

BOARD'S REPORT

BOARD'S REPORT TO THE MEMBERS

Your Directors present their twenty-second report together with the audited financial statement of your Company for the year ended on 31st March, 2021.

FINANCIAL HIGHLIGHTS (STANDALONE)

	(₹ in lakh)	
	2021	2020
Income from Operations	8,964	43,988
Other Income	4,675	8,081
Total Income	13,639	52,069
Profit / (Loss) Before Depreciation, Finance cost and Taxation	(5,936)	1,658
Less: Depreciation	(665)	(726)
Profit / (Loss) Before Finance cost and Taxation	(6,601)	932
Less: Finance Cost	(367)	(184)
Profit / (Loss) Before exceptional item & Taxation	(6,967)	748
Less: Exceptional Item	0	(23,731) ¹
Profit / (Loss) after exceptional item and before Tax	(6,967)	(22,983)
Less: Provision for Taxation		
• Current Tax	0	0
• Deferred Tax (including MAT Credit)	1,742	382
Profit / (Loss) After Tax	(5,225)	(22,601)
Add: Balance of Retained earnings of earlier years	32,379	57,975
Retained earnings available for appropriation	27,154	35,374
Add: Other Comprehensive Income / (Loss) ²	(15)	86
Less: Dividend paid on Equity Shares ³	0	(3,081)
Retained earnings carried forward	27,139	32,379

¹One of the residential projects at NCR of Mahindra Homes Private Limited (MHPL), a subsidiary cum joint venture of the Company, saw a successful launch in 2015 in a buoyant market. However, thereafter, it witnessed a muted demand and declining prices and in FY2019-20, also saw significant cancellations of earlier bookings. As a result, the Company, as a matter of prudence in an uncertain market environment, evaluated the carrying value of its investment in MHPL and on the basis of estimated Net Present Value of forecasted cash flows provided for an aggregate impairment loss of ₹ 23,731 lakh in Financial Year 2019-20.

² Re-measurement of (loss)/gain (net) on defined benefit plans, recognised as part of retained earnings.

³ Pursuant to applicable provisions of Indian Accounting Standards, the amount of dividend paid and income tax thereon mentioned in the columns for 2020 represents the final dividend amount declared and income tax thereon for the financial year 2019.

DIVIDEND

In view of the loss for FY 2020-21 and considering the necessity to conserve resources of the Company during this uncertain and difficult times due to the COVID-19 pandemic, the Directors, have not recommended any dividend for the financial year ended 31st March, 2021.

DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the Board of Directors of the Company has formulated and adopted a 'Dividend Distribution Policy'. The Policy is attached herewith and marked as **Annexure 1** and is also available on the Company's website at www.mahindralifespaces.com.

RESERVES

During FY 2020-21, no amount has been transferred to any reserves.

OPERATIONS / STATE OF THE COMPANY’S AFFAIRS

India witnessed a steep contraction in output in 2020-21 following the Covid-19 pandemic. Gross Domestic Product (GDP) is estimated to have declined by 7.3 per cent, compared to 4 per cent growth in the previous year. Although agriculture grew at 3.6 per cent, both industry and services, which account for over 80 per cent of the GDP, were severely impacted during the year.

As far as the real estate industry is concerned, construction activity came to a standstill with the lockdown. It was only in the second half of the year that the recovery gathered momentum and situation started to improve. During 2020-21, the Company launched three new projects — Happinest Palghar and Alcove in the Mumbai Metropolitan Region (MMR) and Happinest Tathawade in Pune. The Company also launched fresh inventory in two of its existing projects — Vicino in MMR and Happinest Avadi in Chennai.

Despite the pandemic, the Company and its subsidiaries sold 1,259 residential units aggregating 1.07 million square feet of saleable area in 2020-21 compared to 1,624 units aggregating 1.31 million square feet in the previous year. This represents gross sales of ₹ 69,528 lakh in 2020-21, compared to ₹ 67,044 lakh in 2019-20. Equally, the Company’s focus on execution is reflected in the completion of 0.39 million square feet and handovers of 605 units to homeowners during the year. Collections also remained robust at ₹ 758 crore in 2020-21, compared to ₹ 930 crore in 2019-20.

Overall, in the residential business, the Company is currently developing 4.26 million square feet with another 4.71 million square feet available in the form of forthcoming projects — new phases of ongoing projects and new projects that are under planning.

