August 13, 2022

Listing Department
BSE Limited
Floor 25,P.J. Towers
Dalal Streets
Mumbai – 400 001

Scrip Code: 539940

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400051

Name of Scrip: MAXVIL

SUB: TRANSCRIPT OF THE EARNINGS CONFERENCE CALL FOR Q1 FY23 HELD ON AUGUST 08, 2022

Dear Sir/Madam,

Please find enclosed the transcript of Earnings Conference Call conducted by the Company for Q1 FY23 on Monday, August 08, 2022.

This is for your information and records.

Thanking you,

Yours faithfully

For **Max Ventures and Industries Limited**

Ankit

Ankit Jain
Company Secretary and Compliance Officer

Encl: As above

"Max Ventures and Industries Limited Q1 FY23 Earnings Conference Call"

August 8, 2022

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 8th August 2022 will prevail.

MANAGEMENT: **MR. SAHIL VACHANI - MANAGING DIRECTOR AND CEO, MAX VENTURES AND INDUSTRIES LIMITED**
MR. NITIN KANSAL - CFO, MAX VENTURES AND INDUSTRIES LIMITED
MR. RISHI RAJ - CHIEF OPERATING OFFICER, MAX VENTURES AND INDUSTRIES LIMITED
MR. ROHIT RAJPUT – CEO, MAX ASSET SERVICES

Moderator: Ladies and gentlemen, good day, and welcome to Max Ventures and Industries Limited Q1 FY23 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 pressing "*" then "0" on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sahil Vachani – MD & CEO - Max Ventures & Industries Limited. Thank you and over to you Sir!

Sahil Vachani: Good morning, ladies, and gentlemen. Thank you for joining us on the Max Ventures & Industries Limited Q1 FY2023 earnings conference call. Along with me today we have our CFO, Mr. Nitin Kansal, Mr. Rishi Raj, Chief Operating Officer, and Mr. Rohit Rajput - CEO – Max Asset Services Limited. We also have SGA, our Investor Relation Advisors on the call.

The Presentation and Press Release has been issued to the stock exchanges and uploaded on our company's website. I hope you had the chance to go through the same.

Pleased to share a strategic overview of the company. I am extremely pleased once again to share that we have now entered into the residential real estate segment with an acquisition of a large land parcel in Noida. We plan to launch our first luxury residential offering in the first half of the next calendar year, which is estimated to have a sales potential of over 1300 crores. We have also made progress on the business development front in the commercial real estate segment as well. Delighted to share that Max Estates has been adjudged as the successful bidder for two land parcels in Noida auctioned by Axis Bank. Most importantly, these land parcels are contiguous to the existing development Max Square, and hence enables us not only to create a larger office complex, but a mixed-use ecosystem. Our completed projects Max Towers, and Max House Phase One are now 100% leased at approximately 30% rental premium to the micro-market. The latest lease that we have signed is at more than Rs. 130 per square foot per month setting the path for the next round of re-rating. Progress on Max Square and Max House Phase-2 continues to be on track and expected to be completed by Q4 FY2023 and Q2 FY2024 respectively.

On the corporate structuring merger of Max Ventures with Max Estates, we have received approval from the stock exchanges and hope to receive NCLT approval soon as well. This will simplify the corporate structure and enable us to rename the entity as Max Estates a move that we believe will resonate well with real estate being the pure play focus of the company. The above are in line with our stated objectives as outlined during a KPIs at the beginning of the financial year. I am also delighted to share our proposed operating philosophy which will be underpinning the expansion of our real estate portfolio. With 100% focus on the real estate business, we have renewed our purpose as that to enhance the quality of life through the spaces that we create and we aim to deliver on this purpose through our stated strategy of being in one region and across multiple asset classes. With Delhi NCR as a geographical focus, we want to expand in premium residential and commercial segments.

