



**“Mahindra Lifespaces Q4FY13 Earnings Conference
Call”**

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**MANAGEMENT: MS. ANITA ARJUNDAS – MANAGING DIRECTOR &
CEO, MAHINDRA LIFESPACE DEVELOPERS LIMITED.**

**MR. JAYANTT MANMADKAR – VP, FINANCE AND
ACCOUNTS, MAHINDRA LIFESPACE DEVELOPERS
LIMITED.**

**MR. SIDDHARTH BAFNA – GENERAL MANAGER-
STRATEGY & INVESTOR RELATIONS.**

**MR. RAMESH RANGANATHAN – HEAD - BUSINESS
DEVELOPMENT**

**MS. SANGEETA PRASAD – CEO- INTEGRATED CITIES
& INDUSTRIAL CLUSTERS**

Moderator

Ladies and gentlemen, good day and welcome to the Mahindra Lifespaces Q4 FY13 Earnings Conference Call. We have with us today from Mahindra Lifespaces, Ms. Anita Arjundas – Managing Director and Chief Executive Officer; Mr. Jayant Manmadkar – VP, Finance and Accounts and Mr. Siddharth Bafna – General Manager, Strategy and Investor Relations. As a reminder for the duration of this conference, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference, please signal an operator by pressing '*' and then '0' on your touch tone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Ms. Anita Arjundas.

Anita Arjundas

Thank you. We also have two more members from the leadership team present here today - Mr. Ramesh Ranganathan who is the Head of Business Development for the residential business. He looks after land procurement and land acquisition for both the affordable housing and the premium residential spaces. We also have with us Ms. Sangeeta Prasad who has recently taken over as the CEO of the World City business. Sangeeta was until recently based out of Chennai, looking after the World City at Chennai and will now oversee the entire business space covering Chennai, Jaipur and our new planned developments. Both of them will be there today here to take specific questions around land procurement and the World Cities.

I think what went well for us this quarter is largely centered on execution - very good progress on execution as far as the residential business is concerned. We had Angelica at Eminent getting completed ahead of schedule. We had five revenue recognition milestones across projects, one at Hyderabad in Ashvita which was launched about four months ago, the other at Aqualily in Chennai, two in Iris Court, the 2nd Phase and the 3rd Phase and one at Bloomdale in Nagpur. Therefore, five phases of four different projects getting into revenue recognition. There was some amount of slower execution in Aura Phase-II and Splendour Phase-II, but we see both of them getting finished in the near future. So overall, I would say a good quarter on the execution front for the Company.

The second area that we have seen very significant traction during the quarter has been at the World Cities. World City, Jaipur added seven new customers and executed 8 lease deeds, amounting to about 75 acres of sales volumes done and over Rs. 100 crores of revenue. So I think Jaipur has seen good performance with most of the customers being in the domestic tariff area. In fact we had JCB as a repeat customer from last year. In Chennai, again two customers, but two very high-value customers both in terms of profile and in terms of value of business contributed to the numbers, we had BASF and NCR coming on board into the World City in Chennai and as we had mentioned last time some of these lands were lands where we had revalidated our business plan based on what we needed for commercial, so they are essentially lands which are sitting at historical values in books and have seen very good pricing for the Company.

The third area that we have had some significant traction is around land procurement. We had mentioned last time that we had signed eight MoUs and we were hoping to close them over the

next six months. We have closed two in this quarter and one more in the early part of this month, so 3 out of the 8 MoUs are concluded, one for affordable housing, one in Bangalore and one in Andheri in Mumbai, the balance five are in different stages of due diligence, we hope to close them as we go along. So that is a quick introduction from my side. I am now happy to take questions and bring in the team as we go along based on the questions we have.

