



Transcript

Conference Call of Orbit Corporation Limited

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Presentation Session

Moderator:

Good evening ladies and gentlemen. I am Gopal, moderator for this conference. Welcome to the conference call of MF Global. We have with us today the management of Orbit Corporation to discuss the key highlights of the recently announced Q4 FY09 results and the road map ahead. At this moment, all participants are in listen only mode. Later, we will conduct a question and answer session. At that time, if you have a question, please press * and 1 on your telephone keypad. Please note this conference is recorded. I would now like to hand over the conference to Mr. Dipesh Sohani. Sir please....

Dipesh Sohani:

Thank you and good evening everyone. On behalf of MF Global India, I welcome you all to the exclusive conference call with the management of Orbit Corporation to discuss Q4 FY09 results and the road ahead. We have Mr. Pujit Aggarwal, MD and CEO and Mr. Ram Yadav, Head Finance and Strategies. I will like to invite Mr. Ram for his initial remarks. Over to you sir.

Ram Yadav:

Good evening ladies and gentlemen. Let me warmly welcome you all to the conference call for discussing the results of Q4 FY09 and also the road ahead of the company and its strategies. During the quarter, as you know, we have already published the numbers and the numbers along with FAQ's and detailed presentation has already been hosted on the web site. I am sure you would all have got an access to it. However, just to repeat, we achieved topline of Rs. 82.2 crores during the quarter with EBITDA of Rs. 13.27 crores and a bottom line of Rs. 1.61 crores. As you all know, the times had been tough; however, we had seen some kind of revival in last three months, which is quite positive from all the angles. I would say, we are not out of the woods yet, but outlook is very positive having seen a sales of about 16,500 sq. feet during the last quarter, which accounts for about 41% of



the total sales that we did in entire year, which gives a lot of confidence to us. Now, with this, I would like to hand over to Mr. Pujit Aggarwal, Managing Director. He has been kind enough to join us from Australia, though he was on vacation, on our request, he has been here. I would request him to wrap up on the industry outlook first and then I would just give a gist of the quarter how it has fared for us and some details in the numbers and we will open the forum for questions so that he can be relieved as early as possible. Thank you so much.

Pujit Aggarwal:

Thanks Ram and once again, a warm welcome to everybody. I would like to begin by saying as Ram just mentioned the environment has certainly turned to look quite positive and clearly the Mumbai market has shown depth, the area where Orbit has its significant presence. Basically, what we are seeing and observing in the market is that there are inspections, which are taking place quite aggressively from the inspection, it's translating into sales. During the quarter, which is the end of Q2, Q3, and some part of Q4, we did see that everybody was doing few inspections, but they were all bottom fishing trying to see what is the base and Orbit last year was amongst the first few people to kind of sound out that things were not looking very, very good in the first part of the year. Subsequently, we have also been saying that the sales were not taking place, but now, I can clearly say that these inspections are turning into sales, especially from February onwards and the confidence of buyers has returned. Overall, the supply of money in the market is now resulting into the fact that these buyers who are clinging onto their preserved cash is now coming out into the market, which is being ploughed specifically in residential purchases. Orbit has also shown that it is nimble-footed and has made dynamic changes at the same time in terms of the size of the offering, say for example, our earlier development at Nepean Sea Road, Malabar Hill belt who are all 6000-7000 square feet. Now, we have changed that to around 3500 square feet starting with those sizes and some of our offerings we are also considering and seriously changing the model from commercial office development to a residential development. So, that is the kind of dynamism which we have shown and what we are also saying is that as far as moving when we are going to move forward in this current financial year is that we are going to target sales very aggressively. We are going to ensure that these inspections turn into sales and secondly the last three quarters what we concentrated was that since our effort in sales were almost not bearing any much fruit, so



we concentrated on getting the permits, the permissions, and to get the projects off the ground and I believe now we have about 10 or 11 projects where work has commenced or just going to commence in the next few weeks within the month of May and early part of June. Therefore, once these projects have commenced, they would see the visibility over the next two to three quarters where the project will be coming out and people will be buying that because these projects would be completed within the next year. So that means in all we will have within 24 months the projects being completed. Therefore, what our concentration would be on aggressively selling these projects. Historically at Orbit it has always been that before the structure is ready, Orbit has always sold those projects and will endeavor to make the same happen even in the projects, which we are commencing construction now and within this financial year. Now, having said that about the broader outlook, I would like to hand it over back to Ram, so that he will take you through the numbers for the year. The numbers of course as he mentioned has been tough because of the last year, we need to go into the... you all are the experts as to why it was tough and so on so forth, but we managed well, I would say under the situation and being Real Estate Company in a particular area of Mumbai, I think we did well and more so given the depth of the market, I think the Mumbai market should be the first market to revive, which we have seen clearly and we are very positive now given the positivity which is coming from sales and from the encouragement that we are getting from our investors and the entire community over all. So, over to you Ram and then we will take the questions.

