

Management Discussion and Analysis

Mahindra Lifespace Developers Limited ('Mahindra Lifespaces', 'MLDL' or 'the Company') is one of the leading real estate development companies in India. Over the years, the Company has anchored its approach towards development through its mission of 'Transforming Urban Landscapes by Creating Sustainable Communities' and has created a reputation for delivering an array of successful projects, thereby establishing industry benchmarks in sustainable development.

Along with its subsidiary companies and joint ventures (JVs), Mahindra Lifespaces is engaged in developing residential projects in the premium and affordable housing segments, as well as integrated cities and industrial clusters. This chapter presents an overview of the performance of the Company during 2020-21 and its strategy for future growth.

Box 1: The Covid-19 Pandemic

2020-21 started amidst a strict nationwide lockdown in India — with tough restrictions on economic activity and mobility — and an unprecedented uncertainty about the eventual impact of the Covid-19 pandemic. Soon enough, however, it was clear that the crisis would severely impact economic performance and disrupt livelihoods and businesses.

Mahindra Lifespaces, and indeed the entire real estate sector in India, saw a collapse in construction activity following the lockdown. The Company, however, moved swiftly to meet safety and health-related challenges of its people, ensure business continuity under lockdown, adapt the organisation to operate efficiently in the new environment and prepare to ramp-up operations as restrictions were gradually lifted.

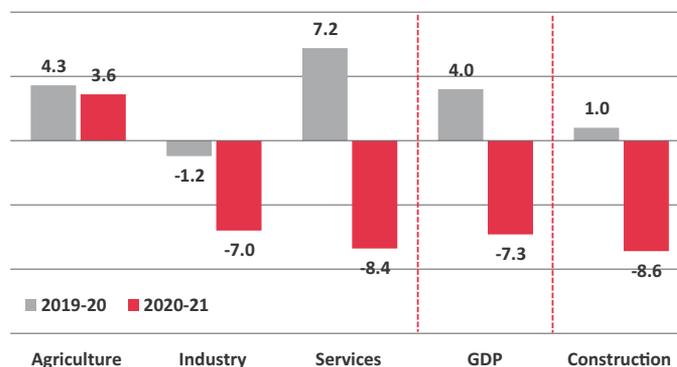
Its performance in 2020-21 reflects how the Company navigated the environment as the crisis unfolded and is covered in detail in the sections on 'Business Performance' and 'Operations'. The ongoing challenges posed by the crisis are presented in the sections on 'Threats, Risks and Concerns' and 'Outlook'.

MACROECONOMIC OVERVIEW

Global economic activity — which was already under protracted pressure since 2018 — contracted sharply in 2020 due to the Covid-19 pandemic. **According to the IMF, decline in global output in 2020 is estimated at 3.3 per cent, which is unprecedented in the manner it impacted economic performance across sectors and geographic regions.** The output loss was even higher for advanced economies which contracted by 4.7 per cent, compared to the 2.2 per cent decline in emerging market and developing economies.

India also recorded a steep contraction in output in 2020-21. **According to the provisional estimates released by the Central Statistics Office (CSO) on 31 May 2021, decline in India's Gross Domestic Product (GDP) for 2020-21 is estimated at 7.3 per cent, compared to a 4 per cent growth in the previous year.** Both industry and services were severely impacted. In contrast, agriculture grew at 3.6 per cent in 2020-21 — cushioning some of the decline in GDP. Chart A plots the data over the last two years.

Chart A: Growth Rate (%) – GDP & Key Sectors



From the real estate industry's perspective, the construction sector — which accounts for around 7.5 per cent of GDP — contracted by 8.6 per cent in 2020-21, compared to a growth of 1.0 per cent in 2019-20. However, what is heartening to know is that the sector revived considerably once construction activity resumed as the lockdown was gradually lifted — growing at 10.7 per cent in the second half of 2020-21, compared to a 29.1 per cent decline in the first half of the year. As we shall see, this revival of the sector is also reflected in MLDL's performance in 2020-21.

Even as the uncertainty and challenges posed by the Covid-19 pandemic continue, the world is better placed today than a year ago — armed with multiple vaccines and more effective therapies to combat the infection as well as having gradually adapted to a pandemic-appropriate way of going about its business. Significant policy support by governments across the globe have also contributed to an improved outlook.

Considering this, the IMF has projected a stronger recovery for the global economy in its most recent World Economic Outlook published in April 2021 compared to its earlier assessments in October 2020 and January 2021. **According to IMF's latest estimates published in April 2021, global output will grow at 6 per cent in 2021 and 4.4 per cent in 2022. India, too, is expected to record a significant increase in activity with GDP growth estimated at 9.5 per cent in 2021-22 by the Reserve Bank of India in its latest Report released on 4 June 2021.**

Despite downside risks, agriculture and allied activities continue to be resilient and a normal south west monsoon is expected in 2021. This augurs well for rural demand and will also keep a check on food prices. Urban demand has also been gaining momentum as the economy revived and should get further support from the ongoing vaccination drive. On the production and investment front, accommodative monetary policy and strong fiscal support including the production-linked incentive scheme should spur demand. Simultaneously, despite some tightening of global commodity prices, the recent softening of energy prices is likely to keep inflationary pressures in control, allowing room for further policy interventions.

OPPORTUNITIES

As the year started with the economy under complete lockdown and unprecedented uncertainty, the focus initially was on health risks posed by the Covid-19 pandemic. The market for real estate, and indeed for all high-value and discretionary spend categories, saw extremely limited activity in the first quarter (Apr-Jun) of 2020-21 as both consumers and businesses adjusted to the emerging realities of living and operating under the pandemic.

Residential Developments

After a complete collapse at the beginning of the year, the demand for residential developments started to turn around towards the end of the second quarter of 2020-21 as the lockdowns were lifted, with a more complete and swift recovery in the second half of the year. Few trends contributing to this bounce back of demand are worth mentioning.

First, there was a pent-up demand from the first two quarters. Moreover, the pandemic contributed to a significant increase in firm buying decisions from end-users as they reassessed their needs and priorities. Second, home affordability increased as prices softened and interest rates bottomed-out. Third, favourable policy changes such as rationalisation of stamp duty in key markets further induced homebuyers to finalise their purchase decision. Together, these factors contributed to an even sharper increase in demand for ready inventory.

As a result, most markets in which the Company operates saw an improvement in demand-supply balance and new launches in the latter half of the year. These were true for MLDL as well. There is a visible trend for more functional and thoughtfully designed homes with pertinent amenities, which Company is well placed to deliver. Its offerings in the affordable housing, exemplify the new breed of products that the Company seeks to bring to market, saw strong demand during the year.

Another important aspect of the current real estate market is the marked preference for trusted and established developers with a good track record, especially when it comes to new and under-construction projects. This has also helped MLDL in achieving better traction among homebuyers. On the supply side too, this preference coupled with its strong balance sheet has allowed the Company to access better opportunities when it comes to land procurement and partnerships.

