



MACROTECH DEVELOPERS LIMITED

Annual General Meeting

September 15, 2023

Transcript

TRANSCRIPT OF THE 28th ANNUAL GENERAL MEETING OF MACROTECH DEVELOPERS LIMITED HELD AT 3.30 P.M. IST ON FRIDAY, SEPTEMBER 15, 2022 DEEMED TO BE HELD AT CORPORATE OFFICE AT 9TH FLOOR, LODHA EXCELUS N.M. JOSHI MARG, MAHALAXMI, MUMBAI 400011 THROUGH VIDEO CONFERENCE/OTHER AUDIO-VISUAL MEANS.

– Ms. Sanjyot Rangnekar, Company Secretary, Macrotech Developers Limited:

- Good afternoon, dear shareholders. I Sanjyot Rangnekar, Company Secretary, offer a warm welcome to all shareholders to the 28th Annual General Meeting of Macrotech Developers Limited. We would like to start the proceedings with playing the Ganesh Vandana. (*Ganesh Vandana playing*)
- This AGM is being conducted through audio-video means in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. I would now like to take you through certain points relating to your participation in this meeting.
 - The facility of joining the meeting through video conferencing and other audio video means has been made available to all members.
 - Members joining this meeting are placed on mute by default to ensure seamless conduct of the meeting.
 - Once the Question & Answer session starts, names of the shareholders who have registered as speakers will be called out by the Moderator one by one and he/she will be given a chance to speak.
 - Speaker shareholders will be in the audio-video mute mode and the Moderator will unmute their connection at the appropriate time.
 - If a speaker is not able to join through the audio-video mode, he/she can join by the audio mode.
 - While speaking, we would request the shareholder to use earphones with mic so that they are clearly audible, to minimize any background noise and to ensure that Wi-Fi or internet is connected properly and that no other background devices are running in the background.
 - If a connectivity problem is observed at the speaker's end, we will ask the next speaker shareholder to join. We will come back to the earlier speaker shareholder once all the other speakers have had their turn.
 - We would request each speaker to limit their questions to two minutes each.
 - During the AGM, if you face any issues please log in via the methods mentioned in the AGM notice.
 - If at any time you get disconnected from the AGM from your end, please rejoin by using the process mentioned in the notice.
- Thank you very much. I now request our Chairman Mr. Mukund Chitale to take the proceedings forward.

– Mr. Mukund M. Chitale - Chairman, Macrotech Developers Limited:

- Good afternoon, dear shareholders. I would like to welcome you all to the 28th Annual General Meeting of your Company. I thank all members who are joining this meeting today and hope all of you are safe and in good health. Participation of Members through video conferencing are also considered as quorum as per the relevant circulars issued by Ministry of Corporate Affairs and the Companies Act. As the requisite quorum is present, I now call the meeting to order.
- Let me now introduce the eminent members of the Board and Key Management Personnels who are joining this meeting.

- Mr. Abhishek Lodha, the Managing Director & CEO of your Company. He is attending his AGM through video conferencing from the corporate office of the Company at Mumbai.
 - Mr. Rajendra Lodha, Whole Time Director of your Company. He's attending this AGM through video conferencing from the corporate office of the Company at Mumbai.
 - Ms. Raunika Malhotra, Whole Time Director of your Company. She's attending this AGM through video conferencing from the corporate office of the Company at Mumbai.
 - Mr. Rajinder Pal Singh, Non-Executive and Non-Independent Director of your Company and also the Chairman of Stakeholders Relationship and Risk Management Committee. He is attending the AGM through video conferencing from his residence in Gurugram.
 - Mr. Ashwani Kumar, Independent Director of your Company, is attending the AGM through video conferencing from Leh.
 - Mr. Lee Polisano, Independent Director of your Company and is also the Chairman of ESG Committee, is attending the AGM through video conferencing from the corporate office of the Company at Mumbai.
 - Mr. Rajeev Bakshi, Independent Director of your Company and is also the Chairman of Nomination & Remuneration Committee. He is attending the AGM through video conferencing from his residence at Gurugram.
 - Ms. Harita Gupta, Independent Director of your Company and is also Chairperson of CSR Committee, is attending the AGM through video conferencing from Kashmir.
 - Mr. Sushil Kumar Modi, Chief Financial Officer of your Company. He is attending this AGM through video conferencing from the corporate office of the Company at Mumbai.
 - Other than the directors, we also have the senior executives of the company, representatives of the Statutory Auditor, Secretarial Auditor and Cost Auditor joining the AGM through video conferencing from their respective locations.
- This meeting has been convened and is conducted in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI that allow companies to conduct AGM through video conferencing or other audio visual means.
 - Your Company has also taken requisite steps to enable shareholders to participate and vote on the items being considered at this AGM. As physical attendance of the shareholders is dispensed with, the requirement of appointing proxies is not applicable.
 - The registers as required under the Companies Act and other documents as mentioned in the notice convening this meeting are open for inspection in electronic mode. Should you wish to inspect the same, please write to the Company Secretary at the email address mentioned in the AGM notice.
 - The Statutory Auditor's report on standalone and consolidated financial statements and the Secretarial Audit report for the financial year ended 31st March, 2023 does not contain any qualifications or any adverse remarks.
 - As the AGM notice has already been circulated to the members, I shall take this as read.