On the commercial real estate front, we have successfully delivered on our purpose enabled by the WorkWell philosophy at both Max Towers and Max House as also in Max Square and in the Phase-2 of Max House. WorkWell philosophy is aimed to ensure holistic wellbeing of Office users both emotional and physical by curating an ecosystem of spaces including F&B and several amenities, delivering impeccable service standards and designing sustainable developments. The impact of this is evidenced in 100% occupancy at significant premium to the micro-market. We aim to replicate this in our upcoming offerings both at Max Square and in Phase-2 of Max House as well. Our efforts have been recognized with Max Estates being awarded as an emerging developer of the year and Max Square as the commercial project office building of the year 2022 by ET Real Estate Awards.

At the same time, our facilities management business Max Asset Services has received an award for excellence in customer service as well. After successfully demonstrating our development and execution capabilities in the commercial real estate segment, we are now all geared to disrupt the residential real estate space and create Max Estates as the most preferred brand for residential real estate as well. Similar to what we have done in the WorkWell philosophy for Office real estate, our development and operations of our upcoming residential communities will be guided on what we have coined as the Live Well Philosophy. To elaborate Live Well for residential spaces will envision a living ecosystem that enhances and enriches the quality of life of its occupiers by building a confluence of spaces that promotes sustainability and enables comfort, healthy living and community experiences while ensuring their physical and emotional health and wellbeing. Close attention will be paid to elements like air, water safety, biophilia, recreation and more by bringing the highest standards of expertise that goes into every stage of planning and execution, from design to operations of our spaces, which most importantly, the objective is to lead to an unparalleled experience for all our residents and occupiers. I would like to spend a little time on the future outlook of the business. Although we have delivered on our stated target of acquiring 1 million square feet each in commercial and residential for this year already within Q1. The efforts to further build the future development pipeline does not stop. We continue to evaluate land parcels, especially in Gurgaon for commercial and residential development, I am confident to close at least one of them soon. With these new acquisitions and a very strong project pipeline under development, we expect to end FY2023 with a development portfolio of approximately 6 to 7 million square feet. This is 3x the size of our FY2022 footprint. As we gear up for this scale, our focus is to strengthen organization capacity, and capability to drive seamless execution across both commercial and residential opportunities, and in turn unlocking multifold value for all our stakeholders.

I would now like to hand over to our Chief Operating Officer – Rishi for a detailed business update.

Rishi Raj: Thank you, Sahil for the strategic overview. First of all, I am happy to share that during Q1 FY23, the total revenue for the company increased by 47% year on year to Rs. 273 million. EBITDA increased by 40% year-on-year to Rs. 87 million and PAT increase to Rs. 63 million as compared to just rupees 0.1 million in Q1 FY22. The robust results were on the back of strong increase in lease rental income led by higher occupancy on year-on-year as well as sale of units at 222 Rajpur.

Let me now give you project wise business update and then move on to the development pipeline. Let us start with Max Towers:

Total leased area owned by Max Estates in Max towers is now 100% occupied with leased area of 3.02 lakh square feet. Lease rental income from Max Towers increased by 6% year-on-year to INR 82 million in Q1 FY23. Full year rental for Max Towers is expected to be about Rs. 350 million in FY23.

Moving on to Max House Phase-1:

Max House Phase-1 is 100% occupied as well with a total lease area of 1.05 lakh square feet. Lease rental income from Max House stood at Rs. 38 million in Q1 FY23 as compared to only INR 6 million in Q1 FY22. Full year rental for Max House phase one is expected to be in the range of Rs. 150 to 160 million in FY23. The weighted average monthly rental rates continue to be at significant premium to respective micromarkets for both the office assets which is Rs. 106 per square feet per month for Max Towers and Rs. 125 square feet per month for Max House. As mentioned by Sahil, the latest lease signed at both these projects were higher than Rs. 130 per square feet per month. Hence, the future income potential of the campus has significantly increased for both these projects.

In addition, I am delighted to share that our 222 Rajpur, the luxury villa development at Dehradun is now 100 % sold. The last unit was sold in Q1 FY23 at the highest sales realization that the community has seen so far. The work on Max Square and Max House Phase-2 both remains well on track and expected to be delivered by Q4FY23 for Max Square and Q2FY24 for Max House Phase-2 and we have already started receiving strong traction of inquiries for Max Square at the back of proactive outreach and engagements with potential clients. Overall market environment for office as well as residential continues its positive trajectory.

