



“Oberoi Realty Q1-FY13 Earnings Conference Call”

July 23, 2012



MANAGEMENT: **MR. VIKAS OBEROI – CHAIRMAN & MANAGING DIRECTOR**
MR. SAUMIL DARU – GROUP CHIEF FINANCIAL OFFICER

Moderator: Ladies and gentlemen good day and welcome to the Oberoi Realty's Earnings conference call for the first quarter of fiscal year 2013 that ended on June 30,2012. We have Mr. Oberoi, the Chairman and Managing Director and Mr. Daru, the Chief Financial Officer of the company with us for the call. Please note that this call will be for duration of 60 minutes and all participant lines will be in the listen only mode. This conference is being recorded and may be put on the website of the company. After the management's discussion, there will be an opportunity for you to ask questions. Should anyone need assistance during the conference call, they may signal an operator by pressing * followed by 0 on their touch tone telephone. Before I hand the conference over to the management, I would like to remind you that certain statements made during the course of this call, may not be based on historical information or facts and may be forward looking statements including those relating to general business statements, plans and strategy of the company, its future financial condition and growth prospects. These forward looking statements are based on expectation and projection and may involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to defer materially from those suggested by such statements. I would now pass the conference over to Mr. Oberoi, the Chairman and Managing Director of the company. Thank you and over to you sir.

Vikas Oberoi: Very warm welcome and thank you for joining us for our first quarter results of 2013. It has been a mixed bag I would say, global economy, you know much more than what I would so I don't want to throw much light on that. Having said that, our company continues to do well. We sit on cash, looking for opportunities to deploy this. Sales are robust, our order books stands at an all-time high of Rs. 1,580 crore. This does not include the sales that we have done at Worli because we consider those sales to be more of our past effort than anything in future. Mulund which we thought could have started has disappointed a bit because we continue to await MOEF clearance. We hope that we get it within this quarter and we now look reasonably confident of getting it. I will ask my, Group CFO, Saumil Daru to take you through the financials and after that we will have an extensive Q&A and both Saumil and I will try an answer all your queries with regards to strategy, present and future business as much as we can within the permissions that we are allowed to. I will hand over to Saumil and look forward to talking to you little later. Thank you.

Saumil Daru: Thank you Mr. Oberoi. Some housekeeping first, I guess most of you must have received the presentation and the results by email from our IR team. If not, it's available on the website since Saturday so those of who want that can get it online right now. To begin with in terms of numbers, we achieved consolidated revenue of Rs. 230.79 crore for the Q1FY13. This is vis-à-vis the top line of Rs. 215.07 crore for Q1FY12. The consolidated PBT was Rs. 137.62 crore as against Rs. 137.36 crore for the same period last year. The consolidated PAT was at Rs. 100.80 crore for Q1FY13 as against Rs. 105.77 crore for the same period last year. To move to our asset level performance, both Oberoi Mall and Commerz, Oberoi Mall contributed Rs. 19.85 crore to the top line. This is against Rs. 19.12 crore in Q1FY12, which is a growth of about 4%. As far as Commerz is concerned, the top line was Rs. 11.26 crore vis-à-vis Rs. 10.91 crore in the same period last year which is a growth of over 3%. The EBITDA margins in both of these verticals are in excess of 95%.

The hospitality vertical which is through the Westin Mumbai Garden City contributed Rs. 22.00 crore to the top line against Rs. 20.83 crore in Q1FY12. This represents a growth of nearly 6% and the EBITDA margins for Q1FY13 in this vertical were at about nearly 25%. Quickly moving to the development properties, in Oberoi Esquire, the total project area is 19.7 lakhs sq. ft., area sold till date has been about 7.68 lakhs sq. ft. which is close to about 39% of the inventory. The total sales