Ram Yadav:

Sure. As I said as far as the numbers are concerned as they have been already talked about, some of the features during the quarter or the events, which have unfolded on, I would just like to throw some light on that.

1. There has been a impairment of sales of about 17,000 square feet of Orbit WTC, which was sold to JSW at Bandra Kurla Complex, which has resulted into shaving off of about 24.9 crores out of the bottom line and specifically in this quarter itself and that is one of the reasons why the margins look under pressure in this quarter. We would like to reiterate and reconfirm that this is not a trend, this is a one time kind of a quarter that we have seen where this impairment had to be necessarily done, because of two reasons. 1. There were certain area of recreation ground, which was to be handed over to BMC, which shaved off the 17,000



- square feet and also certain changes in the design itself because this building is going to be a platinum certified environment building, so there were lot of requirements, which we had to fulfill.
2. Now, as far as the last six months it is concerned about the liquidity, you all know that that has been quite tough. During our call in October we mentioned that, we were quite very well prepared for the six months in terms of servicing of the debt, in terms of the constructions of the projects, which we have been able to efficiently do and fortunately for us the market has again shown the signs of revival. The sales have started happening. The debtors, which had almost gone in a frozen way, we have started seeing the liquidity coming in from that quarter also.
 3. Now as far as the portfolio is concerned, there has been no major change in the portfolio, however, I would like to confirm that there are the three projects, which include Orbit Haven at Nepean Sea Road, Orbit Residential Park, which was earlier to be commercial park, which is about 2,75,000, and Hafeez Contractor House, put together these three projects, which we are expecting the announcement to start the booking and sale in next two to six months would account for 5,36,000 square feet approximately. The project under progress and construction already, which includes a project at Nepean Sea Road, which is Orbit Arya two projects at Lower Parel, which includes Orbit Grand, Orbit Eternia, and a project at Orbit Height at Nana Chowk, put together these four projects we have about 52,000 square foot of sellable area, which is already underway. We have these two projects, which is Villa Orb Annex and Orbit Sky Chateau for which still the dates are to be confirmed because we are still undergoing the acquisition process and it may take some more time. However, we are hopeful that both these projects we should be able to breakdown within a year or a year and half.
 4. As far as the long-term maturity projects are concerned all the three projects, which were earlier dropped remain there, which is Santa Cruz, which is about 6,00,000 Nepean Sea Road block redevelopment project, which is about 3,00,000 and Lalbagh block redevelopment project, which is about 9,00,000 so put together about 1.8 million square feet coming out of this three projects would mature starting between one and a half years going up to about three years. That is



about the portfolio, one more feature in this particular quarter had been the roll over of the NCD's worth 200 crores, which were issued to LIC has been successfully rolled over for 190 crores spread over a period of three years. Apart of this, the total debt repayment commitment during the current year would be 64 crore and service of the interest should be of in the tune of about 80 to 85 crores for the whole year.

5. We had also talked about the financial closures, there were two financial closures, which were pending during the quarter one being from LIC Housing Finance additionally we have closed successfully 50 crore and 140 crore is on its way to closure and it should happen sooner within this month itself. As far as the company's portfolio, the debt situation, and financial closure is concerned, now not wasting much time, as you know all this information has already been made available online. I would request to open the forum for question and answer and would also request that Mr. Pujit Agarwal would be able to take four or five questions and later on whatever questions are there would surely be taken by me and incase somebody wants any further clarification beyond the calls, we would be available to meet at your convenience.

Question and Answer Session

Moderator:

Thank you sir. Ladies and gentlemen, we will now begin the question and answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If your question has been answered before your turn and you wish to withdraw your request, you may do so by pressing # key.