Accordingly, the Company’s strategy is to capitalise on these opportunities and build a stronger presence in its key markets – Mumbai and Pune – where it already has multiple successful projects. Simultaneously, it will continue to evaluate opportunities in other markets with favourable demand situation such as Bengaluru. As for product segments, the Company will expand its offerings under both premium and affordable housing segments – marketed under the ‘Lifespaces’ and ‘Happinest’ brands respectively – with a focus on sustainable developments and delivering differentiated products through design and innovation that enhance the living experience.

Integrated Cities and Industrial Clusters (IC&IC)

The demand for industrial land was significantly impacted in 2020-21. However, despite curbs on international travel coupled with

tendency to defer investment decisions meant lower conversion of leads during the year, the situation improved considerably after the lockdown was lifted with a healthy increase in enquiries.

Here are some key factors contributing to this improvement in outlook. First, large MNCs with China-centric production facilities are looking to mitigate geopolitical risks by following a more diversified approach to operating locations. Second, the Government of India is offering fiscal support and concessions for domestic manufacturing under *Atmanirbhar Bharat*. These include measures such as tax sops for new companies, multi-sector production-linked incentive schemes, expanding the definition of MSMEs and providing them with liquidity support. Third, the pandemic has significantly increased e-commerce activity and increased the demand for space from several ancillary industries such as packaging, warehousing and logistics. Much of this demand is for ready-built and built-to-suit solutions in well-serviced environments which the Company is well placed to deliver.

Mahindra Lifespaces is a pioneer in the Integrated Cities and Industrial Clusters (IC&IC) segment. It markets its products under this segment under two formats: large integrated cities under the brand ‘Mahindra World City’ and smaller industrial clusters under the brand ‘Origins’. Currently, there are two operational Mahindra World Cities in Chennai and Jaipur and an operational Origins project in Chennai. Development work is currently in progress in another industrial cluster project called Origins Ahmedabad.

With these four projects, the Company has projects in some of the most important industrial corridors in India. This is in line with its strategy to offer multiple destinations to prospective customers that provide plug-and-play infrastructure based on their needs and cater to all major industrial sectors.

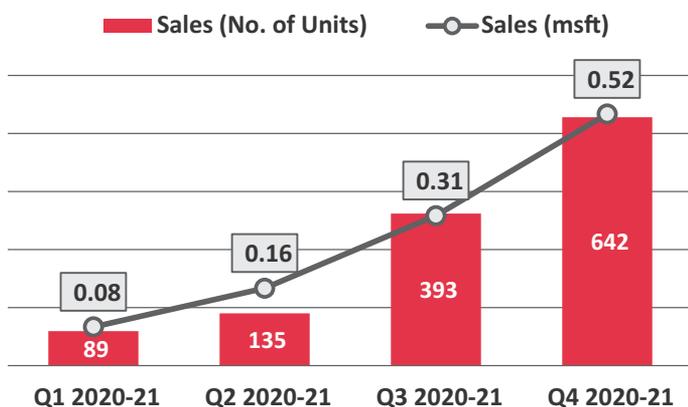
BUSINESS PERFORMANCE

Residential

With the year starting amidst the national lockdown and unprecedented uncertainty, there was extremely limited activity in the first quarter of 2020-21 (April-June). Construction at project sites came to a halt and Mahindra Lifespaces had to defer launches of some of its residential project. This also affected collections, completions and receipt of occupancy certificate in projects, which impacted revenue recognition. The situation started to turnaround in the second quarter, with the recovery gathering further momentum in the latter half of the year.

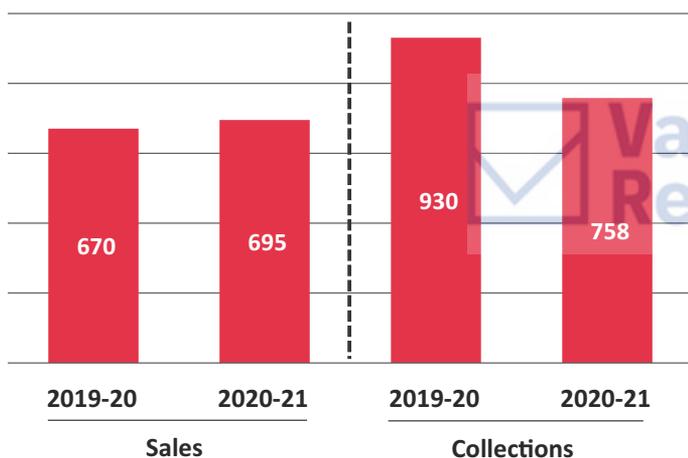
This gradual ramp-up in activity is reflected in the Company’s performance during the year, as shown in Chart B. During 2020-21, it launched three new projects, starting with Happinest Palghar in the Mumbai Metropolitan Region (MMR) in the second quarter of the year (Q2 2020-21), followed by Alcove in MMR and Happinest Tathawade in Pune in the fourth quarter (Q4 2020-21). The Company also launched fresh inventory in two of its existing projects —Vicino (MMR) and Happinest Avadi (Chennai).

Chart B: Sales Performance in 2020-21



Despite a standing start, Mahindra Lifespaces registered a creditable performance during the year – with sales of 1,259 residential units aggregating 1.07 million square feet (msft) of saleable area in 2020-21, compared to 1,624 units comprising 1.31 msft of saleable area in the previous year. In value terms this represents sales of ₹ 695 crore in 2020-21, compared to ₹ 670 crore achieved in the previous year.

Chart C: Sales and Collections (₹ Crore)



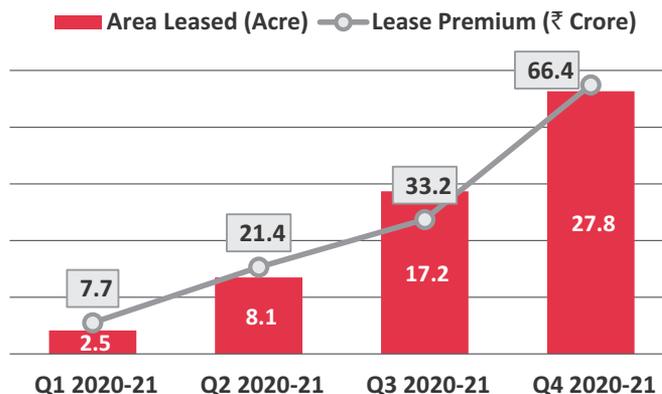
Overall collections remained strong at ₹ 758 crore in 2020-21, compared to ₹ 930 crore in 2019-20 (See Chart C) – which reflects the Company's ability to generate cash even in such difficult times and is a testimony to its customer centric processes and efficient project execution. Despite fall in activity during the lockdowns, Mahindra Lifespaces completed construction of 0.39 million square feet¹ in 2020-21, compared to 1.07 million square feet in 2019-20. Handover of units also picked-up as the year progressed, with 605 units being handed over to homeowners during the year.

