

Chairman's Speech at the Annual General Meeting

Good Afternoon and welcome to all of you to the 29th Annual General Meeting of your Company. The Annual Report containing the Directors' Report and Audited Accounts for the year ended March 31, 2015, has been with you for some time and with your permission I will take it as read

In an environment of uncertainties and lackluster performance among various global economies, India has the potential to post sustained growth. We have been fortunate – lower inflation and falling commodity prices, especially that of crude oil, has helped us address challenges posted by current account and fiscal deficits. More importantly, we have taken steps towards a lower interest rate regime, with three interest rate cuts amounting to 75 bps already announced by the Reserve Bank of India

Furthermore, to accelerate growth, the Government has initiated the 'Make in India' campaign, has focused on increasing the ease of business, and is working on improving the pace of infrastructure development. Significantly enhanced renewable energy targets, proactive measures to transparently allocate coal blocks, push towards GST etc are steps in the right direction. The positive movement of the capital markets and the large scale investments attracted by the e-commerce sector are manifestations of the growth expected in the coming few years

Notwithstanding these developments, a lot of ground still needs to be covered and the private sector is still hesitant to invest. Revival of global economic growth, strengthening of the domestic demand, and effective transmission of reduced interest rates would be key to boosting the pace of capital expenditure spend. It is only then that a broad-based economic growth would follow

In preparation of this anticipated growth in capital requirements of Corporate India, your Company has launched fund raising initiatives in the Infrastructure and Real Estate verticals. First Close for your Company's Growth Private Equity Fund has also been attained, with the target to grow its corpus over the course of this year

Furthermore, your Company has also worked towards expanding the depth of its offering. Management of Infrastructure Debt Funds and undertaking investment banking led private equity transactions are two such initiatives. Integration of Infrastructure Debt Funds into your Company's operations would provide it with the ability to service a range of private infrastructure funding opportunities, the scope of which is huge and which holds promise for significant growth. Both the new offerings leverage on the distinct advantage which the IL&FS Group has in the infrastructure space and upon the deep relationships which it enjoys across the breadth of Corporate India

In order to firmly anchor these new initiatives, your Company has also taken steps towards enhancing its managerial strength. In this context, I would like to welcome Mr R C Bawa, who has taken charge as Managing Director. Mr Bawa has had a long and illustrious career as part of the IL&FS's financial services group and I am confident that under his guidance your Company strengthen its leadership role in the Private Equity industry