



“Brigade Enterprises Limited Q3 FY15 Earnings Conference Call”

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MANAGEMENT: **MR. M.R. JAISHANKAR - CHAIRMAN & MANAGING, DIRECTOR**
BRIGADE ENTERPRISES LIMITED
MR. SURESH KRIS – CFO, BRIGADE ENTERPRISES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Brigade Enterprises Limited Q3 FY15 earnings conference call. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by entering * then 0 on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. M.R. Jaishankar - Chairman & Managing Director Brigade Enterprises Limited. Thank you and over to you sir.

M.R. Jaishankar: Thank you. Welcome ladies and gentlemen good evening to you. This is Jaishankar from Brigade group. On Saturday we had the board meeting and we have announced our Q3 results. We are fairly happy with the results we have announced and there is a year on year growth rate of 109% which is overall considered good and we hope the analyst community also is reasonably happy with our results. Q3 to last year is 109% and YTD it is 75%. So we will be happy to take your questions and answer to the best of our ability.

Moderator: Thank you. Ladies and gentlemen we will now begin with the question and answer session. We have the first question from the line of Akshay Rao from Edelweiss. Please go ahead.

Ashish Agarwal: This is Ashish Agarwal here. Sir I had a couple of questions firstly in terms of your volumes and then in terms of your debt and margins. Now obviously we have seen that most of your peers in Bangalore have reported a weaker quarter three. But you managed very well in terms of maintaining your sales volume at the same level. There by gaining market share, if you could just throw some light as to how would you attribute this, increase market share to?

M.R. Jaishankar: To some extent it is also due to launching of a project, it is we launched three projects in this quarter. One is the Brigade Northridge in Bangalore, Brigade Mountain View in Mysore and a commercial office space for sale signature tower in Brigade Golden triangle old Madras road. All these projects are fairly well accepted and that is the basis on which we are able to come out with the better numbers.

Ashish Agarwal: Sure. And you also had participated in the Google online shopping festival could you also throw some light as to how whether that has had any impact on the volumes as such?

M.R. Jaishankar: Certainly I think Google is actually a great online shop is organized by Google, we did receive good response and I think more than 50 confirmed bookings were received and the follow up of that has also been pretty good.

Ashish Agarwal: Sure the other question that I had was with respect to your debt which has increased by about 90 crores. So if you could just kind of help us understand despite a good quarter why the debt is up, help us break it down.

Suresh Kris: Thanks Ashish this is Suresh here. About the 99 crores, 100 crores has been for CAPEX project about 33 crores for this quarter. And we have also made some payment to Gift Cities during this quarter about 27 crores. And for land and land owners payment JDE land owners payment also the balance for difference projects. Including the purchase of the land owner for one project. That comes to our own 77 crores.

Ashish Agarwal: Got that and in terms of your debt of collection and the expenses on construction if you could help us understand that.

Suresh Kris: You wanted to have the nine months figure or you wanted to have for year like that?

Ashish Agarwal: Both actually if you can?

Suresh Kris: For the year on a consolidated basis it could be around 1270 crores for the collection on a consolidated level and about hospitality our GOP will be around 50 crores. And for lease rentals it could be around 150 crores balance 30 crores so total around 1500 crores total collection. And for the loan repayment could be around 200 crores, interest cost 125 crores, construction for real estate could be 800 crores, CAPEX could be 250 crores, salary overheads around 200 crores and for growth land bank around 250 crores, tax around 70 crores, and then dividend 35 crores. So around 1900 crores could be the total and balance could be funded by bank borrowings. So we also invested some incremental out of which this 100 crores has been done during this quarter and previously some about 50 crores. Total incremental debt for 9 months is around 150 crores, it was around 850 crores earlier, now it is close to 1000 crores.

Ashish Agarwal: Got it. And if you could help us understand the quarter in terms of mainly the DEVCO collections and the overheads that you would have paid.

Suresh Kris: For the nine months, alone I figure or how do you want?