Integrated Cities and Industrial Clusters (IC&IC)

The performance of the Integrated Cities and Industrial Clusters business also improved as the year progressed (See Chart D). In 2020-21, the IC&IC business leased around 55.6 acres² of land,

compared to 43 acres in 2019-20. This included transactions across all three operational projects of the Company, including Origins Chennai, its new industrial cluster project. Total lease premium generated in 2020-21 was ₹ 129 crore, compared to ₹ 104 crore in the previous year.

Chart D: Lease Area and Premiums



OPERATIONS – PROJECTS UPDATE

Residential

Table 1 provides a snapshot of the Company's project portfolio across different markets. As of 31 March 2021, Mahindra Lifespaces and its subsidiaries have completed projects covering 17.93 million square feet (msft)¹ in the residential segment, including 0.39 msft completed during the year.

Table 1: Projects Snapshot as on 31 March 2021 (million square feet#)

Location	Completed Development	Current Development	Future Development
MMR*	3.66	1.84	1.69
Pune	3.31	0.85	0.68
Nagpur	1.00	0.55	0.00
NCR**	3.49	0.41	0.43
Bengaluru	0.87	0.00	0.79
Chennai [^]	4.12	0.62	1.12
Hyderabad	1.08	0.00	0.00
Jaipur [^]	0.40	0.00	0.00
Total	17.93	4.27	4.71

Estimated saleable area

* MMR includes Mumbai, Boisar, Palghar, Thane, Kalyan and Alibaug

** NCR includes Delhi, Gurugram and Faridabad

[^] Includes residential and commercial developments inside MWC Chennai and Jaipur

Mahindra Lifespaces is currently developing 4.27 million square feet with another 4.71 million square feet available in the form of future projects of which 2.42 million square feet are new phases of ongoing projects and 2.29 million square feet are fresh projects for which design development or approvals are underway. In addition, the Company has a landbank with a development potential of around 5.74 msft.

¹ Completed area includes only the projects/phases where construction is complete and occupancy certificate has been received. It does not include under construction projects and selected projects that were completed by GESCO.

² Figures for land leased includes lease of 7.7 acres and 9.2 acres in 2019-20 and 2020-21 respectively which are outside the boundary of MWC, Chennai, as per the master plan but held by Mahindra World City Developers Limited (MWCDL).

Table 2 provides project-wise status of sales and construction in ongoing projects and information on new projects where design and development is underway.

Table 2: Project-wise Status as on 31 March 2021

Market	Project	Area (million square feet)				Status (% of Launched)	
		Total	Launched	Ongoing	Forthcoming	Sales [®]	Construction [®]
Completed / Ongoing Projects							
MMR	Serenes	0.15	0.06	0.06	0.09	5%	83%
MMR	Roots	0.14	0.14	0.14	-	69%	70%
MMR	Vicino	0.27	0.18	0.18	0.09	42%	68%
MMR	Alcove [#]	0.39	0.15	0.15	0.24	24%	29%
MMR	Happinest Kalyan [^]	0.84	0.84	0.84	-	80%	47%
MMR	Happinest Palghar 1 [^]	0.43	0.43	0.29	-	81%	80%
MMR	Happinest Palghar 2 [^]	0.36	0.18	0.18	0.18	52%	30%
Pune	Centralis	0.34	0.34	0.34	-	99%	41%
Nagpur	Bloomdale [^]	1.55	1.55	0.55	-	75%	71%
NCR	Luminare [^]	1.20	0.77	0.41	0.43	41%	93%
Chennai	Aqualily [^]	1.58	1.51	0.16	0.07	0%	37%
Chennai	Lakewoods ^{^#}	0.90	0.28	0.28	0.62	78%	57%
Chennai	Happinest Avadi	0.73	0.71	0.18	0.02	100%	83%
Pune	Happinest Tathawade	1.19	0.51	0.51	0.68	51%	18%
Total		10.08	7.66	4.27	2.42		
New / Forthcoming Projects[§]							
	Kanakpura, Bengaluru	-	-	-	0.79		
	MWC, Chennai [^]	-	-	-	0.41		
	Kalyan, MMR	-	-	-	1.09		
Total		-	-	-	2.29		

All values and percentage are inclusive of joint development share wherever applicable.

@ Percentage of Sales and Completion is based on ongoing development in such project.

[^] Projects implemented by subsidiaries and JV companies.

[§] The areas of the forthcoming projects are estimated areas and are subject to change basis final approvals.

Integrated Cities and Industrial Clusters (IC&IC)

The Company's interest in this segment comprises two Mahindra World Cities (MWCs) at Chennai and Jaipur, and two Origins projects in Chennai and Ahmedabad.

These industrial projects have a combined gross area of over 5,000 acres and a leasable potential³ of over 3,500 acres. In 2020-21, it leased around 56 acres of land, up from 43 acres in the 2019-20, taking the cumulative area leased under these projects to over 2,000 acres. As on 31 March 2021, the three operational projects – two MWCs in Chennai and Jaipur and Origins Chennai – had over 160 companies from over 20 countries, making these truly global developments. Combined direct employment provided by these projects stood at around 55,000 persons.

MWC Chennai (MWCDL) is the Company's first integrated city project with gross 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).

In 2020-21, it leased 2.23⁴ acres to three new clients – taking the total leased area to 1,120 acres. MWC Chennai has leased 100 per cent of its existing land inventory in the SEZ and DTA, but continues to offer lease options in the Residential & Social Zone. Last year, MWCDL the developer of MWC Chennai, received approval from the Ministry of Commerce

³ Leasable potential of IC&IC wherever mentioned are based on management estimates.

⁴ Mahindra World City Developers Limited (MWCDL) has some land inventory outside the boundary of MWC Chennai. In addition to the 2.23 acres of project land in MWC Chennai leased in 2020-21, MWCDL also leased another 9.2 acres outside the boundary of MWC Chennai.

and Industry for de-notification of approximately 137 acres in the SEZ's non-processing area. Approximately 25 acres out of this de-notified land, which was leased earlier to another subsidiary of the Company, Mahindra Integrated Township Limited (MITL), for undertaking residential development, is now in the process of being converted to industrial land for which approvals are underway. This will allow MITL to cater to the market for industrial land.

At the end of 2020-21, the total number of industrial customers in MWC Chennai was 69 – 26 in the SEZ and 43 in the DTA. Of these, 59 companies are currently operational and another two are under construction. During the year, MWC Chennai also saw the signing of agreement between Pegatron – a Taiwan-based electronics manufacturer for branded vendors such as Apple Inc. and Casa Grande – a build-to-suit factory space developer and operator in MWC Chennai, for setting up a manufacturing unit for Apple iPhones. This will be the first unit of Pegatron in India and will employ close to 4,000 people in the first phase.

