

Chairman's Speech at the Annual General Meeting

Good Afternoon and welcome to all of you to the 35th Annual General Meeting of your Company. The Annual Report containing the Directors' Report and Audited Accounts for the year ended March 31, 2021, was circulated and with your permission I will take it as read.

Given the continued challenges faced by all of us due to Covid 19, we are again meeting this year on a virtual platform. This virtual platform was appreciated by certain shareholders last year as it provided access to certain outstation shareholders to interact with the Board through this virtual platform. I hope that you and your families are staying safe and healthy.

The economy was showing signs of opening up and consequent revival. However, the unexpected and unprecedented second wave in March-April this year halted the revival. As an immediate response both the Central and State Governments ramped up the vaccination drive and the exceptional participation by Indian citizens has resulted in more than 85 crore vaccinations till date. As a result, the second wave has been contained, and has given us the confidence to face the threat of a third wave.

Notwithstanding vaccinations, the world is still not out of the woods, as can be seen by the recent spike in certain countries. In spite of very high percentage of vaccinations, several countries like US, UK, Israel and Singapore are again showing a steep rise in the number of cases

Despite this second wave the first quarter's data for this financial year has been promising. The GDP grew by more than 20% and the financial results of most corporates have exceeded expectations. The high GST collections for the first quarter also indicate a potential economic revival. The positive outlook is also reflected in the growth in Foreign Direct investment for this year. The Nifty and Sensex have reached all-time highs this month which also shows the renewed confidence of both offshore and domestic investors in the Indian economy.

The first two quarters of this financial year have also seen a record number and size of IPOs. The Reserve Bank of India has predicted a 9% plus growth in GDP for this year. The Government of India has also been implementing multiple schemes to boost employment in the manufacturing sector, such as the Production Linked Schemes, which have been implemented in 13 key sectors. We all hope that the vaccination efforts and the gradual reopening of the economy will act as a further fillip to the economy.

As you are aware, your Company, was progressing well on 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 three 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 had 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 is an added disadvantage, as investors in a few of our funds, decided to terminate our contracts, resulting in significant drop in our revenues. Notwithstanding these setbacks, the team continues to carry out their fiduciary responsibilities towards our fund investors in a determined fashion.

In the light of these developments, the Board, being cognizant of its responsibilities to all stakeholders is looking at options to revive the Company. Despite the challenging circumstances facing the team, they are exploring new initiatives in a few sectors. These initiatives would need time to take shape and achieve positive outcomes. We would like to assure our shareholders that the Board and the team would continue to work in the interests of all its stakeholders.