Mahindra Lifespace Developers Limited
Q1 FY16 Earnings Conference Call

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MR. JAYANTT MANMADKAR – CHIEF FINANCIAL OFFICER
MS. SANGEETA PRASAD – CEO, INTEGRATED CITIES
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Moderator: Ladies and gentlemen good day and welcome to the Mahindra Lifespace Developers Ltd. Q1 FY16 Earning Conference Call. We have with us today on the call Ms. Anita Arjundas- Managing Director & Chief Executive Officer, Mr. Jayantt Manmadkar – Chief Financial Officer, Mr. Sriram Mahadevan - Business Head, Happinest and Mr. Siddharth Bafna – Senior General Manager, Strategy & Investor Relations. As a reminder all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note this conference is being recorded. I would like to hand the conference over to Ms. Anita Arjundas. Thank you and over to you Madam.

Anita Arjundas: Thank you. Good morning everyone and welcome to our Q1 FY16 Earnings call. We also have with us Ms. Sangeeta Prasad - CEO of the Integrated Cities business.

The consolidated total income for the quarter stood at Rs. 188 crores, with a pre minority interest PAT of Rs. 25 crores as against Rs. 437 crores and Rs. 184 crores respectively in Q1 FY15. The Q1 FY15 performance included the impact of the sale of the Byculla property in Mumbai, wherein the company had development rights on part of the property. If we exclude the impact of the Byculla transaction from the Q1 performance of last year, the consolidated total income this year has grown by 11%, while the pre minority interest PAT has grown by 28%. We have witnessed year on year growth in our sales performance this quarter selling 242 units, worth about Rs. 185 crores, up by 128% and 244% respectively from Q1 last year. Luminare at Gurgaon continued to see good end user demand and significantly contributed to sales during this quarter. We entered the Bangalore market in the last week of the quarter with the launch of our project Windchimes on Bannerghatta Road. This launch is the second development under our JV with Standard Chartered and we are happy to see good demand for the project as reflected in the early bookings. We have booked 72 units worth around Rs. 100 crores at the close of the quarter. During the quarter, we also inaugurated our first international sales office in Dubai to meet the needs of non-resident Indians in the GCC region. Currently the GCC region contributes to 31% of our total international sales and we hope to increase the contribution from this region further with the launch of our office in Dubai. Other operational highlights of the quarter included revenue recognition at Happinest-Boisar Phase-1, launch of Happinest Phase-2A at Avadi and commencement of handovers at Bloomdale Phase-1A.

In the integrated cities, Jaipur added two new customers, one in the DTA and the other in the Handicrafts SEZ. Further, an existing customer in the DTA acquired additional area for expansion. Another important development during this quarter was the signing of a Joint Venture agreement with Sumitomo Corporation for development of the North Chennai industrial park project. This project which will be spread around approximately 300 acres will entail an investment of Rs. 375 crores. This strategic relationship will leverage the expertise of both groups and become an important contributor towards the growth of our integrated cities and industrial clusters business in the coming years. We will be initiating the approval process for this project shortly.

The current situation for residential real estate presents a unique opportunity for us as a business to gain market share as absorption is driven by end user who tends to choose credible and trustworthy brands. We believe that we can leverage our brand and track record advantage, which has become a key consideration for customers now. Alongside, we are continuing our efforts to get the approvals for the Andheri project, the Saki Naka project in Mumbai, and also the balance land in Mahindra World City Chennai, NH-45. We have received state level permissions for the product mix change for Mahindra World City Jaipur. We will initiate planning and development as per the new mix. Overall, therefore, the focus will be on sharper execution and also on adding suitable inventory for future launches in the residential business, while extracting value from the current Mahindra World City developments. I will now request Jayantt to take you through the financial performance for the quarter.

Jayantt Manmadkar: Thank you Anita. Good morning everyone. The PAT margin this quarter reflects lower other income and higher contribution from our affordable housing projects. Almost 30% of the revenue is from this segment as Happinest Boisar reached its first revenue recognition milestone. I would now like to throw the floor open for questions.

Moderator: Ladies and gentlemen we will now begin the question and answer session. We have first question from the line of Ritwik Sheth from Span Capital. Please go ahead.

Ritwik Sheth: I had a couple of questions, firstly can you throw some light on the JV with Sumitomo. You mentioned 300 acres requires an investment of Rs. 375 crores, so is the Rs. 375 crore the total investment or just our contribution?

