

## **MAHINDRA LIFESPACE DEVELOPERS LIMITED**

### **Transcript of 21<sup>st</sup> e-Annual General Meeting of Shareholders:**

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<b>Day:</b>	<b>Friday,</b>
<b>Date:</b>	<b>28<sup>th</sup> August 2020</b>
<b>Time:</b>	<b>3:00 p.m.</b>
<b>Venue:</b>	<b>Registered Office - 5<sup>th</sup> Floor, Mahindra Towers, Worli, Mumbai 400018 (Deemed venue)</b>

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Chairman at 3:00 pm IST:

Good Afternoon, Ladies & Gentlemen

On behalf of the Board of Directors of the Company, I extend a warm welcome to each one of you present at the 21st e-Annual General Meeting of the Company. I hope each one of you is safe and healthy.

In compliance with general circular Nos. 14 of 2020, 17 of 2020 and 20 of 2020 issued by the Ministry of Corporate Affairs this meeting is being conducted through video conferencing facility without the physical presence of members at a common venue. This has been done to looking after your safety and security as well as all our employee's safety and security. However, the proceedings of the meeting shall be deemed to have been conducted at the registered office of the Company. It's 3 o'clock and the Company Secretary informs me that the requisite quorum is present, so with your permission, I therefore, call the meeting to order.

The Company has taken requisite steps to ensure that AGM through video conference is a seamless experience for all the stakeholders and all efforts feasible under the given circumstances have indeed been made by the Company to enable members to participate and vote on each item of business.

In terms of the provisions of the Companies Act, 2013 and the SEBI LODR, your Company had provided the facility of Remote e-voting to the Shareholders to enable them to cast their votes electronically. Remote e-voting commenced on : Monday, 24th August, 2020 at 9:00 a.m. IST and concluded on: Thursday, 27th August, 2020 at 5:00 p.m. IST.

The facility for voting through electronic voting system is also made available at this meeting. Members attending the Meeting who have not already cast their votes on the remote voting system, can do voting now. But those of you who have already cast their vote, cannot amend. Similarly, those who are under the Companies Act provision, barred from voting, cannot vote. For the rest of you, the facility is there. The moderator will help you if you have any questions. All you have to do is click on the vote tab appearing on the screen.

Before I proceed further, I would like to introduce to you my colleagues on the VC. I would request each board member to acknowledge when I introduce him / her:

**Chairman introduced each Board member as follows:**

- a) Mr. Bharat Shah, Independent Director. He is also the chairman of Nomination and Remuneration Committee. Mr. Bharat Shah, thank you for joining us. Bharat is a professional with about 50 years of experience. He has held several positions including being the Chairman of HDFC Securities and many other companies. We are blessed to have the benefit of his wisdom and experience.
- b) Mr. Ameet Hariani, Independent Director. He is a senior partner of Hariani & Company. He is one of the better-known solicitors and advocates in the country that I know and you have the privilege of Ameet chairing the Audit Committee so he ensures that the corporate governance standards are at its best.
- c) I have the pleasure in introducing Ms. Amrita Chowdhury who is an Independent Director who has joined the Company during the year 2019. At this young age, she has 7 US Patents in her name, 26 years of experience, B.Tech. from IIT Kanpur, she did her MS from UC Berkeley, and then did MBA from Carnegie Mellon - Tepper Business School. She brings a lot of value on the Board both from a customer perspective and the technology perspective;
- d) Dr. Anish Shah - No words can explain what Anish is doing at this young age. Those of you may know that he will succeed Dr. Pawan Goenka as the Managing Director of Mahindra & Mahindra next year. He is currently the deputy Managing Director and CFO and most important he's a dear friend and I can always trust him;
- e) Last but not the least Mr. Arvind Subramanian, your new Managing Director and CEO. He brings in 23 years of experience. He is an engineer. He holds an MBA degree from the IIM, Ahmedabad and a B.Tech. from the IIT, Madras. He started his career with TATA group. He was for a long time with BCG where he globally led one of the verticals there. He was a senior partner there and before he came to us, he worked in the real estate sector. He's been with us for just under two years. He joined as CEO of Happinest, the

affordable housing segment and when Sangeeta decided to move on, your Board appointed him as the Managing Director & CEO and his appointment will also be coming before you later in the proceedings.