- Moderator** We will now begin the question and answer session. The first question is from the line of Anubhav Gupta from May Bank. Please go ahead.
- Anubhav Gupta** Could you give us the revenue breakup for residential projects and integrated cities for FY13?
- Anita Arjundas** The broad percentage split would be 65% of revenues coming from the residential business and 35% of the revenues coming from the World Cities.
- Anubhav Gupta** I believe that last year the ratio was 80:20?
- Anita Arjundas** That is correct.
- Anubhav Gupta** I see from your presentation that you had launched some six projects in the last 12 months that is in FY13, so could you give some pipeline about FY 14 this year?
- Anita Arjundas** We have launched 2 new projects this year as well as phases of 2 existing projects this year. We have six active project sites at the moment in terms of sales . We have added around 2 million square feet in the last one-year which amounts to 5 deals and one more we closed in this month of April, so that is six. So I would look at all these getting into various stages of design development or approval or launch during the year, very difficult to give a specific number on how many we will have launched quarter wise but that is the footprint on which we will be working as a team in terms of being ready for launch.
- Anubhav Gupta** Because if I look at your presentation in FY13 you have launched projects worth Rs. 500 crores, so could we see the same size in FY 14 or 10% or 20% higher or lower?
- Anita Arjundas** I think the endeavor will be to launch more than that both in terms of new phases of existing projects and in terms of new land banks added.
- Anubhav Gupta** The net debt has increased by almost Rs. 500 crores in the last 12 months, so could you tell us where all it has been utilized?
- Jayant Manmadkar** I will answer your first question on the revenue breakup. The total revenue at consolidated company level is Rs. 738 crores out of which about Rs. 500 crores is residential and Rs. 230 crores is the World City business, so that is the revenue breakup. Now coming to the debt if you look at it versus last March12, The movement is about Rs. 300 crores, so today the gross debt is about Rs. 950 crores and the cash on the balance sheet is about Rs. 130 crores, so net debt if you look at the movement from last year is close to Rs. 250 crores not Rs. 500 crores and that is largely in the parent company MLDL standalone.

- Anubhav Gupta** So the funds were utilized to buy lands?
- Anita Arjundas** Yes, the funds were utilized for land procurement. As far as operations are concerned they have been cash flow positive but the raising of debt has been to fund new procurement, we did talk about 2 million square feet added during last year, so a combination of internal accruals and debt has gone to fund that.
- Anubhav Gupta** Any CAPEX targets for this year?
- Anita Arjundas** We won't be able to share guidance but I think you are aware that we had taken approval to raise an NCD of about Rs. 500 crores and that has since been raised in the earlier part of this month and so that will be utilized towards some of the MoUs that are still under due diligence.
- Anubhav Gupta** Just a follow up question on the revenue breakup, you said Rs. 230 crores for the integrated cities, so this also includes revenues from sales of residential projects?
- Anita Arjundas** No, it is only the industrial land lease.
- Moderator** The next question is from the line of Mahesh Bendre from Quantum Securities. Please go ahead.
- Mahesh Bendre** We have presence in five out of top 10 cities in India, last 6 to 9 months we have seen a general slowdown in the Indian real estate market, it seems that sharp price rise over the last two years has impacted the affordability of the buyers, so based on your experience and understanding of the market, do you anticipate prices to scale back to more towards the affordability threshold?
- Anita Arjundas** Speaking from the industry perspective, I honestly do not think there is going to be much of scaling back because I think market to market there are differences in terms of how prices have moved and how volumes have responded, Mumbai has been muted on volumes, prices have corrected very marginally, NCR has shown signs of slowing down recently but prices really have not muted, they have been going up. Markets like Pune, Chennai, and Hyderabad have all been fairly stable both in terms of volume and in terms of price. Bangalore has actually seen some upward movement both in terms of volume and price, so really each market has seen different responses. From our Company's perspective I think at the end of the day it goes back to what are you offering as a product, who are you reaching out to, how do you price when you launch, how do you do price discovery as you execute, how do you execute in a regular fashion. We have sold around 800 odd units in this financial year vis-a-vis 670 units that we sold in the previous year. Even in new markets like Hyderabad which we entered this year, we have seen some very good response from customers for the offering.
- Mahesh Bendre** The velocity of the projects, are they better than what you anticipated or how is the response, is it as per your expectations or are there any variations to that?