- Ashish Agarwal:** Just the collections in the quarter.
- Suresh Kris:** Collection in the quarter could be around 300 crores during this quarter plus the others.
- Ashish Agarwal:** And just one last question before I get back in to the queue. So the margins in the subsidiary is the overall console margins are lower than the standalone margins, if you could just help us understand why this has happened it will be very helpful thank you.
- Suresh Kris:** Standalone margin is around 38% EBITDA margin. Whereas into the console it got dropped even though we have a good contribution from cosmopolitan cities around 37% whereas because another subsidiary I can say which will be qualifying for the consolidation that is BCV Developers where we have reported last because two projects so hence the total EBITDA margin got dropped because of that one of subsidiaries where we may have to provide for 100% of the loss for the project.
- Ashish Agarwal:** How much you would have provided for that sir?
- Suresh Kris:** It could be around 8 crores.
- Ashish Agarwal:** And this would be a onetime provision or you think this will be there in the system for a while?
- Suresh Kris:** No this will be a onetime provision for the project for the whole life.
- Ashish Agarwal:** So going forward what kind of margins you would expect from this?
- Suresh Kris:** Going forward at least about 15 to 25% EBITDA margins from the subsidiary you will be able to expect.
- Ashish Agarwal:** Sure. Thank you so much I will get back into the queue.
- Moderator:** Thank you. We have the next question from the line of Adhidev Chattopadhyay from HDFC. Please go ahead.
- Adhidev Chattopadhyay:** Firstly just to ask on the how the leasing environment is now in Bangalore so in this year do you see any pick up in the enquires and if you could quantify the same and how are we impacted by it.

M.R. Jaishankar: Leasing inquiries has just beginning to go up other than the large two, three large transactions which you would have read in the paper whether it is a Flipkart, so off late bit of Amazon thing. The rest of the mid-size leasing will pick up only post January invariably because that is the beginning of the new year to all the multinational companies and I would say we expect a pick up more like from March to June or so is the pickup expected but right now the enquiries are fairly good.

Adhidev Chattopadhyay: Okay. So my second question is on your investment the Gift City equity to tell us always we would have participated in the vibrant Gujarat summit. So will you tell us like what is any pipeline that we are build up in terms of enquires from customers and how do we intend to go about building it. Like would you all like to build it first and then lease it out or you want to take free commitments and then go ahead with the construction?

M.R. Jaishankar: We have very recently signed, in fact we have to enter into the detail lease agreement, we have made our initial payment and to some extent the positive news has just started flowing in GIFT City the international finance side of operations even in today's Economic Times there is a coverage and we have actually tied up for all aspects of real estate, that is office, SEZ office, then residential apartments, three star hotel and a shopping mall at a later date. In the first phase we are likely to start we are still accessing and studying the market, we are likely to start the three start hotel and the office space and also the residential area, all in a matter of may be three to four months once the plans are approved. The plan approval should take in the next three to four months or so. Then based on the response that we receive we will take up further activity. As per as the office concerned initially we may not have a confirmed booking, we may go ahead with some speculative construction initially, primarily because once the IFC gets approved by the Central government which we hope will happen coming budget to April all the rules and regulations then in my opinion there will be a dramatic change in the entire project.

Adhidev Chattopadhyay: Okay. And next question is on your online, obviously we have participated at least in the Google shopping festival, we have also partnered with housing.com, you have done all this initiatives so going forward as a percentage of a overall scales how do you see the online segment being an important how much percentage of your sales are you targeting on that segment every year going ahead?

M.R. Jaishankar: For year-on-year, quarter-on-quarter the percentage of sales of online and due to digital marketing it is certainly going up. Even today I think our online or the digital marketing sales are somewhere in the range of 30 to 35%. And it is only will go up in our opinion.

Adhidev Chattopadhyay: So sir if I am correct you said that around 30 to 35% of our sales like has been through this online channel in this year or?

M.R. Jaishankar: Yes, in this year.

Adhidev Chattopadhyay: Okay. Fine sir I will come back with more questions later.

Moderator: Thank you. We have the next question from the line of Rahul Jain from Dolat Capital. Please go ahead.