We also have with us Mr. Suhas Kulkarni, the much-loved Company Secretary of your company and Mr. Vimal Agarwal who joined us recently as the Chief Financial Officer of the Company. I must tell you that I'm privileged to have such strong colleagues who make sure that we keep the Company not only on good governance standards but also in good financial health.

I also have with me Mr. Ketan Vora, Partner of Deloitte Haskins and Sells LLP, Statutory Auditors and Mr. Martinho Ferrao, Secretarial Auditor and scrutinizer for the e-voting process. They have joined the meeting through video conferencing.

As I mentioned earlier, there have been a few changes in the Board since the last AGM.

Ms. Sangeeta Prasad about whom I will say a few words later, decided to leave the Company on 30<sup>th</sup> June 2020 to pursue other interests and we have appointed Mr. Arvind Subramanian as the Managing Director & CEO in her position and we also had the privilege of Ms. Amrita Chowdhury joining as an Independent Director of the company with effect from 13th August 2019. I've already introduced all of them before and I would recommend that you please vote in favour of their appointment because this will be in the best interest of the Company. Thank you for your support.

Since we are holding the meeting in virtual format, I will now request Mr. Kulkarni to take us through the regulatory matters and general instructions pertaining to the first ever e-Annual General Meeting of the Company. Suhas over to you.

**Mr. Suhas Kulkarni:** Thank you Mr. Chairman.

Good afternoon dear Shareholders,

I welcome you all to the 21<sup>st</sup> Annual General Meeting of Mahindra Lifespace Developers Ltd.

This e-Annual General Meeting is being held through Video Conferencing facility pursuant to the applicable MCA and SEBI Circulars. Now, I would like to take you through certain points pertaining to the meeting:

- In compliance with the MCA Circulars, the Annual Report including the notice of the 21st e-AGM, indicating inter-alia, the process and manner of e-voting, is served within the prescribed time only through electronic mode to members whose email IDs are registered with the Company / KFin / Depository Participant(s) and are holding shares of the Company as on Friday 24th July, 2020 being the cut-off date for the purpose.
- KFin Technologies Private Limited ('KFin' for short) [formerly known as Karvy Fintech Private Limited], the Registrar and Share Transfer Agent of the Company ('RTA'), have provided the facility for voting through remote e-voting, VC/ OAVM facility for participation in the e-AGM and facility for e-voting during the e-AGM. The members can attend and participate in the e-AGM through VC / OAVM only.
- Since this e-AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members is not available for the e-AGM.
- The facility of participation at the e-AGM through VC is made available for 1000 members on a first come first served basis.
- The Company has received 1 Authorised Representation representing 2,64,39,850 shares.
- All documents referred to in the Notice and accompanying explanatory statement are available for inspection up to the date of the e-AGM on the website of the Company at the respective weblinks given in the Notice.
- The Register of Directors and Key Managerial Personnel and their Shareholding, , the Memorandum and Articles of Association of the Company and the Certificate from the Statutory Auditor for the implementation of the Company's ESOS Schemes as required to be placed at the e-AGM are available for inspection through the VC facility of KFin.
- The Company had provided facility to shareholders up to 26<sup>th</sup> August 2020 to send queries in advance, on the business of the Company, proposals in the AGM Notice and other matters in the Annual Report and to register themselves as Speakers at the e-AGM. The Company has received from a few shareholders registration for speakers.

- Once the question and answers session starts, the Moderator will announce the names of the registered speaker shareholders one by one and open the lines for those shareholders. The Moderator will facilitate Questions and Answers session.
- In this new format of the VC meeting, only the pre-registered queries and queries received from the speaker shareholders shall be answered. Queries received from speaker shareholders will be answered only if they remain present for Q & A session.
- All members who have joined this meeting have been kept on mute mode to avoid any disturbance from background noise and to ensure smooth and seamless conduct of the meeting. Once the speaker shareholder's name is called out by the Moderator, the Moderator will unmute such speaker to enable him / her to speak. Before speaking, the shareholders are requested to click on the video and audio button appearing on the screen. If the shareholder cannot join through the video mode for some reason, the shareholder can speak through the audio mode.
- The shareholders are requested to wear earphones with mic while speaking so that he or she is clearly audible, this will also minimize the noise in the background. Shareholders are also requested to ensure that no other device is connected to the Wi-Fi, no other background applications are running and there is proper lighting to have a good audio and video experience.
- If there is connectivity issue at the speaker's end, the Moderator will mute such speaker and ask the next speaker to join. In the interest of time, speakers are requested to keep their speech brief up to 3 minutes to allow other speakers a chance to speak.
- Those shareholders who have not registered themselves as speakers but desire to raise any query during e-AGM, may use the chat box facility of KFin. The secretarial team will respond to them in due course.
- Members who need technical assistance during the e-AGM can contact KFin at the helpline number given in the Notice of the e-AGM.