- Anita Arjundas** As far as Hyderabad is concerned I think it was better than what we had expected. And as far as Mumbai is concerned we have nothing to sell at the moment, so we really do not have any experience for the last one year on the ground in terms of off takes in Mumbai. Again as far as Chennai is concerned it has been in line with the expectation. So I would say Hyderabad has exceeded expectations, Pune has performed slightly above expectations and Nagpur again has performed above expectations.
- Mahesh Bendre** Since we have completed FY13 would you like to share for a three-year view for our company, in the last three years we have sold around 3.75 million square feet, based on forthcoming projects of 5.4 million square feet and total land bank of 13 million square feet plus, would you like to share your three year view for the company?
- Anita Arjundas** Very difficult to cite a specific number but obviously we are in a position where we have new land inventories coming in and we have about 5 million sq.ft of forthcoming projects, so we should definitely be seeing a scale up in terms of the quantum of sales velocity on an annual basis, but I would not really put out a number on that.
- Moderator** The next question is from the line of Aasheish Agarwal from Edelweiss Securities. Please go ahead.
- Aasheish Agarwal** The first query is on Angelica, I was looking at the previous quarter presentation, we had 79% completed and this quarter we are seeing has been completely finished, so that is 21% POCM in a single quarter, so is that understanding correct on my part?
- Anita Arjundas** Yes, the understanding is correct, Ashish, as you remember, I think the last time we spoke I did mention in the October call that towards the end of a project you normally are at around 80 to 82% completion and you typically need only maybe about a quarter or so to be able to hit 100% in terms of virtual completion because what you're doing is really putting in the high-value stuff, so the lifts are getting finished, you are putting in the CP fittings, you are putting in the sanitary ware, you're putting in the home automation system, all of which are not intensive in terms of time effort but large contributors in terms of value of work.
- Aasheish Agarwal** And second is on the detail of the land parcels we have acquired Bangalore, Mumbai two land parcels and one in Bangalore, so if you can give some understanding as to where it is and size in acres and stuff like that?
- Ramesh Ranganathan** The Bangalore parcel is on Bannerghatta Road, this is around 500 m ahead of IIM Bangalore, on the main road, the parcel is 4.5 acres, and the total area is six lakh square feet of development. The second parcel that we acquired is in Andheri, it is just off the Andheri Kurla Road, five minutes' walk from the proposed metro station. This property is around three acres and there is a total development potential of around 3.7 lakh square ft. That was the second one.
- Aasheish Agarwal** And where exactly on Andheri Kurla Road would this be?

- Ramesh Ranganathan** It is on Suren Road where the TCS Banyan Tree is located, it is just off the Western express highway.
- Aasheish Agarwal** Near Chakala?
- Ramesh Ranganathan** Much before that.
- Aasheish Agarwal** And the second Mumbai land parcel?
- Ramesh Ranganathan** The second Mumbai land parcel is in Boisar, this is 14.5 acres with a potential of about 5.5 lakh square ft of development, so that is the third parcel that we have acquired.
- Aasheish Agarwal** Cumulatively between these three, what would be the total cost if you could share that?
- Anita Arjundas** We would not be able to share those numbers.
- Aasheish Agarwal** And what is the timeline that you would expect to launch each of these?
- Anita Arjundas** As far as Boisar is concerned, we have completed our designing, should be submitting for approval next month, it depends on how long approvals take. As far as Andheri, is concerned we have appointed the architect and we should be signing off on the first round of design development activity in this quarter and then thereafter pursuing approvals. The third was Bangalore, we are yet to get started on that, we are currently doing customer research in the market being a new market for us.
- Aasheish Agarwal** And there is also this news of a planned sale of a Byculla property?
- Anita Arjundas** Yes, this is a piece of mill land in Byculla, we have had joint development rights on the land for many years, the matter was under arbitration for a while and the parties are currently exploring the option of selling the land parcel together and sharing the consideration, so we have issued a mandate to Cushman & Wakefield for the sale of the property. We will see how it goes in terms of the interest levels that we get and the kind of bids that we get.
- Aasheish Agarwal** Broadly what is the size of this parcel and what is our economic interest on this because you would appreciate this is a material part and the value could be pretty substantial, so broad sense of numbers in terms of size of the land parcel and our economic interest would be very useful?
- Anita Arjundas** The size of the land parcel is five acres, economic interest I will not be able to comment on.
- Aasheish Agarwal** So this is like a joint development agreement where we have rights over revenues?
- Anita Arjundas** It was a joint development agreement where we had a share of profit.
- Aasheish Agarwal** And how much money we had put in this?

