financial sector, experienced management team and regional focus in areas with relatively lesser competition. It also takes into account comfortable capital adequacy position, strong growth in income and good asset quality. It also considers moderately diversified resource profile and good monitoring and management information system.

The rating is constrained by geographical concentration, high borrower concentration & moderate credit appraisal systems for business loans and low seasoning of portfolio. The rating is further constrained by inherent risks in microfinance industry including socio political intervention risk, regulatory uncertainty and operational risks.

Asset quality, capitalization levels, competitive positioning and diversification of portfolio are key rating sensitivities.

Company Profile

SE Investments Ltd (SEIL) is a Delhi based NBFC which operates in northern and western India (including Uttar Pradesh, Delhi, Rajasthan and Gujarat) with focus on Microfinance and Business Loans. Total assets under management (own and assigned portfolio loans) of SEIL stood at Rs.531 crore. Net worth of SEIL was Rs.300 crore as on March 31, 2010. The company reported total income of Rs.88 crore and net profit of Rs.26 crore during FY10.

Analyst Contact

Name: Vijay Agrawal

Tel # 022-67543416

Mobile # 9819161912

Email: vijay.agrawal@careratings.com

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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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 Pralhadnagar 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>