Rahul Jain: My question is broadly in terms of the sales momentum what we have seen in the calendar year 14. Are we seeing that sustain demand spilling over to the next year or can we say that the current demand is more of a pent up demand from the past or is it sustainable in nature in your view?

M.R. Jaishankar: In my opinion it is sustainable in nature it is also to do with some new launches that we are planning to have and if the current economic conditions for there it is sustainable, but we all expect the economic conditions to be better than what it is so far. So I am fairly confident it is sustainable.

Rahul Jain: So how we are seeing the general business sentiment in the new commercial segment absorption in the Bangalore market right now?

M.R. Jaishankar: As I just mentioned to the other gentlemen from HDFC Securities. The positivity is there, in real-estate and commercial segment the new business generally happens say for a March onwards or so. Bulk of the day, because for American multinationals are the most multinationals January is the New Year only from middle of January people will start coming back to the office and start getting into action. And we expect the commercial segment to do much better.

Rahul Jain: Okay. And in the hospitality business the non-room revenue has been growing at very fast pace of 18-19% is there any specific reason for this momentum?

- M.R. Jaishankar:** I think you can take it as a rule it is not going up by 18-19% in our case because there is also a lounge what is called as high ultra-lounge became operational this year. That also has contributed you can say for the financial year it will contribute about 10 to 12 crores of the revenue. That would have given you the feeling of non-room revenue going up substantially.
- Rahul Jain:** Okay. But also despite this strong non-room revenue our GOP has been falling in both the asset, is it that the margin in that is lower than the room business?
- M.R. Jaishankar:** In FY15 there is a general drop of about 3 to 4% of occupancy and about 4% of GOP also. But I think it is to do with the little bit of new supply which entered Bangalore market and I hope as far as the beginning of the year is concerned January we have exceed our budgets.
- Rahul Jain:** Okay. And lastly if you could tell us the land investment which we are expect to do in calendar 15 and when we will make the balance payment for GIFT City development?
- Suresh Kris:** We have land bank about 362 acres and the payment expected for this is around 250 crores which we think that over a period of two years I think we will be able to pay, out of which about 100 crores is towards the GIFT City which is spread over four years.
- Rahul Jain:** Okay, but this is on the existing land are we intending to add any meaningful and apart from this?
- Suresh Kris:** Yes, we have now made provision for about 250 crores every year for growth.
- Moderator:** Thank you. The next question is from the line of Kunal Lakhan from Axis Capital. Please go ahead.
- Kunal Lakhan:** Actually I have a sort of a data question, can you help me with understanding how much cost we have incurred till date on our rental projects and which are under construction and our hospitality projects which are under construction and also the balance cost to be incurred and if you can share that project wise that will be very helpful.

M.R. Jaishankar: We have total estimated cost of around 867 crores out of which the lease holding is around 506 crores, we have incurred 249 crores out of 506 crores, balance 257 crores to be incurred and on hospitality project 360 crores is estimated. We have incurred 120 crores, balance 240 crores we have to incur.

Kunal Lakhan: Sure. Can you give a breakup of this cost project wise, in terms of metropolis KNEX or Orion East how much incurred and what is the balance?

Suresh Kris: In Brigade Nalapad Center, it is 42 crores we have incurred and then Orion is 76 crores and Brigade **Vantage** Mysore 8.6 crores, 9 crores you can say. And then Brigade Vantage – Chennai 21 crores and then Brigade Bhuwalka Icon 26 crores. And then about retail it is about 7 crores and then Info Park Kochi 68 crores. So total is 249 crores.

Kunal Lakhan: Sure and how much would be the cost incurred for holiday in Chennai and Mercury Hotel Mysore.

M.R. Jaishankar: Holiday in Chennai is 62 crores and then Brigade Orchid Signature club 23 crores and then Grand Mysore 27 crores, then holiday in Express Bangalore 8 crores.

Kunal Lakhan: Alright sir. Thanks a lot.

Moderator: Thank you. The next question is from the line of Akshay Rao from Edelweiss. Please go ahead.