Anita Arjundas: The Phase-1 of the project is of approximately 300 acres. We do look at adding another 350 acres as Phase-2, so the project area will be around 650 acres. We have about 550 acres with us but the entire Phase-1 is contiguous. Total investment is Rs. 375 crores for Phase-1, which includes the transfer price of the land to the joint venture, the development cost needed across the project lifecycle, approval expenses and interest expenses during the construction period.

Ritwik Sheth: So, how are these expenses split between us and the JV partner?

Anita Arjundas: It's a 60-40 joint venture, Mahindra will hold a 60% stake. Sumitomo Corporation will hold a 40% stake.

Ritwik Sheth: Okay and expenses will be shared in that ratio as well. Can you throw some light on the JV with Standard Chartered as well?

Anita Arjundas: This is a Rs. 1000 crore platform that was signed 2 years back. It is a 50-50 joint venture. This is a structure which is a straight equity transaction, wherein both of us would get 50% of the profits. After a certain IRR threshold, not a guarantee but a threshold, we will get a disproportionate share of profit. In addition we get a development managers fee for managing the whole project. We have currently deployed 65% of the Rs. 1000 crore platform and are in the process of realizing deployment of the balance 35% which we propose to do during this financial year.

Ritwik Sheth: Coming on the Mumbai projects, how is the approval scenario currently? Have we seen any improvement in the last couple of quarters, how has that been going?

Anita Arjundas: Mumbai approval scenario has largely been affected by the DP. Those projects which are awaiting approvals do have some impact or the other of the DP, in terms of errors or in terms of new reservations. In our case we have two projects which are currently under the approval cycle in Mumbai; one is the project in Andheri East and the second in Saki Naka. Andheri East project, we purchased the land two years back and we did submit it for approvals. We were in an advanced stage of approvals on one part of the plot. The plot is bifurcated by a DP road, and therefore has two developments. For one development, we have submitted for approvals. The approvals are in place. It is currently on hold because there seems to be an inadvertent designation marked on part of the property; we are working with the BMC to get that resolved. Simultaneously, we have started the approval process for plot 2. As far as the Saki Naka property is concerned, we have recently initiated the process of approvals. There was a reservation under the new DP. We are recognizing the reservation and going ahead with the development plan on that basis and therefore we have started the approval process.

Ritwik Sheth: Okay and lastly, has there been a visible pickup in enquiries or how is the market in all our key regions, like Mumbai, Chennai, and now Bangalore as well?

Anita Arjundas: We currently do not have any sales in the premium segment happening in Mumbai. So from our own perspective we do not have a reference point. Bangalore, as I mentioned, the launch has been good. We launched on the 23rd of June. We did about 72 sales within the first ten days of launch, which we think is good traction for a new launch in an overall market scenario which is fairly depressed I would say in terms of absorption across the country. So that really takes us to the broader question of where is absorption in the industry. First, markets I would say barring to a lesser extent of a Bangalore and a Pune, absorption levels still continue to be low, customers definitely are in a wait and a watch mode and there is some level of uncertainty around decision making and influenced also I think by a lot of visibility in the media to the scenario that there could be a rate correction.

Ritwik Sheth: So what do you think will be the most affected in terms of rate correction, like will Mumbai see a higher percentage drop or what is your sense?

Anita Arjundas: You know I do not want to hazard a guess for the industry as a whole. I think it is specific to each market, each micro market and segments, so it is very difficult to just do one brush stroke and say market will correct by so much percentage. There has already been some level of discounting that has taken place in the form of sales promotion efforts and I think there is also some level of discounting which has happened from a time discount point of view. Prices have pretty much been stable for the last year or so, but nothing on the lines of what has been spoken in the media.

Moderator: The next question is from the line of Ujjwal Shah from Quest Investments. Please go ahead.

Ujjwal Shah: Thank you for taking my question Madam. I just wanted to understand about the update of the conversion of SEZ land to DTA Jaipur. What is the status as of now?

Anita Arjundas: As I mentioned this is a conversion of land which was marked for residential and social infrastructure into industrial land which is 500 acres of DTA. The status is that we do have the cabinet approval and the approval from the government as of this month and we will now proceed with the master planning for the 500 acres of DTA and related approvals from the government so that we can go ahead and initiate marketing of that industrial land.

Ujjwal Shah: So how much time frame would now be required for doing the same?

Anita Arjundas: We would like to focus on getting this finished in the next three to six months so that we will have a marketable product in the latter part of this calendar year.

