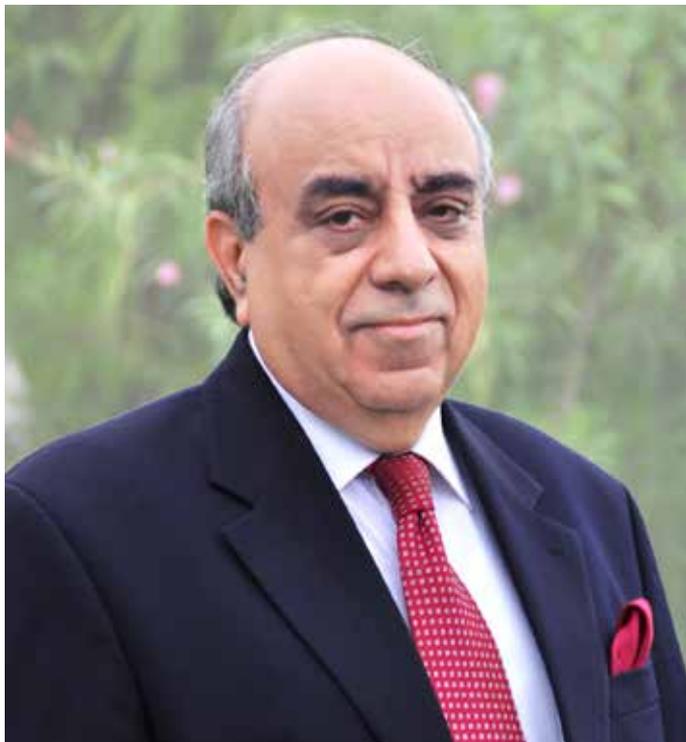


## CHAIRMAN'S STATEMENT



Dear Shareholder,

The year gone by has been a dire one for society at large. The unprecedented toll on lives and livelihoods has been heart-wrenching and leaves us with more questions than answers. Even so, as I seek to make sense of the mayhem around us and what it portends for the next few years, I can't but feel a sense of measured optimism for the future of your Company. My confidence stems from three trends which are taking root.

### Homes have become more central to our wellbeing

The sharp rebound in housing demand over the latter part of the year underlines the increasing importance that Indian families are placing on owning a good quality home. Entire families being confined to their homes 24x7 for months on end has brought to the fore the compromises they were living with. This experience has prompted many to commit to the new home purchase they had been perhaps contemplating but dragging their feet on deciding on. While some families are upgrading for more space and better amenities, others are trading down as large and joint families get nuclearized. Choices are no longer being dominated by location and size, but are also weighing community, neighbourhood, social infrastructure, and sustainable living. Low mortgage rates and supportive policy steps like reduction in Stamp Duty have provided a much-needed stimulus. I am reasonably confident this trend is likely to endure and is not a passing fad. Housing as a consumption category should see a resurgence over the coming years. Well-designed homes designed around the multiple needs of the family will find favour. And developers who engender trust and have a demonstrated track record of delivery will stand out from the pack. Your Company exemplifies these attributes.

### India can claim its rightful place in global supply chains

Growing regionalism and the re-shaping of geopolitical equations foreshadows significant shifts in global manufacturing and supply chains. From low-cost and just-in-time, factory location choices are now also anticipating 'just-in-case'. As multinational corporations seek to hedge their country exposure in manufacturing, India is

a natural choice for several sectors. But, India is not yet the pre-eminent alternative, and much still needs to be done to establish and fortify the India advantage. Favourable policy measures like the Atmanirbhar Bharat program and the Production-Linked Incentive schemes are vital steps in the right direction. Targeted investments in skilling, especially for high-end manufacturing activities, will also be a continuing priority. Well-planned industrial clusters with ready infrastructure will help accelerate the time-to-market and thereby return-on-investment for new manufacturing investments. Your Company's pioneering Mahindra World Cities and Origins clusters have repeatedly been feted as among the best-planned and best-run industrial parks in the country. The development work in these is largely complete, and the world-class facilities might well prove to be a hidden gem for the Company in the years to come.

### The real estate industry is finally getting formalised

Analysts have for years been anticipating the professionalisation of the real estate sector. While there is some debate around the pattern, extent and timing of consolidation, there are already unarguable trends that point to the sector getting formalised. The pandemic has accelerated this formalisation. If one were to consider the key factors of production in the Real Estate business – land, capital and talent – all three are gravitating towards the more organised and professionally managed developers with proven track records. Many local developers are now choosing to focus on land aggregation and approvals and partnering with larger developers to bring these projects to market. Your Company is witnessing growing access to such land acquisition opportunities. Many of these are in the nature of redevelopment and joint development. Both access to capital and its cost are heavily skewed towards the better-run developers with strong balance sheets and disciplined operations. At times there is as much as a five hundred basis point difference in cost of funds that your Company enjoys over local developers. And finally, talent is voting with its feet choosing to work with reputable organisations where they see learning and career development.

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Your Company has bolstered its management team, simplified its organisation, strengthened its business processes and invested in digital technology over the past year. Taken together, these will enhance its ability to deliver high-quality products on time and within budget. These investments will help the Company position itself to take advantage of the inexorable shifts described above as they unfold. Even in a challenging year, the early results in operational performance – sales, collections, land acquisition and construction progress – are encouraging. If the team is able to stay the course and build on this growing momentum, you should expect to see stronger financial performance over the years to come as and when the accounting standards permit revenue recognition for the recently launched and forthcoming projects. I hope you subscribe to my prognosis. I seek your patience and continued support to see this development and accounting cycle through to fruition.

While the immediate months and quarters ahead of us continue to be partly uncertain, I do retain my measured optimism about our future. Our country is steadily expanding vaccination coverage, which is our best hope of blunting the third wave and eventually putting the deleterious effects of the pandemic behind us. Once we push beyond that, the future appears favourable. I wish all of you and your families safety and good health.

With my very best regards

**Arun Nanda**  
Chairman