Annexure-5

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

The global economies are facing a synchronized slowdown, resulting from a variety of factors affecting the world. The outbreak of coronavirus 2019 (COVID19) has globally disrupted people's lives, interrupted businesses and jeopardized decades of development progress. According to The World Economic Outlook (WEO) update, global economic growth has been downgraded to 2.4% in 2019, which is its slowest pace since the global financial crisis of 2008. The decline in growth is the outcome of rising trade tensions between large economies, rising uncertainty surrounding trade and geopolitical issues; along with individual macroeconomic problems such as low productivity growth in emerging economies and aging population in advanced economies. To add to the existing issues, the pandemic outbreak has worsened the economic environment. The crisis is the result of the needed containment measures that forced policymakers to take extreme steps in the form of huge fiscal stimuli to encourage economic activity. With considerable uncertainty around the world due to the pandemic, its macroeconomic fallout, and the associated impact on financial and commodity markets, the World Economic Outlook has estimated global growth to decline by 5.2% in 2020 before recovering by 4.2% in 2021.

In China, the containment efforts such as quarantine and widespread restrictions on travel, have resulted in unplanned delays in restarting factories after the Lunar New Year holiday and sharp cutbacks in many service sector activities. With the existing slowdown visible across the globe, the pandemic is expected to have severe consequences on the world economy leading to lay-offs, reduction in capex by companies and delay in discretionary purchases. The economic activity in U.S. and Eurozone economies is expected to fall sharply as these economies undertake measures to contain the outbreak.

INDIAN ECONOMY

The Indian economy decelerated sharply in the fourth quarter at 3.1%, lowest in almost 17years, after growing at 4.1% in Q3 FY20. As per the Central Statistics Office (CSO), GDP growth for FY20 stood at an 11-year low of 4.2% lower than the government projection of 5.0% in both first and second advance estimates. The country's fiscal deficit worsened to 4.59% of GDP, much beyond the targeted 3.8% of GDP and expected to worsen further with the dip in tax collection and revenue shortage due to the subsequent effects of lockdown on the economy. The core sector contracted by a record 38% in April as the lockdown hit all eight infrastructure sectors. According to the CSO, country's factory output growth contracted to 0.7% in FY20, as against expansion of 3.8% in FY19. Consumer durables output, an indicator of urban demand, contracted by 8.4% in FY20, compared with a growth of 5.5% in FY19.

According to the Asian Development Bank, India's GDP growth is projected to contract by 4.0% in FY2021 before recovering sharply to 6.2% in FY2022, on the assumption of recovery from the pandemic in the second half of 2020. With the lockdown scenario, consumption and investments are expected to be severely impacted in the first quarter. The gross fixed capital formation is likely to decline with rising risk perception and uncertainty around the pandemic. RBI has cut the repo rate by 40 bps to 4.0% in May 2020, which is the lowest ever and rolled out a range of measures to preserve financial stability and counter the economic impact of COVID19. The central bank has undertaken open market operations and US dollar–rupees was to ensure adequate rupee and dollar liquidity during the recent global sell-off. While there is gloom in the near term with the unprecedented situation led by the outbreak, domestic demand will rebound strongly once the pandemic passes and full economic activity resumes. The historical corporate tax cuts introduced in September 2019 are expected to encourage domestic and foreign private investments in the long run. Also, the alternative tax regime introduced in the latest budget is expected to increase household disposable income, thereby boosting private consumption, and potentially expanding the tax base. FY20 inflation stood at 4.8%, below the RBI's upper target limit and is expected to fall further in the current year with declining crude prices and slump in domestic demand, making the rate cuts more favorable. Prices for some manufacturers are likely to increase with supply disruption and rupee depreciation. The country's exports of goods and services are expected to improve once the global economies recover from the shocks of the pandemic. While the long term outlook looks robust for the country, a prolonged COVID19pandemic would push the global economy into deep recession and further slow Indian growth.