- I now request Mr. Abhishek Lodha, the Managing Director & CEO of your Company, to make a brief presentation of the business of the Company. Over to Mr. Abhishek Lodha.
- **Mr. Abhishek Lodha - Managing Director & CEO, Macrotech Developers Limited:**
- Thank you, Sir, and thank you to all the shareholders. A warm welcome from all of us at Macrotech Developers to the AGM today. We will start off by talking about the company's performance and as you must be most focused on the Company's financial performance and the share price performance, I'm pleased to update you about some of the metrics through which significant rewards have been generated for our beloved shareholders since our listing in April, 2022. In a period of less than 2.5 years, the share price has gone up by about 175%. This is as of 31st August, 2023. Your Company has declared a bonus, 1:1 bonus, in May 2023, which has been credited to your accounts and the Board of the company has declared a dividend of ₹1 per share which after ratification at the AGM today will be paid out shortly thereafter.
- You will be pleased to note that in this period not only have we had exponential growth in the scale of operations, which is evidenced by the growth in our sales growing from about ₹6000 crores in Fiscal 21 to ₹12,000 crores in Fiscal 23. So, doubling over two years. Yes, but also the debt has reduced significantly from ₹16,000 crores to ₹7000 crores as of March 23.
- With this, our goal continues to remain to continue to further reduce our debt and keep our debt below 0.5 times of our equity and 1 times of our operating cash at all times. And, therefore, de-risk our company from any adverse circumstances which may come up in the macro environment.
- The growth in the company is coming from a very diversified and widespread based of projects. We are not concentrated in any one location. We are not dependent on any one segment and we believe that gives us a granularity and a predictability which is very, very different from any other real estate developer in our country. This supermarket strategy because we believe that most consumers, about 80% of consumers, want to live within five kilometers of where they live today is the basis of our strategic approach to growing the business by having projects every five kilometers in whichever city that we operate in. Like a supermarket has a catchment, our projects also have a catchment and if we can serve that catchment by having the availability of our product then we can continue to increase our Market Share in addition to the normal growth in the marketplace.
- As you would have observed, as we have entered new markets we have seen strong success because of the strength of our brand and the hard work of the new teams as well as the corporate and other teams who have supported these new teams to scale up. In Pune, our sales have grown by more than five times from Fiscal 21 to Fiscal 23. In the eastern suburbs, we were zero when we had our IPO, so as on Fiscal 21 we were zero and we are at ₹1200 crores as on Fiscal 23 and similar such examples. So, this is really a showcasing of how the new markets and the scaling up is happening.
- But it's also pertinent and important to note that our long term, steady, high margin business in townships has also grown significantly. From a ₹1000 crores of sales in Fiscal21, we are now up to ₹2200 crores of sales in fiscal 23 and we continue to see strong further growth prospects in the townships business on the back of a big mode because of the quality of infrastructure built there, the quality of facilities and township management and the quality of life therefore that people can live by living in our two large township developments in the outskirts of Mumbai, being Palava which is adjacent to Navi Mumbai and Upper Thane which is adjacent to Thane.
- The township business, we have large amounts of land there. It produces high margin and this is another showcasing of the fact that the competitive mode around your company continues to strengthen because of our focus on deliberating great lifestyles through great product and superior service.

- In terms of the financial performance, as you would note, we have followed the Project Completion Methodology for revenue recognition for Fiscal 23 as we announced at the last quarterly results. We are now progressing to move towards the percentage of completion methodology. The revenues numbers that you see right now are basis the Project Completion Methodology and basis that we had a revenue recognition of about ₹9470 crores as of Fiscal 23. This number itself is the reason you would understand why the percentage of Completion Methodology is going to enable us to provide a clearer reflection of our business through our P&L because you see that the revenue has grown by only 5% from Fiscal 22 to Fiscal 23 in spite of the fact that the business has grown much faster.
- In terms of profitability, our adjusted PAT has grown by 40% from Fiscal 22 to Fiscal 23. But at a more broader basis to get a truer reflection of the underlying profitability of the business, the company has been reporting both our presales as well as the embedded EBITDA every quarter and that gives you a full and clearer picture about what we expect to be the true underlying profitability of the Company.
- As we progress with the adoption of the Percentage of Completion Method, over the next three years you will start seeing a closer linkage between the P&L as well as the numbers that are estimated using our proforma, our P&L. As you will note here, basis the proforma P&L we generated an underlying PAT of about ₹2000 crores (₹20 billion) and an ROE of about 16%+ in Fiscal 23 and for Fiscal 24 your Company expects this number to grow to about ₹2600 crores (₹26 billion) of PAT and an ROE of over 19%, which both metrics will show you the underlying strength both in terms of producing margin as well as producing strong ROE which in turn creates equity value.
- Your Company is not only focused on business growth and financial performance but we are very focused corporate citizen operating on the philosophy of 'Do Good and Do Well'. While I will talk about the program that your Company has been running a little later in the presentation, it's important to note that the global agencies have repeatedly recognized your Company for the strong work and the heartfelt work that is being done in this area. The S&P Global Corporate Sustainability Index places us amongst the top 1% of the 900 real estate companies that it rated. The GRESB ratings gave us a rating of 95 out of 100, a 5-star rating, in the residential category. Sustainalytics has given us a risk rating of 13.8 which was assessed to be low risk with respect to ESG risk severity and FTSE4Good has included us in their index in the June 2023 review. All these four global benchmarks have rated your company in a strong and positive manner which shows the truism that by doing good we will continue to do well.
- In terms of the program that we have been working on, there are two of our core programs. One being 'Unnati' and the second being 'The Lodha Genius Program'. Both these programs are focused on helping fulfill the potential of some of the most important components of India society being women and children. These programs have reached a large a number of people and in their first year of being implemented and we expect scale these up in a meaningful manner going forward.
- Talking a little bit about the industry now. It's very important to focus on this slide which tells you the big change which is happening in India. Under the strong leadership of our honorable Prime Minister and the support that India is getting in terms of its global position, we are seeing an improvement in per capita income moving up from about \$2000 per capita in Fiscal 20 to almost \$5000 per capita by Fiscal 32. As a consequence of this, we will see by the end of this decade that the number of households who are homeownership capable will grow to about 175 million households, which is about 17.5 crore households from a current number of about 77 million households i.e., 7.7 crores household as of 2021. So, you will note that there is going to be an incremental 10 crore households who are going to become homeownership capable over the next 10 years. In addition to the incremental demand, upgrade demands will come from the base group of 7.7 crores households. So, with such a vast amount of demand, the question is what is