Our first question comes from Mr. Pawan Sadarangani of Dipan Mehta Stock Brokers.

Pawan Sadarangani:

Sir could you please give the details of the ten to eleven new projects that you planned to launch?

Ram Yadav:

These new projects are Orbit Heaven; Orbit Residential Park at Andheri, Contractor House at Lower Parel, these three projects as I said between two to six months would be launched for sale. The work had already been going on all three. Then, there are new projects, which is Villa Orb Annex, which is an extension to the existing project of Villa Orb and Orbit Sky Chateau, which is again in Nepean Sea



Road which is about 34,000 square feet, so put together these are the five projects, which would under launch within a year and then there are three projects, which are due for launch, which will basically be a long term maturity between one and half to three years, which includes Santa Cruz project, which is about 600,000 square feet at SV Road. We have Nepean Sea Road block redevelopment, which is about 300, 000 would take about two and half to three years from now and Lallbhag block redevelopment project, which is about 900, 000 square feet.

Pawan Sadarangani:

Okay, sir your initial remarks, you said that the market has improved, sir then what is your yielding of the situation, how we done with the price correction, you think still there is more left?

Pujit Aggarwal:

Yeah! Clearly Pavan, what we are seeing is that in Mumbai and in areas where Orbit is operating specifically South Mumbai and South Central Mumbai, we had done with the corrections, now what we have got to see is as far as Santa Cruz is concerned because we have not yet launched and not sold anything significant, so we do not know really what the price correction is over there, but by and large what we are seeing from the market is that; yes, we are down with the corrections, we have kind of got a bottom in place in the present scenario and things are only going to look better in terms of the transaction. Now, I am not saying that the prices are going to move up fast and significantly, but the number of transactions that will take place in our compounding way really far.

Pawan Sadarangani:

Okay, sir would you like to quantify that in anyway?

Pujit Aggarwal:

No, it is difficult to quantify that but suppose if we were selling 100 units a year and half back, we were selling may be 20 units in the last year, we would be selling say close to the old numbers at least this year, so therefore the number of units, which would be sold and this is not at Orbit, but I am talking general market at the lower side, we will find a lot of takers. In fact, you would be surprised that the number of apartments, which would be sold at the lower side in the present situation may be even more than what you found that the number of transactions at the higher end, though because of the reduction in the value, you will find that the value has reduced, but the number of transactions that our unit has being sold at square footage will be either the same or more.



- Pawan Sadarangani:** Okay, thank you sir that is it from my side, wish you all the best.
- Pujit Aggarwal:** Thank you, Pavan.
- Moderator:** Our next question comes from Mr. Abhinav Sinha of CLSA.
- Abhinav Sinha:** Hi, my question on the commercial real estate side while you are saying that probably residential we have seen a bottom happening in prices in transaction value picking up whether the same likely to happen in the commercial side of the business?
- Pujit Aggarwal:** Well in the commercial side of the business we are seeing that there is lot of supply coming in everywhere, you are seeing supply in the Lower Parel belt and over here, what is happening in Lower Parel belt is that mill land are being released and because of the IT policy in place what is happening is that normally the FSI is 1.33, but because of that policy, everybody is tending to go in for IT park, which is why you get double the FSI of 2.66. So what you would have originally thought for it to come is being doubled because of that policy and same thing is what you are finding is the number of projects, which are being announced in the BKC or BKC Annex, which is the CST road, Kurla, LBS Marg, etc and likewise the Andheri areas, which is Andheri and Malad where you are seeing, so there is lot of commercial development, which is already taking place, which is not yet absorbed, so therefore the commercial absorption is to be seen. There is hardly anybody who is buying anything, which is in the commercial space and we are seeing another thing is that having said that the other side is that a lot of projects are getting delayed, although, there was lot of expectation that lot of projects would be bunched up and they would be available between 2008 and 2009. Those will be available between 2010 and 2011. Therefore, yes we will see that the phasing out of this will also take place, but once the market is settled and once the business is going for an expansion and once the government is in place and we see that external investment is taking place, people from overseas are now having much more confidence and are now coming back into the market, as in when I said back into the market and not in investment in stock, but more so as people investing in the country, so therefore once we see that we will see the commercial market changing. Bombay of course, would be the first to change, but there would also be certain pockets in other parts of the country where I think, the IT sector is where the stability has come



in and even that is where you would see some changes when the prices have corrected by between 40% to 50%, so typically I see another six months of uncertainty in the commercial space and we will see that things would stabilize six months from now.

