

**NOMINATION FOR WILLIS HARMAN SPIRIT AT WORK  
AWARD**

**SREI INTERNATIONAL FINANCIAL LIMITED**

**NOMINATED BY SANDER G. TIDEMAN**

**1. Name of the Company**

SREI International Financial Limited

**2. Contact Information**

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**4. A brief description of:**

**a. The nature and scope of the business; current vision and mission; philosophy and core values; principal products and services etc.**

SREI International Finance Limited started its activity in 1989 with objective to be an active participant in nation building at the same time provides value to its customers, shareholders and the community at large. By 2001-2002 SREI has emerged as one India's leading NBFIs with an asset base of INR 11713.70 million (\$ 245.21 million)\* SREI is a publicly held Company whose shares are listed on Kolkata, Delhi, Mumbai, Ahmedabad and National Stock Exchanges.

Conversion: 1 Dollar = INR 47.77

SREI's investors comprise:

#### **International institutions**

1. International Finance Corporation, Washington
2. Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), The Netherlands
3. Deutsche Investitions – Und Entwicklungsgesellschaft mbH (DEG), Germany
4. Belgian Overseas Investment

#### **Domestic institutions**

Unit Trust of India  
Andhra Bank  
GIC Mutual Fund  
Dena Bank  
Indian bank  
United Bank of India  
Bank of India, etc.

In 2001-2002, the company's financial income and net profit (after provisions) stood at INR 1089.90 million (\$ 22.81 million) and INR 167.30 million (\$ 3.50 million) respectively. The company's financials are reported in line with the provisioning guidelines of the Reserve Bank of India and the stringent requirements of the international financial institutions.

SREI succeeded in a challenging business environment through a patient understanding of customer needs and the formulation of compatible strategies designed to deliver maximum customer satisfaction.

For instance, at SREI our business is to fund the use or purchase of construction equipment, commercial vehicles and automobiles. Over the years we have consistently done so through Lease and Hire Purchase Agreements that have kept in mind the industry cyclicity of the customer and his seasonal capacity to pay.

This has enabled a number of small and medium sized entrepreneurs in India to invest in the best capital equipment without straining their ability to service its repayment. In this manner, SREI has not just contributed to the growth of a number of its customers, but has also played a developmental role in the building of the nation.

SREI combines the confidence –inducing stability of a thirteen-year-old with ongoing innovation in what it offers and how it offers it. With a national spread of cross business connections, SREI draws on the competence of a national network of professionals. At the core of its expertise lies the company's ability to understand the business it serves. The widespread presence of 23 offices across India enables solutions to be customized to the geographies and the real requirements of the company's customers.

A number of products and services are developed by SREI; others are made available through its network of six subsidiaries that cover SREI International Securities Limited, SREI Capital Markets Limited, SREI Insurance Agency and Broking Limited, SREI Forex Limited, SREI Global Asset Management and Global Investment Trust Limited. Besides, SREI endeavors to become the preferred partner in the growth of its customers through a complement of internationally respected vendor partners.

SREI strengthens the business its customers and forges ahead. .

### **VISION and MISSION STATEMENT OF SREI**

**VISION** -“to be the most respected global financial services organisations.”

**MISSION** - “to create a profound and everlasting impact by our commitment to our stakeholders and the society at large.”

### **PHILOSOPHY AND CORE VALUES**

- **CUSTOMER DELIGHT**

SREI has made Customer satisfaction as a benchmark for the success. SREI goes a step further- it delights its customers through a comprehensive range of financial services that is personalized, fast, reliable and convenient. Quality driven yet cost effective.

- RESPECT FOR PEOPLE

SREI understands that warm atmosphere at work is a tangible growth driver. And the simplest way to do so is respect for its people. The gives its people the best possible work environment. Treats them as members instead of employees. Rewards excellence and initiative. Promotes training, participation, equal opportunity in work and leadership at all levels. SREI empowers people to work with speed responsibility and accountability.

- COMMUNITY DEVELOPMENT

SREI will rise high and will remain a responsible corporate citizen providing resources for dynamic, self-sufficient, contemporary and universally competitive nation building.

- INTEGRITY

For some companies, business integrity is an abstract and impractical idea for others it is a way of life. SREI is proud to be forerunner in this area and stands by integrity in all its dealings, adhering to the highest standards of business ethics.

- STAKEHOLDERS' VALUE CREATION

SREI is committed to earning the trust and confidence of all its stakeholders. Its growth focus, the ability to constantly enlarge its product basket in niche areas, control risk and reduce the cost of its services, have resulted in an enhanced value. In doing so, SREI has built an entry barrier that protects itself from the ebb and flow of business cycles.