Net office absorption Pan India in Q1 FY23 is 8.5 million square feet that is 185% higher on year-on-year basis, whereas supply at 11 million square feet is lower by 10%. Net absorption was led by Bangalore with 48% share followed by Mumbai and Delhi NCR with near identical shares of 16% each. On residential front H1 2022 sales volume reached the highest level since first half of 2013. Growing by 60% year-on-year, the sale of 158,705 units during H1 2022 was 19% higher than the preceding period, despite home loan interest increasing by 90 basis points due to hike in repo rate during the same period.

While the latest round of another 50-basis point increase in the repo rate may have some impact on the demand. The mid to long term fundamental story for Grade A plus development in residential spaces remains intact.

Now, let me move to new residential and commercial development which Max Estates has signed up:

Max Estates has acquired 100% equity in Accord Hotels and Resorts Private Limited for an enterprise value of INR 306 crores, which holds a 10 acre land parcel in Sector 128 of Noida. We plan to develop a mixed-use luxury residential project on this land parcel, which will have an estimated sellable area of 1 million square feet plus and sales potential in excess of 1300 crores. The project is planned to be developed in two phases and will cater to premium end of residential market. The first phase is planned to be launched in the first half of next calendar year and is expected to be delivered within three years of launch. The project will comprise of 200 to 250 premium residential unit with only 20 to 25 units or residences per acre. One of the least dense residential community in Delhi NCR. Inspired by our live well philosophy, the project will have curated mix of best-in-class amenities focused on community and recreation, health and wellness and sustainable living.

Now coming to the new commercial land transaction:

Max Estates through its SPV had bid for 2 land parcels being auctioned by Axis Bank. Axis Bank has sent a confirmation letter ascertaining the company as successful bidder for both the land parcels for a total consideration of Rs. 220 crores. Both these land parcels combined are spread across approximately 4 acres in Sector 129 In Noida. These land parcels are contiguous to Max Square and under construction office development by Max Estates. The acquisition will enable it to create a 6.6-acre office led mixed land use campus. The total development size including Max Square, which is around 0.7 million square feet, for this campus will be in the range of 1.5 to 2 million square feet of the campus. Hence, while entry into residential segment has become a key milestone for the company, we have continued to make progress on the commercial real estate front as well.

With strong project pipeline, superior execution capabilities, complemented by strong balance sheet sets Max Estates to become a leading real estate player in Delhi NCR, which today has a huge vacuum and is right for continued story of consolidation. Apart from all of these initiatives, Max estates has also partnered with SAP for digital transformation of the company to enhance customer experience and overall efficiencies. SAP along with its implementation partner, Highbar Technocrat will implement its Next Gen intelligent ERP, SAP, RISE, 4/HANA with real estate specific modules, including finance, procurement, property, development, leasing, and utility billing, asset management and project management. In addition to automating the sale process, and integrating all construction, marketing, sales and rental operations, the project aims to redesign processes using latest digital technologies.

Now coming to the key initiatives during FY23. Let me break the update in 2 parts. Once we have achieved and others which are in progress and are on track. Let me start with what we have achieved. We have officially now ventured into residential real estate. Second, we have also acquired land parcel for new commercial project as a part of our stated goal of 1 million square feet each this year in residential and commercial. We have achieved 100% leasing in Max Towers and in Max House phase 1.

On the sustainability front, we have embarked on an ESG journey and as a part of that journey, we have participated in a GRESB rating, and we have identified midterm ESG targets. We have made significant progress in terms of curating an ecosystem of retail and F&B portfolio, and other amenities as well as implementing events to enhance overall customer experience as tenants return to office. Now, coming to targets for the remaining of FY23, we aim to close at least one more growth opportunity in Gurgaon. Obtain occupancy certificate for Max Square in time, which is scheduled for November/December of this year. Complete the structure work of Max House Phase-2, conclude the merger of Maxwell with Max Estates and prelease a certain portion of max square. We also aim to implement initiatives to meet identify midterm ESG target and progress our journey on the ESG front and continue to implement building of residential capability including people, processes and technology including full transition to SAP. Overall, looking forward to exciting 3.0 journey for Maxwell, which is focused on real estate business which is all set to scale 3x by end of FY23 and in parallel build the organization to enable the growth ahead.