value which we sold in this quarter was Rs. 92.66 crore, cumulative sales value till date is Rs. 946 crore and as you would have noted from the presentation there has been no revenue recognition for this project as it is yet to reach the threshold level of construction completion. For Oberoi Exquisite, which is right next door, the total project area here is about 15.4 lakh sq. ft., of which area sold till date is about 8.63 lakh sq. ft, which is about 56% of the total inventory of the project. The total sale value in this quarter was about Rs. 49.5 crore. Cumulative sale value in this project till date is about Rs. 1,070 crore. In this project, we have already commenced revenue recognition and what we have recognized in this quarter is Rs. 63.09 crore. The cumulative revenue recognition till date is roughly about Rs. 543.00 crore on account of 51% project completion. The other project which is under construction is Oberoi Splendor Grande, out of the total area of 2.8 lakh sq. ft., area sold is 2.33 lakh sq. ft, which is nearly 82% of the inventory. The total sales value in this quarter is Rs. 37.40 crore and cumulative sales value till date is more than Rs. 325.00 crores. The total revenue recognized for this project in this quarter is about Rs. 46.00 crore and a cumulative revenue recognition till date is about Rs. 225.00 crore, which is based on 69% or thereabouts project completion. One of the completed projects which we had was Oberoi Splendor. Here the total project was about 12.8 lakh sq. ft. we have sold about 12.38 lakh sq. ft. in this project which is nearly 97% of the inventory in this project. The total sales value which we booked in this quarter was about Rs. 19.00 crore. The cumulative sales value on this project till date is at about Rs. 1,473 crore. The total revenue recognized for this project as I said is about Rs. 19 crore and this is completely on account of the 100% project completion which we have achieved last year. Coming quickly to Worli, work continues at a good pace, one of our targets for the coming quarter is that we should close out the documentation with the hotel operator and once that happens, we should immediately move to the launch of the project. To conclude, some key financial parameters, our EBITDA margins for Q1FY13 were about nearly 57% and PAT margins were nearly 44%. The EBITDA margins for Mall and Commerz are much higher than average as mentioned before, excluding them, the margins for our pure residential business is around 55% for Q1FY13. I would like to now open the floor for any questions that any of you may have. Thanks so much for giving us patient hearing.

Moderator: Thank you. Ladies and gentleman we will now begin with the question and answer session. The first question is from the line of Punit Jain from Goldman Sachs, please go ahead.

Punit Jain: My first question is with respect to margins, so there has been some decrease in margins on a Q on Q basis despite price rises. So any particular reason for the same?

Saumil Daru: Okay Punit, very quickly, you know there has been a little bit of revision in the budgeted cost in two projects one is in Exquisite and the other one is in Splendor Grande. Very minor, but what happens is because of the percentage completion method, the entire impact of whatever we have sold and whatever we have recognized till date the entire differential comes in this quarter, so that is primarily accounting for what you see as a margin compression. And we had seen this if you recollect even last year, if I am not mistaken on the second quarter, so whenever there is a little bit of an increase in the budget, it tends to get reflected in a margin depression in that quarter and then we will see that the margins will spring back in the succeeding quarter.

Punit Jain: Could you quantify it?

Saumil Daru: Well the cumulative impact in both cases, the total increase in the budgeted cost has been about Rs. 15 odd crore put together. On an average between the two 50% would come through. In one we have done revenue recognition of about 51% and in the other case it is at about 69%. So you will also have to multiply that by the percentage of the area sold. So it will have an impact of about Rs. 5-6 crore. However, whatever price increases have happened, those will start kicking in and as we will sell in the future, those numbers will also start coming in and firstly you will see the margins coming back next quarter and secondly due to the sales you will see an increase in margins in all probability, but that will have to happen out of future sales.

Punit Jain: Okay and second question with respect to demand, like your sales of around Rs. 2.1 billion for this quarter, were the sales most concluded in the quarter or did you see any change in demand along the quarter, like was the demand lower as compared to the initial part?