- Remote e-voting facility has been offered to the Shareholders in line with the provisions of the Companies Act, 2013 read with the clarifications issued by the Ministry of Corporate Affairs. Since the resolutions have been put to vote electronically, there is no requirement under the Act to propose and second the resolutions.
- Kindly note that those of you who have already cast your votes on the e-voting platform shall not be again permitted to cast your votes. Votes once cast cannot be changed subsequently.
- M/s. Martinho Ferrao and Associates, Practicing Company Secretaries, has been appointed as the Scrutiniser to scrutinise the e-voting process and voting during the e-AGM in a fair and transparent manner and to ascertain requisite majority.
- The Results of the e-voting along with the Scrutinizer's Report shall be communicated to BSE and NSE, stock exchanges where the shares of the Company are listed, within 48 hours of the conclusion of this meeting, the same will also be displayed on the website of the Company and the website of KFin.

I will now briefly mention about the resolutions proposed to be passed at this meeting.

There are eleven agenda items for approval in this Annual General Meeting:

**Ordinary Business:**

1. The first item on the Notice relates to the approval and adoption of the Standalone financial statement for the year ended 31<sup>st</sup> March 2020 and the Reports of the Board of Directors and the Auditor's thereon;
2. The second item relates to the approval and adoption of the consolidated financial statement for the year ended 31<sup>st</sup> March 2020 and report of the Auditor's thereon;
3. The third item relates to the re-appointment of Dr. Anish Shah as a Director who is retiring by rotation and has offered himself for re-appointment.

**Special Business:**

4. The fourth item relates to the appointment of Ms. Amrita Chowdhury as an Independent Director of the Company for a period of five years with effect from 13th August 2020, to be passed as an Ordinary Resolution.
5. The fifth item relates to the appointment of Mr. Arvind Subramanian as a Director of the Company, to be passed as an Ordinary Resolution.
6. The sixth item relates to the appointment and remuneration of Mr. Arvind Subramanian as the Managing Director and Chief Executive Officer for a period of five years with effect from 1st July, 2020, to be passed as a special resolution.
7. The seventh item relates to the ratification of the remuneration to Cost Auditor, to be passed as an Ordinary Resolution.
8. The eighth item relates to the amendment to the Employees Stock Option Scheme 2006 (ESOS-2006) to be passed as a special resolution.
9. The ninth item relates to extension of the benefits of ESOS 2006 to the employees of holding and subsidiaries companies to be passed as a special resolution.
10. The tenth item relates to the amendment to the Employees Stock Option Scheme 2012 (ESOS 2012) to be passed as a special resolution.
11. The eleventh item relates to extension of the benefits of ESOS 2012 to the employees of holding and subsidiaries companies, to be passed as a special resolution.

The rationale and the implications of the resolutions proposed at the 21<sup>st</sup> e-AGM are already set out in the Notice and the Explanatory Statement and for the sake of brevity the same are not being repeated.

I now request the Chairman to address the shareholders. Thank you once again.

**Chairman:** Thank you Mr. Kulkarni. Ladies and Gentlemen, let me now proceed with the meeting.

The Notice of the 21<sup>st</sup> e-Annual General Meeting and the Explanatory Statement pursuant to Section 102 of Companies Act, 2013 along with the copies of the audited Financial Statement for the year ended 31<sup>st</sup> March, 2020 together with the Directors' and Auditor's Reports were sent by email within the statutory time-limit, to all those shareholders who have registered their e-mail address with their respective DPs or the Registrar & Transfer Agent or the Company.

With the permission of the shareholders, I now take the Notice of the 21<sup>st</sup> e-Annual General Meeting and the Boards' Report as read.

As the Auditors' Report on the Annual Accounts of the Company for the Financial Year ended on 31<sup>st</sup> March, 2020 and the Secretarial Auditors' Report for the Financial Year ended on 31<sup>st</sup> March, 2020, do not contain any qualifications, observations, comments or other remarks; with your permission, I take both the Reports as read.