Abhinav Sinha:

Okay, so essentially six more months, we might say probably another 10% to 15% correction in rental?

Pujit Aggarwal:

I would not hazard that as yet because I have no clue what the downside on that one or whether it would be stable, but I won't hazard that guess as of now.

Abhinav Sinha:

Okay, just one more thing, when you are saying that supply is not being spread out between 2010 and 2011, does it imply that rentals are likely to stay depressed for a longer period of time now?

Pujit Aggarwal:

Rentals would be depressed in the commercial space.

Abhinav Sinha:

Okay, for a longer period.

Pujit Aggarwal:

Longer period again depends how you define long, but at least for the next 12 to 18 months it looks like the rentals are going to be on the lower end of the spectrum.

Abhinav Sinha:

Okay, so no launches from you in that segment for at least that period of time?

Pujit Aggarwal:

I do not know unless we are very confident of selling the products launches seem unlikely.

Abhinav Sinha:

Okay thanks.

Pujit Aggarwal:

Okay thanks Abhinav.

Moderator:

Next question comes from Mr. Samir Bhaisewala of Morgan Stanley.

Samir Bhaisewala:

Good evening. This question is about two of the ongoing projects, one is Arya in Napean Sea road, Eternia at Lower Parel and what are the current base setting price that you are offering and how does it compare with the peak prices?

Pujit Aggarwal:

Right as far as Arya is concerned our peak prices in Arya we are quoting Rs.70,000, but what we are selling is what we sold rather in the mid 40s and what we will be selling now would be closure to 50,000 range, so therefore you can judge for yourself that is around 30 to 35% correction.



As per the Eternia is concerned are quoting around 24 concluding this around 22 at the peak and now we are quoting Rs.19,000 and selling for around 17,000 plus depending on the floor and site.

Samir Bhaisewala:

Okay, these are base selling price, it does not include floor rate car park and other add ons?

Pujit Aggarwal:

Absolutely, these are base selling prices, it does not include all those things and in fact Nepean Sea Road is a bare flat, it is not even a fully furnished flat.

Samir Bhaisewala:

And if my understanding is correct, Hafeez contractor house would be a commercial project right?

Pujit Aggarwal:

It was commercial project we are toying with the idea of converting that into a residential project and we are working out the structural stability of it, we are working out the permits part of rate and doing the due diligence on that and if thinks workout we could even look at making that into a residential building. As of now the construction is going on briskly because the first few floors are car-parking floors till about 10 or 11 storeys we reached about the third floor already so we have about 2 months times' to take a final call on that.

Samir Bhaisewala:

Would you has it I guess for this two upcoming launches Haven and Hafeez Contractor as far as the selling prices concern?

Pujit Aggarwal:

Yeah sure I mean Haven we have already top launches have been done and we are selling in 40,000 range in Haven and as far as Hafeez Contractor House, if it were to be converted into a residential building if it were to be that is. It would be in the vicinity of about Rs.20,000 that is what we would be selling at because there are no residential projects in that location right now and all this residential projects are coming towards completion. No new projects are announced or in the pipeline as I mentioned because IT policy is more inclined to take those projects into commercial segment, therefore, Hafeez Contractor because the construction has started and we are looking two years completion and if the possibility does fructify of converting into a residential building I think that would enough.

Samir Bhaisewala:

Okay great, thanks.

Pujit Aggarwal:

Alright, thanks Samir.