In the Integrated Cities and Industrial Clusters business, around 55.6 acres of land leases were concluded in 2020-21, compared to 43 acres in the previous year. This included transactions across all three operational projects of the Company, including Origins Chennai, its new industrial cluster project. The Company is also developing its second industrial cluster project — Origins (Ahmedabad), Gujarat.

Total income of your Company as a standalone entity was ₹ 13,639 lakh in 2020-21 as compared to ₹ 52,069 lakh in 2019-20. Loss before taxes stood at ₹ 6,967 lakh in 2020-21 as compared to loss before tax after exceptional item of ₹ 22,983 lakh in 2019-20. The loss after tax was ₹ 5,225 lakh as compared to loss (after exceptional item) of ₹ 22,601 lakh in 2019-20. Total income in 2020-21 includes dividend income of ₹ 2,761 lakh from Mahindra Infrastructure Developers Limited, a subsidiary company. In 2019-20, the Company had received dividend income of ₹ 3,085 lakh from its subsidiary companies.

Total Consolidated income of your Company stood at ₹ 18,782 lakh in 2020-21 as compared to ₹ 64,592 lakh in 2019-20. Consolidated loss before tax was ₹ 7,778 lakh in 2020-21. Consolidated loss after tax was ₹ 7,145 lakh in 2020-21 as compared to loss after tax (after exceptional item) of ₹ 19,455 lakh in 2019-20.

THE COVID-19 PANDEMIC

The year started amidst a strict nationwide lockdown in India with tough restrictions on economic activity and mobility. The Company, and indeed the entire real estate sector in India, saw a collapse in construction activity following the lockdown. At that time, there was an unprecedented uncertainty about the eventual impact of the Covid-19 pandemic.

To deal with the situation, the Company formed a cross-functional Rapid Action Force which constantly monitored the situation and took swift and effective actions to mitigate the risks associated with the Covid-19 crisis. This included meeting safety and health-related challenges of its people, ensuring business continuity under lockdown and adapting the organisation to ramp-up operations as restrictions were gradually lifted.

During the year, it implemented several technology-aided interventions to adapt to the new environment and ensure effective business operations including project launches and sales. At its project sites, technology enabled real-time monitoring of progress and adherence to the comprehensive safety and health protocols. Besides, the Company took several measures to support workers with essential supplies, medical care, facilities for safe worker movement to sites and provision for on-site accommodation, where possible, to mitigate risks associated with disruption of construction activity on account of Covid-19 pandemic. The Company continues to be fully aligned with government guidelines and best practices on safety, health and hygiene.

The Company is actively monitoring the impact of the Covid-19 pandemic on its financial condition, liquidity, operations, suppliers, industry, and workforce. It has used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. In assessing the recoverability of assets such as goodwill, inventories, financial and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The extent to which Covid-19 impacts the operations will depend on future developments which remain uncertain.

Besides this, no material changes and commitments have occurred after the close of the year till the close of this Report, which affects the financial position of the Company.

AWARDS AND RECOGNITION

Your Company and its subsidiaries received several awards and recognitions during the financial year 2020-21. Some of the prestigious awards are:

- The Company was recognized as One of India’s Top Builders at the 15th Construction World Architect & Builder Awards 2020;
- The Company was awarded in the ‘Corona Warriors’ category at the CIDC Vishwakarma Awards 2021;
- Mahindra Happinest Kalyan received award for achievement in Construction Health, Safety & Environment and award for ‘Corona Warriors’ by CIDC Vishwakarma;

- Mahindra World City, Chennai for its contribution in sustainability received sixth rank overall in the Top 10 Free Zones globally and 'thought leadership award' by fDi Magazine;
- Mahindra World City, Chennai recognized as 'Best Industrial Park' at Business Today 'Business Leaders of State Awards 2021';
- Mahindra World City, Jaipur received 'bespoke award' in Global Free Zones of the Year 2020 by fDi Magazines;
- Mahindra World City, Jaipur received 'Gold Award' in the OHS category at the 8th Exceed Occupational Health Safety (OHS) in Real Estate & Construction Sector by Sustainable Development Foundation;
- Mahindra World City, Jaipur was awarded in the 'Corona Warriors' category at the CIDC Vishwakarma Awards 2021.

SHARE CAPITAL

During the year, the Company has issued and allotted 21,850 equity shares of ₹ 10 each at an exercise price of ₹ 10 per share to the eligible employees pursuant to exercise of stock options granted under Employee Stock Option Scheme – 2012 (ESOS – 2012). No Stock Options were exercised under Employee Stock Option Scheme – 2006 (ESOS – 2006).