Now, let me hand over to Rohit for update on Max Asset Services.

Rohit Rajput: Thank you Rishi. Let me give brief highlights about Max Asset Services. Max Asset Services provides end-to-end manage office services including but not limited to fit out leases, fit out design, office operations, etc.

Our managed flexible office offering WorkWell Suites in Max House, Okhla is 100% leased, witnessing a strong response at Max House, we strongly evaluate keeping WorkWell Suites, a part of our upcoming offerings of Max Estates at both Max Square and Max House Phase-2 as well. As a part of our WorkWell philosophy, we continue to differentiate our client experience by adding more amenities like fitness centers, salons, an early learning center, shuttle services, badminton courts, etc. We also continue to curate various F&B options to create a unique ecosystem for our clients to truly work well. With an aim to uplift our assets with the best-in-class facility and becoming more operationally efficient, we are deploying various digital tools across all verticals, such as parking management, lift management, booking of amenities, managing visitors and air quality monitoring.

I am happy to share revenue from MAS more than doubled year-on-year in Q1 FY23 to 75 million. We expect the facility service business of Max to witness strong growth in a FY23 as a high percentage of offices are now open and expected to avail our services.

Now let me hand over to Mr. Nitin Kansal.

Nitin Kansal: Thank you Rohit. Good afternoon, everyone. Quarter one FY23 Results now only include the real estate business, Max Estates and our managed office business, Max Asset Services after exiting our packaging businesses last year. Now let me give you the financial highlights for quarter one FY23. The consolidated revenue for quarter one FY23 increased by 47% year-on-year to Rs. 273 million. Let me give you a breakup of this revenue. The lease rental income from Max Towers stood at 82 million and the lease rental income from Max House stood at Rs. 38 million and additionally we sold one Villa at 222 Rajpur which contributed Rs. 63 million to the revenues, income from the facility management arm and WorkWell Suites stood at 75 million. Other related ancillary incomes stood at Rs. 16 million. The consol EBITDA increased by 40% year-on-year to Rs. 87 million in quarter one FY23. Consol profit after tax stood at Rs. 63 million in quarter one FY23 as compared to just 0.1 million in quarter one FY22. Now speaking about our liquidity position, our gross debt stood at Rs. 3.3 billion as on June 22. Cash and cash equivalents stood at Rs. 1.9 billion as of June 2022. Hence, the net debt stood at Rs. 1.4 billion. This translates into a debt equity ratio of one is to four as of today. Of this 82% that is 1.2 billion is in the form of lease rental discounting which is backed by rental receivables of grade A plus clients across Max Towers and Max House. During quarter one FY23, we spent rupees 3 billion on land acquisition in Noida sector 128 for the new residential project. Within a quarter of receiving the money from the sales of packaging business. We have been able to channelize it into our focus areas of real estate. I would now like to hand over for question and answer session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Faisal Hawa from H G Hawa & Company. Please go ahead.

Faisal Hawa: The management has, which is very near to the airport - Najafgarh land parcel. Is the management wanting to develop downtick there or some kinds of compllex because it is a very strategically located place. Secondly sir if we are able to discount all our rentals as and when we need them what would then be the new cash position of the company?

Sahil Vachani: I will take the first question first. This is Sahil. Your question if I heard correctly was about our project sector 128 In Noida. Sorry, could you just clarify which land parcel you are talking about.

Faisal Hawa: Family controls used land parcels in Najafgarh which is very near to the airport and, which we may want to develop as a part of Max Estates or Max Ventures. So how are we placed on that and how soon it could be integrated into this company.

Sahil Vachani: Yes, so the land pooling process is underway. The DDA has reopened the portals and has already issued notices for first four sectors for provisional land pooling. We are very confident that the land owned by the family office will be looked to be eligible in the very near future for land pooling, and as it becomes eligible, Max Estates will consider a joint development opportunity to develop it. As you have very correctly pointed out, this has a huge potential of close to 6 to 7 million square feet of development. It is an integrated, mixed land use development primarily led by residential and if I may say one of the last few parcels available in the Delhi zip code for development, also very well connected by Metro and as you pointed out very close to the airport as well. On your second question for that I will pass on to Nitin Kansal who can answer that question.