Completed residential projects at MWC Chennai saw an increase in occupancy to 2,350 families. Construction is currently in progress in its residential project Lakewoods, for which details have already been provided in the section on residential developments. The city has all key infrastructure and amenities for its residents such as retail and commercial centre, health and education. As a mature project, the focus is on community building and other initiatives that enhances the liveability quotient of the city and promote it as a destination of choice.

Due to the Covid-19 pandemic, the focus of customer engagement initiatives shifted from large community events to

initiatives aimed at containing spread of the disease as well as working with companies and resident associations to ensure supply of essentials during the lockdown. As the lockdown was lifted, focus shifted to proactively assisting the companies to swiftly restart their operations. This won the Company sincere appreciation of its customers and residents. **In 2020-21, MWC Chennai received awards for “Sustainability” and “Thought leadership” at “fDi Global Free Zones of the Year 2020” and the “Best Industrial Park in Tamil Nadu – 2021” by Government of Tamil Nadu and Business Today. During the year, MWC Chennai emerged as India’s first integrated city to be “Zero Waste to Landfill” certified, adding to Mahindra Group’s accomplishments as a group focused on sustainable developments.**

MWC Jaipur is the Company’s largest integrated city project with gross area of 2,913 acres and a leasable potential of 2,011 acres across its SEZ, DTA and the R&S Zone. It has also partnered with International Finance Corporation (IFC), a member of the World Bank Group, for the development of this project.

In 2020-21, it leased around 29 acres to nine new and three existing customers – taking the cumulative leased area to 863 acres. MWC Jaipur ended the year with 102 customers – 55 in the SEZ, 45 in the DTA and 2 in Social Infrastructure. Of these, 67 companies are operational, and another eight companies are expected to start operations in 2021-22. It currently caters to a wide range of industries including IT/ITeS, e-commerce, warehousing, logistics, packaging, engineering, defence, auto components, food processing, apparel, furniture, handicrafts, jewellery and herbal products.

With increase in its customer base, MWC Jaipur has institutionalised a customer engagement platform called ‘Coalesce’ to discuss operational matters and collaborate on new initiatives. Owing to COVID-19, these events were carried out online during 2020-21. The focus was on safety and hygiene as well as effective maintenance and keeping essential services operational during the lockdown. As the lockdown was lifted, the focus shifted to getting companies operational — by proactively helping them comply with Covid protocols, getting appropriate approvals and immediate provisioning of maintenance services.

In recognition of these efforts, MWC Jaipur received three awards: (i) “Gold Award” for outstanding achievement in Occupation, Health Safety & Security in Real Estate & Construction Sector at 8th Exceed Sustainable Development Foundation Award, (ii) “Trophy plus Certificate” under Corona Warrior category at 12th CIDC Vishwakarma Award for exemplary contribution in keeping the wheels of the Indian Construction Industry in motion despite the pandemic, and (iii) “Gold Award” in the service sector category at 4th CII National Safety Practice Awards for Excellence in Workplace Safety. It was also recognised for “Top CSR Project” in Jaipur 2020-21 by The CSR Journal and received “fDi Global Free Zones of the Year 2020” Bespoke Award for Incentives.

MWC Jaipur is committed to sustainable development. It is Asia’s first and world’s largest project to reach C40 Climate Positive Development Program (CPDP) Stage 2. It regularly carries out several initiatives that contribute to the sustainability and well-being of the environment and the communities in which it operates.

Origins Chennai is the Company’s first industrial cluster project, which is being developed through its step-down subsidiary Mahindra Industrial Park Chennai Limited (MIPCL), a JV with Sumitomo Corporation. Launched in April 2019, this project in North Chennai currently has a gross area of 289 acre with a leasable potential of 209 acres. Origins Chennai is also Tamil Nadu’s first IGBC Platinum Certified industrial park, reflecting the strong focus on principles of sustainability employed in its design and development.

In 2020-21, MIPCL leased out 15 acres of land to four new customers: Kobelco (Japan) and three companies from Taiwan – InTJR, Autogrip and Masano Seiki. Besides, one existing client leased additional land during the year, taking the total leased area to 53 acres.

Origins Ahmedabad is the Company’s second industrial cluster near Ahmedabad, Gujarat, with gross area of around 340 acres and a leasable potential of 221 acres. It is being developed through its subsidiary, Mahindra Industrial Park Private Limited (MIPPL), in strategic partnership with International Finance Corporation. The Company has obtained all major approvals for the project and the onsite development of the core infrastructure is in progress. During the year, focus was on provisioning for utilities such as water and gas as well as building better visibility and connectivity.

OPERATIONS – STRATEGIC PRIORITIES

Mahindra Lifespaces has identified certain strategic priorities through careful analysis of its long-term growth objectives. With Covid-19, the Company intensified its efforts to institutionalise the use of digital and technology-based solutions across the organisation to consolidate its gains and drive efficiencies in these areas.

Customer Acquisition and Engagement

MLDL’s activities in this area encompass marketing and brand building efforts to generate enquiries, convert them into actionable leads and to drive sales. Given the restrictions on mobility and the change in environment following the pandemic, the Company’s efforts during the year can be structured into three broad themes.

First, understanding the change in the needs, expectations and priorities of customers due to Covid-19 and implementing these design changes to create relevant and differentiated products. A series of interesting insights on home ownership were generated through an innovative customer research initiative called ‘LifeSlices’ (See Box 2). This aided in creating appropriate design interventions for new product launches during the year. The findings were also shared with the press and media to generate greater visibility for the brand.

Box 2: Consumer Insights from ‘LifeSlices’ — Expectations from Post-Covid Homes

The Covid-19 pandemic has changed the way people view and experience homes as they adjust to the needs of new hygiene routines, social-distancing, self-isolation or work-from-home. Here are a few insights:

- Need for safer touch-free environment; sanitation facilities in the apartment lobbies; provision for contactless deliveries.
- Value spacious and functional apartment design; flexible spaces for multiple-uses such as study and work-desk; balconies as an important factor in purchase decision.
- Greater adoption of home automation and ‘smart’ technologies such as televisions, lighting and voice-enabled devices; repurpose space for entertainment area.
- Reimagining common areas and club houses as open-air gymnasiums, rooms for isolation; amenities like ambulance on call, pharmacy and doorstep delivery of essentials.

Second, the entire focus of marketing shifted to effectively utilise digital assets and technologies, audio-visual forms of communication and social media to generate pull for the brand and improve the quality of leads. The Company’s website and project microsites were transformed for a complete digital product experience. It ran over 20 digital advertisement campaigns on social media for its three new project launches during the year, generating tremendous reach and visibility among prospective buyers. In addition, several brand campaigns were carried out on social media to connect with homebuyers during the pandemic and reinforce its brand proposition of ‘Joyful Homecomings’.