Consequently, during the year, the issued equity share capital has increased from ₹ 5,141.25 lakh to ₹ 5,143.43 lakh and the subscribed and paid up equity share capital of the Company has increased from ₹ 5,136.14 lakh to ₹ 5,138.32 lakh.

After FY 2020-21, till date, the Company has allotted 7,550 equity shares of ₹ 10 each at an exercise price of ₹ 10 per share to the eligible employees pursuant to exercise of stock options granted under ESOS - 2012. Consequently, the issued equity share capital has increased from ₹ 5,143.43 lakh to ₹ 5,144.19 lakh and the subscribed and paid up equity share capital of the Company has increased from ₹ 5,138.32 lakh to ₹ 5,139.08 lakh.

The allotment of 51,063 equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956 (now corresponding to Section 126 of the Companies Act, 2013), till such time the title of the bona-fide owners of the shares is certified by the concerned Stock Exchange or the Special Court (Trial of offenses relating to transactions in Securities).

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares.

EMPLOYEE STOCK OPTIONS SCHEME

During the year, the Shareholders, at the 21st Annual General Meeting of the Company held on 28th August, 2020, approved amendments to the Employee Stock Options Scheme – 2012 (ESOS-2012) and Employee Stock Options Scheme – 2006 (ESOS-2006). The amendments were pertaining to increase in the maximum limit of options per employee from limit of 1,00,000

to 4,00,000 under ESOS-2006 and from 50,000 to 1,00,000 under ESOS-2012 and granting authority to Nomination & Remuneration Committee (NRC) to create fresh options in lieu of the lapsed / cancelled Options under ESOS-2006. In addition to above, NRC had also made certain amendments to both the Schemes which were administrative in nature. None of the amendments made under both the Schemes were material in nature. The existing schemes including amendments made during the year are in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") and other applicable Regulations and Circulars in force, from time to time.

During the year, NRC approved grant of total 67,654 Stock Options under ESOS-2012 to the eligible employees, at an exercise price of ₹ 10 each which is equal to the face value of the equity share of the Company.

During the year, NRC, approved grant of total 4,00,000 Stock Options to Managing Director & CEO under ESOS-2006 at an exercise price of ₹ 246 each. All options, except above and 5,000 Stock Options granted on 4th August, 2012, granted under ESOS-2006 and not exercised have lapsed.

The Company does not have any scheme envisaged under Section 67 of the Companies Act, 2013 ("the Act") in respect of shares on which voting rights are not directly exercised by the employees.

A certificate from the Statutory Auditor confirming that the above-mentioned Schemes i.e. ESOS-2006 and ESOS-2012 have been implemented by the Company in accordance with the SBEB Regulations and the Resolutions passed by the Members for the said schemes will be placed before the members in the Annual General Meeting.

The disclosure in relation to ESOS-2006 and ESOS-2012 under the SBEB Regulations is uploaded on the website of the Company at www.mahindralifespaces.com.

HOLDING COMPANY

As on 31st March, 2021, the Promoter and the Holding company i.e. Mahindra and Mahindra Limited (M&M) holds 2,64,39,850 equity shares representing 51.46% of the total paid-up equity capital of the Company. There was no change in the shareholding of M&M during the year.

The Company continues to be a Subsidiary Company of M&M. All subsidiary companies of the Company are consequently subsidiary companies of M&M.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES AS PER COMPANIES ACT, 2013

A report highlighting performance of each of the subsidiaries, associates and joint venture companies as per the Act, and their contribution to the overall performance of the Company is provided in the consolidated financial statement at note no 44. During the year, no company became or ceased to be a Subsidiary / Associate / Joint Venture company of the Company.

Subsidiary and Joint Venture Companies

Mahindra World City (MWC), Chennai, is being implemented by **Mahindra World City Developers Limited (MWCDL)**, an 89:11 joint venture between the Company and the Tamil Nadu Industrial Development Corporation Limited (TIDCO), respectively. It is the first township in India to receive the Green Township Certification (Stage I Gold certification) from IGBC. Mahindra World City, Chennai, was launched in September 2002, and currently has three sector specific Special Economic Zones (SEZs) — IT (services and manufacturing), Apparel and Fashion Accessories, Auto Ancillaries and a Domestic Tariff Area (DTA) for businesses catering to the Indian market. Integrated to the business zone is a Residential and Social zone. At the end of FY 2020-21, the project had a total area of 1,524 acres and a leasable potential of 1,145 acres across its Special Economic Zone (SEZ), Domestic Tariff Area (DTA) and Residential & Social Zone (R&S). The Company is focusing on clients for social infrastructure, having leased entire industrial land inventory.