the supply going to look like? In the year 2021, the total supply from real estate developers for sale to third parties across the whole country was only about 400,000 homes/400,000 units. That number has grown over the last two years and this year it will be about 550,000-600,000 units. Even if you project that this rate of growth will continue and we compound this growth throughout the whole decade, the total production in the whole decade will be about 8-9 million units at the IE 80-90 lakhs homes only. And against this, you are going to have a demand of more than 10 crore homes. So, you can clearly see that the real estate cycle in India is in the midst of a once in a lifetime transition where a large number of families are going to become homeownership capable and therefore we believe that this cycle is a very long cycle. We are only Year-3 of what could be a 15 year or even longer cycle.

- Of course, at the back of all this demand are the factors which you are well aware of, including the large number of educated workforce who ultimately get jobs in the big cities and want homes. Good strong wage growth across all industries for the potential home buyer who tends to be families who have annual household income of at least ₹600,000, strong affordability and a continued reduction in the number of developers on the back of the desire for the consumers to buy good products from very strong brands and the desire of the lenders to only lend the most credible names. So, both the supply side and the demand side are playing to the advantage of your Company and we expect that with good focus on management, improving our production capabilities, developing and strengthening our relationships with the supply chain we will be able to keep taking advantage of this immense tailwind that is out there in the Indian context.
- There are two risks which one has to be aware of, which are related to the industry. One is the construction cost inflation and the second is the increase in the cost of home loans. Last year in Fiscal 23, home loan rates went up by almost 250 basis points (2.5%) and in spite of that your Company grew by almost 35% and the industry grew by almost 20%. This is not to say that mortgage rate increases do not have an impact on demand but it is to say that in spite of that increase in demand, the demand is so strong that your company and the market could continue to grow in the way that we did. So, while there is always a risk and an awareness of what mortgage rates are doing, we believe that the sensitivity to mortgage rates for our sector is quite low given the big delta between supply and demand. Similarly, last year was a year of significant construction cost inflation due to the war in Ukraine as well as the lockdowns in China and in spite of that overall the impact on our cost of production was only about 2% of the cost of goods sold, which again shows that the inherent strength of the marketplace in terms of how construction cost is only 25%-40% of the sales price and even within that one-third is labor cost and blue collared workers are plentifully available from Indian farms because and they move to a construction site they get a big increase in their wages and that means that there is a low level of inflation risk coming from the labor side to construction costs. Also, the 3-year construction cycle is shorter than the typical commodity cycle which tends to be 12-18 months and that also gives us advantage to be able to smooth out any bumps up in construction costs. So, all in all the industry and the housing sector are quite resilient to inflation and interest rate gyrations.
- All of this it can be, you know, contextualized as an opportunity which is available for all. So, what is different about your Company? What is different about your Company, of course, is the quality of the product that we build, the quality of the service that we offer and that is together encapsulated as brand Lodha. As you saw, when we entered new markets, we quickly gained share, we quickly get sales done and that is driven by the fact that consumers everywhere know that when Lodha is building a project that is going to be of a high quality, a world class development and even after completion the sales and the service standards will continue to remain high which in turn means that consumers will get good price appreciation as well as get a good lifestyle. So, this is a product which not only you can enjoy a wonderful improvement in your lifestyle but you also make money doing that. There is no other asset class, there is no other product which you can both enjoy as well as gain in value. A car depreciates in value, a watch depreciates in value, equities might increase in value but ultimately you can't enjoy them, you can't have a better lifestyle because of just having the equity. Home is truly unique and therefore homeownership, in our opinion, will continue to become more and more in favor in the years to

come and it will be the branded homes and the branded developers which will be the most sought after.