Nitin Kansal: Good morning Mr. Hawa. Your question on the LRD, we have a total LRD potential on our two projects Max Towers and Max House Phase-1 in the range of Rs. 350 to 400 crore on basis the current rentals which we are getting. Currently what we have drawn is a number of close to 115 crores for the funded and we have got a non funded line of 50 crores, which we have utilized against those LRDs. Incrementally we have a potential to raise Rs. 170 to 200 crore an LRD and I also like to supplement post the completion delivery and leasing of Max Square we will have a potential to release another Rs. 150 to 200 crore rupees from LRD of Max Square and potential to release another 100 crores from Max House Phase-2.

Faisal Hawa: 200 crores can be discounted as and when we want.

Nitin Kansal: Yes.

Faisal Hawa: Can you just elaborate on you know how well we have integrated the startup that we had acquired, whether now being of some use to us and any new age method that we have adopted to really to reduce the time of construction and handing over to the residents because that we are able to redirect recognize revenue when the handover have taken place. There are some methods we have made to really reduce that timeline.

Rohit Rajput: Hi Faisal I will be coming in; my name is Rohit. I just want to clarify a question when we talked about investments, could you specify what you meant?

Faisal Hawa: Means startups basically concerned with real estate in ramping our own business.

Rohit Rajput: So, Faisal to address that the two investments we have made recently are in a company called Smart Joules and a company called Clairco. Both of these investments are right now focused on improving the tenant experience as well as improving the operational efficiencies of leased out buildings. Smart Joules helps to run a neural network and machine learning on the HVAC costs. In order to optimize and significantly reduce the cost. So that gets baked in when we are looking for operational efficiencies to keep our operations costs low. The second investment Clairco again gets picked in terms of customer experience, it helps us deliver and monitor superior air quality in our buildings. At this time, we have been evaluating investments in construction tech, but we have not found anything that is compelling as of now, so we will continue to look for technology that will help us do an early handover early construction and if a suitable opportunity presents we will invest. Having said that we are constantly exploring new digital technologies and part of the move to move to SAP is also because of this, where you want to streamline your operation, streamline the entire cycle of procurement to delivery of projects.

Moderator: Thank you. The next question is from the line of Shreyans from Equirus Securities. Please go ahead.

Shreyans: Congratulations for the new acquisitions on the commercial and residential front. So, I have a couple of questions. The first question pertains to in terms of the business which will sold how much of that 660 odd crores have flowed in.

Nitin Kansal: We have got close to Rs. 500 which had flowed in from that transaction.

Shreyans: That's already reflected in the current balance sheet.

Nitin Kansal: Yes, that is already reflected. The remaining capital as per the terms of agreement are expected to come latest by 2023

Shreyans: Got it got sir. Sir then secondly, if you could break it to in terms of our next two to three years in terms of what are the inflows, so, roughly 150 odd crores from the deal proceeds and how much will be the outflow in terms of commercial and residential.

Nitin Kansal: So, if I can give you a broad perspective, we have received upwards close to Rs. 500 crores from the exit of the packaging films business now, 130 to 140 crore is expected by June 2023 and that makes it a total number of 650 crores to come from packaging films business. On top of that, we have an incremental lines of 250 to 300 crores on the LRD, which we can draw on what we have already leased as we speak today, that makes it total corpus of in the region of 850-900 crores which is available with us. Now on if we supplement that this 900 crores. On commercial, we have an existing partnership with New York Life and in which they have taken a position at Max Square in which they own 49%. In all ongoing commercial projects, we expect an equity investor to come very akin to what we have done at Max Square, and this is how the capital would be deployed.

Shreyans: Got it, sir but any number I mean, for the new acquisition of 1 million square feet, assuming you know right now we will be putting, so, how much would be going in 23 and 24 in terms of outflow, if you could break it into commercial and residential.