Mahindra World City (MWC), Jaipur, is being implemented by **Mahindra World City (Jaipur) Limited (MWCJL)**, a 74:26 joint venture between the Company and Rajasthan State Industrial Development & Investment Corporation Limited (RIICO), a Government of Rajasthan enterprise, respectively. The project is spread across 2,913 acres of land and a leasable potential of 2,011 acres and offers multi product SEZ, along with DTA and Social & Residential Infrastructure.

The Company has partnered with International Finance Corporation (IFC), a member of the World Bank Group for the development of MWC, Jaipur. IFC has invested ₹ 19,479.03 lakh in MWCJL and is entitled to economic rights to the extent of 50% on 500 acres of gross land comprising first 250 acres of SEZ and first 250 acres of DTA.

Mahindra Integrated Township Limited (MITL) is a co-developer in developing the residential township area at Mahindra World City, Chennai (MWC Chennai). Its current developments include 'Iris Court', 'Nova', and 'Lakewoods'. Additionally, MITL is in the process of obtaining approvals for its next project at MWC, Chennai. After excluding the area under the above projects, MITL still has approximately 135 acres to be developed in phases for offering products in different formats and segments. The Company, directly and indirectly, owns 97.14% of MITL. MITL is in the process of converting approximately 25 acres of land to industrial land for which approvals are underway. This will allow MITL to cater to the market for industrial land.

Mahindra Residential Developers Limited (MRDL), which is a wholly owned subsidiary of Mahindra Integrated Township Limited (MITL), and a co-developer is developing a gated residential community in approximately 54 acres within Mahindra World City, Chennai, under the name 'Aqualily'.

Mahindra Bloomdale Developers Limited (MBDL) is a wholly owned subsidiary of the Company. MBDL is developing a gated residential community 'Bloomdale' across approximately 25.2 acres at Multi-modal International Hub Airport at Nagpur (MIHAN).

Mahindra Homes Private Limited (MHPL), is a 71.61 : 28.39 joint venture between the Company and Actis Mahi Holding (Singapore) Private Limited ('Actis'), respectively and is developing in collaboration with a developer and land owning companies, a group housing project "Luminare" at NCR on approximately 6.80 acres. It has completed a residential project "Windchimes" at Bengaluru on approximately 5.90 acres.

Mahindra Happinest Developers Limited (MHDL) is a 51:49 joint venture between the Company and HDFC Capital Affordable Real Estate Fund – I (HDFC), respectively. During the year, MHDL launched second phase of existing project Palghar, 'Happinest Palghar'. This is the third project under the brand 'Happinest'. MHDL has, till date, launched projects having development potential of upto 1.45 million square feet.

Mahindra Industrial Park Chennai Limited (MIPCL), is a 60:40 joint venture between MWCDL and Sumitomo Corporation, Japan, respectively. MIPCL is setting up an industrial cluster in North Chennai (the NH-16 corridor) on approximately 289 acres with a leasable potential 209 acres under the brand 'Origins by Mahindra World City'.

Mahindra Industrial Park Private Limited (MIPPL), a wholly owned subsidiary of the Company has acquired around 340 acres of contiguous land at Jansali near Ahmedabad for setting up an industrial cluster having leasable potential 221 acres. The Company has partnered with International Finance Corporation (IFC), a member of the World Bank Group for the development of upcoming project at Jansali. IFC, till date, has invested ₹ 7,564.50 lakh in MIPPL and is entitled to economic rights to the extent of 50% in MIPPL.

Mahindra Infrastructure Developers Limited (MIDL), a wholly owned subsidiary of the Company, is an equity participant in the project company namely, New Tirupur Area Development Corporation Limited (NTADCL) implementing the Tirupur Water Supply and Sewerage project.

Mahindra Water Utilities Limited (MWUL) is engaged in the business of operation and maintenance services for water and sewerage facilities at Tirupur, India and is a 98.99% subsidiary of Mahindra Infrastructure Developers Limited and consequently, a subsidiary of the Company.

Mahindra World City (Maharashtra) Limited (MWCML), is a subsidiary of the Company, which was set up to undertake large format development. MWCML is looking for an appropriate business opportunity to take up projects in large format development.

Deep Mangal Developers Private Limited (DMDPL) is a subsidiary of MWCML and consequently a subsidiary of the Company. DMDPL intends to develop approx. 1,300 acres land at Murud on southern coast of Maharashtra as a one-of-its-kind tourist destination catering to globally growing need of holistic healthcare and wellness tourism, besides promoting adventure and heritage tourism.

