

Chairman's Speech at the Annual General Meeting

Good Afternoon and welcome to all of you to the 30th Annual General Meeting of your Company. The Annual Report containing the Directors' Report and Audited Accounts for the year ended March 31, 2016, has been with you for some time and with your permission I will take it as read

The year gone by has been witness to a volatile global environment. With UK voting in favor of leaving the European Union, the global financial markets are coming to terms with the materialisation of an important downside risk, especially for the major economies of the world. Consequently, global growth prospects for CY2016, projected at 3.1%, have been marked down by 0.1% between April 2016 and July 2016. Geopolitical risks, political strife, languishing commodity prices and a rate hike by the US Federal reserve could further impinge upon the global growth during the current year

Likewise, the Indian economy also has its share of challenges. Capital expenditure continues to remain stagnant and industrial output numbers have disappointed. The banking sector has been burdened with large defaults and thus has become increasingly risk averse. However, despite these challenges, our economy has shown potential for sustained growth. The Government's reform momentum is focused on improving the business environment on one hand and encouraging employment and entrepreneurship on the other. With monsoons showing healthy signs, the farm sector is expected to perform well this year. This would help in keeping prices under control. Better farm output will also provide higher income to the farmers which, in turn, would contribute to a revival in demand. Consequently, the Reserve Bank of India has adopted a softer stance on interest rates. Four interest rate cuts aggregating to a reduction of 150 basis points have been announced since January 2015

It is in this context that it is important for your Company to be well prepared for the opportunities which would be presented by the fastest growing economy in the World. In this regard, your Company's general purpose Private Equity Fund was able to obtain additional commitments from financial and multi-lateral institutions. This Fund will participate in transactions across socially relevant sectors such as healthcare and education – sectors which are expected to be both the key drivers as well as beneficiaries of the expected growth in economy

Furthermore, ground work has commenced on a new infrastructure fund. The Fund seeks to capitalise on the Government's focus on infrastructure development and its visible efforts to increase investment for the same in the current budget. The Fund has been strategically targeting investors in select geographies of Japan, Korea and Australia to take advantage of the positive investor sentiment in these regions

In addition, your Company is seeking to deepen its offering through participation in the recently introduced category of investment vehicles – the Infrastructure Investment Trusts. InvITs are proposed to provide a suitable structure for re-finance for existing infrastructure projects in the country. Such structures are expected to help in attracting international finance into the Indian infrastructure sector and will enable the investors to hold a diversified portfolio of infrastructure assets. InvITs arguably have a vast scope in bringing structured and predictable returns to investors and management of such vehicles would help broaden your Company's revenue profile

Other similar efforts to diversify beyond classic equity fund management would also need to be considered in this fiscal. One facet of this extension is the provision of advisory services to offshore investors which do not have the capacity to extract value from their direct investments in India. Your Company has successfully delivered on success fee based mandates in the real estate space in the past, and it would seek to build on this practise, not only on the real estate side, but across other business verticals as well. In addition, leveraging on the investor relationships, your Company plans to put together a consortium of like-minded investors, which can then invest in opportunities sourced through our robust network of corporate relationships. Lastly, offering structured products across infrastructure and real estate, not just in India, but in other geographies is also part of the diversification

strategy, which your Company will work towards during the current fiscal

I look forward to your support in these endeavors

Thank you