REAL ESTATE SECTOR

The Indian real estate sector has been trying to get back omits feet and come to terms with multiple reforms and changes brought in by demonetization, RERA, GST, IBC, NBFC crisis and the subvention scheme ban. While it was a tough task for the sector to align itself with these new regulations, the measures have been instrumental to bring transparency, accountability and fiscal discipline over the last few years. Prior to COVID19, the real estate sector was expected to grow to USD 650 billion and contribute around 13% of India's GDP by 2025 (from around 6-7% in 2017), according to ANAROCK Research.

Over-reliance on NBFC funding led to severe funding issues after the IL&FS default, wherein RBI had asked NFBCs to bring down their exposure to real estate sector. The share of NBFC loans to real estate which plunged to 46% of total credit to real estate sector in 2018-19, is expected to further comedown. Current coronavirus outbreak is expected to derail the sector's growth momentum in the short term due to its impact on the overall slowing economy. According to industry estimates, 90% of the workforce employed in real estate and construction sector is engaged in the core construction activities, while the rest 10% is involved in other ancillary activities. Since majority of the workers are immigrants, labor shortage could possibly pose a major challenge for the sector post COVID19 lockdown.

While the pandemic outbreak could temporarily disrupt the sector, there are certain green shoots in this adverse situation. The recent liquidity crisis has worsened the situation for smaller players which were anyway finding it difficult to adhere to new norms laid by RERA leading to a new wave of consolidation. Industry consolidation is likely to get accelerated further with the COVID19 outbreak and many weak players may cease to exist. Larger established players with strong access to funding are expected to gain market share. Also, the current situation is expected to open up a lot of business development opportunities for well capitalized developers.

RESIDENTIAL REAL ESTATE MARKET

The Indian residential sector has been grappling with subdued demand for the past few years and the recent developments (ongoing impact of NBFC crisis and COVID19) have made things even more difficult for the sector. According to theproperty research firm Knight Frank, the total sales volume in the top eight cities increased by a modest 1% in CY2019to 245,861 units as the sector continued to be impacted by the prolonged crisis in the NBFC sector. While certain measures such as the consecutive rate cuts by the RBI, the reduction of GST rates to 1% for affordable housing and 5%for others and the setting up of an Alternative Investment Fund (AIF) have helped home-buyer sentiments, they've had little impact on the sales for the sector. New launches increased by23% to 223,325 units across eight cities including Mumbai, Bengaluru and the National Capital Region (NCR). This came after a sharp jump in launches in year 2018 (+76% YoY) when the sector started coming to terms with the RERA regime. Ahmedabad witnessed the sharpest growth in new launches at 176%, followed by Hyderabad which recorded launch growth at 150%.

The growth in residential prices in most of the top eight cities of India has been below retail inflation growth since CY2016, with the gap only widening since H1 2016. Hyderabad has been the only market to beat the trend and register residential price growth over the retail inflation level. According to an affordability benchmark study by Knight Frank India, ideal affordability is identified at 4.5 times the average annual household income in a city and except for Mumbai, NCR and Hyderabad, all other markets are below the ideal affordability benchmark. While Mumbai continues to be the most expensive housing market with affordability index of 7.1, it has seen affordability of homes significantly improve from 11 times the annual household income in 2010. NCR and Hyderabad are marginally above the benchmark affordability with scores of 5 each, while Bengaluru has an affordability index of 3.9.The affordability levels have risen the most for Pune at just 2.5times of their average household incomes.

COVID19 Impact on Residential Real Estate

COVID-19 has severely hit residential real estate business and the sector has come to a standstill in the short term. While the sector was coming out of the woods after the liquidity crisis initiated by the IL&FS fiasco and subsequent fallouts of various financial institutions, the pandemic outbreak could further impact residential sector.

OFFICE MARKET

The Indian office market has been fairly resilient from the broad macro concerns due to slowdown in the economy and gained strong traction in CY2019 with record supply hitting the market during the year, according to a report by Knight Frank. The office space supply rose sharply by 56% YoY to 61.3 million. ft. in

CY2019. The office sector also witnessed highest ever transaction activity of 60.6 million sq. ft., up 27% YoY. The Hyderabad office market particularly witnessed a very strong year, recording transactions to the tune of 12.8 million sq. ft. (up 82% YoY), which is nearly twice its previous high. The IT/ITeS sector contributed around 41% of transacted volume inH2 2019, while share of BFSI dipped to 16% resulting from NBFC crisis and credibility issues with some banks. Co-working space continued its growth momentum, accounting for 12% of the total transactions, up from 8% in the previous year.