- Anita Arjundas** Rs. 70 crores.
- Aasheish Agarwal** The other one is on the acres sold for the World Cities, if you could just tell how many acres would you have sold in Chennai and Jaipur in the quarter?
- Sangeeta Prasad** In Chennai in the last quarter we sold around 18 acres and Jaipur total was 75 acres of which primarily most of it was in the last quarter.
- Aasheish Agarwal** Okay, this 75 is for the year also?
- Sangeeta Prasad** Yes, primarily in the last quarter.
- Aasheish Agarwal** And how many acres for the total in FY 13 for Chennai?
- Sangeeta Prasad** Chennai would be 29 acres.
- Aasheish Agarwal** In Jaipur what is the split between DTA and SEZ?
- Sangeeta Prasad** In Jaipur all the sales have been done in the DTA space.
- Aasheish Agarwal** And in terms of value if you could help us with the numbers on each of these?
- Sangeeta Prasad** If you see the P&L statement, the total revenue which we have crossed in Jaipur is Rs. 100 crores and we have sold 75 acres. Per square meter ranges have been between Rs. 3000 to 3500 per square meter of land in Jaipur in the recent past.
- Aasheish Agarwal** Finally also in some sense you are speaking about the SEZ, there was a new set of guidelines that have come in on Thursday I think, if you could just kindly elaborate on that a little?
- Sangeeta Prasad** There have been three levels of guidelines which will help us analyze, one is the broad banding of the SEZ. The next one is reducing the area for both multiproduct and sector specific SEZ and the third is the co-locating of SEZ in contiguous spaces, so that we can share the customs resources if we have contiguous spaces. So what it helps us to do is get a broader range of customers and not be restricted as in the earlier case, so this is what we are analyzing now, its impact on the business and we will be able to articulate that soon.
- Aasheish Agarwal** I could not understand what you said about the co-located and contiguous spaces?
- Sangeeta Prasad** If I have a sector specific SEZ and if I can acquire another 50 hectares contiguous to it, I can co-locate two SEZ, so I will have two sets of customers belonging to do two different sectors and use the customs and other offices in that space together rather than having specific customs and export resources specific to each SEZ.
- Aasheish Agarwal** The broad banding is decided by the Government or we can define it the way we want?

- Anita Arjundas** It is decided by the Government, Ashish, so it basically stems from the concept of looking at overlap sectors, related sectors and allowing a developer of an SEZ to have those broad-banded definitions to prevail in that land. So for example if we have a handicraft customer and what is defined as handicraft under the Act, but also does apparel, with a component of handicraft work, till now it is not allowed because it is treated as not handicraft but apparel. It allows the person from the same unit to do both apparel exports and handicraft exports, which is in one sense aligning to the real market because if I have an order from GAP and I'm going to give GAP home furnishings which are in the form of wooden carved tables, I'm also giving them cushion covers, I cannot tell them that in one shipment, I will send only part of your order and I will send another part of your shipment from somewhere else. So it really allows units coming in to get a lot more flexibility in terms of operations.
- Moderator** The next question is from the line of Prem Khurana from B&K Securities. Please go ahead.
- Prem Khurana** First thing on Splendour II, the project does not seem to have moved much during the quarter even your Aura Phase-II and III, so what is the issue there? Why have these projects not moving as per our expectations. If I'm not mistaken, you are supposed to deliver Splendour II during the quarter, but it seems to have delayed now?
- Anita Arjundas** As far as Splendour II is concerned, yes, we were supposed to deliver the project by March 2013, we see that getting pushed by a quarter and it is primarily been around some financial concerns that we have had with the contractor in terms of his ability to pump in money at the final stage of the project to the sub-contractors and for material, we are working closely with the contractors and should see a closure on that shortly. Aura III has actually been going well, it is as per schedule.
- Prem Khurana** Aura II does not seem to have moved much during the quarter, it is only 2% that we had made incrementally?
- Anita Arjundas** Aura II actually currently there has been no progress, what you see as 2% is essentially around the infrastructure work that is happening on the site. There we have had to do a de-scoping of the current contractor because of financial issues in terms of his ability to cope and so we are getting in new contractors in place shortly and work will restart.
- Prem Khurana** So are we taking any measures that these kinds of events do not take place in future and are we kind of short listing our contractors to number, not more than 4-5 contractors whom you would be comfortable to give your work to and not kind of hire 5-6 contractors, so do you have any preferred contractors or how do you intent to address this issue and if it is there, it could be there for Aura III or IV or V this kind of risk would also be there for these kind of projects?
- Anita Arjundas** I think, it depends on the quantum of work that you are able to give a contractor at a specific point in time and the minute you have a larger quantum of work to allocate, you are able to get in better quality contractors, more financially sound contractors for example, if you look at the Pune Project which is a large project, we have JMC which has been taken for the project. If