Saumil Daru: No basically these have been more or less even during the course of the quarter you know, and also as you all would have seen that there has been no new launch which has happened. So despite that we are continuing to see these volumes, Splendor Grande itself has done very well. If you look at Splendor you know that in most of the stuff we have sold the lock ins are over, so there is an active resale market over there also. Customers will have more choice and in the end we end up completing with people who want to exit. So if you look at it in terms of that and top of it if you look at it between what we had in terms of inventory in 31st March for that quarter as well as this quarter, there has been a huge difference. So compared to the amount of inventory we have, we are very happy with the speed of sale which has happened. Not only here but everywhere else also and as I mentioned to you it has been more or less even across the quarter.

Moderator: Thank you. The next question is from the line of Unmesh Sharma from Macquarie Capital, please go ahead.

Unmesh Sharma: I have two, firstly on the Worli project, what is the thought process and the timeline in terms of further approvals if any which are required till launch, you did touch upon that on your opening speech, but if you could please have some more details and the second question is regarding the Esquire project, under the new DCR rules, what is now the path going forward for buyers who have already purchased in Esquire and hence what will be the cost implication and timeline implication for that project now? Thank you.

Vikas Oberoi: For Worli as far as Oasis reality is concerned, the project is in fact ahead of schedule. This is one of our only projects which is ahead of schedule. So we are very happy with the way things are going, Samsung is executing the project very well. From launch point of view, we had, certain commitments for our erstwhile project, we moved them here. Those were 19 odd apartments that we sold, close to 15 have already come in here. , So even though one can easily consider them as sales, we internally decided not to show it, of course at some point of in time it will reflect in the books, but we didn't want to prop our books and thump our chest that this much has sold because we believe that they were already sold earlier. We had done sales as high as Rs. 35,000 per sq. ft. in our old projects and these people have moved here so the sales is received well. It's looking good. From a timeline point of view, I see hopefully this getting completed before schedule so no worries as such. On Esquire, from the new DC regulation point of view, we have communicated to all the flat holders. We clearly communicated to them that we have changed our plans so the carpet area has increased. Now

there is no concept of useable carpet area so that has gone. We end up spending a little more money because useable carpet area was all these flower beds that didn't require that kind of money. The actual carpet area requires all the best finishes, so we have absorbed the cost of these people. We have also absorbed the premium that we will be paying for the 35%. It is a significant amount but we feel that the franchise we have created deserves this sort of an expression for our customers and we have gone ahead and done that. From schedule point of view, I don't see any major push on timelines so it's pretty much in order as such.

Unmesh Sharma: Regarding the Commerz II project seems to be a significant progress on the execution front. On leasing what would be the status?

Vikas Oberoi: October is when we are hoping that the building will be ready for occupation and commercial building off-take has been a concern for us and we feel that it's not really keeping pace with what we really thought. But we are seeing traction, traction at lower prices and whatever be the market you know like we are averaging today at 129-130 bucks. We are hoping that we get those numbers, but we are okay to do a deal at a slightly lower number also. The building is far superior than what we have built earlier or what competition is building. We are just waiting for it to complete and get the real traction from the market. People continue to look at it and they are interested. We are hopeful, but again the commercial market is nothing to write home about is what is our statement.

Moderator: Thank you. The next question is from the line of Anand Agarwal from Jefferies, please go ahead.

Anand Agarwal: I have few questions, firstly could you give some timeline on when do you expect the Esquire to start coming under revenue recognition, which quarter?

Saumil Daru: Basically, either the end of third quarter this year or Q4FY13, these are the two probabilities.

Anand Agarwal: Okay, just a follow up to that I mean we were earlier expecting this to come under revenue recognition in Q4FY12 or Q1FY13, so it seems like there has been a delay of almost like two quarters in terms of our expectation now. So what is the reason for the construction delay I mean or the reason that we have not been able to hit the threshold earlier?