- And, you know, when we talk about the world's finest developments, it's something which we live every day. Huge passion, huge effort goes into your Company's efforts to build the world's finest developments. Out of your Company's 4,500 associates, almost 50% are engineers and designers and they are working tirelessly to create what would be a development which anyone would be proud of in any part of the world. We often get compliments about the fact that our developments do not look like they are in India but the fact is they are all in India and we expect that the developments in India will become like this from others too, over time, inspired by what we do.
- The pictures of the world towers here is often referred to as being in Dubai and the pictures before that of Altamount can be seen anywhere on the New York skyline. Moving forward, some other pictures. This is the development Amara. You can see here are all real pictures. None of these are CGIs, none of these are photoshop. These are all real pictures of the developments that your company has been doing and this is the quality of life that consumers in our developments enjoy and you can well imagine why Lodha's brand is so well received and sought after.
- We have a first-time satisfaction rate in the early 90% of customers which is seen to be very high and a six-month satisfaction rate which is higher than 98%. We will always have maybe 1%-2% of consumers who may have some grievances or issues and we will see what we can best do to address them. But having a satisfaction rate of more than 98% is true evidence of the quality of the product built, the service given and the consumers trust in your brand. And this is, you know, what we keep doing even after developments are complete. These are pictures of events hosted by the company for the residents because we believe that happy residents will give us the best marketing and the best word of mouth.
- In terms of our strategy, it's a very simple strategy. Keep leverage low and in spite of keeping leverage low, keep growing at a sustainable, predictable rate of 20% and in that process generate 20% ROE. So, this is, you know, like all Indians we are also cricket lovers and this is our 20-20 version of our strategy, 20% growth, 20% ROE with low leverage.
- In terms of how we expect to get there, our existing market shares in Mumbai is about 11% and in Pune about 3%. This is as of fiscal23. We expect that number to grow up to 15% and 8% which is a modest increase of about 1%-1.5% per year in Mumbai and Pune respectively over the next three years; by Fiscal26. And in that process, our sales should grow significantly higher than our guidance. Our guidance at 20% compounding would take us to about a presales of ₹21,000 crores by Fiscal26, whereas if you were to achieve these market share numbers, our numbers would be already more than ₹26,000 crores in Mumbai and Pune by Fiscal26. In addition to that, we are in the pilot phase in Bangalore. We expect to be quite small size by Fiscal26 and only scale up in the second half of the decade but even Bangalore should provide about ₹1000 crores of sales by Fiscal26 for us. And, therefore, with these three cities we are quite well set to provide the predictable and sustainable growth for the foreseeable future and we do not expect to be a company which is present in many, many geographies. We expect to be deliberate in the cities we choose. Once we enter city, we intend to be in a pilot phase where we spend one cycle of 3-4 years developing our first few projects, delivering them and making sure that consumers understand the Lodha difference both in terms of product as well as in terms of service and only then scale up in any city. So, it's a low risk strategy. It's a strategy focused on steady growth and low leverage.
- As your company, we are also building a steady stream of annuity income through our Facilities Management business, which also has an app which we will shortly show you some snapshots of, our Warehousing Industrial Park business which is called Digital Infrastructure and then certain offices and retail offices that we retain. We expect to have about ₹500 crores of annuity

income by Fiscal26 and expect to further grow that to ₹1500 grows by Fiscal31 and do this in a manner which is not ROE dilutive. Keep ROE at the mid-teens even from the annuity part of our business.

- This is India's largest warehouse which has been built by your company. So, not only India's tallest building and India's largest township but also India's largest warehouse has been built by our company. We are very proud that we have handed it over to Sketchers, which is the globally renowned footwear retailer, in Palava and the team which worked on it has done a fantastic job to deliver a spectacular, high-quality product to our client and we are sure that that will lead to a further increase in demand in the years to come.
- As I was mentioning earlier, we have rolled out our app for our Facilities Management part of the business which allows our consumers to get access to better services and products from retailers who are within 30 minutes driving distance of the site that enables our consumers to enjoy a greater choice and better service and better quality and they get better discounts because they're all coming through our app and don't have to spend money doing marketing. This also enables your company to generate high margins because you have greater user stickiness on our app and in turn allows us to monetize that over time.
- We have select office buildings, particularly the mall and the Lower Parel office, which are generating significant annuity income and will generate more further significant annuity income and we expect to use these assets in a strategic manner for a few years whilst we optimize their value.
- Our goals on ESG are driven by our philosophy of 'Do good, do well'. We want to have ensure sustainability in our product and operations by positively impacting the natural environment. We want to positively impact our people and communities with utmost respect for human rights, diversity and inclusion and actively giving back to our nation and our society and we want to drive the industry's transformation on governance by leading ethically and bolstering trust through high degree of transparency and accountability.
- As a company, we had committed to being Net Zero on Scope 1 and Scope 2 emissions by 2035. It seems that we're going to get there much, much faster. We are likely to be Net Zero on Scope 1 and Scope 2 by the end of the next calendar year itself, which will be a marvelous achievement and I am very proud to say that the teams within the company have worked remarkably hard to make this transition because they truly, truly care that Lodha makes a difference to the environment and sets a standard for everybody else to follow. We have transitioned to using renewable energy for construction activity with almost 90% of our construction activity now on renewable power, we have started bicycling sharing services, we are generating renewable energy in the maximum number of locations, our EV infrastructure we have a partnership with Tata Power and so on. All with the view that we want to make sure that we transition, not only do we transition but we transition as quickly as is practical.
- All of this that you've seen, the brand strength, the diversification of projects, the high quality of product and service, the focus on 'Do good, do well' is all driven by our amazing team. I am very thankful to each one of them for the hard work, the passion and the ownership that they bring to the table. And on behalf of the shareholders, I would like to personally thank each one of them and compliment them for the strong performance of your organization which would not have been possible without the value systems, the culture and the ethics that our entire organization has as exemplified by our leaders. So, thank you to each one of our leadership team and to each associate at Lodha for a spectacular year of strong, consistent performance and walking the talk when it came to what we thought we would do and what ended up being done.
- I would also like to, on behalf of the shareholders, convey our heartfelt thanks to our deeply involved Board of Directors. They not only spend their valuable time in guiding the organization but also help shape the organization's future, both in a strategic manner as well as in operational

areas. I'm deeply thankful to our Board for this kind of involvement and association, which is very much appreciated, and it is because of their guidance and involvement that we are able to pick out many blind spots and work upon them before they become areas of concern or trouble for the company.