you look at Hyderabad again which is a large project, we have ILFS which has come on board as the contractor. We are obviously raising the bar in terms of looking at contractors who are more stable, who are more financially strong. But having said that, I think as an overall trend, there is a larger concern for the industry as a whole on the balance sheets of contractors, even the largest ones are very, very stretched and so the minute they see one or two developers struggling to pay them and getting into large dues it starts impacting multiple projects. We are also moving to technology as another solution to look at these issues so that we really can build projects faster, so both Pune and Nagpur have moved to aluminium formwork in terms of construction, we are therefore seeing some early returns of that in Nagpur where it took time to stabilize in the beginning but now that it is stabilized, we are already on the fifth floor of the 1st Phase of Nagpur.

Prem Khurana

And on our strategy what kind of land to launch time lines we would work with while we are evaluating these kind of land parcels that we acquire? Do we have any specific number in mind that if I acquire today we will launch in the next six months or eight months or nine months?

Prem Khurana

I mean land would be the new acquisition to launch ratio, for instance Sopan Baug was acquired some couple of quarters back now you are going to launch it so, when would you want to launch it this quarter or next quarter, 12 months or in 15 months?

Anita Arjundas

So Sopan Baug has got all of its approvals and we should be launching within the month or next month. We are currently not in a mode where we are putting land aside as land bank. Every land that comes into the system goes straight away into design development and approvals. So if you look at the cycle therefore, we are operating on anywhere between 12 to 15 months as our assumption when we do a business case for a land parcel in terms of how long it will take from land procurement to launch. The number can be lower if it is a project which does not require environment clearances. The number could be higher if it is a land parcel which requires industrial to residential conversion. So I would say 12 to 15 months is the broad operative assumption.

Prem Khurana

And the number would be somewhat similar for affordable housing units as well? There you operate on paper thin margins. So if you want to keep your land bank for a year and carrying cost will also add to your land cost, so for instance Avadi has been with us for a quite some time, now you have not been able to launch it and if I will consider that our carrying cost is 12% to 15% odd, so it straightaway adds to my land cost and since we are operating on very paper thin margins, so how do you see this kind of situation if you are not able to launch in 12 months or 15 months?

Anita Arjundas

As far as affordable is concerned, we are working on a 12 month assumption in terms of land-to-launch, now I think a lot of that is also going to get driven by when we stabilize in that vertical after our two pilots in terms of having templated products, so which means almost less than 15 days and design development effort as against say two months or three months development effort, which currently goes in, as it would be a standard offering, 15 days of templating, correction effort to meet the local laws and then submissions, so we are really

looking at almost a full year being available to get approvals. As far as Avadi is concerned, yes, it taken us longer, I think it is twofold, one has been the factor that it is the first pilot, there is that much of time and effort that has gone into looking at technology along with design to be able to decide what form of technology we will use for the project. As far as Boisar is concerned, for example, the second parcel, we have already completed designs even before we procured the land, so while we have procured the land a week back, we will be submitting our designs in the next 10 to 15 days for approvals.

