November 15, 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Scrip Code: 544008

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051

SYMBOL: MAXESTATES

Sub: Transcript of the Earnings Conference Call

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call conducted on November 10, 2023 at 11:30 a.m. (IST) to discuss Q2 & H1 FY24 financial results performance of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,

For Max Estates Limited

Abhishek Mishra
Digitally signed by Abhishek Mishra
Date: 2023.11.15 16:32:46 +05'30'

Abhishek Mishra
Company Secretary & Compliance Officer

Encl: a/a

"Max Estates Limited
Q2 and H1 FY'2024 Earnings Conference Call"
November 10, 2023

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 10th November, 2023 will prevail

MANAGEMENT: **MR. SAHIL VACHANI – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – MAX ESTATES LIMITED**
MR. RISHI RAJ – CHIEF OPERATING OFFICER – MAX ESTATES LIMITED
MR. AMIT MIDHA – HEAD OF MAX ASSET SERVICES – MAX ESTATES LIMITED
MR. ARCHIT GOYAL -- INVESTOR RELATIONS – MAX ESTATES LIMITED
SGA -- INVESTOR RELATION ADVISORS -- MAX ESTATES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Max Estates Limited Q2 and H1 FY24 Earnings Conference Call. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance of the company and it may involve risks and uncertainties that are difficult to predict.

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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sahil Vachani, MD and CEO. Thank you and over to you, sir.

Sahil Vachani: Good morning to all and a very happy Dhanteras. Thank you for joining us on the Max Estates Limited Q2 and H1 FY24 Earnings Conference Call. Along with me today, I have Rishi Raj, our Chief Operating Officer, Mr. Amit Midha, Head of Max Asset Services and Mr. Archit Goyal, who Heads IR. We also have SGA, our Investor Relations Advisors on the call. The presentation and press release have been issued to the stock exchanges and uploaded on our company's website. I hope everyone has had the opportunity to go through.

It has been a momentous occasion for us as Max Estates got listed on the stock exchanges last week, a quick recap of the events that have unfolded thus far. The company finally achieved the conclusion of the reverse merger of Max Ventures and Industries Limited into Max Estates Limited.

The newly listed entity named Max Estates Limited truly reflects our vision, the nature of our business and aspirations to scale the real estate footprint in Delhi, NCR. The merger would simplify the corporate structure and enable the company to not only rename the company as Max Estates, a move that will resonate with real estate as the only focus of the company. Over the years, Max Estates has stayed true to its commitment of creating spaces that truly enable well-being with an unwavering focus on Live*Well* and Work*Well* as our philosophy.

Before I hand over to Rishi for the business updates, let me share what are going to be the key focus areas for us as we look forward. First, growth; Max Estates has already built a very well diversified commercial and residential real estate portfolio across Delhi NCR at scale to the next level of growth.

After successful commercial developments in Delhi and Noida, the company expanded its footprint to the residential developments along with the entry into the Gurgaon real estate market. We are looking to accelerate our growth journey by building on the current portfolio of 8 million and adding at least a million square feet every year across our commercial and residential portfolio. The priority now is to look for growth opportunities in the residential space in the national capital region.

The second is capital. With focus on two asset classes, the company attempts and will continue to efficiently allocate capital between both these asset classes, while ensuring a well diversified portfolio in terms of footprint that is being developed. This will be across various markets within the Delhi NCR region, Delhi, Noida, Gurgaon, including business models that include outright purchase as also joint developments.

We will leverage a strong balance sheet in a timely manner to secure growth opportunities at the right price. Since inception, the company has raised more than INR3,000 crores of capital including equity and debt. Further, to continue our asset-light approach and diversify capital exposure, we will continue to bring in equity partners as we have done with our partnership with New York Life.

New York Life has already made a commitment of INR800 crores to date with a 49% equity in Max Square Phase 1, Max Square Phase 2, and the Sector 65 Gurgaon commercial project. They will continue to evaluate co-investment as a strategic investor in our commercial real estate business. The company will also continue to explore the joint development route as it has done in the residential space in Gurgaon as a capital-light approach to secure land.

The third vector that we are extremely focused on is execution. Max Estate has laser-sharp focus on timely project execution, quality of construction, and efficient project management with huge emphasis on customer satisfaction and experience. Our existing assets, Max Towers and Max House, continue to be fully leased at a 30% premium to the micro-market to leading domestic and multinational companies while diversified across sectors.

Max Square, our latest commercial project in Noida, was built in a record time of 30 months and has gained very strong leasing traction. The development has obtained the highest possible green building standard certification from IGBC, being IGBC Platinum. Completion of Max House Phase 2 is also on track. We possess a strong dedication to people, processes, combined with excellent execution capabilities, thus enabling us to confidently undertake four real estate projects simultaneously.

As we continue to scale, the customer experience and focus, anchored on the philosophy of *WorkWell*Work*Well* and Live*Well*, continues to be at the core of it. With unwavering commitment to sustainability and to benchmark ourselves with the best, we participated in the GRESB ranking for the second time and happy to share that we've emerged amongst the top few corporate developers in terms of rating and the overall outcome.