Nitin Kansal: So, in terms of commercial, we are looking at a number of our equity share to be in the range of 200 crores on the on the commercial side, and on the residential side from our first project sector 128 we are we would be more inclined to do asset light models where by doing joint development agreements with the landowner, the precise numbers we would be able to share with you as an as in when we go ahead with further announcements.

Shreyans: Got it sure and also wanted to understand in the residential front will the financial partner be interested or it will be restricted only with the commercial front.

Sahil Vachani: And currently we are exploring partners only in the commercial side and we will have progresses from there.

Shreyans: And lastly from my side, just wanted to understand what is the status of our project which was under NCLT.

Rishi Raj: Hi, this is Rishi as far as Delhi 1 which is under NCLT is concerned as they did last time all major objections have been addressed. Noida, there was a discussion as far as Noida authority status is concerned, I think Supreme Court has already adjudicated them being operational creditors. Now, the physical hearing on the plan has started, we had one hearing this month. Next two hearings are scheduled on 17th and 26th and we are very confident now that this will lead to the discussion on the plan and the approval process on the plan get expedited. In terms of output as to by when this will get done, difficult to predict. But this financial year we are expecting to make very significant progress on this front as well, which gives us another 2.5 to 3 million square feet of development.

Sahil Vachani: Got it and in case if that materializes in terms of outflow that number would be roughly 300-400 odd crores.

Shreyans: Yes, Got it and one last question if I find me more towards the residential, so do you I mean, we have started with the premium segment wherein we will be competing with the likes of, the DLF, who already have an established name, especially in New Delhi region. So how would you know, I mean, I just wanted to understand our strategy on that front, how would we like to compete with those and secondly, going forward, even in the residential will it be majorly towards the premium segment will also be focused on the I would say the affordable housing segment?

Sahil Vachani: Yes, thank you. This is Sahil, I will take that. So, we believe that the NCR market with a population of close to 22 million people and growing can definitely afford more than a few good, top quality and preferred developers and therefore, we believe that there is space and opportunity for a brand like Max Estate to capitalize on this opportunity. We have already showcased a track record that we have done that in the commercial space and we are very confident that we will be able to do that in the residential space as well. So to answer your question, we think that yes, there is enough of a market and there is depth in the market for at least 3-4 good quality brands to operate here in addition to some of the names that you mentioned. Secondly, in terms of the offering, it is very clear, Max Estates will be premium offering in the segment. It is what we call affordable luxury segment and that is the focus play that we will be in. We have no plans as of now to be in the affordable housing segment.

Shreyans: Got it. Thank you and all the very best.

Moderator: Thank you. Next question is from the line of Mr. Paymaster, an Individual Investor, please go ahead.

Ulhas Paymaster: I have got a few questions. One is on the lead side of the existing assets. What is the WALE, rate of interest you are paying on your lease rental and compared to outright term loan, whether the lease rental is more economical, in terms of rate, or in terms of the margin requirements.

Nitin Kansal: Good morning Mr. Paymaster, our WALE currently is in the range of 6 to 7 years across both the project and coming to the cost of funding for lease rental discounting. Currently, our lease rental discounting is at the rate of 7.25% for Max Towers and Max House, this is pegged to the one-year MCLR of the bank and going forward since in line with the change in repo rates by RBI, if the MCLR is changed, we may have an impact of that six to nine months down the line.

Ulhas Paymaster: Okay, my second question is on the existing projects which you are planning to take up both on the residential and the commercial. As far as the residential property is concerned, can you give the details of what is the expected outflow after netting off the receivable from the people who are going to buy the property and in terms of the commercial property, I think they just say about 300 to 350 crores going to be your contribution to the project.

Nitin Kansal: Mr. Paymaster, as stated in the past interactions also, we look at an IRR of in the range of 20 to 25% on our residential project. The detailed costing and inflows we would be able to share as and when we would be able to freeze on our design plans in the coming quarters. As of now, we are looking forward to an IRR in the range of 20% to 25% for the project.

Ulhas Paymaster: And for the commercial property?

Rishi Raj: Even for commercial property, our hurdle rate in the underwriting is for an equity IRR of 20% plus and we are aiming for the same both for residential and for commercial. As Nitin said on both the projects in the latest one where we have been a successful bidder by Axis Bank. The closing process is on once the closing has happened and we have concrete design and other stuff in place, we will come back and update you on the details.