Prem Khurana And will you be able to share some number on your land acquisition, how much do you intend to spend over next 12 to 18 months and are we comfortable with this debt funded land acquisition, market does not seem to be in favor of acquiring land parcel on debts, so we have been doing that for the last 1-1.5 year now, so because of which our debt has gone up, so are we comfortable with this debt funded land acquisition?

Anita Arjundas Guidance in terms of amount we will spend, I will not be able to share Prem, but as far as debt funded is concerned, I don't think it is the only option, obviously there are multiple routes to be followed, one itself in terms of composition of outright deals to joint developments. The second is in terms of how much of it comes through debt, how much it comes through private equity participation in some of our projects or through internal accruals. So it is not that we are only exploring the option of funding all land procurement through only debt.

Prem Khurana This Andheri land, is this the Nycomed land parcel?

Anita Arjundas Yes that is right.

Moderator The next question is from the line of Pankit Shah from Axis Securities. Please go ahead.

Pankit Shah Can I get the breakup of other income that forms the part of the P&L?

Anita Arjundas Can Jayant mail it you?

Pankit Shah Sure. And secondly, just wanted to check even in the Pune project, the Antheia Phase-I, the execution seems to be tad slower than what we would have anticipated, are there any hiccups in that project?

Anita Arjundas As far as our own plans are concerned, Antheia is on schedule in terms of what we have completed as of end March, there again since we are using technology and aluminium formwork, you will see progress being slower in the initial periods because we need the formworks to come onto the ground. They have just arrived early this month and now we will be able to initiate going vertical in some time.

Pankit Shah And I guess, GE Gardens still forms a part of your forthcoming projects, but it does not form part of your ongoing projects status, what have we done with that land parcel with GE Gardens project?

- Anita Arjundas** It is not part of our ongoing or forthcoming at the moment, it has moved to land bank.
- Pankit Shah** So why it has moved to land bank currently because I guess, 7% sale has already been done on GE Gardens?
- Anita Arjundas** If you remember last time I had mentioned that we are having an issue with the society there, we haven't been able to reach any conclusion there, we are not sure what the way forward and the solution will be, whether through settlement or through legal action and therefore we thought, it was prudent to (a) remove it from forthcoming because we do not have an immediate visibility. Second, we have therefore gone back to those seven customers and refunded them the money, and reversed those sales in our books.
- Pankit Shah** And what do we intend to do with GE Gardens, do we intent to dispose it off or we want to do a litigation?
- Anita Arjundas** We are not an owner there, it is a joint development with Great Eastern Shipping, so our rights are only development rights and we will look at either reaching an amicable settlement or looking at a legal recourse based on advice of our counsel.
- Pankit Shah** And on the approval's front in the cities that we operate, do we see any issues or is the approval process smooth in the last two quarters?
- Anita Arjundas** It has been fairly smooth in the last two quarters, at least for whatever is being put up for approval., In fact, the new project in Chennai being done by MITL inside the World City has already received its town and country planning approvals. Pune had received its 70 meter height clearances and the balance approvals, Sopan Baug has approvals. So currently, I would say that the only bottleneck on approvals is around the affordable housing project in Chennai, the other bottleneck across the country is on environment clearances because it simply takes too long.
- Pankit Shah** And I guess in Bloomdale, we had a slowdown in terms of sales because we not had good sales happening in this quarter in Bloomdale, so what is the reason for that? I guess from the execution front, we are still executing the project but sales are not picking up?
- Anita Arjundas** I think, on Bloomdale, it has been a question more of mix than of actual sales dropping. So what we have left today is only one format of homes, so 3 BHKs are all sold out and 2 BHKs are also all sold out and 2.5 BHKs only available, so there is an asymmetry of mix. We really haven't allowed the sales team to launch the next phase of the project, till we are into a certain level of closure in terms of the 2.5 BHKs and I think our strategy paid off in the last quarter because a significant quantum of the 2.5 BHKs have been sold. In April, on Gudi Padwa Day, we launched the next phase.
- Moderator** The next question is from the line of Mahesh Bendre from Quantum Securities. Please go ahead.