The Company’s “Ghar Ko Bolo Happy Diwali” campaign featured among the Best Campaigns of Diwali 2020 by Mad Over Marketing.

Third, significant efforts were made to increase the reach of its channel partner network and to equip them with technology-based solutions to operate effectively under the constraints posed by the pandemic. During the year, the Company augmented the scope and coverage of ‘HappiEdge’ — its mobile app for channel partners — which now serves as a repository for all project marketing material and includes modules for learning and development, lead management and transaction processing. This application is now available for all 5,000+ channel partners of the Company.

Customer Centricity

The Customer Relations (CR) function at Mahindra Lifespaces endeavours to service its customers during the entire lifecycle — from booking to post-handover facilitation. The Company has been at the forefront of deployment of best-in-class IT solutions that improve efficiencies and enhance its ability to handle scale. This approach towards technology has helped Mahindra

Lifespaces significantly as it navigated the environment following the Covid-19 crisis.

During the year, the entire focus was on digitising physical workflows and processes so that these could be performed remotely and without paper documentation. Some of the key transformations are discussed below:

- ‘Zero-Touch Product Launch and Sales’ platform — a 100% digital, sales and customer onboarding platform with features such as virtual walkthroughs and site visits, e-KYC, online booking and payments. **The entire sales process for ‘Happiest Palghar’, which was the first project launched after lockdown in September 2020, happened on this platform — with over 1,550 virtual meetings and more than 240 bookings at the time of launch.**
- ‘Integrated Sales and Service’ technology platform of the Company that provides seamless interactions across all key functions — pre-sales, sales, CRM, marketing, facilities management (FM) and feedback — has evolved over time with new capabilities and features. **In 2020-21, a new communication tool was implemented enabling the Company to engage with leads and customers through multiple channels such as WhatsApp, SMS and automated calls, while maintaining the complete interaction history.**
- ‘M-Life’ — the mobile app for customers — was upgraded to enhance the services offered and improve their effectiveness. At the same time, ‘Customer Assist’, the Company’s single contact number for customer and ‘Back Office’, a dedicated team to carry out important administrative tasks such as invoicing and payments and document management continued to provide support to the customers during the pandemic, enhancing customer satisfaction and building trust.

The Company continues to facilitate registration of units for the homeowners, something which assumed even greater significance due to the pandemic as the process moved completely online. Over 350 online registrations were completed in 2020-21. Post-handover services and FM have been key areas of focus. During the year, traditional value-added services such as interior solutions, electrical fittings, lighting were complemented with partnerships with digital platforms offering online activities and services for consumers. From the FM perspective, the Company ensured continuity of services with established Covid-related safety and hygiene protocols.

Execution Excellence

Mahindra Lifespaces considers efficient and timely execution of projects as its key strategic and operational priority. Over the years, it has deployed industry-leading innovations and technologies coupled with robust processes and standard operating procedures (SOPs) to build capabilities and scalable operations. Besides, its focus on total quality management principles (See Box 3) have enabled it to deliver projects that meet the expectations of customers and enhance satisfaction.

Box 3: Total Quality Management at Mahindra Lifespaces

- The Company has adopted the principles of Total Quality Management (TQM) under the banner of 'The Mahindra Way'. (TMW) — the Mahindra Group's integrated approach to promote excellence in all spheres of its operations. In 2020-21, both Residential and IC&IC business segments maintained its position at Level 3 in the TMW assessment.
- The organisation is 'Integrated Management System' certified since 2013 complying to standards of ISO 9001 - Quality Management System; ISO 45001- Occupational Health and Safety Management System; and ISO 14001 - Environmental Management System.
- The Company has an established 'Quality Policy' which is deployed through quality objectives for each function. All processes starting from land acquisition to facility management are in place. Its quality management system based on Plan-Do-Check-Act (PDCA) approach has been instrumental in improving quality of its products, thereby leading to defect free delivery and enhanced customer satisfaction.

The year started with all construction activity under complete shutdown and the workforce dwindling to a fraction of its pre-Covid strength. Mahindra Lifespaces moved swiftly to assess the situation and devise mechanisms for attracting and retaining workers as well as to ensure their health and safety as construction activity resumed. Box 4 presents activities and processes followed at project sites to deal with the Covid crisis. With sustained efforts, the worker strength improved in the latter half of the year and the Company was able to make up most of the delays in construction activity by the end of 2020-21.

Box 4: Preparedness at Project Sites to Deal with Covid-19 Crisis

- **Early Risk Assessment and Mitigation:** Data collection and analysis to map business continuity risks; placed safety protocols for movement of labour to sites; explored possibilities for on-site accommodation.
- **Safety and Hygiene at Project Sites:** Installed thermal screening, hand sanitisation and hand wash stations at multiple locations within project sites; tied-up for periodic fumigation services.
- **Health Services:** Arranged for doctor visits on alternate days; coordinated with medical centres and health officials.
- **Preparedness at Labour Camps:** Provisioned for food and groceries, supply of drinking water, sanitisation facilities, power and medical support.
- **Training and Awareness:** Workshops on site safety, safe distancing practices and Covid-appropriate behaviour; improving awareness, alleviate concerns while allaying myths; putting sites on alert with signages and notice boards with emergency contacts; sensitising contractors on moral and legal obligations to support the workforce.

Mahindra Lifespaces owes its success in dealing with the Covid crisis to its proactive approach and 'safety culture' which involves perceiving risks and rectifying it systematically. Its projects have reached a maturity level in use of personal protective equipment,

housekeeping, adherence to systems and aims to eliminate unsafe acts by proactive reporting of incidents. **During the year, overall outcome of safety related efforts are zero reportable and non-reportable accidents, drop in first aid cases and suitable awareness among operatives at all levels paving the way for a good safety culture in the organisation.**

In recognition of its efforts, Mahindra Lifespaces won the "Award for Corona Warriors" at the CIDC Vishwakarma Awards for the year 2020-21. Its project Happinest Kalyan also won a special "Achievement Award for Construction Health, Safety & Environment (CODE-K)" at the same event.

The Company's focus on execution excellence is driven by the "First Time Right" approach, with proper adherence to SOPs, specifications and codes and robust project control and monitoring mechanism for three essential parameters of time, cost and quality. During the year, it adopted innovative technologies such as "Stay in Place Formwork" which helps in speedy and quality construction and sustainable construction methods like "Plastic Concrete Road" that reduce carbon footprint.

In another important developments during the year, it implemented a real-time online monitoring platform, sensor-based technology for monitoring concrete and laser-based levelling instruments paving the way for greater adoption of IoT technology and upgrading its monitoring mechanisms to gauge construction quality and progress.

