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ANSAL PROPERTIES & INFRASTRUCTURE LTD

Regd. Office: 115, Ansal Bhawan, 16, K. G. Marg, New Delhi-110001

Chairman, Shri Sushil Ansal's Address to the Shareholders (Members) at the 53rd Annual General Meeting of the Company held on Monday, the 28th September 2020 at 11.30 A.M through Video Conferencing (VC)

Dear Shareholders,

On behalf of the Board of Directors, I extend a warm welcome to each one of you at the 53rd Annual General Meeting of your Company. It is a pleasure to connect with you all again, although this time we are meeting virtually, though I would have love to meet you personally, as we normally do on this eventful day of your Company. I am thankful to you for sparing your valuable time to join us today.

Before I present the highlights of your Company's performance during the Financial Year 2019-20, I would like to share with you briefly the details of the global and domestic economic environment that have prevailed during the Financial Year 2019-20.

IMPACT OF COVID-19 PANDEMIC

As we are in the midst of unprecedented times. The entire world and India are grappling with the Covid-19 pandemic and the vast challenges it has thrown. These are not easy times for any of us. The Central and the state governments across the Country are at a dilemma – on the one hand trying to determine how much and how long to impose lockdown conditions to arrest the spread of the pandemic and on the other side, how to quickly restore the business conditions and jumpstart the Indian economy which is floundering.

ECONOMIC OUTLOOK

During last year, the global geopolitical and economic landscape faced various challenges, including a worldwide trade slowdown led by a deterioration in US-China trade relations & Brexit i.e. withdrawal of the United Kingdom from the European Union which got further aggravated due to the fast spread of the COVID-19 pandemic during the last quarter. The Indian economy had already slowed down to a growth of 4.2% for FY 2019-20, ahead of the Covid-19 impact which hit the Indian shores during the end of the financial year. Different economists are predicting contraction of Indian GDP between 10 to 15%. Unfortunately, many businesses have been very adversely affected and closed down their operations.

There is large increase in unemployment and reduction of incomes of salaried staff. The World GDP is predicted to be contracted adversely.

Now, it has become increasingly evident with time that the COVID-19 will have long-lasting adverse effects on nearly all aspects of our lives. In terms of the economy, while there seems to be shoots of recovery in some areas, it is still uncertain when we get back to pre-COVID -19 levels.

Performance Review

Through Management's Discussion and Analysis Report which is forming part of the Directors' Report, your Board of Directors has endeavoured to provide a broad overview of the Global economic scenario and the Indian economy scenario and more particularly the status of the real estate sector prevailing in the Country which has and shall have an impact on the nature of the Company's business and generally in the class of business in which the Company has an interest.

The details of the major projects currently under development have been given in the Annual Report 2019-20.

OVERVIEW OF THE COMPANY'S PERFORMANCE DURING FINANCIAL YEAR 2019-20

As you are aware the accounting system has undergone a change and we are now required to follow INDAS-115 since 1st April, 2018 wherein revenue is recognized not on percentage completion basis but on any of the following 3 events:

- a) Sale Deed is executed.
- b) 95% sale consideration is received.
- c) Offer of possession is issued to the customer.

By above changed system and procedure, the results and balance sheet of all Real Estate developers has been adversely affected since the adoption of the new system. Consequently, your Company's Net loss for the Financial Year 2019-20, on a standalone basis is Rs 213.42 Crores as against a loss of Rs. 60.07 Crores in the previous Financial Year 2018-19. This represents (26.35%) and (9.26%) of the total income for the Financial Year 2019-20 and 2018-19, respectively. One of the reasons for this increase in loss has been the exceptional item of impairment in value of our investment in one of our subsidiary company. However, you will be happy to know that the Company has been working on reducing the debt so that it has a favourable long term impact on the profitability. During this year Company has been

able to reduce the loans and investment of Banks/FIs/NBFC/Funds by principal amount of Rs.71.07 Crores on a standalone basis and by Rs.611.33 crores on consolidated basis and this is going to have a long term positive impact on the profitability of the Company in the years to come.

You are already aware that the Board of Directors of your Company has decided that no dividend be recommended for the Financial Year 2019-20 due to the performance of the Company under the shadows of uncertainties in the real estate sector and the economy as a whole.

CORPORATE SOCIAL RESPONSIBILITY {CSR}

Your Company has been actively pursuing CSR activities, details of which have been given in the Annual Report 2019-20.

CORPORATE GOVERNANCE

Although corporate governance has been legally mandated in various manifestations, it is always the endeavour that the Company should go beyond adherence to the regulatory framework and adopt and adhere to the best ethical corporate practices. Your Company continues to do that and also follow the procedures and practices in conformity with the Corporate Governance practices as stipulated by Securities and Exchange Board of India (SEBI).

ACKNOWLEDGEMENT OF SUPPORT

On behalf of your Company's Board, I would like to place on record my deep sense of gratitude to all the shareholders and the stakeholders for their unstinted support and trust given to us at all times, whether, during prosperity or while facing challenges. Your support and confidence in us, even in uncertain times like these, drive us to look for more ways to do better and create greater value for all.

Thank you for your attention ladies and gentlemen!

Date: 28th September 2020
Place: New Delhi

Sd/-
SUSHIL ANSAL
{CHAIRMAN}