As is customary, I will now make a brief speech.

Dear shareholders,

Let me start with my prayers that all of you and your families continue to remain safe and healthy. God bless you.

We have all gone through in the last few months the most difficult times both in our personal and professional lives. Let me tell you I'm 72 years old and this sort of a situation I believe people saw during the Second World war and that to those who were there at that time say that this is worse than what we saw at Second World War.

As I said in my Chairman's statement in the Annual Report a crisis brings both a disaster and an opportunity and I'm very pleased to share with you that your management while taking all precautions to stay away from the problems the current situation may throw up and sidestepping the dangers, if any, is equally focusing on the opportunities that will come up in the post Covid scenario. The biggest positive your Company has at present, is that we unlike our peers in the industry are not burdened with high debt and our cash flow position is more than comfortable. In addition, your management is taking requisite steps to cut costs and generate and conserve cash and I think that is what gives us confidence that not only we will sail through this difficult period. We will come out as winners at the end of it.

Let me also tell you the other areas your management is focusing on. They are developing scenarios for the next two-three years and what opportunities will arise and where do we focus and how do we benefit from the opportunities that will come in our way. All this while keeping an eye on the cash flows and the costs. It is also the wisdom of your management that we were not in the risky areas of high end residential, retail and commercial office space, the verticals which are suffering the most in real estate in recent times. Your management and their team are also getting used to new ways of working. Honestly, I had never imagined that one day people will buy houses on digital platform. As you know house purchase is probably the most expensive cheque that you cut or the highest value cheque to cut in your lifetime and people are buying that on the digital platform and that is because of the platform, the learning the team has acquired. I'm pleased to inform you that the 1st two months of this quarter, the sales velocity has improved significantly from what we saw in the first quarter and the team is effectively using the digital platform and technology, to improve the sales.

Let me share my personal views on the three segments of business your Company is engaged in.

Let me start with mid premium. We are seeing a trend of customers who had put decisions on hold, are now coming forward to close the deals. We saw that in Delhi. We saw that in Bengaluru. We saw that in Pune. We saw that in Mumbai. The people who had visited our site, 6 to 8 months ago, have come back. Off course, there has been an effort on the part of the team and people are saying we better move into new houses and I hope that this reduction in stamp duty that we saw in the papers yesterday, will also help us do that. The other trend that we're seeing is customers are considering moving into slightly larger accommodation. Thanks to social distancing. We've seen a lot of people both in the mid-market and the affordable, upgrading from 2 bedroom to 3 bedrooms and things like that. On the other hand, we are seeing many more opportunities for land acquisition. A question I'm often asked by the shareholders and I must tell you that at this time we have a very healthy pipeline of land deals with us, very actively being pursued and very diligently being screened, where we should go and what not to do and some of these deals are coming with approvals. One of our problems in delays has been the delays that happen specially in Mumbai and Pune and to get approvals from the local authorities. So when you get a Land deal with land approvals, the time to market is considerably shorten and the carrying cost of the land inventory, is also not there. We are also seeing opportunities in development management and brownfield developments and these will also help strengthen the Company's performance. As you are aware, the last financial year and sometime before that your Company primarily spent time on consolidation

sharpening its strategies and building and improving its capabilities. All these efforts, together with the opportunity that are coming our way will augur well for our future.

Affordable housing, we feel it will be a huge growth opportunity both in the near and long term. Your management has been putting a lot of effort and lot is an understatement here. Both in the area of design and construction technology, we are doing some pathbreaking work in that area and Arvind and his team has really done some disruptive thinking in that space. We fortunately have some land banks and are evaluating some more. So, you should see a quick time to market in that area. Needless to say that this area does need government support, both in terms of financing for the flat buyers because that market is very cost conscious. We are hoping that, for affordable housing, there will be a separated set of land related regulations, which will help go into both no development zone or restricted areas as well as give higher FSIs.