Knowledge Township Limited (KTL), a wholly owned subsidiary of the Company will be developing an industrial park in Maharashtra under the brand 'Origins by Mahindra World City'

for which the company is in the process of procuring the required land area of approx 1,039 acres. KTL is focusing on completing necessary compliances and obtaining requisite approvals for acquisition of land parcels to achieve contiguity.

Industrial Township (Maharashtra) Limited (ITML) and Anthurium Developers Limited (ADL), wholly owned subsidiaries of the Company are exploring the possibility of taking up real estate development projects and **Moonshine Construction Private Limited and Mahindra Knowledge Park Mohali Limited**, subsidiaries of the Company are on the lookout for a viable proposition.

ASSOCIATE COMPANIES

As of 31st March, 2021, no company is an associate of the Company.

CONSOLIDATED FINANCIAL STATEMENT

The audited consolidated financial statement of the Company prepared in accordance with the applicable Accounting Standards along with all relevant documents and the Auditors' Report forms part of this Annual Report.

The audited financial statement of each of the subsidiaries is placed on the website of the Company at web link: www.mahindralifespaces.com.

The Company will provide the financial statements of subsidiaries upon receipt of a written request from any member of the Company interested in obtaining the same. The financial statement of subsidiaries will also be available for inspection at the Registered Office of your Company during working hours up to the date of the Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report, which gives a detailed account of state of affairs of the operations of the Company and its subsidiaries forms part of this Annual Report.

CORPORATE GOVERNANCE

A report on Corporate Governance along with a certificate from the Auditors of the Company regarding the compliance with the conditions of Corporate Governance as stipulated under the SEBI LODR forms part of this Annual Report.

SUSTAINABLE DEVELOPMENT AND BUSINESS RESPONSIBILITY REPORT

Your Company has been at the forefront of the real estate industry in India to achieve mission of 'Transforming urban landscapes by creating sustainable communities'. Sustainability is thus a core agenda for the Company. The details of the Company's approach to sustainability describing the initiatives taken by the Company from an environmental, social and governance perspective, are covered in the prescribed format of Business Responsibility Report which forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's guiding principle for CSR is to build its relationship with stakeholders and the community at large and contribute to

their long term social good and welfare. The Company, in every financial year, in line with the Companies Act, 2013, pledges to spend minimum two % of the average net profits made during the three immediately preceding financial years towards CSR initiatives.

The Company has constituted a Corporate Social Responsibility (CSR) Committee comprising Non-Executive Non-Independent Director, Mr. Arun Nanda, Non-Executive Independent Director, Ms. Amrita Chowdhury and the Managing Director & CEO, Mr. Arvind Subramanian. Mr. Arun Nanda is the Chairman of the Committee. During the year, Ms. Sangeeta Prasad ceased to be a member of the Committee consequent to her resignation as the Managing Director & CEO of the Company effective from the close of business hours of 30th June, 2020. The Board at its meeting held on 14th May, 2020 nominated Mr. Arvind Subramanian, the Managing Director & CEO as a member of the Committee effective 1st July, 2020. The role of the Committee, inter alia, is to formulate and recommend to the Board, a Corporate Social Responsibility Policy, expenditure to be incurred on the CSR activities, an annual action plan in pursuance of its CSR policy etc.

The Company's CSR Policy lays out the vision, objectives and implementation mechanism. The Company has modified CSR policy of the Company to align with the statutory amendments. The Company's CSR policy is available on the Company's web link at www.mahindralifespaces.com.

The Company's CSR activities, inter alia, have traditionally focused on education, skill development, health, environment and promoting sustainable practices.

The objective of the CSR policy is to:

- Promote a unified approach to CSR to incorporate under one umbrella the diverse range of the Company's philanthropic activities, thus enabling maximum impact of the CSR initiatives;
- Ensure an increased commitment at all levels in the organisation, to operate in an economically, socially and environmentally responsible manner while recognising the interests of all its stakeholders;
- Encourage employees to participate actively in the Company's CSR and give back to the society in an organised manner through the employee volunteering programme called Employee Social Options.

The Company's commitment to CSR will be manifested by investing resources in any of the areas stipulated in Schedule VII to the Companies Act, 2013, as amended, from time to time. The Company gives preference to the local area and area around it where it operates for spending the amounts earmarked for CSR activities.

During the year the Company has spent ₹ 70.72 lakh as against the statutory requirement of CSR expenditure of ₹ 69.34 lakh.