Ujjwal Shah: Fine Madam. Also wanted to know about our Pune Antheia project, how are the phases going over there? Are we seeing sales pick up?

Anita Arjundas: Yes Antheia has been fairly stable. Q1 has been a little slower compared to the previous quarter but nothing that we think will not pick up in Q2 and Q3. In terms of construction Phase 1 is on schedule for hand over and Phase 2 is again progressing as per schedule. I would say on an overall basis the project has sold over 600 units to date since launch and is progressing well both in terms of execution and sales.

Ujjwal Shah: I just wanted to understand, we are not seeing a slowdown in the Pune market as such, that is what I was thinking because except for Bangalore and Pune we are not hearing good things from the real estate launch anyways. So considering that, I was just looking through your presentation about the Phase 2 project of Antheia - the sales has not actually been picking up that good.

Anita Arjundas: Yes, so as I mentioned Q1 has been definitely slower compared to the earlier quarters, but nothing that we are concerned about at the moment. We do see an ability to pick up sales again in Q2 and Q3, which tend to be the important quarters.

Ujjwal Shah: Madam lastly about the notes that we have given to our financial results - can you just throw some light on the Rs. 100 crore loan and advance that we have. We might look for an out of court settlement. Can you just give us some more light on the same?

Anita Arjundas: This is a property on Napean Sea Road where we have signed an agreement to sell with the landowner and there are certain CPs to be met by the landowner, post which conveyance is to happen. Though CPs are at various stages of completion by the landowner, some of them are still pending. It has taken a while from the point of view of completion by them. In order to protect our interest we have also gone to court to ensure that no third party rights can be created on the property by the landowner and we have also pushed for arbitration to ensure that there is specific performance by the landowner on the transaction. We have also been having conversations with them for an out of court settlement and at this stage I think I would not want to comment on progress but we are hopeful to see a resolution in the near future.

Ujjwal Shah: Okay when did we actually buy into this project?

Anita Arjundas: The transaction was entered into about four years back, in June 2011.

Ujjwal Shah: Okay Madam so we can see some resolution in this year probably?

Anita Arjundas: You know since it is a matter which is under arbitration and at the same time we are working on the out of court settlement, I would not want to go into any specifics, except to say that we are fairly hopeful of a closure in the near future.

Moderator: Next question is from the line of Anubhav Gupta from May Bank. Please go ahead.

Anubhav Gupta: Just a follow up question on the Mumbai project. Since these Mumbai projects are the only two green field projects in FY16 and assuming there is a further delay because of new DP rules, do you think it is going to change our internal forecast for FY16 significantly?

Anita Arjundas: We do not have these two projects as part of our internal forecast for this year so I think if we are able to get the approvals earlier and launch the projects earlier it will aid sales performance. But they are not part of our current internal forecast.

Anubhav Gupta: And in the presentation you have mentioned that there are presales of around Rs. 158 crores from Windchimes and Luminare which you could not book because you did not receive 10% of the payment, so do we expect this to come in the second quarter?

Anita Arjundas: Yes. You do not need to have 10% to be able to record sales. 10% collections is important only from a revenue recognition point of view. But as an organization we just prefer to follow an approach where once we have put sales into the ERP system they are qualified for revenue recognition from the collections perspective from the time they are entered into the system which is why we record sales only when we collect 10%. So that is one aspect. The other is that there is a defined payment mechanism for all of this Rs. 150 crores. It is not that somebody has paid a small amount and is blocking a unit. There is a Rs. 10 lakhs upfront payment in the case of Luminare and the balance is payable in a period of 60 days. So that is a cycle that is being followed, it is a defined credit period as opposed to an arbitrary credit period taken by the customer. Similarly, in Windchimes, since we have just started bookings from last week of June, we were collecting about Rs. 5 lakhs upfront and giving customers a time of 3 weeks to pay the balance. So, it will be a cycle but you will see most of the sales coming in Q2.

Anubhav Gupta: One more follow up question on the Napean Sea land, how much monetization do you think it can give you once all the litigation or out of court settlement is over?

Anita Arjundas: Let us focus on getting the land into our books and converting it into a development project, and then we can talk about revenue potential.

Anubhav Gupta: And one question for Jayantt, in the first quarter the revenue recognition has been quite good, revenue increased 25% on Y-o-Y but there is decline in EBITDA margin - any particular reason or is it due to sales mix?