Ashish Agarwal: Sir I am referring to Mr. Suresh's guidance on the electronic media saying that he will do, we are expected to a million square feet in this quarter and we will touch about 3 million square feet which will make us obviously a pretty sizeable developer so the question is we have done 2.1 million square feet on the first three quarters at a run rate of a, average 0.7. So just to understand how we get the confidence to get to a million square feet in this quarter that would be very helpful.

Suresh Kris: I would say it is now based on the unsold inventory of the launched project which will be around 6 million square feet as of December end. Plus we have about 3 million square feet to be launched during Q4, out of which one of the projects is Brigade Panorama which is around 1 million square feet and we have a good expression of interest for that project. And plus the sales of the existing project is also there, with this we are confident of achieving about 1 million square feet during Q4.

- Ashish Agarwal:** Got it. The other question was with respect to, so in the presentation I was noticing that you have the exclusive license for the World Trade Center for Chennai and Thiruvananthapuram.
- M.R. Jaishankar:** Yes.
- Ashish Agarwal:** So if you could help us understand what this entails and what do we plan to do in that, that would be extremely helpful.
- M.R. Jaishankar:** Currently the World Trade Center Bangalore where we are located is operational and very successful and we have the license for World Trade Center Kochi. Our project Brigade Technopolis in Kochi is going to be rebranded as World Trade Center Kochi in the next few months, the first phase of the project nearly 3.75 lakhs square feet is getting completed and it hopefully it should be ready in the next six to eight months at that point of time it will be rebranded and as far as we also have the licenses for Trivandrum, Chennai and we will be having the license by March for Hyderabad also. And in these places we have to identify the right kind of properties to start a World Trade Center in Trivandrum, Chennai and Hyderabad which should take may be the next three years for any building to come up there.
- Ashish Agarwal:** Sure. So what is the average approximate size that you are looking at for each of these cities?
- M.R. Jaishankar:** As far as Kochi is concerned total it is about nearly 800 to 750,000 square feet and as far as Trivandrum is concerned we may look for half a million square feet. In Chennai and Hyderabad anywhere between half a million to a million square feet depending on the land parcel size.
- Ashish Agarwal:** Got it. So the land identification for this is yet to happen as you said so we will be looking at JDS or we will be looking at outright purchases and what kind of location do you...
- M.R. Jaishankar:** No it has to be an upcoming, up market area with good growth potential and may be with nearness to officers or in the middle of office area and with reasonably closeness to the airport, etc.
- Ashish Agarwal:** Alright. So good chunk of your 250 crores land purchase could be allocated to this, so that we have the right way to look at it?

- M.R. Jaishankar:** May not be so much of land purchase just for commercial alone. It is also bulk of the land in allocation will also go for residential. So we will look for combination of joint development or long lease on those basis we will look for.
- Ashish Agarwal:** And just one final question this is with respect to obviously you have about 250 crores of CAPEX to do on your commercial properties and about 250 crores on your hotel properties. And you have earmarked 250 crores annually for land purchases, there would be good amount of CAPEX that we would be doing in addition for these World Trade Centers also. What could this amount be sir?
- M.R. Jaishankar:** Overall I think, upwards of 750 to 1000 crores will happen, and as I said everything will not happen on day one or in the first year any kind of construction of the building will be spread over 24 to 30 months like that.
- Suresh Kris:** Ashish I have actually told to you about the projection what we still hear and next year like that again whatever CMD told is about three to four years' horizon where we will be having more collection from resi also which I have told you earlier. So any kind of extra collection during that period will be spend for those kind of growth.
- Moderator:** Thank you. The next question is from the line of Sayan Das Sharma from CRISIL. Please go ahead.
- Sayan Das Sharma:** Just couple of questions. First of all I am looking at your investor presentation I see that there is minority interest of around (-17) crores so which project is exactly that?
- M.R. Jaishankar:** Minority interest is for the Brigade Cosmopolis project which is between the Brigade as well as from GAC Singapore. And apart from Brigade and BCB Developers which is negative, the net effect of the minority interest. About 50% you can say.
- Sayan Das Sharma:** So sir how much revenue is yet to be recognized from that project and how much you have already recognized?
- M.R. Jaishankar:** Which has been already there we have the total sales done around 3100 crores of the existing projects. And we have now recognized only around 1200 crores and when you add even the unsold stock as of now of the launched projects we have around 5000 crores of the total revenue to be recognized over a period of three years.