Saumil Daru: Well two things, one is you know due to the change in DCR regulations, we have to defer out some of the construction a bit so that has happened. The second is the other thing which we are looking at is the new institute guidelines which require the threshold completion to move up from 20% to 25%. So these are the two factors which are coming in play.

Anand Agarwal: Just a follow up to what Vikas said about the Oasis Realty presales or the conversion of the earlier commitment into this project, just wanted to understand have those people moved or being converted at the earlier price at which they had bought into the Glaxo property or they have at that same price?

Vikas Oberoi: Yes.

and that is the least we could do for our people, they waited and its only fair that only unless we look after our customers, we don't see retaining our franchise or brand name. Today the traction we get in booking is only because people are sure that if there is any such situation we will be very fair to them. So they are not unhappy about it. It's a good call. There are very good customers and we would do it for our customers, that's it.

Anand Agarwal: On Splendor Prisma, just what I mean for the last two quarter, our spend on this has been slowing down, so is that our conscious strategy and in light of the slow down that you have seen in the commercial leasing and the earlier plan of selling the space at Splendor Prisma so what is the strategy now there?

Vikas Oberoi: Well, Splendor Prisma, there are two reasons, one is we also wanted to see how, you know we are way ahead in terms of execution as far as Commerz II goes, and we are very near finishing it. So we said let us look at that and the number two aspect is that FSI is out of car parking FSI though of course now we have got almost all clearances, but your guess is right that we just want to kind of wait and watch the commercial market. There was no point in investing our energies into that and we were really hopeful that Mulund would start which probably has given us a slight setback, but again you know like once Mulund starts then the numbers will start coming out of that as well.

Anand Agarwal: Right and just a last thing on the land acquisition side, have you invested or given out any deposits for any land acquisition in this quarter? If so, what is the amount and any update on the timing of land acquisition?

Vikas Oberoi: You know we continue to look at land and we believe that none of us can time the market towards bottom. But I feel that the situation where we are in today, we are quite confident that if not the bottom, it's the near bottom of the market. Now obviously we need lands at good location. We need lands which have got a clear title or approvals or I mean you know at least there should be some clear basis on which we would go and buy these properties. So we continue to look at it very aggressively and we are very hopeful that we will be able to close the transaction because there is not much liquidity in the market, so we stand a damn good chance because we are sitting on our own cash and with a good franchise in very good institutions who are willing to partner us. So we continue to look at land in short you know and we will close some land transaction.

Anand Agarwal: Was anything invested as or was anything given as land deposit or deposit towards land in this quarter?

Vikas Oberoi: You know very small, very insignificant nothing really to talk home about.

Moderator: Thank you. The next question is from the line of Ashish Agarwal from Edelweiss Securities, please go ahead.

Ashish Agarwal: Sir my question pertains to our overall projects salable area, of course as we know that we have the new DCR that came in almost 7 months ago and so obviously our salable area would have seen some modification, so I was hoping to understand what would be the current salable area that we get, that we stand at as of now across our project and also how does it change if we get car parking FSI, may be you know Goregaon or Mulund, if you have any of those updates, it could be very kind of your?

Vikas Oberoi: Okay you are free to speak to IR Team, but I wanted to tell you that not only for me, this additional fungible FSI has resulted in an increase in FSI for all the developers who were using the DC regulations in a limited format like how we did. I mean obviously people who are able to use unfair advantage and get an additional area I can't comment for them, but for most of the developers, its barring the premium that we have to pay. It has been a very good level playing field and most of the areas that were not available to us or many developers, who were not able to change the goal post are pleasantly surprised and happy with the way its gone, but like I said that other than the premium that we have to take so all in all it has been great and the same will reflect in our numbers also.

Ashish Agarwal: Sure and just one follow-up on the Worli project, what is the timeline that we are looking at for the launch of the Worli project?