Jayantt Manmadkar: It is to do with the actual level of activity, and that translates to revenue; because the cost, whatever is there, is more or less fixed in terms of the organization structure itself. And second part is that, in the second quarter the major contributors, as I explained in my opening remarks, that Boisar has given maximum revenue, which is very good from the IRR point of view but relatively lower on the margins.

Moderator: The next question is from the line of Sandipan Pal from Motilal Oswal. Please go ahead.

Sandipan Pal: Madam, the first question to you is that can you throw some light on the rationale behind bringing Sumitomo in and also, whether they have already put in some money into the project? When have we transferred the land on that and the likely timeline of that project when you can see the first phases of monetization to happen?

Sangeeta Prasad: As you know, Sumitomo is also a very respected conglomerate like us and industrial park development is one of their key businesses across the world. So, it is not only meeting of minds of similar values but it is the meeting of minds of similar business expertise and what they bring to us is their expertise in other markets and specifically their clientele which is the large companies of Japan. So what we see is, our own expertise combined with theirs giving us a better product and a better market outreach. So, that is what Sumitomo brings qualitatively to us. Yes, as Anita mentioned to all of you that it is a 60-40 joint venture, so they will be bringing in 40% equity. The equity will be infused once the land transfer happens. So we are in the process of getting all that in place. As far as the project potential is concerned, we are now focusing on the first phase which is around 300 acres and you all know that 12-18 months is the cycle for getting all the approvals. So, we see sometime in the calendar year of F17 some sales coming in. That is how it is and it will be a 3-4 year project thereafter.

Sandipan Pal: My second question is on Jaipur; actually just to kind of improve my understanding, over there I understand that there were two approvals pending - one was that you were trying to convert the SEZ into multi product SEZ and second was that you were trying to convert the residential portion to DTA. So, has both the conversions happened? That is primarily number 1 question and second is that if the conversion happens then will we be doing any residential or it will be virtually zero?

Sangeeta Prasad: First is, as you rightly said there are 2 approvals –first is the product mix, so that approval as Anita mentioned earlier, has already come in late last month, which is essentially converting part of the residential, social and commercial area to the domestic tariff area. So that has come in, the master planning of that will be initiated very soon so that we have a launch ready DTA product within this financial year. As far as the residential, social and commercial area goes, of course, we will be doing the economic master planning of that in the near future, it will not be zero-one, such projects are never zero-one. It will not only have a mix of residential but we also hope that we bring in some destination aspects also in the social and the commercial area.

Sandipan Pal: And what about the multi-product this year, so that is still pending, right?

Sangeeta Prasad: Multi product SEZ is work-in-progress just now. Approval process has been initiated and we should be getting it in the near future.

Sandipan Pal: Coming to the Mumbai project, I understand there are 2 phases in the Andheri project and another is Sakinaka; 2 plots in Andheri-Sakinaka, so can any of these be launched without looking at the DP development or everything is contingent on DP?

Anita Arjundas: In the Andheri East project, we have 2 plots – Plot A and Plot B. Plot A can be launched without waiting for any developments in the DP. We have initiated the process of approvals. We ideally would have liked to have launched Plot B first and Plot A second, given the nature of the land and therefore Plot B is fully approved but waiting resolution on DP, whereas Plot A is now been initiated for submissions. As far as Sakinaka is concerned, as I mentioned we have taken into account the stricter of the two DP conditions, completed the re-work on the design development and we have initiated the process of approvals. So there we would work to get our approvals completed on an immediate basis. We do not really need to wait for anything because we are recognizing the stricter of the two conditions.

Sandipan Pal: In case any further delay in DP happens, then we can actually go ahead with the Plot A in Andheri?

Anita Arjundas: Yes.

Sandipan Pal: Another thing is that, on the affordable housing, I understand that we now have two projects; both are kind of mature in terms of their monetization phase. So just wanted to get a broad sense, are you happy with the kind of progress it is showing and are you really willing to take more affordable housing projects going forward and whether the Government is also putting some kind of relaxation norms which will actually entice developers going forward?

Anita Arjundas: These two projects have been good learnings for us. I think we have tested a lot of variables whether it is sales velocity, pricing, construction cost, approval timeline, land cost and to that extent I think there is a lot of rich information that we have today on what we would like our standard product to be and what our expectations are from the government. We are definitely working on at least one more land parcel in the near future in the Maharashtra region with the intent of taking all of the learnings and developing the standardized product. We will continue to have interactions with the Government; I think the Central Government is quite keen on its 'Housing for All' initiatives, and has put out certain guidelines to the states in terms of single window approvals, speed of approvals and earmarking land zones for affordable housing all of which I think are important to grow this part of the housing segment into a very large business. So, yes it is a space that we continue to remain interested in. We will now be launching or rather taking up development of what we see as our final standard offering and will scale up linked to the government's progress on approvals in different states.