## **SREI'S PRODUCTS & SERVICES**

### ASSET FINANCING

Asset Finance Group has an impressive growth of 40% in the year under review. The achievement becomes more commendable when viewed in the light of recessionary conditions prevailing all around. SREI finances construction and mining equipment, commercial vehicles and cars. SREI leads the construction equipment financing industry in India. Construction equipment includes excavators, compactors, dozers, cranes, heavy dumpers, motor graders, mechanical and sensor pavers and many more.

SREI has funded assets worth INR 18089.50 million (\$ 378.67 million) till 31<sup>st</sup> March 2002 in this segment since 1995-96.

## INFRASTRUCTURE FINANCING

SREI finances bridges, flyovers, approach, roads, bypass and small stretches (10-50) in the road sector; Independent Power Projects, Captive Power Projects and small to medium sized power projects and equipment in the power sector; port equipment, private berths and handling jetties in the port sector.

SREI has established a strong reputation for providing long-term funds customized to the individual nature of projects.

## RENEWABLE ENERGY FINANCING

Keeping in mind the rapid depletion of the earth's natural resources SREI is one of the first Indian companies to finance renewable energy systems. The company finances solar photovoltaic cells, solar home lighting systems, solar water pumping systems, solar thermal systems, etc.

## ASSET RECEIVABLES MANAGEMENT

At SREI we believe that asset receivables management plays a complimentary and supporting role in our business growth. As this concept gained in popularity, it was spun off as a separate business unit.

In the event of customer default, the company either recovers the outstanding or repossesses the assets. In the events of latter SREI leverages its knowledge of the market space and re-deploys the asset at other profitable locations in the country.

SREI's competence in this area is reflected in the fact that the company offers this asset receivables management service to other NBFIs, banks and institutions.

## FOREIGN EXCHANGE SERVICES

SREI buys and sells foreign currencies of 44 countries. It also deals in Travelers' Cheques of American Express and money transfer through Western Union.

MONEY MALL – Retailing of financial products and services

Money Mall is a unique concept of retailing business that aims to provide a complete experience of meeting the financial needs of individuals and corporate customers under one roof. Products range from various types of loans on the liability side and investment opportunities in mutual funds and fixed deposits on the asset side. The first of the retail outlets opened recently in Kolkata.

## CAPITAL MARKET SERVICES

SREI Capital Markets Limited, a subsidiary of SREI provides niche investment and merchant banking services to support its core business. The company believes in providing total solutions and capturing the entire value chain starting from conceptualization to implementation of investment banking services. SREI also provides corporate advisory services, escort services, and merchant banking, valuation, restructuring and infrastructure development services.

## INSURANCE

SREI has a long-standing presence in the insurance sector as it was insuring the assets it financed. The company strengthened its presence in this segment.

SREI has been appointed as the corporate agents of

1. HDFC Standard Life for providing life insurance services
2. Bajaj Allianz General Insurance Company for providing general insurance services

**b. The policies, programs or practices that explicitly promote or enable spirit at work; nature and scope; when implemented; by whom; relevant background; public visibility etc.**

## HUMAN RESOURCE INITIATIVES

SREI has undertaken a comprehensive refinement of all its human resource management activities, which would better, facilitate achievement of organizational objectives and promote core SREI values of excellence through teamwork.

**The various practices Company has initiated are as follows**

- **Entrepreneurial spirit**

**At SREI, we encourage executives to express their entrepreneurial ability through free flow of ideas. SREI is an entrepreneurial organization.**

- **Manpower Planning**

This is the process by which the management determines how the organization should move from its current manpower position to its desired manpower position. This enables to assess the actual manpower requirement keeping in mind the future strategies (expansions, new projects coming up)

Our organizational structure is lean, with minimum number of levels and with clear individual reporting and accountability.

- **Employee Satisfaction Surveys**

SREI gives prime importance to this parameter since it feels that it is more important to retain the existing employees than to go for only aggressive recruitment of new personnel. It is considered to be one of the most scientific and effective tools to measure employee satisfaction on parameters like the effectiveness of organizational processes, systems, and company climate. At present the survey is carried out internally without the assistance of an external agency and this has been made possible through a constant contact program with employees by HRD team across all locations. The feedback received from the employees is analyzed and proper actions implemented.

- **Encouraging Ideas**

Employees are encouraged to give a free flow of ideas and suggestions for improving the work place. SREI encourages suggestions from the employees pertaining to improvement of work process, resulting in cost saving, contributing to the elimination of unproductive practices and leading to active employee participation strengthening the feeling of belongingness among the members.

SREI is therefore an idea company where every good idea emanating from an executive is encouraged by the top management for translating it into a business plan. The executive who owns the idea is the chief driver of the business plan. Examples are: Equipment banking, Money Mall, Money changing operations, etc.

SREI has always encouraged young minds to take initiatives in converting ideas to implementation of these ideas into business plans. SREI has sponsored contests conducted by Business Schools such as Indian Institutes of Management.