The annual report on the CSR activities is at **Annexure 2** to this Report.

DIRECTORS

Pursuant to Section 152 of the Companies Act, 2013 and Article 116 of the Articles of Association of the Company, Mr. Arun Nanda (DIN: 00010029), Non-Executive Non-Independent Director retires by rotation at the 22nd Annual General Meeting of the Company and being eligible has offered himself for re-appointment. The Board has recommended his reappointment at the forthcoming Annual General Meeting as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

The Board at its meeting held on 23rd March, 2021, subject to the requisite approvals, appointed Mr. S. Durgashankar (DIN: 00044713) as an Additional Director of the Company in the category of Non-Executive Non-Independent Director pursuant to Section 161 of the Act and Article 128 of the Articles of Association of the Company. Mr. S. Durgashankar will hold office of the Additional Director upto the date of forthcoming Annual General Meeting. The Company has received a notice as per the provisions of Section 160(1) of the Companies Act, 2013 from a Member in writing proposing his candidature for the office of Director. The Board has recommended to the shareholders his appointment at the forthcoming Annual General Meeting as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation.

Brief resume and other details of Mr. Arun Nanda and Mr. S. Durgashankar, in terms of Regulation 36(3) of SEBI LODR and Secretarial Standards on General Meeting, are provided in the Corporate Governance Report forming part of the Annual Report. None of the Directors of the Company are inter-se related to each other. Both the abovementioned Directors are not disqualified from being re-appointed / appointed as Directors by virtue of the provisions of Section 164 of the Companies Act, 2013.

The performance evaluation of Non-Independent Directors and the Board as a whole, Committees thereof and Chairman of the Company was carried out by Independent Directors. Pursuant to the provisions of the Act, the Nomination & Remuneration Committee (NRC) specified the manner of effective evaluation of the performance of the Board, its Committees and individual Directors. In terms of manner of performance evaluation specified by the NRC, the performance evaluation of the Board, its Committees and individual Directors was carried out by NRC and the Board of Directors. Further, pursuant to Schedule IV of the Act and Regulation 17(10) of the SEBI LODR, the evaluation of Independent Directors was done by the Board of Directors. For performance evaluation, structured questionnaires, covering various aspects of the evaluation such as adequacy of the size and composition of the Board and Committee thereof with regard to skill, experience, independence, diversity, attendance and adequacy of time given by the Directors to discharge their duties, Corporate Governance practices, etc. were circulated to the Directors for the evaluation process. All Directors unanimously expressed that the evaluation outcome reflected high level of engagement of the Board of Directors and its committees amongst its members with the Company and its management and that they are fully satisfied with the same.

The Company has received declarations from each of the Independent Directors confirming that they meet the criteria of independence as provided in the Companies Act, 2013 and SEBI LODR. The declarations also confirm compliance with sub-rule 1 and 2 of Rule 6 of the Companies (Appointment and Qualifications of Directors) Fifth Amendment Rules, 2019.

The details of familiarization programme for Independent Directors have been disclosed on website of the Company and is available at the link www.mahindralifespaces.com.

The salient features of the following policies of the Company are attached herewith and marked as **Annexure 3**:

1. Policy on appointment of Directors and Senior Management;
2. Policy on Remuneration of Directors; and
3. Policy on Remuneration of Key Managerial Personnel and Employees.

The aforesaid policies are also available at the link www.mahindralifespaces.com.

The Managing Director & CEO draws remuneration only from the Company and does not receive any remuneration or commission from any of its subsidiary companies / holding company.

KEY MANAGERIAL PERSONNEL (KMP)

As on 31st March, 2021, details of Key Managerial Personnel under the Companies Act, 2013 are given below:

Sr. No.	Name of the Person	Designation
1	Mr. Arvind Subramanian	Managing Director & CEO
2	Mr. Vimal Agarwal	Chief Financial Officer

Mr. Suhas Kulkarni, General Counsel & Company Secretary retired from the Company effective 31st December, 2020 after serving for 16 years. All Board members expressed their sincere appreciation and gratitude for Mr. Kulkarni for handling legal, company secretarial and compliance responsibilities for the Company in most professional and seamless manner during his tenure as a General Counsel & Company Secretary and wished him the very best in the next phase of his journey. The Board, in the interim, appointed Mr. Ankit Shah as Assistant Company Secretary and Compliance Officer effective 1st January, 2021. Subsequently, pursuant to provisions of Section 203 of the Companies Act, 2013, the Board, effective 12th May, 2021, appointed Mr. Ankit Shah as a Company Secretary and Key Managerial Personnel of the Company designated as 'Assistant Company Secretary and Compliance Officer'.