- To end the presentation, this is one of our recent campaigns and I would almost say that this is really a summarization of what your company stands for - delivering the world's finest developments to the families who want to live in the best possible way across the world.
- Thank you, dear shareholders, that's the end of this presentation.
- **Mr. Mukund M. Chitale - Chairman, Macrotech Developers Limited:**
- Thank you, Abhishek. May I now request the Company Secretary to explain the process of e-Voting during the AGM on the resolutions. Over to Company Secretary?
- **Ms. Sanjyot Rangnekar, Company Secretary, Macrotech Developers Limited:**
- Thank you, Chairman Sir.
- So, the Companies Act and the listing regulations provide for electronic e-Voting and the company has accordingly provided a facility to shareholders to cast their vote through remote electronic voting system administered by Link Intime.

e-Voting facility has also been provided to members present here and who have not yet voted. These members can cast their votes on Link Intime's e-Voting website by using the login methods detailed on Page 452 of the AGM notice. The facility for e-voting shall be made available for 15 mins after the conclusion of proceedings and thereafter the meeting shall be deemed to have been concluded. CS Shравan Gupta, practicing Company Secretary has been appointed as the scrutinizer for ensuring that voting takes place in a fair and transparent manner. As the AGM is being held through video conferencing and resolutions mentioned in the notice have already been put to vote through remote e-voting, there will be no proposing and seconding of the resolutions. Shareholders who have registered as speakers for this meeting shall be unmuted as and when the moderator calls out their name. During this meeting, if the shareholders face any problem in transmission, they can contact the helpline number mentioned in the notice. Thank you.

- **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**
- Thank you Sanjyot. I now request the moderator to call out the names of the registered speaker shareholders. The shareholders must speak once their name is announced by the moderator. We will request the moderator to ask all the shareholders to ask questions one by one so that thereafter, we will request the Managing Director to respond to those queries. The moderator can now start asking the shareholders to come up with their questions one by one.
- **Moderator:**
- Thank you sir. Now I invite our first speaker for the event, Mr. Gautam Tiwari. Mr. Gautam, you are in the panel. You can speak now.
- **Mr. Gautam Tiwari – Shareholder:**
- Can you listen to me sir?
- **Moderator:**
- Sir, you are audible.

- **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**
- Yes.
- **Mr. Gautam Tiwari – Shareholder:**
- Ok, thank you very much. Our very very honorable Chairman Sir, Mukund Chitaleji, good evening to you sir. A very hearty good evening to you sir. Our MD & CEO Mr. Abhishek Lodhaji, Rajendra Lodhaji, Raunika Malhotraji, Rajendra Pal Singhji and other eminent dignitaries and our CS Sanjyotji, Sanjyot Rangnekarji and the team Macrotech Developers, myself Gautam Tiwari and I am participating at this AGM from Mumbai. Sir, we are the first company to start the meeting with Ganesh Vandana and I am very sure that because of this, in 1.5yrs., we have got so much success, so much prosperity and so much wealth in our work that we have been able to reduce our loan from 16000cr. to 7000cr. and our sales have doubled. With your dividend declaration of 1:1, you have made every shareholder very wealthy. You have given a pre-bonus of 20pc dividend and post bonus, you have given 10pc dividend. So, we are very much really thankful to you sir for this, for your achievements. Sir, since our company has gone public, you all have created a lot of shareholder value which is evident from the performance of this talk. Sir, all this is proved from the growth and debt reduction. Dear sir, I compliment the management for delivering from all fronts. It has also taken constructive praiseworthy steps environmentally and socially also as you have achieved highest outstanding ESG rating of 5 star. Sir, last year you had promised that you will give dividend. You gave dividend along with bonus. So thanks a lot for that. You have kept your promise. CM Sir, I have told you already that since you started this AGM with Ganpati Vandana, that's why you have got so much success. Sir, one more thing – we have a very very dedicated and devoted team, soft spoken secretarial team which is headed by Sanjyotji and assisted by Shashank now. all the issues and queries of shareholders are speedily resolved and instantly all calls are answered for which we are grateful to them. I requested for a hard copy and I got a 460 pages hard copy which is very well designed with all facts and figures in place and adhering to all corporate governance. I thank the management for such dedicated and devoted service providers for shareholders.
- Sir, some 2-3 small queries are there which I would like to ask. Sir, what is our pre-sales guidance for near to mid-term and how do we plan to achieve it? So, what is our pre-sales guidance for near to mid-term and how do we plan to achieve it? 2nd is sir, how do you see the ramp-up in Pune and Bangalore cities in the next 2-3 yrs.? Sir, during the last AGM, you had said that carbon neutrality and environmental transition would be completed by 2035. So what is its status now? Sir, we have got as per your verdict 24 acres of land altogether out of which 900 acres is for special development. So how much we have used from special development and how much is in pipeline and how many orders are left? Dear sir, I support appointments and re-appointments of all directors and I support all resolutions for which I have already voted in advance. Chairman Sir, our full family along with all the shareholders and friends and associates have complete trust, faith and confidence in your management and therefore our total support and patronage shall continue for days and years in the future and also for lifetime and thereafter too. Chairman Sir, I wish and pray for each one of you and for all those who are connected with the company. A very safe, long, happy, healthy, wealthy life and enchanting life along with a bright future for the company under your super fine management. Also greetings and compliments for all the upcoming festivals like Ganapati, Navratri, Diwali, Dasera in advance. With is sir, I am very happy sir. Can you see me sir?
- **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**
- Thank you.

- **Mr. Gautam Tiwari – Shareholder:**
- Ya, with this thank you sir. Thank you very much. Thank you very much.
- **Moderator:**
- Thank you sir. Now I invite our next speaker for the event, Mr. H.S Patel. Mr. H.S Patel is not present in the panel. So we will move to the next speaker. Our next speaker for the event is Mr. Kirti Shah. Mr. Kirti?
- **Mr. Kirti Shah – Shareholder:**
- Hello! Good afternoon sir!
- **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**
- Good afternoon!
- **Mr. Kirti Shah – Shareholder:**
- Chairman Sir, good afternoon!
- **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**
- Good afternoon, please continue.
- **Mr. Kirti Shah – Shareholder:**
- Sir, you have managed everything very well in your department and Abhishek Sir is also managing very well. I have 2-3 queries. The shares that you have, it is 74pc equity. Why have you kept so much of holding? Why don't you clear some of them? Bring it down to 60pc. The company's equity must be 60pc with the promoter and if we receive money without any interest then it's very good. So please think about it. 2nd, the 10rs. share must be split into rs.5 or rs.2. 3rd, I have sent an email to you so please give me a reply for the same. Chairman Sir, I have asked for an appointment from you. I have a redevelopment project of 1 lakh square feet, only for Jains. So please think about it. So please give me an appointment. Wish you all the best and thank you very much.
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- **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**
- Thank you.
- **Moderator:**
- Thank you so much sir. Now I invite our next speaker for the event, Mr. Manjeet Singh. Mr. Manjeet, you may speak now.
- **Mr. Manjeet Singh – Shareholder:**
- Am I audible sir?
- **Moderator:**
- You are audible.
- **Mr. Manjeet Singh – Shareholder:**