- **Social Responsibility**

SREI has recognized its social responsibility thereby it has created “public charitable trust” in the name of “SREI Foundation” with the objective of granting scholarships and other financial assistance to deserving and talented candidates.

SREI also expects to promote the all round development of a clean environment, to help propagating and imparting education for the betterment of agriculture, horticulture and other similar activities.

SREI believes that this foundation in future will also support the setting up of schools, colleges, medical and research institutes.

- **Corporate Governance**

SREI has always practiced good corporate governance and takes necessary actions at appropriate times for enhancing and meeting shareholder’s expectations while continuing to comply with mandatory provision of corporate governance. As prescribed under the listing agreement of Stock Exchanges, separate statement on corporate governance along with the certificate from the Auditors of the company regarding compliance with the requirements of corporate governance is attached a part of the Annual Report.

- **SREI Family Club**

Srei Family Club is formed with an objective to involve the family members of our team members in social and cultural activities for enhancing a greater interaction amongst families of SREI and the society at large. The Club provides an excellent forum to foster a feeling of belonging ness amongst all team members and cultivates a positive culture. The Family Club is an extension arm of the Human Resources Department. It carries out social and welfare activities both inside and outside of the organization. The Club runs from contributions made by the employees and the organization.

- **Emergency Leave Fund**

The Emergency Leave Fund was created last year with an objective to assist any employee who may need leave over and above his entitlement in times of distress mainly on account of medical reasons. The Fund is formed from the contribution of one Privilege Leave by every employee's leave account and is managed by the Human Resources Department. A large number of employees have benefited from this Fund over the last one year and thereby prevented financial loss during prolonged medical ailments.

- **Employee Stock Options**

The Company has formulated a scheme to offer stock options to employees this year. The scheme is unique as it does not invite any contributions from the employees for the stock and at the same time considers the performance of every individual in deciding the distribution of stock amongst them. The Plan has helped the Company to motivate, reward and retain competent and efficient employees. It nurtures a bonding between employees and the organization.

- **Performance Management and Career Planning**

Managing performance is the main task of our organization in today's fierce business environment. At SREI, performance management is a process for establishing shared understanding about what is to be achieved. It is an approach to manage and develop people in a way, which increases probability that objectives will be achieved in the short and long run. It enables employees to manage their own performance and development within the framework of agreed objectives and standards. The salient features of the Performance Management System at SREI are:

- Open ness and transparent
- Objective and result oriented
- Participative with emphasis on self-assessment
- Performance feedback mechanism
- Focus on employee development
- Linkage to organizational goals
- Creation of "value based organization"
- Integration with Human Resources tools and practices

WE at SREI believe that Career-planning exercises is an integral part of the performance management system to manage career and growth aspirations of employees. It facilitates the strengthening of partnership between "individual and the organization "through alignment of personal "Life Mission" of the individual with the Organizations' Mission.

The focus is on development of people to ensure that we have the right number of employees with the appropriate skills in the right place at the right time.

- **Training and Development**

People are key asset to our organization. At SREI, focus is always on creating knowledge workers through a well-defined training and development plan, which stems out from the training needs analysis done as an outcome of the performance management system. The organization has sponsored senior and middle management executives to international and national management development programs in the past years to enhance managerial excellence and build professional leaders. Efforts have been initiated to start full time courses on management through creation of learning Center of development at SREI. We had recently sponsored one of our senior executives to the ISB-Kelloggs Program on Strategic leadership for three weeks.

- **Knowledge Management**

There is a Knowledge Center existing at SREI where broad based knowledge is shared with every employee through communication channels and facilitates employees to come forward and express freely their ideas, views and thoughts on a variety of subject areas in the field of business and culture. Chief Knowledge Officer heads the Knowledge Center.

AT SREI, we encourage people to take decisions, work in teams and accept challenges as a way of life. The culture at work is warm and friendly with an optimistic approach towards handling business issues.

- **Assessment Center**

The Human Resources Department has set up an assessment center to evaluate the quality of professionals joining our organization. This is made possible through the use of relevant selection tests and psychometric tools. The Center will also undertake to identify potential

amongst our talented pool of professionals linking it with the performance management system and career planning exercise.

- **Reward and Recognition Programs**

Once every year during our Annual Budget Meet held in Kolkata, the organization rewards its best performing teams from across the country based on business excellence. These are team awards presented to the teams evaluated on the following parameters:

- Business target achievement
- New initiatives
- Team spirit
- Leadership in the market
- Creating competitive edge amongst competitors
- Customer satisfaction
- Vendor relations
- Compliance to work ethics

Performance Incentives to individual performers is a variable component of the compensation and benefits plan and is based on target achievement. **At SREI we reward and recognize meritocracy.**

- **Compensation and Benefits Plan**

SREI offers the one of the most innovative compensation packages to all employees with an objective to provide a comfortable lifestyle to them. Compensation review is an annual exercise where SREI carries out a region cum industry survey before finalizing its revision in the compensation structure and pattern. Care is taken to ensure strict compliance with the laws of the land and changing government policies related to taxes. Compensation is differentially reviewed for every employee based on his performance rating and both the fixed and variable components of the compensation are considered for revision accordingly.