In the Integrated Cities and Integrated Clusters (IC&IC), I'm quite optimistic. You've been reading news that there is going to be a clear trend towards reducing dependency on one particular country. The geopolitical situation will change and if that happens, we will get opportunities in that area, significant opportunity. I am very pleased that the Government is looking at both, bringing foreign investment in manufacturing etc. but is also focusing on import substitution. You have read that right from the area of defense to the area of toy manufacturing, from the highest technology to the lowest technology, and these will provide opportunities to our IC&IC business. The good news is that your Company has ready to move in land with all plug and play facilities in Chennai (two locations), Jaipur and in origins near Ahmedabad at a place called Jansali and I am quite optimistic about it. As you know, we were pioneers in this business and we are also talking to some State Governments for future opportunities but we understand this will be a long gestation project, so this time the financial structuring of those projects will be different, to make the balance sheet light. Your management is very seriously looking at these opportunities. Other large opportunity that we see in the IC&IC space is, with the increase in the e-commerce and in which we have seen significant increase in the last few months, there is an increasing demand both from warehousing and logistics and this will be an asset light model where we will partner with people who will do this work

So, I must say that while things are looking very bleak outside, I am very positive of where Mahindra Lifespaces will go in the next few years and I need your support and patience. Although, I'm not in office, remotely I've been spending a lot of time with Arvind and the senior management and this is all based on facts that are on the ground.

Before I conclude, I want to place on record my sincere appreciation of the contribution made by Ms. Sangeeta Prasad who resigned as MD and CEO of your Company on 30th June 2020. After nearly 12 years of service, she has been indicating to me for the last few months that her calling is somewhere else and she wants to pursue other interests in life. But I want to thank her for her contribution and I also want to tell you that the various initiatives she took will help Company in the journey towards significant growth. I on your behalf would like to welcome Arvind Subramanian. He is a very well respected professional, who has experience both in consulting and real estate. I mentioned earlier that he was with BCG for nearly 15 years and he ran one of the global practices and before that he was with TATA and after BCG, he was with a very large real estate developer. I am very confident that his vision and energy will take your Company to much higher levels.

I also want to thank you shareholders for your continued support and patience and my colleagues on the call on this meeting who have worked relentlessly for the good of the Company. I want to take this opportunity to thank on your behalf and on my personal behalf, thousands of Corona Warriors who are working relentlessly to keep us and our families safe. Big thank you to all my Corona Warriors whether you're doctors, nurses or people who are working to support their facilities. I pray once again that God bless you, so that you stay safe and healthy.

Let us now move forward with the proceedings of the 21<sup>st</sup> e-AGM.

We have received a few questions from the shareholders on various topics and the Company Secretary and the CFO have confirmed to me that these have been responded by the Company over email. The members who wish to speak at the meeting were requested to register themselves as speakers with KFin. We have received response from about 25 shareholders to speak at this meeting. Traditionally, we had speakers only from Mumbai. This time, we have speakers from other cities. I want to welcome them on your behalf. My personal request to each shareholder, is that on this platform, since we have to finish the meeting and patience are less, please try to contain your speech and what you want to say in two to three minutes. I now request the moderator to facilitate the session and start calling the names of the speakers one after the other. After the shareholders speaker session is over, we will take a small break of five to ten minutes to make my notes and be ready to answer the questions. Thereafter, we will resume to respond to the questions. Mr. Moderator please takeover.

The Moderator carried out the speaker session. Mr. Tamal kumar Majumdar, Mr. Arun Kumar Boppana, Ms. Shobhana Sudhir Mehta, Mr. Mahavir L. Mehta, Ms. Hutoxi Patel, Ms. Aspi

Bhesania, Mr. Shailesh N. Patel, Mr. Shailesh Naik, Mr. Anil Parekh, Mr. Beruz Pourdehi, Ms. Lekha Shah, Mr. Praful Chavda, Mr. Dinesh Bhatia, Mr. V Sunderesan, Mr. Kirti Shah, Ms. Vasudha Dakwe, Mr. Pramod Kumar Roongta, Ms. Hodayun Pourdehi spoke at the meeting. They expressed their views and asked several questions relating to the accounts, operations, dividend, future profitability, CSR activities, etc.

After the break, the Chairman thanked the Members for their keen interest in the Company and replied suitably to all questions raised by Members.

As there was no further business to be transacted, the Chairman said that the shareholders will now be given final 15 minutes for e-voting after which the 21<sup>st</sup> Annual General Meeting will stand closed.

He then requested Mr. Martinho Ferrao, Scrutiniser appointed for the e-voting process to submit his Combined Report not later than 48 hours after the conclusion of this Meeting.

He thanked all the shareholders present in the meeting for their cooperation and patience during the conduct of the meeting and prayed for their safety and health.

At the end of 15 minutes period, the e-voting and the 21<sup>st</sup> e-AGM was concluded at 5:37p.m.

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