Vikas Oberoi: Okay so like I said that you know we moved people from there to here, these are 15 apartments, each apartment is close to 9,000 sq. ft. You are looking at 120,000 to 130,000 sq. ft. already sold even without launching. So that's one bit and these become our brand ambassador for future people because these are very prominent people from all walks of life be it financial or industrial. So these are our so called ambassadors with the projects and we are waiting to sign with the brand that would probably give us the edge to go and ask for the price that we envisage we can get. Hopefully by this quarter that we are now entering, Q2 probably you will see us marketing this project to outside customers as well.

Moderator: Thank you. The next question is from the line of Saurabh Kumar from JP Morgan, please go ahead.

Saurabh Kumar: I have two questions, one is basically on Worli, you have spent about Rs. 260 odd crore, from what I understand the project cost should be around Rs. 1,100-1,200 crore. So which means that over the next two quarters can this project come into revenue recognition or not?

Saumil Daru: Two things if we go by the new institute guidance note, I also need to sell 25% of the area before I can commence any revenue recognition. So it will also be contingent on that, so that's one thing and secondly we will also have to see what you mentioned was the total cost of residential. The Rs. 260 crore is the total costs which have incurred on the project. For me, the project is split between residential, commercial and the hospitality component. So I have to only look at the residential component hitting the 25% or 20% threshold. So we will have to work it out. In our view the revenue recognition could either be Q4 of this year or may be Q1 of next year.

Saurabh Kumar: Can you give some update on what is the status on the Glaxo project now?

Saumil Daru: Well in the Glaxo project, basically if you recollect the matter was in the High Court challenging the order passed by the earlier Municipal Commissioner. A month back, the high court has set aside that particular order and the matter have been sent back to the Municipal Commissioner for relooking at the whole issue afresh. So we are waiting now for that thing to get decided by the Municipal Commissioner.

Saurabh Kumar: So any timelines in terms of when we can expect a launch?

Saumil Daru: We would love to do it as quick as possible but you are dealing with an approval process so everybody's guess is as good as ours.

Moderator: Thank you. The next question is from the line of Tejas Sheth from Emkay Global, please go ahead.

Tejas Sheth: Sir just wanted to understand is there any change in FSI in Oasis because we had given a higher deposit to the Sahana Group?

Vikas Oberoi: You are right, there is an increase in FSI and we are awaiting approvals. We don't want to announce until they are in our hand, that has been our policy. We want to be conservative. There might be a minor increase in the FSI.

Tejas Sheth: Sir just one more question on this pricing strategy of your Goregaon projects, we saw two increase - one in October '11 and second in April, both these quarters we saw the fall in sales booking per se, how do you see going forward the pricing strategy, is there more room for increase in the prices?

Vikas Oberoi: Well you know if you see apartments that are ready, they are selling. Today, Woods is selling at a little over Rs. 22,000 sq. ft. so I see there is still scope of increase that's one, there is great demand that's the other thing and see the input cost be it land, be it timeline in getting approvals or supply of land, all these things you know basically make up for what the prices should be and we don't see any improvement. I don't see any increase in supply of land or FSI in this area. Our franchise continues to command the premium and it is slowly getting stronger with God's grace. So all this put together I don't see pressure on the price or the margins. We continue to feel that we can get some more like I said that ready is selling at 22,000, we are only talking of 14,000 right now. So there is some room yet that needs to be covered.

Tejas Sheth: No Sir but that Rs. 22,000 per sq. ft. would be some one-off transactions which takes place where as you need to sell a very mass number of units.

Vikas Oberoi: I agree but then there is a huge difference between 14 and 22 so I am not saying that I will get 22 for all my inventory, even if it increases by 10%, it's only 15,500 and still a good 25% discount over what is ready and is selling, plus these products are different. They are much better in quality. We have matured as developers and are doing a much better job here so all these things will come into place and the location has also hit a tipping point.. More people are now interested in Goregaon so that's how it is and it is not a one-off transaction and like today we have lesser apartments to sell because with a lot of resale happening in Splendor which we are encouraging because this same investor will want to put money back again in our projects, so we are more than happy. Though they are fewer than a lot of other developers who attract investors, but never the less these are significant numbers. So we have seen a lot of resale happen in Splendor. Similar resales are happening in Woods or even for that matter Exquisite. So this money will come back.