OPPORTUNITIES

Consolidation

The Indian real estate sector has been in a consolidation phase from the past few years and picked up pace resulting from several reforms and disruptions in the sector. After the IL&FS default, NBFCs have been mandated by RBI to reduce their exposure to real estate sector, which has created funding issues for smaller real developers who anyway do not have access to bank funding. In such cases, these players face a double whammy – issues in construction funding on one hand and existing deal cancellations due to halt in construction activity on the other hand. This opens up new avenues of growth for organized developers with healthy balance sheets and execution track record to take over the projects of smaller developers at attractive valuations. It allows them to increase their portfolio offering and improve home-buyer confidence. The ongoing consolidation is expected to accelerate further amidst COVID19 and established, well capitalized players stand to gain further market share.

Affordable housing

Affordable housing continues to remain a significant opportunity for players and key focus area of government, as major short supply of housing lies in the economically weak and low-income segments. The government's constant push for affordable housing has shifted the focus from high-end and luxury segments to the affordable segment. According to ANAROCK research, during the past 5 years, the share of launches in the affordable segment across the top 7 cities of India, has risen from CY35% in 2013 to 40% in CY2019. This share is expected to increase further in the near future owing to subsidies provided by government to promote affordable housing. In Budget 2020, the government announced several measures to boost affordable housing. In its attempt to boost the affordable housing demand, the government has proposed to extend additional tax benefit of INR 1.5 lakh on interest paid on affordable housing loans by one year till March 2021.Also, in order to encourage developers to focus on affordable housing projects, the Government has extended the date of approval for these projects for availing tax holiday on profit earned by developers by one year till March 2021.

Digital Real Estate Sales

With the rapidly evolving marketing landscape, digital marketing tools have emerged as important tools for real estate companies to amplify their sales and reach out to customers globally. With a sharp focus on building consumer experience and connection through digital means, established brands will be ahead of the curve, giving a competitive edge to their business. According to the report 'Real Estate in a Digital Age', around 94% of millennials and 84% baby boomers searched for their future homes online. Social media platforms can be extensively used to promote listings, maintain relationships with existing customers and find new prospects. The recent lockdown due to COVID19 has forced real estate companies to focus much more on digital marketing and online platforms

Monetary Easing

The real estate sector performance is closely linked to the country's economic fundamentals and monetary policies. The Reserve Bank of India cut its benchmark repo rate by 250 bps since February 2019 to 4.0%, which is the lowest ever repo rate in its attempt to support the slowing economy from further deterioration due to COVID19. Monetary easing initiatives are expected to provide an impetus to housing demand once the economy revives and encourage home buyers and real estate developers.

THREATS & CHALLENGES

Regulatory Hurdles

Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regards to land acquisition, land use, project launches and construction approvals. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector.

Funding

The lending to real estate developers by NBFCs and HFCs fell by almost half to about INR 27,000 crore in FY19, triggered by the IL&FS crisis, according to a report by property consultant JLL. This NBFC crisis has further deteriorated the liquidity situation for smaller developers who had to resort to alternative funding in absence of long term loans from banks. While established developers with lean balance sheets continue to have funding access, many developers are facing significant liquidity pressure.

COMPANY'S PERFORMANCE AND PROJECTS

The Company is in pursuit for entering into joint development agreements, formulating business associations, identifying affordable housing projects.

Pending the identification of housing projects, the Company had deployed the available funds by way of investment in quoted shares but due to market fluctuations, the Company has profit of Rs. 5.22 Lacs in FY 2019-20 in accordance with Ind-AS as explained further in significant accounting policies.

FINANCIAL REVIEW

Revenue & Profitability

The Gross Revenue from operations for F.Y 2019-2020 was placed at Rs. 34.73 lakhs (Previous Year Rs. 17.80 lakhs). The Profit after tax stood at Rs. 5.22 lakhs (Previous year loss was Rs. 11.36 lakhs).