- Sayan Das Sharma:** Okay. But can you share the revenue recognized for the Cosmopolis project in Whitefield as well as our Lakefront project sir?
- Suresh Kris:** Yes, we have the figure we have now recognized about 143 crores so far that is from the total sales of around 320 crores. And for the Lakefront we have now recognized only 68 crores balanced to be recognized around 778 crores.
- Sayan Das Sharma:** Okay. And what is the construction status from this two projects you would kindly share the data?
- M.R. Jaishankar:** Construction project around 40% has been completed in Cosmopolis and for the Lakefront around 35%.
- Suresh Kris:** Structure.
- M.R. Jaishankar:** Percentage is the total cost, total estimate construction cost.
- Moderator:** Thank you. The next question is from the line of Sandeepan Pal from Motilal Oswal Securities. Please go ahead.
- Sandeepan Pal:** My first question is regarding you have AMR to almost I think seven, eight projects for launch in fourth quarter so just wanted to understand the status of the project in anyway is there any approval risk attach to you which can delay the launch?
- Suresh Kris:** We have basically on what residential projects. We have Oak Tree Place, Palm Grove apartments, Lakeshore and then Brigade Panorama like that. Brigade Panorama will be launched and of course excepting the Metropolis Chennai project we have all the approvals are in the highest stage and then based on the markets which we should be able to launch during Q4.
- Sandeepan Pal:** And nothing has been launched till date right, not even prelaunch?
- Suresh Kris:** Prelaunch you can say Brigade Panorama is you can say prelaunch. That is the maximum size which we have given to you, 1.28 million square feet.
- Sandeepan Pal:** Sure. Secondly just wanted to understand in case of online sales is there any, I understand the pros may be on the con side is there anything negative like in terms of discount offer or may be the quality of sales in terms of cancelation going forward

such thing happens or it is a pretty robust medium of selling which can sustain in future.

M.R. Jaishankar: As far as Brigade is concerned we are giving reasonably good deals but you cannot compare it with the kind of a deal which we come across for white goods or phones or anything like that, this is real-estate. The product they are getting is real. And they are going to get real and as far as cancelations are concerned we have cancelation fee of Rs.25,000 with the result we don't get bulk kind of bookings and like we are getting booking for Rs.500 or Rs.1000 that kind of I would say down payment we are not accepting. We accept Rs.25,000 and which is forfeitable if the deal does not happen. Having said that, there will always be you can say or may be a 3 to 5% cancellation cannot be ruled out.

Sandeepan Pal: Okay. And lastly on your partnership with GIC, now can we expect the next round of fund development from this JV in a very recent time and also if so that the rough guidance of 250 crores annual does it include that deployment or it is over and above that?

Suresh Kris: Yes we have included that presently which is our share into the 1500 crores MoU which we have entered into with GIC and suppose if there is any other land parcel comes on JV or on lease basis that could be extra also. Depending on the situation we may have to increase the allocation.

Sandeepan Pal: Okay. And just one last thing on the hotel side, if I just look into your revenue between consol and the standalone from the hotel segment I mean there is no difference for this third quarter, not on a cumulative basis, I am just talking about third quarter consolidated revenue top line for hotel and the standalone there is no difference which typically in the earlier quarter there has been some charges of club house and so which was outside your standalone I guess, so any reason for that?

Suresh Kris: No there is no big growth into the particular segment when now you will see the segmental reporting. Again cumulatively you will be having a good difference of about 50 crores.

Sandeepan Pal: Yes, but those difference are primarily because of quarter one and quarter two.

M.R. Jaishankar: Yes, correct I think that is why we said overall there is a drop of about 4% revenue from the hotel side which is made up by the revenue from the club side.