Land and Capital

Mahindra Lifespaces has a strong balance sheet and has access to debt for its growth at extremely competitive rates. **As on 31 March 2021, debt at IND-AS consolidated level stood at ₹ 229 crore and the average cost of debt during 2020-21 was 7.05%, down from 8.66% in the previous year.**

The Company has formed partnerships spanning all its business segments:

1. With Actis GP LLP ("Actis"), a private equity firm, for residential projects in the premium segment. The JV company, Mahindra Homes Private Limited, currently has two projects — Luminare in the National Capital Region (NCR) and Windchimes in Bengaluru.
2. With a fund managed by HDFC Capital Advisors Limited for projects in the affordable housing segment, having a joint commitment of ₹ 500 crore in the JV company — Mahindra Happinest Developers Limited. Happinest Palghar 1 & 2 and Happinest Kalyan are being developed under this partnership, taking the total footprint under this JV to 1.42 million square feet.
3. With Sumitomo Corporation, Japan for development of its industrial cluster project Origins, Chennai — which is being developed under a 60:40 JV between Mahindra World City Developers Limited and Sumitomo Corporation.
4. With International Finance Corporation (IFC), a member of the World Bank Group, for the development of industrial parks with an investment commitment of up to USD 50 million. So far, IFC has invested in Origins, Ahmedabad, and MWC Jaipur.

Mahindra Lifespaces is focused on growing its current project portfolio. Despite the pandemic, it launched three new projects and phases in another two projects aggregating 0.94 million square feet. Given the current market conditions, it also sees opportunities for the acquisition of stressed assets, redevelopment projects and asset light models through joint-development, JVs

and development management routes with landowners. The Company has dedicated teams in place to evaluate opportunities in this respect.

The Company's strong balance sheet and brand equity has allowed it better access to land deals and opportunities for collaborations in the current environment. This has allowed it to build a strong pipeline of deals under evaluation or where active negotiations are in progress. In 2020-21, it closed two land transactions:

1. Kalyan: Agreement for sale for 10.3 acres of land to develop a residential project with a carpet area of approximately 7 lakh square feet.
2. Bengaluru: Acquired 7.89 acres of land to develop a residential project with a carpet area of approximately 5 lakh square feet.

INFORMATION TECHNOLOGY (IT)

Mahindra Lifespaces has been at the forefront of deploying a strong IT and communication infrastructure across all key business and administrative functions as well as its project sites. Its considerable investments in technology and processes over the years have held it in good stead during the Covid-19 pandemic, not just to ensure business continuity but also to quickly develop solutions and digitise core operations such as product launches, marketing and sales, that were hitherto carried out within a more traditional framework.

The Company's IT infrastructure includes SAP ERP for its core and peripheral business functions, which is fully integrated with SFDC — the Company's integrated sales, servicing and communications platform. It also includes primary and disaster recovery data centres, best-in-class remote audio-visual communication and productivity tools, and access to specialised industry-specific software.

As the economy went into lockdown following Covid-19, the Company implemented several innovative initiatives leveraging its IT infrastructure to ensure business continuity and efficient operations in a challenging environment:

- Ensured seamless collaboration within the Company as well as with external partners and vendors right from the first day of the lockdown through appropriate **work-from-home** technologies for tele-conferencing, sharing information and training interventions. It upgraded **HappiEdge** — the mobile app for channel partners — with tools required to operate remotely that increased its adoption manifold.
- Developed **Zero-touch Product Launch and Sales** platform and upgraded the **Integrated Sales and Service** platform with enhanced communication capabilities before the economy started to open-up, so that it would be up and running in time for new launches. These have already been covered in the earlier section on 'Customer Centricity'. Also implemented business development and land acquisition process in the integrated platform to evaluate land deals and opportunities.
- On the projects side, implemented the first two phases of the **Project Lifecycle Management (PLCM)** solution for real-time online monitoring of the entire construction value chain. This also helped in linking quality and safety parameters to work completion and contractor payments. Three projects were onboarded in 2020-21. The onboarding of remaining projects, along with the implementation of the final two phases of the solution is expected to happen in

2021-22. Besides, it upgraded the **E-Tendering** application to enhance efficacy and reporting.

- The Company fully implemented a cloud-based **Document Management System** in 2020-21 that enables seamless collaboration and drives data based sequential decision making, SOP adherence and accountability. Adoption increased substantially in terms of both processes and functions as well as users. As a result, several functions and workflows have become completely paperless.
- With most people working remotely during the year, the need for real-time analytics, reporting and dashboards increased significantly. The Company upgraded its **Dashboarding and Analytics** platforms for business reviews and insights for decision-making. While the integration with SAP and SFDC is complete, integration with PLCM is planned in 2021-22.

Mahindra Lifespaces will continue to leverage IT and digital technologies to improve its efficiencies and gain competitive advantage. Going forward, it seeks to use its understanding of operating under the pandemic during the year to further enhance its capabilities and maintain its leadership in the real-estate sector when it comes to adopting technology.

HUMAN RESOURCES

Mahindra Lifespaces believes that people determine success of an organisation and play a pivotal role in accelerating its growth. While its focus to strengthen its HR policies and processes to attract and retain the best talent in the industry continued during the year, these were times when Covid-19 created unprecedented disruption — in our homes, communities as well as workplaces.

In 2020-21, it was therefore critical for the Company to step up and address not just the basic needs of safety and security, but also focus on employee experience to create a meaningful impact in their lives. **Based on employee feedback, organisational needs and the external environment, we chose to concentrate on three areas — Career, Connect and Care.**

- **Career:** These initiatives were around three themes. First, immediately after the lockdowns when there was significant uncertainty about the impact on business. At that point, the Company reassured employees on job security, salary payments and supported reimbursements for work-from-home. Second, it redefined learning and development to focus on developing managerial skills and adjust to the new normal. **Over 60 managers across locations and businesses attended "People Manager 101" program which had three modules spread over three months. Through its 'Learn from Home' series, over 5,000 manhours of training on new SOPs were carried out.** Third, with people working remotely, the annual performance appraisal process was changed to more appropriate quarterly 'performance conversations' which enabled better employee engagement.
- **Connect:** The key idea here was to have adequate and timely communication opportunities to ensure that employees were continuously updated about organisational priorities and had an opportunity to ask questions and share their thoughts. This was especially important as the **Company onboarded new talent at leadership level and formed cross-functional teams on key priorities and challenges which required intensive collaborate and brainstorming. It also launched a quarterly pulse survey to stay connected and engage with employees.**

- **Care:** Mahindra Lifespaces directly supported over 1,000 workmen during the lockdown with food, medical support and counselling. **Through the Covid-19 Relief Fund set up at Mahindra Foundation, it donated ₹ 52.5 lakh to our workmen in Residential business and O&M staff in the IC&IC business, which was transferred directly to their bank accounts.** For the employees, it carried out several online sessions and workshops on health and wellness, meditation, building immunity and understanding Covid-19 symptoms.