- Moderator:** Ladies and gentleman, to ask a question please press * and 1 on your telephone keypad.
- Pujit Aggarwal:** If you do not mind this would be my last question, Ram is it alright?
- Ram Yadav:** That is fine.
- Pujit Aggarwal:** Okay thanks.
- Moderator:** Next question comes from Mr. Janish Shah of Quantum Advisor.
- Janish Shah:** Good evening sir. I just want to understand the current scenario on the delivery schedules. You have mentioned that lot of projects are being delayed at least in the commercial segment. We would like to have a little understanding on the delivery schedules of the already launched projects and the one, which were recently being launched at the lower price by many of the players in the market and I would also like to take a little bit of an understanding of your delivery schedules as well as to whether it is being confined or it has been little delayed or what kind of a challenge you are facing on that?
- Pujit Agarwal:** Janish what I would like to just mention is that when I said the projects are getting delayed, I did not mean that Orbit's projects are getting delayed, but yeah when Ram was talking about some delays it was obviously the fact that the new launches in the scenario that we saw last year were put on hold and we decided that lets get the permit and lets see how the market pans out before we actually start the project. So therefore, we had kept them on hold on the backburner for one or two quarters and that more by design that was done and thereafter I will just request Ram to answer the second part of your question.
- Ram Yadav:** As far as the delays are concerned we have been able to confine and deliver all the projects in line other then one project, which is Orbit Heights, which has been delayed for about 8 to 12 months and the reason behind that is the project is situated on the main road itself and it is a densely populated area and being Nana Chowk the material movement, labor movement and all those were issues while we went on to the finishing. However, I would like to confirm that the structure was very well completed in time. However, the finishing took sometime in that.

Janish Shah:

And my second question is on the demand estimation. You have mentioned there has been a little bit of pick up in the demand and you have also said that you would be launching about 10 to 11 projects. So I would like to understand what kind of a demand estimation you have and how would be the sale happening over the project, I mean would it be immediate sales or would be like how staggered the sales would be in all these projects you are expecting?

Pujit Agarwal:

Well as far as demands estimation is concerned we are seeing that the demand is now firmly in place provided that the prices are on the lower side of the spectrum, which is 30% to 40% down from the top. Sales are taking place at these levels and as far as 10 or 11 fresh projects are concerned Ram has already taken you through the details of.

Ram Yadav:

Just to confirm these are not 10 or 11 projects, these are three projects, which have been launched for sales in next two to six months and then there are three projects, which I spoke about are the projects, which are for long-term maturity, which is about 1.8 million and then there two projects at Nepean Sea Road, which I said would take time and they would be launched within a year or year and half.

Pujit Agarwal:

And when I mentioned about 10 or 11 projects what I said was that is well the construction is on including the current project where we have just almost commenced work including what would be commenced in the month of May itself and in addition to that I had also like to say that the other projects, which is our big projects, which is Orbit Mandwa at Alibagh that is where we are now in the process of getting our final set of permits and once those are in place we believe and we are confident that we should commence construction sooner rather than later and should be within the next two quarters.

Pujit Aggarwal:

Okay thanks.

Moderator:

Thank you sir.

Pujit Agarwal:

Thanks, so Dipesh if it is okay can I take leave now?

Dipesh:

Yes, thank you for your time and valuable input sir.

Pujit Agarwal:

Thank you everybody bye from me and over to Ram.



Moderator: Next question comes from Mr. Samar Sarda of Anand Rathi.

Samar Sarda: Hi good evening Ram.

Ram Yadav: Hi Samar.

Samar Sarda: Just a couple of questions, one I am sorry, but I have to represent the question with regards to demand. Now last since October 2008, we have seen a slack portion for about four months in the market and it usually happens during cycles, there is a pent up demand, which is why sales happened and of course prices have come down, but how are these sales sustainable in the market going forward, that is one.

Ram Yadav: Now you see, if you see the trend for last six months, in fact not even last six months we had been able to sale efficiently in quarter three of FY2008, from that quarter onward the sales has been quite lackluster, so I would say that the sales off take, which was completely dried up was not happening from last two quarters, but it was happening since last about four to five quarters and that was happening because of two reasons, one there were higher prices and either the projects, which were launched, which were there they were not adequately addressing the immediate need of that demand. So, these were the two reasons why the sales were almost dry. Now, what has happened differently in last three to four months is that people who had become fence sitters have started coming back to the market and these are those people who were the fence sitters who have started picking and choosing. To my view I think this is sustainable, however, the prices as Mr. Pujit also mentioned do not seem to be again going back and moving upwards in another may be one year and one and half year also, however, the volumes will pick up. So, our sense is that what we have seen may be a flicker, but it will not be something wrong to say that the supply whether the demand would start consolidating and demand would happen starting in the July 2009. So, Q1 of this year you may see again the trend where you may not see a lot of off takes happening, but July 2009 onwards the off take will surely happen.