Tejas Sheth: Okay sir just a follow up question on this, there are two very large projects coming up in your 3 km vicinity one is by Omkar Developers and other by Sunteck, how do you see the investors mindset changing toward this projects vis-à-vis yours?

Vikas Oberoi: Good luck to them, but we also have a very strong franchise. People who are brand conscious, people who want that comfort, they do come to us I mean, you know, so I don't have a problem with that. I mean people can have projects and they should have because that's the sign of maturing market, but having said that we are very confident of what we have built over so many years and so we are not threatened by anything like that. We are very confident of our product, our quality, our execution, our entire franchise and we really don't see any problems there.

Moderator: Thank you. The next question is from the line of Nilesh Dhamnaskar from Religare Asset Management, please go ahead.

Nilesh Dhamnaskar: Sir, my question pertains to your Mulund Project, Sir in your opening remarks you mentioned that you expect MOEF clearance by this quarter, however it has been seen that a lot of projects in the adjoining areas which are already at an advanced stage of construction have yet to get MOEF clearance and some of them had applied many years back. So my question is under these things what is the differentiating elements in our project or what gives us the confidence that we will get the approval in relatively a shorter timeframe.

Saumil Daru: Basically, you know, all of these people, we are all together, and the state government has to give this approval in a consolidated manner and which is what they even committed to the courts and that's even there in this CEC report and all of those. So whatever will happen will happen together. The only thing is that in our case, if there was any premium to be paid or there was an NPV to be paid, we have paid that, so from that perspective, we are in the front of the race. So that's the only thing and that's why we say that since everything has been done we will be the first out of the woods.

Nilesh Dhamnaskar: Okay, if the MOEF is given then it will be across projects in that area, right?

Saumil Daru: Well it depends, they will have to evaluate everybody else's but yes if it is not all together than they will be almost all together.

Moderator: Thank you. The next question is the follow up from the line of Punit Jain from Goldman Sachs, please go ahead.

Punit Jain: My question pertains to the latest regulatory bill in Maharashtra, so wanted your opinion as to how it could change the sale process in Mumbai?

Vikas Oberoi: Punit, you know we have always been for this and we always believe that this sort of regulation will put confidence back into the customer. Today many customers believe that developers will not complete the project, will not deliver it on time and will not do the quality. Of course you know fortunately we have a different franchise, and good brand name, but having said that it is very good for the industry and going forward, it is almost like insurance that these customers are buying so you will see a lot of presales happen once this regulation is in place. You will have these fly by night developers not wanting to get into this because again it will challenge the basis on which they do their business so for people who are in the long run, it's a great thing and we really welcome it, so no stress on that.

Punit Jain: Okay, so do you think that presales will reduce post these things we have adopted?

Vikas Oberoi: Presales will increase because see firstly if you read that the developer needs to have an approval, needs to put it on website, he has to crystalize so many things so if the developer has all these things in place, which he is putting on website only after that he can sell. Don't you think that customers will be that much more confident? Today, he is not even aware of what the developer is, what permission does he have, how much of it does he have and so on and so forth? So if the regulator has already cleared a project then you have lesser issues coming out of that.

Punit Jain: But presales are actually pre-launch, sales in pre-launch?

Vikas Oberoi: Pre-launch will go completely, pre-launch will also happen post all approvals are in place which is great. So it's great, I mean I think we will love this. A lot of other people were able to generate cash even without permission, now all that is gone.

Punit Jain: And when will this be adopted?

Vikas Oberoi: You know it's already been approved by the cabinet.