- Macrotech team, management team and my co-shareholders, I welcome all of you and tell you all good afternoon. The way you are running the company under your leadership, it's running very well. We have got a good return in the last one year and I would also like to congratulate you for a good bonus. Sir, the way we are working in some cities, the way we are developing some of the cities, so will you be spreading and increasing your business to the other states and cities of the country? In the new upcoming cities and the way the country is progressing, so if you come to the new cities and towns, then you will get good business. I hope for this to happen. Sir, how does the increase in cost of raw materials like cement, rods, steel impact you. how does it impact our booking price at the time of launch and at the time of delivery? How much difference does it have? How do you manage it then? How do get it on track properly? If you tell me a bit about it then I will feel good about it. What are the near term and long term trends that you are scanning on the ground? We have spent 1 quarter already. How is our order book for the next 3 quarters? What kind of demands are we getting? Please tell me about it. You have spent rs.344 cr. for employees benefit in 2022 and in 2023, you have spent 412cr., we welcome this decision because it shows that you think well for your employees and have increased the expenses for their benefits. We have been able to connect with you today is because of the mediation of the Company Secretary and you have taken good care of every investors' investment. Your BSE code 543287 and your symbol LODHA, you have lived up to its name and given it full respect. We welcome the value that you have given to the shareholders in one year. Thank you for the management of Macrotech Developer. Thank you for the secretarial team of Macrotech Developer. Thank you sir.
- **Moderator:**
- Thank you so much sir. Now I invite our next speaker for the event, Mr. Rohinton Batiwala. Currently Mr. Rohinton is not present in the panel so we will move to the next speaker. Our next speaker for the event is Mr. Sarvajeet Singh. Mr. Sarvajeet , you may speak now.
- **Mr. Sarvajeet Singh – Shareholder:**
- Chairman Sir, can you hear me now?
- **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**
- Yes, you speak.
- **Mr. Sarvajeet Singh – Shareholder:**
- Chairman Sir, good afternoon to you sir and to all the members of the board and to all the staff members of Macrotech Limited and my fellow shareholders. The kind of returns that you have given us this year as compared to last year in the share price is highly commendable. I have seen sir that our promoter holding is quite good at 75pc approx. and foreign investors also have a holding at 18.98pc which they increased to 19.83pc off late. When a foreign investors' interest in any company increases, its meaning is very clear and that is, the company will give a very good return to the shareholders. In the coming times, the shareholders will get a very good return. I have 1-2 questions sir. Is the supply chain disciplined or more supply is coming up given that a stronger player is trying to enter the new markets? Tell me about this. 2nd question sir, what is our pricing strategy and how is it playing out? Tell me about it a bit. Sir, the way your secretarial department and the moderator have given me a chance to speak in front of you, I would like to thank them for it. Thank you Chairman Sir for giving me a chance to speak in your AGM.
- **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**
- Thank you.

- **Moderator:**
- Thank you Sir. Now I invite the next speaker for the event, Mr. Bharat Negandhi. Currently he is not present in the panel so we will move to the next speaker. Our next speaker for the event is Ms. Madam Mascarenhas. Madam, you are in the panel, you may speak now.
- **Ms. C.E Mascarenhas – Shareholder:**
- My dear fellow shareholders, I am Mrs. C.E Mascarenhas and I am attending from Mumbai. Today, at present, I am attending 4 meetings at one time. So computers, mobiles....all mobiles are on. What a noise it has become? Anyways.....I thank the Company Secretary Mrs. Jaiswal and her team for sending me an annual report and for registering me as a speaker. Working is not a problem at all. We have got a good dividend of 20pc, that is rs.2 on EPS of 4.70. Now I will come to the questions directly. The Karjat Mist which is at New Panvel and another one at Proxima at Chembur, Sagar Emerald, Laxmi Kunj JBD, I would like to know how much is the completion level in these 5 units and when it will be totally completed? We have 2 power plants – one at Jaiswal and Fatehgarh – how much power we get and how much it adds to our company? Are we into any SRA project or are we thinking of taking any decision on it? My last question is, what is the land bank that we are holding? I support all the resolutions. I wish my company all the best. May we grow from strength to strength. With this, thank you very much. Mr. Mascarenhas will speak. Just 1 sec. Just say hello at least.
- **Mr. Mascarenhas – Shareholder:**
- Hello!
- **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**
- Please continue.
- **Mr. Mascarenhas – Shareholder:**
- Hello! Hello?
- **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**
- Your voice is coming. Please speak.
- **Mr. Mascarenhas – Shareholder:**
- Respected Chairman Sir, distinguished members of the board...
- **Ms. C.E Mascarenhas – Shareholder:**
- Thank you very much sir. I wish the company all the best.
- **Moderator:**
- Thank you so much sir. Thank you so much mam. Now I invite our next speaker for the event, Mr. Yusuf Rangwala. Mr. Yusuf, you are in the panel. You may speak now.
- **Mr. Yusuf Rangwala - Shareholder:**
- Good afternoon Chairman Sir. can you hear my voice?
- **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**