Samar Sarda: Okay, good enough and secondly with regards to your projects getting converted from commercial to residential Hafeez Contractor House in line and Andheri residential. Now if you could just help us out how are you going to place these projects like because Lower Parel also you are



having a lot of other residential projects come up. Eternia I heard mostly sold out, but you also have a Orbit Grand project there and the Andheri project also because that lies in the industrial zone again.

Ram Yadav:

Yes, now as far as the Hafeez Contractor houses concerned as Mr. Pujit mentioned we did our own search and study and we had seen that, that is one particular area where you will be in one line India Bulls and then going forward from there you will have on the other side Phoenix Mall. So, in a vicinity of about one and half kilometer that side connecting the Lower Parel station, we do not have any sizable project, which is falling on the main road and on intersection of two roads. So, that makes this thought lucrative more in terms of coming over the residential property. Now having said that even if you take an account of supply that would be available in Orbit Grand and Eternia put together, which is still to be sold is less than 40,000 square feet, which is about roughly 35,000 square feet left out to be sold. So, we do not think and these two projects will be basically say on an Orbit quality side they would be if they are on east side this will become A+, which is a quite differential in terms of the project being off the sale is concern. So, I do not think that is an issue in terms of the higher supply side because the supply anyway on residential side is quite lackluster at that point.

Samar Sarda:

Yes sir thanks and the Andheri project?

Ram Yadav:

Yes, Andheri project basically there are other residential properties also and we have taken the thought that this will be a mix of serviced studio apartments plus residential apartments.

Samar Sarda:

All right and what on the price point there you looking at?

Ram Yadav:

See, price points currently if you see there are flats selling between 8,500 going up to even 10,000. Now with the Orbit quality we are sure we would be able to achieve much more than that. However, as far as the start is concerned and launching the project we will be launching at lower prices then what are happening.

Samar Sarda:

And just a small final thing, sir. With regards to the Nepean Sea Road projects like you were quoting 70,000 once upon a time, but what was the actual price or something close to that at which the sale happened during peak times.



- Ram Yadav:** The last sale which happened at Nepean Sea Road was at 57,500 rupees square feet.
- Samar Sarda:** With regards to the sales happening the price correction is not that much.
- Ram Yadav:** From that it is, I mean between 45,000 to 50,000 for a project which is almost going to be completed between next 6 to 8 months and for a project like Orbit Haven which will be launched at much lower rates.
- Samar Sarda:** And sorry to continue sir, but like what are the offers you are getting there because you have a lot of inventory there like offers you are getting from prospective buyers.
- Ram Yadav:** See I mean in last two to three months of course the scenario is different then what it was in January where people just came in and even after above the 25,000 to 30,000 rate, but at this point of time between 35,000 to 45,000 people are comfortable talking and closing.
- Samar Sarda:** Sure sir thanks a lot.
- Moderator:** Next question comes from Mr. Nitin Idani of Enam Securities.
- Nitin Idani:** Good evening Ram.
- Ram Yadav:** Good evening, Nitin.
- Nitin Idani:** Just a couple of questions. Firstly with regards to Hafeez Contractor House we are I guess following the idea of making this a residential project, but I believe some area has already been sold. This has been sold as commercial I believe. So if this converts to residential what happens to the stuff, which you have already sold?
- Ram Yadav:** This area of about 21,000 square feet has been sold to Mr. Hafeez Contractor himself. In the event that this project is converted to residential project he will surrender the area and we will have buy it back at the rate that we launched the project.
- Nitin Idani:** Another thing that Pujit mentioned was that there has been sales pick up post February and you also mentioned that you are reducing the apartment sizes from 6,000 to 3,500. I am curious as to know whether the sales pick up has been post such a reduction in apartment sizes.