Sandipan Pal: Just last one, book keeping question; if you can share the revenue from the World City project, whatever 3 transactions you have done in this quarter?

Jayantt Manmadkar: Both the World Cities put together, the revenue contribution is close to Rs. 47 crores - Rs. 48 crores during the quarter.

Sandipan Pal: So you include Evolve also into that?

Jayantt Manmadkar: Yes.

Moderator: The next question is from the line of Bharat Seth from Quest Investments. Please go ahead.

Bharat Seth: On this joint venture with Sumitomo, you said that Rs. 375 crores total investment is to be done by way of transfer of land, so how much cash really we need to infuse?

Anita Arjundas: We will not need to infuse anything more from our side. The joint venture would take debt that is needed for the development cost funding and the approval related funding and Mahindra World City Developers Ltd. would actually get money from the joint venture company as compensation for land transfer.

Bharat Seth: And second thing, in your initial remark you said that you are seeing a lot of opportunity in this distress time, I mean with our brand name, so can you elaborate more, which segment we are really seeing this opportunity?

Anita Arjundas: The comment was with respect to the industry where you see that when demand is slow, when absorption levels are slow, when overall inventory is high and there is some level of uncertainty around speed of construction, people don't stay focused on execution because of cash flow pressures. The customer tends to be more comfortable with reputed brands, which have always focused on execution and from our point of view, I think we have seen that in a launch like Luminare, wherein an NCR market which was and has continued to be under severe stress in the last couple of years. A product in the higher-end segment has done very well and has taken the highest market share in that particular micro market in terms of off take.

Similarly, Bangalore Windchimes again has performed very well during launch. In most of our other projects - whether it is Bloomdale, whether it is Ashvita in Hyderabad, I think customers have comfort that they can continue to see execution progress. There is definitely always a flight to brands which are perceived as trusted and safe to be with because they will continue to focus on reputation and execution.

Bharat Seth: Are we looking for adding more projects in this joint venture with Standard Chartered in near future?

Anita Arjundas: We have Rs. 350 crores still to be deployed under the joint venture. We have identified a few projects which are currently under due diligence. As soon as we complete due diligence, we would be putting those projects into the joint venture with both of us infusing the required capital from each side. So there are MoUs in place which are currently under the due diligence stage. Until we actually complete due diligence and sign up the land, very difficult to commit whether it will go through or not but the intent as I mentioned earlier in the call is for the balance Rs. 350 crores to be deployed during this year.

Bharat Seth: And have we earmarked any geographies that we are really looking for this new project?

Anita Arjundas: We have always spoken about being focused on only the 6 key metros and within that primary focus being Pune, Bangalore and Mumbai. So the land parcel that we are looking at would remain within the primary focus corridors.

Bharat Seth: Last book keeping question for Jayantt; this auditor remark - they have stated that the joint control entity reflects revenue of Rs. 625 lakhs and net loss of Rs. 534 lakhs, so that is on what account?

Jayantt Manmadkar: We have two JVs – one JV is with Standard Chartered and second JV is with one of our subsidiaries. Under that we have a JV – Mahindra Water Utilities Ltd. Basically these are the net results of these JVs and primary contributor in that is the interest on the borrowing; there also I would like to clarify that in case of JV with Standard Chartered, the structure is comprised of OCD and CCD with a small equity. There we need to really understand it from the capital structuring point of view rather than understanding it purely as a debt.

Bharat Seth: Going ahead with revenue recognition, you expect the loss will wipe out, correct?

Jayantt Manmadkar: Yes.

Moderator: We have next question from the line of Prem Khurana from B&K Securities. Please go ahead.

Prem Khurana: If I am not mistaken, we used to sell units in Luminare under the subvention scheme, so if I were to look at our number and we have done around Rs. 230 odd crores of cumulative sales in this project, so what proportion of these will be under subvention scheme wherein the customer would pay us only 30% odd and 70% would come at the end of the project lifecycle?

Anita Arjundas: Currently, all units in Phase 1 of Luminare that we have launched are under the 30-70 schemes.