- Yes, I can hear you.
- **Mr. Yusuf Rangwala - Shareholder:**
- How are you sir? There is no need for you sir. I am staying in Wadala, sir. you have such an excellent building in Wadala, I visited my aunt sir. She has booked 2 flats and now she is going to book 2 more flats. Sir, can you give a discount coupon sir to the shareholders? Can you give a discount sir, it's my humble request. Sir, I am very happy with all the Lodha products. Sir, currently, you have Lodha in Mumbai, Pune and it's all over India Sir. What can I say about you? Your secretarial team gives very good service. They are very prompt. I got a call also from them. I can join you seeing them. Sir, if you have a new plant then please call me sir. It's my humble request. I want to know about your new projects at present sir. Nothing more to add. I wish you good luck. My sister wants to speak sir. Give me 1 min. sir.
- **Ms. Smita Shah – Shareholder:**
- Hello sir.
- **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**
- Yes tell me.
- **Ms. Smita Shah – Shareholder:**
- Namaskar sir! I had got a call sir from the CS team. I had told them to give me a physical copy and they said that they will send it to me but I have not yet received it. Sir, our Lodha name is very good in the market so I hope that all your projects in the market will be very successful. I want to know that currently how many projects do you have in redevelopment and what you are doing about it? Whenever you launch something new, you are requested to call us. Rest, my best wishes are always with you sir. Keep moving ahead and keep climbing the steps of success. These are my best wishes and May Lord Ganesha always bless you and you are blessed with wealth and prosperity. Bharat Shah and I have always supported you. Even today, I fully support all your resolutions. Thank you. Keep it going, Rangwala wants to speak with you. Thank you so much sir for giving me an opportunity to speak. You listened to me, thank you so much sir.
- **Mr. Yusuf Rangwala - Shareholder:**
- I am Rangwala speaking sir. I want to say a small anecdote to you sir, "*phoolon ki khushboo, kaliyo ki bahaar aur apna saath*". I am hoping for a physical meet next year sir. Sir, you must keep video conferencing and physical meet sir. Thank you sir. I pray for your health, wealth sir. I feel very happy seeing your face sir. Sir, Lodha is one of the excellent developers. Whoever stays in Lodha becomes very happy. Thank you very much. Khuda Afiz! May God bless our company with His blessing. I wish our company good luck and also wish the secretarial team. Thank you for giving me a chance sir. Have a good day sir. A very happy Ganesh Chaturthi season and all the festivals sir. Thank you sir. The more I praise the link people, its less sir. Thank you sir. Khuda Hafiz sir!
- **Moderator:**
- Thank you so much sir. Thank you so much mam. I will invite our last speaker for the event, Mr. Rajendra Sheth. Mr. Rajendra, you can speak now.
- **Mr. Rajendra Sheth – Shareholder:**
- Can you hear me sir?

– **Moderator:**

– You are audible sir.

– **Mr. Rajendra Sheth – Shareholder:**

– Hello! Chairman Sir, management team and my fellow shareholders, I am Rajendra Sheth speaking from Thane, Mumbai. Sir, it is a matter of pride to be a shareholder of Lodha and to sit for its AGM. Our company has progressed so much and it has given so much prosperity to the shareholders also, so am very grateful for the same. Sir, Lodha Group is also servicing the nation very well. I feel it's very good. I have only one small question. How much interest we will take in 2 tiers? Will our interest be more in commercial or in residential? So tell me about it please. Rest, the management is doing a fantastic job. I have full confidence in them. The secretarial team is also doing a very good job so I thank them too. I will say a small shlok and stop my speech. “*Ya Devi sarva bhuteshu, shanti rupen sansthitha. Namastasye, namastasye, namastasye, namoh namah!*” rest, I will say sir that I have full confidence in the management team. The secretarial team is working very hard. Shareholders have got a very good return. Thank you, sir. I will stop now sir. Thank you, sir.

– Moderator:

– Thank you so much sir. That was the last speaker shareholder. I now request the Chairman Sir to continue. Over to you sir.

– **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**

– Thank you shareholders. I think you have asked very good interesting questions, that means all of you have studied the balance sheet and accounts. May I now request Mr. Abhishek Lodha, the Managing Director & CEO to reply to the queries of the shareholders. Over to Mr. Abhishek Lodha.

– **Mr. Abhishek Lodha - Managing Director & CEO, Macrotech Developers Limited:**

– Thank you Chairman Sir and thank you dear shareholders for your thoughtful questions and for your good will and good wishes which are very very important for the company and the management team. I will now go through the questions and try to respond to them. In case any question is missed out, I would be happy to respond to them through our secretarial team additionally too.

– In terms of our pre-sales guidance, we have guided to 20pc pre-sales growth. As you must be aware, last year we did about 12000cr. of pre-sales and therefore this year on a compounded basis, we are looking at about 14500cr. of pre-sales and we expect that by fiscal 26, that number will be about 21000cr. So 20pc compounding, while it doesn't sound big, if it happens consistently, the rewards for the company and the scale-up of the company will be quite large.

– In terms of the next question, in terms of Pune and Bangalore, as I covered during the business presentation, in Pune, we are growing quite well. We have 3pc market share currently with about 1200cr. of sales and we expect that market share to grow rapidly to about 8pc by fiscal 26. In Bangalore, we are currently in pilot phase. We will deliver only a select number of projects over the next 3-4yrs. and only then scale-up. Bangalore will be scaling up only in the 2nd half of the decade.