Balance Sheet

Your Company's Balance Sheet as on March 31, 2020 reflected with a net worth of 2216.31 Lacs. The Company does not have any debt as on March 31, 2020.

SIGNIFICANT CHANGES:

a. Debtors turnover ratio stood at 0.00 times in FY.20 as against 0.02 times in FY.19.
b. Inventory turnover ratio stood at 0.00.
c. Interest Coverage Ratio stood at 0.00.
d. Current Ratio has increased from 11.84 in FY.19 to 225.07 in FY.20.
e. Debt Equity Ratio stood at 0.00.
f. Operating profit margin has decreased from (86.38%) in FY.19 to 0.00% in FY.20.
g. Similarly, net profit margin also shown growth from (62.59%) in FY.19 to 0.00% in FY.20.
h. Return on net worth stood at 0.24% in FY.20 as compared to (0.49%) in FY.19.

INTERNAL CONTROL SYSTEM AND ADEQUACY:

The Company has implemented an internal control framework to ensure all assets are safeguarded and protected against loss from unauthorized use or disposition, and transactions are authorized, recorded and reported correctly. The frame work includes internal controls over financial reporting, which ensures the integrity of financial statements of the company and reduces the possibility of frauds. The Corporate Audit & Assurance department issues well documented operating procedures and authorities with adequate built-in controls. These are carried out at the beginning of any activity and during the process, to keep track of any major changes. As part of the audits, they also review the design of key processes, from the point of view of adequacy of controls. The internal controls are tested for effectiveness, across all our project sites and functions by the Corporate Audit team, which is reviewed by the management from time to time, for corrective action.

THREATS, RISKS AND CONCERNS

1. Industry Cyclicality

The real estate market is inherently a cyclical market and is affected by macroeconomic conditions, changes in applicable governmental schemes, changes in supply and demand for projects, availability of consumer financing and illiquidity. Your Company has attempted to hedge against the inherent risks through a business model comprising joint ventures, residential platforms, and development management through a pan- India presence. However, any future significant downturn in the industry and the overall investment climate may adversely impact business.

2. Statutory Approvals

The real estate sector in India is heavily regulated by the central, state and local governments. Real estate developers are required to comply with a number of laws and regulations, including policies and procedures established and implemented by local authorities in relation to land acquisition, transfer of property, registration and use of land. These laws often vary from state to state. Several of your Company's projects are in preliminary stages of planning and any delay in obtaining approvals could warrant revised scheduling of project timelines.

OUTLOOK

As the real estate sector continues to tackle the existing issues created by the aftershocks of the liquidity crisis and resulting disruption of COVID19, we see an opportunity for well established players in the industry. The start of FY2021may be muted due to the lockdown and subsequent impact on economy. The pace of rise in this in the sector is also expected to accelerate further and we expect to gain market share. Also, amidst CODIV19 and prevailing liquidity crunch, the visibility on business development is getting stronger and we hope to add several projects to our portfolio in FY2021. Our focus on our core markets, strong brand and existing portfolio leaves us on a strong foot to take advantage of this opportunity.

Material Development in Human Resources

Your Company firmly believes that its human resources are the key enablers for the growth of the Company and important asset. Hence, the success of the Company is closely aligned to the goals of the human resources of the Company. Taking into this account, your Company continued to Invest in developing its human capita and establishing its brand on the market to attract and retain the best talent.

Employee relations during the period under review continued to be healthy, cordial and harmonious at all levels and your Company is committed to maintain good relations with the employees.

CAUTIONARY STATEMENT:

The above Management Discussion and Analysis contains certain forward looking statements within the meaning of applicable security laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties, regarding a fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time on behalf of the Company.

Place: Mumbai	For the Board of Director	For the Board of Director
Date: 20.08.2020	**Hazoor Multi Projects Limited**	**Hazoor Multi Projects Limited**
	Sd/-	Sd/-
	Suhas Sudhakar Joshi	**Dineshkumar Laxminarayan Agrawal**
	Managing Director	Executive Director
	DIN:01657318	DIN: 05259502