As on 31st March 2021, the Company together with its subsidiaries had 409 associates on its rolls.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Mahindra Lifespaces’ CSR strategy is to contribute to the local communities that it operates in by focusing, among others, on the following areas of intervention: education, skill development, health, environment and sustainability. Every year, in line with the Companies Act, 2013, it pledges to spend minimum two per cent of the average net profits made during the three immediately preceding financial years towards CSR initiatives. Some of the key initiatives during 2020-21 are given below.

- **Education and Skill Development:** The Company, including its subsidiaries and associates, sponsored education of 1,928 girls and renewed sponsorship of another 930 girls under the *Nanhi Kali* project of KC Mahindra Education Trust. It also contributed for education of underprivileged children, vocational skill development programmes and formation of self-help groups. Around 150 rural youth were trained in various vocational skills and 126 women were helped in developing skills and formation of self-help groups during the year.
- **Environment & Sustainability:** The Company contributes to Mahindra-TERI Centre of Excellence, its joint research facility with The Energy and Resources Institute (TERI) to create innovative energy efficient solutions. Around 5,000 trees were planted under the Mahindra Group’s tree plantation initiative called *Mahindra Hariyali*. LED tube lights were installed in 1,300 rural homes and community establishments under its C40 initiative; and whereas six bio-toilets were constructed in government schools and colleges and under the *Swachh Bharat Mission*. Under the ‘Green Army’ initiative, it conducted 144 workshops across 84 schools to promoted education to children on sustainable living habits and encourage them to spread awareness their communities — reaching 11,333 family members in the process.
- **Health:** The Company supported 2,300 under-privileged students and families with dry ration kits in Rajasthan and Tamil Nadu, and ENT Research Society for implantation of cochlear devices in underprivileged deaf and mute children.

During the year, the Company received first position for Sustainability Performance and second position in Corporate Social Responsibility at the India Corporate Governance & Sustainability Vision Awards 2021 by the Indian Chamber of Commerce.

FINANCIALS

Table 3 gives the abridged profit and loss statement of Mahindra Lifespaces.

Table 3: Abridged Profit and Loss Statement

(₹ Crore)

	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Operating Income	89.6	439.9	166.3	610.9
Other Income	46.8	80.8	21.6	35.0
Total Income	136.4	520.7	187.9	645.9
Project and Operating Expenses	81.3	356.3	117.3	483.1
Employee and Other Expenses	114.4	147.8	142.5	184.7
Financial Expenses	3.7	1.8	11.0	7.6
Depreciation	6.7	7.3	7.0	7.7
Total Expenditure	206.1	513.2	277.8	683.1
PBDIT	-59.3	16.6	-71.9	-21.9
PBDT	-63.0	14.8	-82.9	-29.5
PBIT	-66.0	9.3	-78.9	-29.5
Share in Net Profit/Loss of Associates			12.1	-24.5
PBT	-69.7	7.5	-77.8	-61.7
Exceptional Item	0.0	-237.3	0.0	-134.6
PBT after Exceptional Item	-69.7	-229.8	-77.8	-196.3
Tax	-17.4	-3.8	-6.3	-1.7
Profit After Taxes (PAT)	-52.3	-226.0	-71.5	-194.6
Non-Controlling Interest (NCI)			0.3	-1.1
PAT (After NCI)	-52.3	-226.0	-71.8	-193.5
Diluted EPS (₹)	-10.17	-43.90	-13.96	-37.57

Standalone Financial Highlights

Total Income of the standalone entity stood at ₹ 136.4 crore in 2020-21, compared to ₹ 520.7 crore in 2019-20. Operating loss (PBDIT) was ₹ 59.3 crore in 2020-21, compared to a profit of ₹ 16.6 crore in 2019-20. The Company recorded a loss of ₹ 69.7 crore before taxes (PBT) during the year. After accounting for taxes, net losses (PAT) stood at ₹ 52.3 crore in 2020-21, compared to a loss of ₹ 226.0 crore in 2019-20.

Consolidated Financial Highlights

Consolidated total revenue stood at ₹ 187.8 crore in 2020-21 compared to ₹ 645.9 crore in 2019-20.⁵ Operating loss (PBDIT) was ₹ 71.9 crore in 2020-21, compared to a loss of ₹ 21.9 crore in 2019-20. After accounting for share of profit from JVs, losses before taxes (PBT) stood at ₹ 77.8 crore in 2020-21. Net loss (PAT) after non-controlling interest was ₹ 71.7 crore in 2020-21, compared to a loss of ₹ 193.4 crore in 2019-20.

⁵ Following the adoption of Indian Accounting Standards (IND AS) by the Company, classification of subsidiary is now based on control and not just shareholding. As a result, a few of the entities, which were formerly being consolidated as subsidiaries as per erstwhile Accounting Standards, are now treated as JVs. As per IND AS, for all JVs, equity method of accounting is applicable, whereby MLDL’s share of profit in joint ventures is directly credited to profit and loss account instead of proportional line-by-line consolidation.

Table 4 presents key financial ratios for MLDL as a standalone entity.

Table 4: Key Financial Ratios (Standalone)

Ratios	2020-21	2019-20
Debtors Turnover [^]	1.95	5.14
Inventory Turnover [^]	0.14	0.55
Interest Coverage Ratio [^]	-8.13	0.84
Current Ratio	2.47	2.86
Debt Equity Ratio	0.08	0.08
Operating Profit Margin [^] (%)	-43.5%	3.2%
Net Profit Margin (%)	-38.3%	-43.4%
Return on Net Worth [^] (%)	-3.6%	-15.1%

[^] Ratios where change is significant (over 25% compared to previous year)

As noted earlier in the report, operations were affected due to the tough macro-economic environment during the year. There was a significant decline in revenues, which could not be matched by a corresponding decline in costs due to fixed costs and overheads. As a result, Operating Profit Margin declined from 3.2 per cent in 2019-20 to - 43.5 per cent in 2020-21. This decline in revenues also led to a worsening of Debtor and Inventory Turnover ratios, even as the average inventory levels remained stable and average debtor levels came down during 2020-21.

But, at the same time, it is important to note that this decline in revenues, and therefore profitability, is also an artifact of the current accounting standards where revenue recognition is based on completed contracts method, which not only tends to be lumpy but in 2020-21 was directly affected by construction delays due to the Covid-19 induced lockdowns and subsequent shortage of manpower. In contrast, the Company recorded sales of ₹ 695 crore in 2020-21, compared to ₹ 670 crore in 2019-20. Collections also remained strong at ₹ 758 crore in 2020-21.

In 2019-20, the Company had provided for a one-time aggregate impairment loss of ₹ 237.3 crore for its investment in the JV entity MHPL. This resulted into a net loss of ₹ 226 crore in the standalone books of MLDL, resulting in a significant decline in its Net Profit Margin and Return on Net Worth in 2019-20. Therefore, even as the performance in 2020-21 reflect an improvement over 2019-20, these ratios are not comparable across the two years.