The benefits plan addresses the personal, family and societal needs of every employee and includes: Leave Travel Concessions, festival bonus and medi-care benefits comprising health insurance both domiciliary and hospitalization, personal accident cover, educational loans, personal loans, car related benefits for senior executives, auto loans, telecom facilities, etc. At SREI, wellbeing of employees is genuinely addressed

Retention of talent is a key management responsibility as is separation of those whose performance is consistently below par or who breach the accepted ethical standards and rules of conduct.

- **Fun at Work**

Regular get together, outdoor activities, talent shows and participation in inter-company events on sports, quiz programs, seminars and conferences creates a high level of synergy amongst employees.

Welfare activities invigorates the employees through creation and preservation of an open and harmonious environment in which employees at all levels give of their very best in delivering outstanding service at the highest level of productivity.

**c. Effect of policies, programs or practices on stakeholder community – employees, owners, customers, suppliers, communities in which business has a presence, etc.**

SREI provides a vibrant work culture where people feel the warmth and friendliness radiating across the mean and responsive layers of management cadre. Having established market leadership in such a short span of time, SREI has emerged as a respected marketing company in the arena of financial services. **People practices have created an immense reservoir of high energy, high excitement and high empathy amongst employees.** There is a deep sense of commitment and loyalty towards the organization. Despite competition from big brands, our employees have preferred to stay with the organization due to the fact that at SREI we have facilitated free flow of ideas providing a continuous learning opportunity through innovation and flexibility. These qualities have given the organization a great competitive advantage.

Today SREI enjoys a high degree of customer satisfaction achieved through relationship management with our vendors and customers. This is reflected in long term and enduring beneficial relationship with our vendors, national and international. Another testimony to this fact is the volume of repeat business, which is very high roughly at about 70%. At SREI we have always created an extraordinary value for our shareholders as illustrated by substantial shareholding of international financial institutions like IFC, Washington, FMO, Netherlands, DEG, Germany and Belgian Overseas Investments.

**d. Effect of policies, programs or practices on nominee's business success**

The organization has retained its market leadership consistently over the last five years with an average growth rate of 30-35% each year in the niche of Asset Financing – Lease and Hire Purchase business. This has been possible through innovation and flexibility with a high spirit of entrepreneurial capability and that also when the market conditions were not favorable for non-banking financial companies due to fluctuating economic scenario. The success of the organization was always achieved on the strength of our people, who helped in creation of domain knowledge unique to SREI and till date no competitor has yet understood the business model SREI has.

The Company grew from an annual disbursement of INR 500 million (\$ 10.46 million) to INR 7500 million (\$ 157.00 million) over the last five years in the asset finance business due to strong policies and programs both in sales and marketing and back office operations including a definite internal plan of asset receivables. SREI's non-performing assets are incredibly low at 1%, which is excellent even when compared with international standards.

People practices at SREI have had a profound impact on the success of the business.

**e. How the organization has been a model or inspiration for others.**

**and**

**f. Specific information about how the organization is inspiring to the nominee, including actual quotes from employees or customers**

SREI emerged as the number one player in the construction equipment financial segment and strengthen its reputation as a pioneer in India's finance industry.

SREI funded acquisition of construction equipment, which usually rides infrastructure creation. SREI funded products in the renewable solar energy area because they were cost effective, ideal for rural application and a safe credit.

SREI established a reputation for intelligent innovation as a competitive business differentiator for instance SREI innovated the introduction of foreign institution as equity and debt partners in its long-term growth. SREI departed from the industry practice and converted its recovery team into a profit generating asset receivables management division.

Some actual quote from SREI employees are given here to emphasize the fact that SREI has inspired them because of its innovations and the way to do things differently.

**“ I joined SREI in 1993 as Ex banker, worked for five years, joined a private bank and rejoined in 2000.What makes SREI a unique place is the prudent risk taking is actively encouraged. The place has a “Do It” culture. As a result professions achieved what executives in other companies only dream of.”**

**“ SREI is practicing meritocracy .The company helps you identify your goal thereafter it delegates authority within broad guidelines and does not interfere. It is almost like running your company.”**

**“Because SREI is a pioneer in number of financing areas it offers professionals a wide room in which to grow heir experience and skills.”**

**“There is an open communication system at SREI which makes working rewarding. It is a credit to SREI’s culture that an idea is converted into reality in the shortest possible time.”**

**5. Name of nominating party, including contact information and their relationship to the company being nominated**

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