MEETINGS

A calendar of meetings is prepared and circulated in advance to Directors. During the year, 5 (Five) Board Meetings were convened and held through audio/video conferencing, the details of which are given in the Corporate Governance Report. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013,

Secretarial Standards on Board Meetings and SEBI LODR as amended from time to time.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2021 and of the loss of the Company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to the Financial Statements. The Audit Committee of the Board reviews the internal control systems including internal financial control system, the adequacy of internal audit function and significant internal audit findings with the management, Internal Auditors and Statutory Auditors.

AUDIT COMMITTEE

As on 31st March, 2021, the Audit Committee comprised of three Non-Executive Independent Directors, namely Mr. Ameet Hariyani, Ms. Amrita Chowdhury, Mr. Bharat Shah, and one Non-Executive Non-Independent Director, Mr. Arun Nanda. Mr. Ameet Hariyani is the Chairman of the Committee. During the year, Dr. Anish Shah, in view of his engagement with several companies, requested the Board to reconstitute the Audit Committee by appointing someone in his place. Accordingly, the Board, at its meeting held on 29th July, 2020, reconstituted the Audit Committee by appointing Mr. Arun Nanda as a member of the Committee in place of Dr. Anish Shah.

All members of the Audit Committee possess strong knowledge of accounting and financial management. The Managing Director, Chief Executive Officer, Chief Financial Officer, the Internal Auditors and Statutory Auditors are regularly invited to

attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Internal Auditor reports to the Chairman of the Audit Committee. The significant audit observations and corrective actions as may be required and taken by the management are presented to the Audit Committee. The Board has accepted all recommendations made by the Audit Committee from time to time.

VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for stakeholders including directors and employees of the Company and their representative bodies to report genuine concerns in the prescribed manner to freely communicate their concerns / grievances about illegal or unethical practices in the Company, actual or suspected, fraud or violation of the Company's Code or Policies. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimisation of stakeholders who use such mechanism. It provides a mechanism for stakeholders to approach the Chairman of Audit Committee or Chairman of the Company or the Corporate Governance Cell consisting of Chief Legal Officer / Company Secretary, Chief Financial Officer and Chief Ethics Officer (Chief People Officer). During the year, no person was denied access to the Chairman of the Audit Committee or to the Chairman of the Company or to the Corporate Governance Cell. The Whistle Blower Policy of the Company is available at web link www.mahindralifespaces.com.

RISK MANAGEMENT

The Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. In view of the non-applicability of Regulation 21 of SEBI LODR to constitute Risk Management Committee and considering the scope of evaluation of Risk Management System being carried out by the Audit Committee, during the year, the Board of Directors at its meeting held on 23rd January, 2021, disbanded the Risk Management Committee.

Subsequently, the provisions of Regulation 21 of SEBI LODR became applicable and therefore, the Board at its meeting held on 12th May, 2021 constituted the Risk Management Committee consisting Ms. Amrita Chowdhury, Independent Director, Mr. S. Durgashankar, Non-Executive Non Independent Director, Mr. Arvind Subramanian, Managing Director & CEO and Mr. Vimal Agarwal, Chief Financial Officer. The role of the committee inter alia, includes, formulation, overseeing and implementation of risk management policy, business continuity plan, and to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

AUDITORS

The Shareholders of the Company at the 18th Annual General Meeting of the Company held on 25th July, 2017, had appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (ICAI Registration Number -117366W/W-100018), as Statutory Auditors of the Company to hold office until the

conclusion of the 23rd Annual General Meeting to be held in the calendar year 2022 to conduct the audit of the Accounts of the Company, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.

As required under the provisions of Section 139(1) and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the auditors to the effect that they are eligible to continue as Statutory Auditor of the Company.

The notes of the financial statements referred to in the Auditors' Report issued by M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai for the financial year ended on 31st March, 2021 are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDIT

The Board of Directors, on recommendation of the Audit Committee, has appointed CMA Vaibhav Prabhakar Joshi, Practising Cost Accountant, Mumbai (Membership No. 15797 & Firm Registration No. 101329), as Cost Auditor of the Company to conduct audit of the cost records maintained by the Company for the financial year 2020-21. CMA Vaibhav Prabhakar Joshi has confirmed that his appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and has also certified that he is free from any disqualification specified under Section 141 and proviso to Section 148(3).