Saumil Daru: It has been approved by the legislature. It goes now to the legislative council and from there on to the President for his assent.

Vikas Oberoi: It depends on the government today, I mean if they really want to do it, they can move this very quickly and I think government is very serious and its good for the industry trust me, good for all of us.

Punit Jain: Yes that I agree. So hopefully it will get cleared.

Vikas Oberoi: Yes we pray for that as well.

Moderator: Thank you. The next question is from the line of Akshit Shah from SBI Cap Securities, please go ahead.

Akshit Shah: I have two bookkeeping questions. This is primarily on the other liability side which has increased from Rs. 150 crore to Rs. 247 crore and the current investment which is coming to books right around Rs. 318 crore, can you please help me with that?

Saumil Daru: The current investment of Rs. 318 crore is primarily a mutual fund investment, so you know this is all what we park as temporary surpluses. The other one you said is other liabilities?

Akshit Shah: That has increased from Rs. 150 crore to Rs. 247 crore.

Saumil Daru: I am unable to get that number so if you can just connect once the call is done, we will be able to give that to you. I am not able to find that number over here.

Moderator: Thank you. The next question is from the line of Prem Khurana from Batlivala & Karani Securities.

Prem Khurana: As far as Goregaon project is concerned, you already have some 2 million sq. ft. unsold inventory in our ongoing projects and then we would have around 4-5 million sq. ft. of future development potential, so does this kind of situation concern as I mean we were applying to liquidate this inventory by the next four to five year. So, how do you see situation now and second question would be if I believe that the macroeconomic environment would continue to be like this, so what would our strategy be like and would we be focusing on margins or on asset turnover?

Vikas Oberoi: Well Goregaon firstly we are seeing good traction, it is a location which is sought after so that doesn't worry me and yes, you are right that the macroeconomics is an issue. We have not really put our head together to think through what we will do, but currently there is no pressure on us. We are sitting on cash. We are building what we have committed and more. See one can always catch up once construction is happening, you can always catch up on sales, you do that. So we per se continue to focus on the lands that we have and continue to build. So like I said we have not really thought of the dooms day scenario so we will wait.

Moderator: Thank you. The next question is from the line of Sandeepan Pal from Motilal Oswal, please go ahead.

Sandeepan Pal: Sir just wanted to understand one thing that since you said that MOEF approval will come that will come for all, so do you expect any kind of potential surge in supply in Mulund and if that happens, how are you actually planning to tackle that?

Vikas Oberoi: Well you know obviously potential surge means there are three or four developers. All in all put together we have about 3-3.5 million sq. ft., the rest put together would be about 6 million. So even then 50% of the chunk is with us. Plus a strong franchise, we are in Mulund for the first time. We will put our best foot forward and make sure that it doesn't effect, and competition exists everywhere why we should worry about that. We know we can do a good job and customers like us as a company. So we are very confident, but and we are not worried about competition as such.

Sandeepan Pal: Okay but that could put any pressure on the expected price?

Vikas Oberoi: Not really, I wouldn't say that because like anyway barring Mulund, the whole of Mumbai is anyway under development so the same pressure would be there everywhere. So it's not any different.

Sandeepan Pal: Okay and secondly Sir do you have any plan in the near term for launching the third phase in Garden City?

Vikas Oberoi: Yes we will once, we are reasonably ahead in terms of sales in Phase-II, we will do the phase III as well.

Moderator: Thank you. As we have no further questions, I would like to hand the floor over to the Chairman and Managing Director – Mr. Oberoi for closing comments, please go ahead Sir.

Vikas Oberoi: Thank you for joining us on our conference call. We really appreciate the time you have taken and please continue to be in touch with us for any further queries that you have and continue to advice us on what we do.



*Oberoi Realty Limited
July 23, 2012*

Moderator: Thank you, gentlemen of the management. Ladies and gentlemen, with this we conclude this conference call.