– In terms of our progress on goals on carbon neutrality, Scope1 and Scope2 be net zero by 30-35. I am very pleased to restate that we have made significant progress in that area and we expect to be net zero on Scope 1 and Scope 2 emissions by the end of calendar year 2024. That will be a

significant advancement of 10yrs. as compared to our target and it will be an achievement which hardly any real estate developer in the country and world would have achieved and put your company in the forefront of the fight against climate change and our transition to a net zero economy.

- In terms of our land reserves, we track our land reserves very closely. We like having land which is available for...which is under-construction, it will be like ready product. We also keep land ready for development in the next 12 months and then in the years 2-5 and then we have land reserves which are for the periods after 5yrs. and in each of the markets that we operate in, we track land by these matrix and closely keep a watch to ensure that we have a good supply of land in all the markets so that the brand can keep getting market share.
- In terms of the holdings of the promoter group at 75pc, the promoter group is very committed to the company and would like to keep its shareholding as high as possible and therefore there are no immediate plans that we have at the moment for any additional dilution.
- In terms of the impact of the commodity price, on the business last year, the impact on construction cost was about 2pc of the cost of goods sold. As against this, the price rise was about 7pc last year. And there were other cost increases of course – also land cost increase, the increase in the cost of people and so on. overall, inspite of all of that, there was a modest expansion in margin which shows that even in a high inflation here and with modest price increase because our strategy as a company on price increase was one of the other questions, is to keep price growth below wage growth. So if the wage growth for a typical home buyer for a white collar worker is about 10pc per annum, we want to keep our price growth between 6-7-8pc per annum so that affordability keeps getting better and volumes keep growing. It's important to note which I have already covered in the business presentation that this year only 550 – 600 – 1000 unit homes will be sold by developers to users in India. And this year in China, which is going through a terrible cycle of real estate, 1.1cr. homes are expected to be sold, a terrible year. At their peak, it was 1.8cr. homes. So the room for volume growth in India is huge and therefore affordability must keep getting better so that more and more people can buy their dream home and it shouldn't only be a home. It should be a dream home of high quality.
- In terms of how supply is reacting to the large demand. I think the fact is, supply is getting increasingly more competitive because both, buyers and home buyers as well as lenders only want to deal with a handful of brands and this is becoming an increasingly more branded business. So just like in the business for mobile phones, you have Apple, you have Samsung, you have a few other brands. Many others can produce but that doesn't matter because it is the desire of the brand which ultimately gets the phone buyer to decide which brand to buy or which phone to buy and now the same is happening in the home sector, where it is the desirability of the brand which forces the hand of the consumer and less likely in the phone business or any other business, the brand, which is our company has to be present through distribution, through physical projects in as many locations as the consumers ask for, so that no consumer who wants to buy a Lodha home is stopped or not made available to them. That is really our supermarket strategy of expansion of not having competing projects but at the same time, having a project every 4-5kms.
- In terms of our land reserves, we have almost 85mn square feet of land which is either ready for development in the next 12 months or 2-5yrs. now and in addition to that 85mn square feet of land available for development, we have more 4300 acres of land reserves. So in aggregate, it is the amount of land which will give your company the consistent growth for many years to come and the value of land we expect to also appreciate over time as India's economy appreciates and the infrastructure improves.
- In terms of our new projects, we have a strong pipeline of new projects. Our business development was quite strong last year so those projects are now getting launched this year across many parts of Mumbai as well as in Pune and also in Bangalore, we will be launching one

project in the next quarter and one more in the quarter after that. We do not do some projects. We do not do projects where we are dealing with the slums as the slum developer but if anybody has cleaned up the project and the slum development is picked up by them and we get a clean land to develop, then we are happy to do that. So we have a very straightforward strategy – find good locations, do great projects and to focus on what we do well which is to design well, build well, service well and brand well and that’s where our company’s focus will continue to remain. We are largely a housing company. We focus on doing housing because that is a big opportunity in India. We sometimes will do offices and retail as a part of larger housing layouts to complete the destination but largely we are a housing company and as you all are aware, we are now in the business of building warehousing and industrial parks for which we have various partnerships. One with Morgan Stanley and a more larger scale one with Ivono Cambridge which is the real estate arm of CDPQ as well as the Canadian Pension Fund and also Bain Capital are both partners in that plan.

- With is, I hope that I have been able to cover most of the questions that our shareholders have asked. Our focus will continue to remain at Mumbai & Pune for the foreseeable future. Bangalore is getting set up for expansion in the next half of the decade. We might do one new city on a pilot basis after a little bit of time. We are not a company which is going to be present in many many geographical locations or be in tier 2 cities in the near term. Thank you very much Chairman for giving me an opportunity to reply to these important questions from the shareholders and I hand it back now over to you. Thank you.
- **Mr. Mukund Chitale – Chairman, Macrotech Developers Limited:**
- Thank you Abhishek. I thank all the shareholders for their patience during the meeting and for their valuable suggestions. Shareholders, any further queries may write an email to the Company Secretary at the dedicated email id, investor.relations@lodhagroup.com and we will be happy to respond to your queries. The e-voting facility will remain open for the next 15mins to enable members to cast their vote. The results will be announced within 2 working days from the conclusion of this AGM and the same will be intimated to the stock exchanges and uploaded on the websites of the company and Link Intime. With your consent, I and other board members would like to leave the meeting and before leaving, I once again thank all the shareholders for their co-operation in the smooth conduct of this meeting. I thank all my co-directors, members of the management team who have joined this meeting. This meeting will stand concluded at the end of 15 mins from now. I wish all the shareholders and our members Happy Ganesh Chaturthi. With this, let me say thank you very much for attending this AGM and taking keen interest in the affairs of your company. Thank you very much.

END OF TRANSCRIPT