- Moderator:** Thank you. The next question is from the line of Ritwik Sheth from Span Capital. Please go ahead.
- Ritwik Sheth:** I just had a couple of question. Sir firstly what is the total percentage of new sales out of the total sales that we have done in this quarter? From new launches.
- Suresh Kris:** Percentage of new launches it could be around 40%/
- Ritwik Sheth:** Okay. And can you give me the corresponding figure for last quarter and Y-o-Y quarter?
- M.R. Jaishankar:** That we may have to see our statistics and then...
- Ritwik Sheth:** Okay, no problem. And second question is regarding the lease-rental, currently we are averaging around approximately 200 crores consol basis for the year, so once we get the 1 million square feet which is under construction. What is the run rate which you are looking at annually after two or three years?
- Suresh Kris:** After two years you can easily expect around 50 to 60 crores addition of those 1 million square feet.
- Ritwik Sheth:** Only 50 to 60 crores?
- M.R. Jaishankar:** No, I think nearly 100 crores you can say.
- Ritwik Sheth:** So approximately 50% after two year.
- Suresh Kris:** Yes.
- Moderator:** Thank you. The next question is from the line of Prem Khurana from Batlivala & Karani Securities. Please go ahead.
- Prem Khurana:** Sir I am not sure if I heard you correctly I think you said collection during the quarter have been around Rs. 300 odd crores? So would it include your rental income and hospitality income?
- Suresh Kris:** No does not include that only resi I told.

- Prem Khurana:** Sir but if I were to look at our presentation and compare with last quarter presentation the change on Slide #18 you give out this collection till date on sold units. If I will compare this row with last quarter's presentation the number works out to be around Rs. 220 odd crores. So will you explain the difference? And it seems you have not delivered any project during the quarter so there would not be any elimination of any project because of which the numbers would not be comparable anymore?
- M.R. Jaishankar:** Collection on prelaunch and everything.
- Prem Khurana:** Okay. And how much would we have spent on construction during the quarter?
- Suresh Kris:** During this quarter there is around 200 crores.
- Prem Khurana:** Okay. Given the fact that they have been doing pretty well in terms of new sales and area under execution is also higher if I were to compare with the last year number, but I don't get to see any significant moment in my collections as such. Last year also we could do around Rs. 1300 odd crores which on an average would have given me around Rs. 300 odd crores of number in terms of quarterly run rate, and even today we are doing around similar kind of run rate so why would this be there and given the fact that higher area is under execution and we have been moving very swiftly on execution and we have been selling more, shouldn't this number have been higher than this Rs. 300 odd crores of number that you gave out for the quarter?
- M.R. Jaishankar:** You are right 100%, because yearly we used to collect based around the time lines instead of percentage of completion or stage of completion but in one or two project what happens we will be having different-different towers. Okay, where in one tower may be on properly whereas in other towers may not be there even though the percentage of no expenditure on the overall project may be more but in different towers the collection will be delayed because of that.
- Prem Khurana:** Okay. And what kind of number are we looking for the next year as in FY16.
- M.R. Jaishankar:** FY16 the collection could be around 1500 crores to 1700 crores.
- Prem Khurana:** Purely on development project side of the business and not rental and this thing.
- Suresh Kris:** Nothing, only on developable portion collection.

Prem Khurana: Sure. And sir any specific reason for going aggressive on commercial assets I mean we already have some 2-odd million square feet of area under construction wherein we still need to spend some Rs. 500 odd crores and if I look at launch pipeline they appears to be planned launches around 1.6 odd million square feet which would again require us to spend around Rs. 400 odd crores on the construction of these properties. So within effect means almost 900 crores would get expensed over these, over the next three years. So where would we get this money from and do we see any significant uptick in commercial real estate in months and therefore we are creating these many properties.

M.R. Jaishankar: Yes, actually we wanted to bring down the percentage revenue, total revenue from 15% to 10% that on the increased today's. Whereas the real estate revenue is increasing by around 30 to 40% per annum. So again we need to go on and build a sizeable mass into the segment also. And then we wanted to have at least around 300 crores in about three to five years' time in this particular segment. Obviously we may have to go on spend on hospitality and plus into the lease segment about 250 to 500 crores like that, we may have to go and incur it to have a sustained income.