- Mahesh Bendre** Apart from Jaipur and Chennai, over the next 2-3 years, are we looking to set up similar World Cities anywhere in India?
- Anita Arjundas** We have an MoU with the Gujarat government for World City in Dholera. The land is to be acquired by the government. We are waiting for them to complete that acquisition.
- Mahesh Bendre** And apart from that, nothing is on the table?
- Anita Arjundas** Nothing immediately, beyond the current two world cities and the third, which is there in Dholera. We of course have the second project in Chennai, which is still under land procurement.
- Moderator** The next question is from the line of Sandeepan Pal from Motilal Oswal Securities Ltd. Please go ahead.
- Sandeepan Pal** If I see the comparing of realization project wise, is there any price cut in the Chennai project?
- Anita Arjundas** No.
- Sandeepan Pal** The base price which you mentioned in this quarter's presentation it is lower than the last quarter actually total?
- Anita Arjundas** It would depend on the product mix, I think you are referring to Aqualily?
- Sandeepan Pal** Yes.
- Anita Arjundas** In Aqualily, we have one particular unit type which is priced differently from the other unit types and that is the unit type which would have been sold during the quarter, so that is what you see as last base selling price, otherwise price has been stable, there has been no cut anywhere.
- Sandeepan Pal** In your Byculla project, is there any arbitration which is going on, is that the reason why you were trying to get rid of the property because it has been a prime property and you could have just gone for monetization by developing it?
- Anita Arjundas** This is something which was procured many, many years back, the arbitration was on for many years. I think it is just that both the parties sat down together to look at the option of exiting it, so we are exploring that option by which both of us can monetize our respective stakes in the project and move on, given the long history that has been there on the project front.
- Sandeepan Pal** Lastly, on the North Chennai SEZ or the North Chennai DTA project, basically, how much land you have acquired and what is the kind of timeline you would like to highlight when you can just start the project?

- Sangeeta Prasad** We had acquired over 500 acres and what we are looking at is getting around to 650 to 700 acres so that we can launch our 1st Phase, which will be around 400 acres of contiguous parcel, you need a minimum of 350 to 400 acres to launch a product in the World City format.
- Sandeepan Pal** Okay and any timeline in your mind?
- Sangeeta Prasad** We expect that we will be launching as we aggregate the lands.
- Moderator** The next question is from the line of Prem Khurana from B&K Securities. Please go ahead.
- Prem Khurana** This year you have acquired some 2 million square feet of area, so what is the revenue potential of this 2 million square feet area?
- Anita Arjundas** Upwards of Rs. 1000 crores.
- Prem Khurana** Is it fair to assume that around 20% to 25% this would be the land cost on an average?
- Anita Arjundas** I don't have a number specific to these lands Prem, but that is the broad ballpark formula.
- Moderator** The next version is from the line of Ronald Siyoni from Sharekhan. Please go ahead.
- Ronald Siyoni** It was regarding the sale of residential projects, when you launch a particular residential project, do you prefer to go about 100% of the sales or do you launch 25% to 50% of the project and then plan to move ahead irrespective of the cost of project? What kind of strategy do you employ there?
- Anita Arjundas** As we said last time, we break a project into three to five phases of developments, depending on the size of the project and then we launch one phase at a time, so that over a period of time we have discovery on pricing of the project.
- Ronald Siyoni** But phases wise, the whole project is launched, if you separate it and say one or two phases there?
- Anita Arjundas** We don't do that, for example, if a project is 1.5 square feet million, we will not launch the entire 1.5 square feet million in one go, it would be broken into four lots of 3 to 4 lakhs square feet each because we also synchronize construction with launch, so both run together.
- Moderator** As there are no further questions, I would now like to hand over the floor back to Ms. Anita Arjundas for closing comments, over to you.
- Anita Arjundas** Thank you and as I mentioned earlier on this call, we will continue to focus on execution across all our projects. We have added land parcels. We are conscious of the fact that we have taken on debt in the books and the effort will be to scale up very significantly, both in terms of sales and execution at the residential and world cities.

Moderator On behalf of Mahindra Lifespaces that concludes this conference.

This document has been edited for readability purpose.