- Ram Yadav:** No, not absolutely. One of the reasons for the reduction of the sizes was done so that there is a particular buyer class who is also interested in lower area of flats. So it was done in that view and not with the view absolutely of selling these units known as....
- Nitin Idani:** Could you mention which project it was where we have actually changed the plans from 6,000 square feet to a 3,500 square feet.
- Ram Yadav:** This was Orbit Haven.
- Nitin Idani:** This would be Haven, okay.
- Ram Yadav:** This was also to manage the portfolio, because we already had 7,500 thousand square feet flat in apartment at Villa Orb and we had about 6,000 square feet in apartment for Orbit Arya. It made sense for us to see to it that the other project, which is in the same street, then comes under lower area.
- Nitin Idani:** Another question the Chateau Project, which site is this exactly. I mean it does not show up as in that name in the list of projects that you shared.
- Ram Yadav:** That is basically opposite Priyadarshini where you have this Bank of Maharashtra.
- Nitin Idani:** Okay, would we know this as another name in your list of projects.
- Ram Yadav:** Basically, it was named as Orbit Ambrosia at one point of time.
- Nitin Idani:** Okay and the Orbit Residential Park in Andheri, this also does not feature in the list of project shared. Is this also a redevelopment project?
- Ram Yadav:** No, it is an open plot development and if you see the sheet shared of the project it is on the right hand side of the third station where we have given the product pipeline.
- Nitin Idani:** Okay, so that is all of it is just as one project.
- Ram Yadav:** Yes, this is one project.
- Nitin Idani:** All right, thank you so much.

- Moderator:** Next question comes from Mr. Sourabh Kumar of JP Morgan.
- Sourabh Kumar:** Hi, Ram, I just have two questions. Basically, one is on your debtor of the Rs.262 crores, how much do you expect of this in FY10. Second is, for CCDs of Rs.200 crores. Now, I suspect these have been lying for almost 2-1/2 years in your balance sheet, so with Mandva Project being delayed and all, so what do you think will be now your dilution in this entire project. Will itself be around 30 to 35% range or will be high enough.
- Ram Yadav:** No.1. As per as the debtors are concerned, the largest amount of the outstanding would be from a single party, which is JSW itself. We are hopeful of receiving close to about Rs.220 to 230 crores during the current year from them itself and apart from that within next 3 to 6 months; we should be able to receive about Rs.110 to 125 crores from the other residential projects, which have already been sold.
No.2. As per as the CCDs are concerned of Rs.200 crores for the Mandva project, altogether, [inaudible]. That dilution of course the scenario has changed. I think that change, however, [inaudible]
- Sourabh Kumar:** Alright! Thank you.
- Moderator:** Next question comes from Mr. Rohit Pattni of Edelweiss Securities.
- Akshit:** Hi sir, this is Akshit here. Sir, regarding Hafeez Contractor House, if we change the type from commercial to residential, will there be any change in the saleable area?
- Ram Yadav:** There would be certain changes on the higher side in the area.
- Akshit:** By approximate how much?
- Ram Yadav:** See, we do not expect it beyond 20,000 to 25,000 so in which scenario the total project area will become from 226 to about 240-245.
- Akshit:** That is including the area, which we have sold to Mr. Hafeez Contractor.
- Ram Yadav:** Yeah! That includes the area.

- Akshit:** Okay and sir, regarding WTC project due to reduction in saleable area, how much we have taken impact on revenue?
- Ram Yadav:** The total impact on the revenue would be Rs.41 crores.
- Akshit:** Okay.
- Ram Yadav:** However, during this quarter itself from the topline as well as from the bottom line, the impact had been Rs.24.9 crores.
- Akshit:** Okay and any tax reversal because of that?
- Ram Yadav:** There was tax reversal of Rs.1.37 crores because of this.
- Akshit:** Okay and sir on the financial closure can you throw some more light on that?
- Ram Yadav:** Well, there were two financial closures, which were happening. We had taken Rs.150 crores debt from LIC Housing Finance and we have additionally taken Rs.50 crores from them. So that financial closures has already been done. We have already received part of that money and as far as the second closure is concerned that is being done with State Bank of India as lead consortium banker and Union Bank as the partner.
- Akshit:** Okay sir.
- Ram Yadav:** Yeah.
- Akshit:** Okay sir that is all from me.
- Ram Yadav:** Thank you.
- Moderator:** There are no further questions. Now, I hand over the floor to Mr. Dipesh Sohani for closing comments.
- Dipesh Sohani:** Thank you Mr. Ram and all the participants for sparing time for this conference call. Thank you for your valuable input sir.
- Ram Yadav:** Thank you, thank you everyone. Thanks for being on the call.
- Moderator:** Ladies and gentlemen, this concludes your conference call today. Thank you for participation and for using Door



Sabha's conference call service. You may disconnect your lines. Thank you, have a pleasant evening.

Note:

1. This document has been edited to improve readability.
2. Blanks in this transcript represent inaudible or incomprehensible words.