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Shareholders in a General Meeting for their ratification. Accordingly, pursuant to recommendation of the Board, a resolution seeking Shareholders' ratification for remuneration payable to CMA Vaibhav Prabhakar Joshi, Practising Cost Accountant is included in the notice of the ensuing Annual General Meeting.

The Company is required to maintain cost records as specified under Section 148 (1) of the Companies Act, 2013 and such accounts and records are made and maintained by the Company for the financial year 2020-21.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules thereunder, the Board has appointed M/s. Martinho Ferrao & Associates, Practising Company Secretaries, (Membership No: FCS No. 6221 and CP No. 5676) to conduct the secretarial audit of the Company.

The Secretarial Audit Report for the financial year ended 31st March, 2021, is annexed herewith and marked as **Annexure 4** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT OF MATERIAL UNLISTED INDIAN SUBSIDIARY

For the financial year 2020-21, Mahindra World City (Jaipur) Limited, Mahindra Homes Private Limited and Mahindra Bloomdale Developers Limited are the material unlisted subsidiaries of the Company. As per Regulation 24A of SEBI LODR, the Secretarial Audit of the material subsidiaries mentioned above has been conducted for the financial year 2020-21 by Practising Company Secretaries. None of the said Audit Reports contain any qualification, reservation or adverse remark or disclaimer. The Secretarial Audit Reports of material subsidiaries for the financial year ended 31st March, 2021, are annexed herewith and marked as **Annexure 5** to this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company being formed for and engaged in real estate development (Infrastructural facilities) is exempt from the provisions of Section 186 of the Companies Act, 2013 related to any loans made or any guarantees given or any securities provided or any investments made by the Company. However, the details of the investments made and loans given are provided in the standalone financial statement at Note no. 8 and 14.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material. In view of the above, the requirement of giving particulars of contracts / arrangements / transactions made with related parties, in Form AOC-2 are not applicable for the year under review.

The "Policy on materiality of and on dealing with related party transactions" (as amended) as approved by the Board may be accessed on the Company's website at the link www.mahindralifespaces.com.

The Directors draw attention of the members to note no. 36 to the standalone financial statement which sets out related party disclosures.

DEPOSITS, LOANS, ADVANCES AND OTHER TRANSACTIONS

Your Company has not accepted any deposits from public or its employees and, as such no amount on account of principal or interest on deposit were outstanding as of the Balance Sheet date. The details of loans and advances, which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) read with Schedule V of the SEBI LODR are provided in the standalone financial statement at note no. 40.

Further, in terms of Regulation 34(3) read with Schedule V of the SEBI LODR, details of the transactions of the Company, with the promoter and holding company Mahindra & Mahindra Limited holding 51.46% in the paid up equity capital of the Company as on 31st March, 2021, in the format prescribed in the relevant accounting standards for annual results, are given in Note no. 36 to the standalone financial statement.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure 6** to this report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure 7** to this Report.

Details of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available on your Company's website at: www.mahindralifespaces.com.

ANNUAL RETURN

The Annual Return in Form MGT-7 for the financial year ended 31st March, 2021, is available on the website of the Company at www.mahindralifespaces.com.

GENERAL

- The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.
- No fraud has been reported during the audit conducted by the Statutory Auditors, Secretarial Auditors and Cost Auditors of the Company.
- During the year, no revision was made in the previous financial statement of the Company.
- For the financial year ended on 31st March, 2021, the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

CAUTIONARY STATEMENT

Certain statements in the Boards' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Disclaimer

The Company shall be registering its forthcoming projects at an appropriate time in the applicable jurisdictions / States under the Real Estate (Regulation and Development) Act, 2016 (RERA) and Rules thereunder. Till such time, the forthcoming projects are registered under RERA, none of the images, material, projections, details, descriptions and other information that are mentioned in the Annual Report for the year 2020-21, should be deemed to be or constitute advertisements, solicitations, marketing, offer for sale, invitation to offer, or invitation to acquire within the purview of the RERA. The Company uses carpet areas as per RERA in its customer communication. However, the data in saleable area terms has been presented in the Annual Report for the year 2020-21 to enable continuity of information to investors and shall not be construed to be of any relevance to home buyers / customers.

ACKNOWLEDGMENT

The Directors would like to thank all shareholders, customers, bankers, contractors, suppliers, joint venture partners and associates of your Company for the support received from them during the year. The Directors would also like to place on record their appreciation of the dedicated efforts put in by employees of the Company.

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Date: 12th May, 2021
Place: Mumbai