Ulhas Paymaster: My question was on that total contribution of our company. If you do not have the exact numbers as far as a residential property is concerned, what is a normal industry norm that out of say a total outlay of Rs. 100? How much is the contribution made by the people who booked the property and how much contribution is made by the developer including the cost of land?

Rishi Raj: Yes, so, I think if you take the example of sector 128, which is an outright purchase, by us, there we are expecting from customers the contribution to be in the range of 50 to 60%. That will be the contribution in when you look at the total project development all inclusive cost.

Ulhas Paymaster: Yes, so, what is that expected outlay total costs roughly ballpark here, I am sure you must have done some calculation in terms of what will be your requirement to fund the project.

Nitin Kansal: So, Mr. paymaster, currently we have funded an amount of close to Rs. 300 crore for the acquisition of the land and in terms of there will be additional amounts, we will be able to give you the exact numbers on that when we come closer to the designing of the project

Ulhas Paymaster: Okay. Fine. Thank you.

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

Akshay Jain: Yes. Hi, I have few questions. So, starting with when do you expect to commence the construction of land parcel of Axis Bank and when is it expected to be completed?

Rishi Raj: Yes. So, as far as new acquisition is concerned from Axis Bank, a very I would say very indicative timeline, it is also a function of how fast the closing happens, but we are looking for second half of next year, when the construction would commence and in terms of development lifecycle, we are looking at three to four years of development lifecycle on that project.

Akshay Jain: Okay. Secondly, what will be the annual rental potential from this new commercial project?

Sahil Vachani : Going by the current estimates and pricing, estimate annual rental income would be in the range of close to 120 crores per annum.

Akshay Jain: Okay and lastly, as this commercial land believe it next to Max Square, so what will be the overall plan to develop it?

Sahil Vachani : So, the idea is to create a commercial office led mixed land use Ecosystem. Max Square has already the structure is completed and as Rishi updated we are confident of getting occupancy certificate by the end of this year and the plan is to create a commercial hub with more office space enabling retail and a host of amenities and a core of amenities that enable to create an ecosystem and add to the experience of the end users. We have found that most developments that are able to provide an amenity led core, build an ecosystem actually command a significant more premium to the micro market and we're very confident that we will be able to do that particularly with the effort that's been put in for max square already.

Akshay Jain: Okay, understood. That is all for my end. Thank you.

Moderator: Thank you. The next question is from Ms. Riya Verma from NR securities. Please go ahead.

Riya Verma: Hi, thank you sir for the opportunity. Most of my questions have been answered. I only have two questions. Firstly, do you plan to develop this new residential project along with a financial partner or fully own funds and secondly, how does the future residential pipeline look like for the company?

Nitin Kansal: So Riya, on the first question I like to answer this is Nitin. We are not looking at any equity partners for the residential project we mentioned.

Rishi Raj: Yes, so on the future pipeline, as we have updated in our investor deck as well, we have a very robust future pipeline. Our endeavor really is to get another residential in Gurgaon and we are in advanced stages of documentation and we hope to close that soon, but just to step back, and in the interest of all of you, here is how we are thinking about portfolio, we are thinking about developing a real estate portfolio, which is balanced and balanced on three counts. Number one mix of commercial and residential, so we have already done one commercial one residential in Noida, we are aiming for one commercial and one residential in Gurgaon and for that we have very robust pipeline, and we are expecting to close that soon in this financial year itself. Second, we are doing balance from the perspective of acquisition model, which is combination of outright and joint development agreement. One residential that we have done in Noida is outright in Gurgaon, we are looking at joint development agreement, which makes it asset light and third, we are as we have already said, we are spreading it out within Delhi NCR and in different micro markets and that is how we are also diversifying the portfolio, both on commercial and the residential side.

Riya Verma: Right, thank you. That is helpful. Thank you and all the best.

Moderator: Thank you. Next question is from line of Prerna Gandhi from Ace Capital Advisors. Please go ahead.