Prem Khurana: So these are tripartite agreements as in banks are also involved in this or this is bilateral agreement between us and customer. As in, would we able to get our money from the banks or customers would pay us at the end of the project lifecycle.

Anita Arjundas: This is currently done as bilateral agreements, many of these customers are self-funding customers, some of them will take bank funding but typically have ability to self-finance up to at least 40% - 50%, and look at funding only at the later stages. So this has been structured as payment terms from the company and therefore it is bilateral and not through the banks.

Prem Khurana: And from bookkeeping stand point, it would mean that we would not be able to realize our cash flows till the time the possession is offered to our customers apart from this 30% odd which would come to us upfront. So which in effect means, our unbilled revenues would remain high and I mean unbilled receivables would remain high, am I right in my understanding. As in the money would come to us once you are going to offer the possession to our customers, right?

Anita Arjundas: Yes, recognition will follow the percentage completion methodology. Since we have an agreement executed with the customer which records the delivery of a completed product and which has various milestones of completion. It is just that the payment is structured as a 30% upfront and a 70% at the time of possession. So we would treat it as contractual agreement and recognize revenue on a POCM basis.

Prem Khurana: Okay, so revenues would continue to be there in our P&L but the problem would be with the cash flows.

Anita Arjundas: Yes, cash flows would come in up to 30% and then the balance 70% would come in on possession.

Prem Khurana: In Jaipur, we are planning to convert a part of our residential into DTA, so how much area in terms of residential would we be left with once we are going to convert this 500 odd acres into DTA?

Anita Arjundas: The total area that we had which was unzoned was about 1000 acres, 500 acres of that has been converted into DTA. That will leave us with 500 acres for residential, retail and social.

Prem Khurana: And out of these 500 odd acres that we would convert into DTA, the saleable would be around 350, right?

Anita Arjundas: Yes, that would be a fair estimate.

Prem Khurana: And just one on affordable housing. We are already under way and we have been doing 2 projects in this segment, so what are the learnings that we have gathered from these 2 projects that we would want to use for our new project to make them even bigger success.

Sriram Mahadevan: Actually there are so many learnings, it would nice if we can catch up one to one and talk about that. If you ask me in a nutshell, approvals are a huge factor as far as the IRR goes and that is why we are proactively talking to the Government at various forums. Developers are pressing for single window clearance and now with the 'Housing for All' focus, most of the state governments, as we noticed, are taking cognizance of it. They are working on 'affordable housing' policies enabling private developers, credible developers to enter this space. We see this as big steps which the State Governments are taking and we look forward to all the positively framed policies by the States going forward.

Prem Khurana: So approval is the only thing that you are looking for, as in terms of single window clearance if it has to be there.

Anita Arjundas: That is a big determinant for growth. Obviously also land at fair price and therefore the government involvement in that. But on our own unconnected to the rest of the regulatory ecosystem, I think we do have strong learnings around technology. So we have our standardized product that we are working on for the next launch. We are looking at templatized design for efficiency of use of construction technology onsite. You will see this in the next project that comes out from the Happinest stable.

Prem Khurana: Which in effect would mean, you have to stick to the same contractor if you would have the same technology and design?

Anita Arjundas: Yes, also there would be more of a partnership that we enter into which will be creating an ecosystem as opposed to just looking at a contractor on the ground.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand over the floor back to Ms. Anita Arjundas for closing comments. Over to you Madam.

Anita Arjundas: I think the focus for us will continue to be on execution. The market is definitely stressed at the current moment in terms of both residential absorption and capital investments by corporates. A lot of the spending currently is focused by the Government on infrastructure and not so much by the private sector. So these are times when there will need to be a greater focus on execution across parameters. We stay committed to driving sales through multiple interventions; there is a strong focus on collections and cash flows. Many of our projects are coming up for completion and handovers during this year; we have a significant number of handovers and that will again support completion, cash flows as also the credibility of the brand with customers. So that remains our core focus. Specifically, we do have the two Mumbai parcels that we would like to see resolved and converted into inventory during this year. We made some movement on the Jaipur approvals, so that would again add into new stock or enhanced stock that is available to the organization to sell. We continue to focus on sorting the Chennai issue out at the current project and getting the new project off the ground. So these would be key focus areas for the organization in the next 8 months. Thank you.

Moderator: Thank you very much Madam. Ladies and Gentlemen, on behalf of Mahindra Lifespace Developers Ltd. that concludes this conference call. Thank you for joining us and you may now disconnect your lines.

(This document has been edited for readability purposes)