Prem Khurana: And a large part of this would be funded through debt only because our cash flows are not able to give us free cash flows, even for this year we are looking at around Rs. 400 odd crores of negative cash flows and when if I were to consider that you will be able to do around Rs. 1600 odd crores in FY16. And if I will assume the same revenue in terms of construction spend and the land spend. Then we would hardly be able to meet our cash outflows. There again I will be like a large part of this would be funded through debt only?

M.R. Jaishankar: Maximum will be.

Prem Khurana: What kind of peak debt number are we looking at for our company?

M.R. Jaishankar: We could have peak number 1:1.

Prem Khurana: Okay.

M.R. Jaishankar: Presently it is less than 0.8 and as of date we have more than about 550 crores of un-availed limit without end-use (Inaudible) 39.15 so we can go and see how it looks like.

- Prem Khurana:** Okay. And sir just one last question, could you please take me through this Panorama project where exactly is this, and what kind of rates are we expecting and which kind of products would be there on offer 2 BHKs or 3 BHKs.
- M.R. Jaishankar:** It is on Bangalore-Mysore road, it is on the highway. It is may be about 15 to 18 kilometers. It is in a fairly popular areas surrounded by many schools, hospitals and towards what is called as a bit of the industrial area where Toyota has set up and now a BOSCH is shifting all their operations from the cities center to the area and it is being on Mysore route, there is a potential and demand and the project in the prelaunch so it is very well received.
- Prem Khurana:** Sure. And what kind of a unit do we have on offer at this place as in terms of size.
- M.R. Jaishankar:** The total number of years unit is about (+1000) and in the first phase we will be launching about 450 to 500 units of which nearly 50% of that booked in the prelaunch in the price range of Rs. (+4000).
- Moderator:** Thank you. The next question is from the line of Kunal Lakhan from Axis Capital. Please go ahead.
- Kunal Lakhan:** Sir in our 1 million square feet of under construction rental portfolio how much we would have preleased or have pre-commitments for?
- M.R. Jaishankar:** We do not have anything to pre-release now but for security deposit other things may not come into play for our construction expenses, we want to go ahead only after the construction is over. Out of this 1 million square feet of our share.
- Kunal Lakhan:** Okay. So probably we will start leasing this out over the next one to two years I guess.
- M.R. Jaishankar:** That is '15-16 about 0.3 million will be coming in our fold, and then 0.7 in subsequent year. 0.7 million square feet subsequent year.
- Moderator:** Thank you. We have the next question from the line of Prem Khurana from Batlivala & Karani Securities. Please go ahead.
- Prem Khurana:** Sir this quarter apart from this Cosmopolis had revenue recognition threshold for any other than Cosmopolis.

M.R. Jaishankar: There is during this Q3 we do not have any other project coming in to this, apart from Cosmopolis whereas going forward about 5 to 6 projects may come in Q4.

Prem Khurana: And which all could these be if you could specify few names there?

M.R. Jaishankar: Definitely I may be able to spell these names. This will be Brigade Wisteria and Lakefront-B earlier it has come Amber now the next time D will come. And we have Brigade Exotica Tower II, then we will be having Omega A.

Prem Khurana: And most of these would come into revenue recognition 4Q or early next year?

M.R. Jaishankar: Not it will be most probably Q4.

Moderator: Thank you. As we have no further questions. I would like to hand the floor back to the management for closing comments. Please go ahead sir.

M.R. Jaishankar: Thank you for participating in the question and answer for our Q3 Results and the organization will work out to continue to give good results in Q4 and in FY16 also. We hope to meet the investor expectations and try to work hard to give better performance. And we do look forward to your support and your analysis and reports in the month ahead and thank you very much for participating in the Q&A.

Moderator: Thank you gentlemen. Ladies and gentlemen, on behalf of Brigade Enterprises Limited that concludes this conference call. Thank you for joining us. And you may now disconnect your lines. Thank you.