Prerna Gandhi: Hello, thank you for the opportunity. I just have like two questions. Firstly being do you plan to raise any equity capital to fund future development and secondly, any plan to have a targeted commercial or residential share in future?

Nitin Kansal : So on the first question, we do not intend to raise any equity capital on the listed entity side, our intent is to bring equity partnership on the commercial business very akin to what we have done at Max Square.

Prerna Gandhi: Okay and my second question was any plan to have a targeted commercial or residential share in future?

Rishi Raj: Percentage market share. Look, I think we won't at this point, the direction we are taking is we want to keep the mix healthy. Some of where exactly that mix will fall will also be a function of right opportunities. The only thing we can give you as a direction is we do not want to do lopsided to either commercial or residential and keep the mix balanced. Exact number difficult to give. It will depend on the opportunities we are exploring.

Prerna Gandhi: Okay, that was helpful. Thank you. That's all from my end.

Moderator:	Thank you. The next question is from the line of Jainam Shah from Equirus Securities, please go ahead.
Jainam Shah:	Yes, hi, good morning. Sir my question relates to this commercial asset that we are operating. So, the leasing is already reached to the 100% level just wanted to understand that how many percentage of area will be currently on a rent free without period. So, what will be the total potential for both sets if we have the 100% revenue coming from all the leasing that we have done recently.
Rishi Raj:	So, from both the asset which is Max Towers and Max House Phase-1 once full revenue kick in the total potential is INR 500 million or Rs. 50 crores of rupees.
Jainam Shah:	Okay and so what in general fits our period like we give to the tenant like is it six or nine months or something so that eventually some one or two quarters might be there to get the full revenue. So, it is already entirely leads our with assets.
Rishi Raj:	It varies from tenant to tenant and from the size of the leasing. As far as fit-out rent fees are concerned in our experience at Max Towers and Max House typically it has been two to three months.
Jainam Shah:	Okay, and sir we are just like these figure number for these two assets, if we can give some number to our under construction asset Max Square and Max House 2.
Nitin Kansal :	So, the numbers on Max Square we have a total leasable area of close to 7 lakh square feet and the market price in the local micro market is in the range of 65 to 70 rupees , we would like to continue our ambition of getting at least 30% premium to the local micro market and this is how we are looking at and in terms of Max House Phase-2, we have the last lease which we have signed is around weighted average is 125 and we have a total area of around 1 lakh 50,000 square feet which will go on lease on Max House Phase-2.
Jainam Shah:	Got it got it. Thank you sir.
Moderator:	Thank you. My next question is from the line of Faisal Hawa from H G Hawa & Company. Please go ahead.
Faisal Hawa:	Sir that you said is 120 crore per year from the new property?
Management:	On the new development, the rentals that we are receiving already developed.
Faisal Hawa:	Yes, on the existing developments which is already leased out
Rishi Raj:	From the existing developments which is already leased out, as I said Max Towers and Max House phase 1 the total rental potential is INR 500 million which is 50 crores and second source

of rental income will come from Max Square which is around 7 lakh square feet and Max House Phase-2 which is around 1.5 lakh square feet and just to give you the indication Max Square which is 7 lakh square feet, the rental realization we are expecting is anywhere between 65 to 75 rupees and as far as Max House is concerned you can get a very good indication from where we have closed Max House phase one which is weighted average of Rs. 125, but the last rental in Max House has gone already 130 plus. So, bases that one can expect what total realization will be and the third source will be from a lease rental standpoint will be from the new acquisition that we have done which will start construction second half of next year and development timeline of three to four years, which will have a development potential of 1 million square feet plus and given where Max Square will be from a rental realization standpoint three to four years hence, one expects minimum 4% to 5% increase in rental per year.

Moderator: Thank you. As there are no further questions and I now hand the conference or to the management for closing comments.

Rishi Raj: Okay, thank you. I hope we have been able to answer most of your queries. We look forward to your participation in the next quarter and we are really looking forward to build Max 3.0 focused on real estate. For any further queries you may contact SGA our investor relation advisors. Thank you and have a great day ahead.

Moderator: Thank you very much. On behalf of Max Ventures and Industries Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you