The liquidity situation remained comfortable during the year. Surplus funds available from time to time have been invested in creditworthy investments, including deposits with banks. Standalone debt equity ratio stood at 0.08, same as in 2019-20. The losses recorded during the year led to a large decline in the interest coverage ratio from 0.084 to - 8.13. However, the Company has negligible debt as a standalone entity and continues to be robust in terms of its ability to generate cash and service its debt obligation in the future.

INTERNAL CONTROLS

The Company has adequate internal control systems, commensurate with the size and nature of its business. Well documented policies, guidelines and procedures to monitor business and operational performance are supported by IT systems, all of which are aimed at ensuring business integrity and promoting operational efficiency.

An independent internal audit and assurance firm appointed by the Company conducts periodic audits to ensure adequacy of internal control systems, adherence to management policies and compliance with laws and regulations. The scope of work of this firm includes internal controls on accounting, efficiency and economy of operations. The internal auditors also report on the implementation of their recommendations.

Reports of the internal auditors are regularly reviewed at the Audit Committee meetings. The Audit Committee of the Board also reviews the adequacy and effectiveness of the internal control systems and suggests improvements, as required.

THREATS, RISKS AND CONCERNS

Mahindra Lifespaces 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. It has a Risk Management Committee consisting of two Directors, one of them being Independent Director, and the Chief Financial Officer, to review the risk management plan and oversee the complete process. 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. The Board also regularly reviews risks.

Box 5: Covid-19 — Risks and their Mitigation

The Covid-19 pandemic poses considerable risks for businesses affecting both day-to-day operations as well as longer term planning and strategy. Mahindra Lifespaces has formed a cross-functional Rapid Action Force which constantly monitors the situation and takes swift and effective actions to mitigate the risks associated with the Covid-19 crisis.

During the year, it implemented technology-aided interventions and changes in processes to ensure business continuity under lockdown and effectively carried out its business operations — from project launches to sales and collections — adapting to the new environment. It also prepared for longer term changes in behaviour and expectations of customers and is bringing-in design changes to its products for greater differentiation and acceptance in the market. These have already been covered in detail in earlier sections of this report. It also believes that its focus on innovative solutions and sustainability holds it in good stead to mitigate some of these risks. At the project sites too, technology has enabled real-time monitoring of progress and adherence to the comprehensive safety and health protocols. Equally, the Company has taken 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.

Economic Risks

Both global output and India’s GDP contracted sharply during the year due to the Covid crisis. Even as the economic performance is expected to bounce back in 2021-22 — both in India and across the world — the uncertainty and challenges posed by the pandemic continue. These can have a direct impact on the performance of the real estate sector and, hence, of the Company.

Efforts by the Government to ramp-up vaccination are expected to mitigate the health risks at the macro level. At the same time, policy measures taken by the Government of India and the Reserve Bank of India continue to be supportive — leading to better outlook for demand and investment.

Mahindra Lifespaces is also taking measures to mitigate these risks (See Box 5). Its presence in both residential and industrial sectors has been a significant source of comfort during periods of slow economic performance. On the residential side, its presence across the product segments including affordable housing coupled with a customer centric approach have mitigated product-market risks. In the market for industrial land, it will benefit from the Government's focus on growing manufacturing in India under *Atmanirbhar Bharat* as well as in catering to global corporations looking to diversify their geographic risks. Prudent financial management has kept the Company relatively insulated from economic downturns.

Operational Risks

Key operational risks include: (i) inability to sell the project as per plan, (ii) inability to complete and deliver projects according to the schedule leading to additional cost of construction and maintenance, (iii) erosion of brand value, (iv) difficulties in the appointment and retention of quality contractors and manpower, (v) inability to attract and retain talent, (vi) poor customer satisfaction, (vii) fraud and unethical practices, (viii) failure to comply with laws and regulations leading to fines, (ix) penalties, and (x) lengthy litigations. Some of these risks such as ability to retain skilled and semi-skilled migrant workforce have become more pertinent due to the Covid crisis.

Mahindra Lifespaces addresses these risks through a well-structured framework which identifies desired controls and assigns ownership to monitor and mitigate the risks. It has invested significant resources in transparent customer friendly processes and an enabling IT infrastructure, which are expected to effectively mitigate some of these risks. It also has a Code of Conduct for all its associates. The Company's corporate governance policies ensure transparency in operations, timely disclosures and adherence to regulatory compliances. As noted in Box 5, the ability of the Company to adapt to the new environment and effectively manage its entire operations under severe restrictions on mobility is testimony to its robust processes and capabilities.

Policy and Regulatory Risks

The real estate industry is often affected by changes in government policies and regulations. There are considerable procedural delays with respect to approvals related to acquisition and use of land. Unfavourable changes in the government policies and the regulatory environment may adversely impact the performance of the Company.

The Company attempts to mitigate these risks through its approach towards acquisition of land based on thorough due diligence and its transparent processes in developing the projects. Besides, its focus on environment friendly and sustainable practices helps in mitigating risks associated with environmental regulations.

OUTLOOK

The Covid-19 pandemic resulted in unprecedented uncertainty, disrupting lives and livelihoods across the world. Economic activity came to a standstill as countries went into lockdowns to contain the health crisis. This was also true for India, which

enforced a strict nation-wide lockdown on 25th March 2020. India's economy has contracted by 7.3 per cent in 2020-21. Although activity gradually resumed as the unlock happened, it was only in the second half of 2020-21 that recovery gathered momentum.

The real estate sector, which was already under pressure, was also affected as construction activity came to a complete halt due to the lockdown. But the sector bounced back once restrictions were lifted — growing at 10.7 per cent in the second half of 2020-21, compared to a 29.1 per cent decline in the first half of the year.

The Company's performance also witnessed a similar trajectory during 2020-21. As the year progressed, its focus moved from handling immediate health and business continuity related challenges, preparing and adapting to a pandemic-appropriate operating model to driving performance. It owes this successful transformation to its investments in technology, robust processes and committed teams.

While the uncertainty around the Covid crisis continues, economic prospects for India are better than these were a year ago. Mahindra Lifespaces expects the favourable market situation in the real estate sector to continue, the more so for established developers like itself with a good track record. It believes that its strong balance sheet and its ability to raise capital at competitive terms sets the Company apart among its peers. Moreover, it benefits from the Mahindra brand — a name associated with honesty, transparency, fairness and trust — which makes it more attractive for consumers as well as investors in these challenging times. Therefore, while the outlook for 2021-22 remains cautious, Mahindra Lifespaces believes that it remains well-positioned to benefit from emerging opportunities in the Indian real estate sector.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis 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 2020-21 to enable continuity of information to investors and shall not be construed to be of any relevance to home buyers / customers.