

## **Chairman's Speech at the Annual General Meeting**

Good Afternoon and welcome to all of you to the 34<sup>th</sup> Annual General Meeting of your Company. The Annual Report containing the Directors' Report and Audited Accounts for the year ended March 31, 2020, was circulated last month and with your permission I will take it as read

We are meeting today on a virtual platform which is reflective of the unprecedented circumstances we all find ourselves in. None of us has had such an experience in their lifetime. I hope that you and your families are staying safe and healthy

This pandemic has impacted every economy around the world and India is no exception. The Indian economy was going through a difficult period on both the GDP and employment front prior to this pandemic and this health crisis has further exacerbated the economic crisis. The global health experts are unable to predict how long this epidemic will continue and nobody is in a position to hazard a guess on the timing and efficacy of a vaccine. Europe over the last few weeks has seen a second wave, which has resulted in a surge in cases resulting in major economies announcing lockdowns

In light of this, the Government has taken a more calibrated approach and has tried not to splurge all its resources at one go. The last couple of months have shown signs that the economy is slowly limping back to normal. However, we will need to observe the trends over another quarter to get a sense of the recovery. We expect the Government to come up with sector specific measures to alleviate the challenges which some sectors are facing. The standoff with China has further added to the uncertainty around the economy

At our Company, we were progressing and on target with achieving our targets which were namely new fund raisings and maximising divestments for existing investors. However, due to the IL&FS crisis which snowballed at the end of the second quarter of FY2019, the Company's fund raising initiatives had to be kept on hold over the last two years

The new Board at IL&FS had initiated the sale process of its shares in the Company in December 2018. However, due to various reasons, the process did not meet its logical conclusion. Hence the IL&FS Board again initiated the sale process in September 2019 but it is yet not completed. In these uncertain times we are unable to predict the outcome of this sale process. The overhang of the IL&FS brand name cost us dearly, as investors in a couple of our real estate funds, in view of the sale process not going through last year decided to terminate our contracts resulting in significant drop in our revenues. However, the investors in our remaining funds have reposed faith in the team and have granted extension in all our funds including some for two years. We will need to continue to carry out our fiduciary responsibilities towards our fund investors and hence will need to keep our team motivated for the same

In the event the sale process does not culminate in a positive outcome for the stakeholders we will need to look at options to protect shareholder value keeping the interests of all stakeholders in mind including the investors in the funds under our management