And to deliver on this aspiration, attracting and nurturing good quality of talent and institutionalizing system and processes aided by digital interventions are imperative. This is our focus as we continue to build organizational capacity and capability to seemingly execute at scale.

With this, I now hand over the call to Rishi, our Chief Operating Officer, for detailed business updates. Over to you, Rishi.

Rishi Raj: Thank you, Sahil, for the strategic overview. Let me first give you the project-wise business updates. Let us start with our *WorkWell* experiences. Max Towers, total leased area owned by Max Estates in Max Towers is 100% occupied and lease rental income from Max Towers stood at INR182 million in H1 of FY24. Moving on to Max House Phase 1, it continues to be 100%

occupied and lease rental income from Max House Phase 1 in H1 FY24 is at INR72 million. For Max Square project, we are delighted to share that within six to nine months of completion, 50% of total leasable area of Max Square has been leased at a premium of 25% to 30% over the prevailing market rate in the micro market.

We are also delighted to share that this includes 128,000 square feet of office area leased by NDTV. The lease rental income from Max Square stood at INR16 million in H1 FY24, which will continue to grow as tenants start their operations in Max Square. The company is confident of achieving 100% leasing over next 6 months to 12 months and the lease rental income from Max Square at full occupancy is expected to be INR600 million to INR700 million.

Now coming to the second phase of Max House, which is an extension of Max House Phase 1 with a larger leasable area of 150,000 square feet, is in final stages of completion. The project has received excellent traction in terms of demand from both existing tenants of already leased Max project and new potential tenants. The project has received -- the company is confident of achieving 100% leasing within a year from completion expected in Q3 of FY24.

The lease rental income from Max House Phase 2 is expected to be at INR250 million to INR300 million once fully leased and I'm delighted to share that even before completion, 54% of the leasable area has already been transacted to leading domestic and multinational companies.

Now, on the commercial office side, coming to what is in pipeline, first Max Square Phase 2. In Noida, the company's SPV has successfully won the bid for two land parcels for a total cost of INR220 crores. Both land parcels combined spread across four acres are located in sector 129 Noida adjacent to Max Square.

The total development size of the acquired land parcel, including the completed Max Square project will entail a mixed use total office-led development of 1.1 million square feet. The company is on-track to finalize the design and receive all approvals to start the construction in Q4 of FY24. The lease rental income from Max Square 2 is expected to be in the range of INR1,000 million to 1,150 million at 100% occupancy.

Now, coming to our first commercial real estate project in Gurgaon, in Golf Course Extension, which is a 7.15 acre land parcel with total development potential of 1.6 million located right on Golf Course Extension and at 10 minutes driving distance from sector 56 metro station on Golf Course Road. The lease rental income from this project at full occupancy is expected to be INR1,600 million to 2,000 million.

And again, happy to share that the design and approval process is progressing well and we are going to start the construction early of Q4 of FY24. Now, coming to our Live*Well* experiences, residential developments. Our first residential development, Estate 128 in Noida, has been fully sold and had garnered a pre-formal launch sale value of INR1,800 plus crores.

Over last three months, we are happy to share that company has collected INR330 crores for the project. The payment scheduled for this project is construction-linked, translating into 25% collection every year. The construction has already begun and is on track to deliver the occupancy well within the promised RERA timelines.

Our second residential project, the company has signed the JDA in sector 36A, Gurugram, which has a development potential of 2.4 million square feet and a gross development value as shared earlier, INR3,200 crores. This is a land parcel measures 11.8 acres with direct access from Dwaraka Expressway. The company is working with Gensler to design region's first intergenerational community at scale. The launch is estimated to be in mid-calendar year 2024.

We endeavor to scale the portfolio beyond 8 million square feet, as Sahil said, by adding at least 1 million square feet every year, on an average to each of our residential and commercial asset classes, while maintaining a distinctive source of differentiation, which is design and hospitality-led consumer experience.

Finally, coming to the mixed-use development, enabling both *WorkWell* and *LiveWell* experiences, the Honorable NCLT New Delhi approved the Resolution Plan of Delhi 1 earlier this year. Just to recap, it is a commercial plot measuring 35,000 square meters located in Noida. The acquisition has a potential to add 2.5 to 3 million square feet of additional development footprint to the portfolio of Max Estate. The implementation of Resolution Plan is subject to receipt of requisite approval from regulatory and statutory authorities, which is a work in progress.

Overall, the recent global environment has significantly accelerated the flight to quality phenomena. Consumer willingness and appetite to pay premium for quality development has also increased, and consumers are now looking to prioritize experience and well-being. As a corporate developer, with a key focus on delivering quality experiences catering to holistic well-being of its users, the above phenomena is highly positive for the company, not only for residential segments, but also for commercial office segments, where despite the demand continuing to be less than pre-COVID levels, the institutionally owned office assets with focus on experience like ours continue to see very, very positive traction.

With this, I hand over the call to Amit to take us through Max Asset Services.

Amit Midha: Thank you, Rishi, and good morning everybody on this call. As you would know, Max Asset Services provides end-to-end managed office services, including but not limited to fit-out leases, fit-out design, and build, and office operations that include security, safety, housekeeping, IT services, and operating technicals like plant and machinery.

Our managed flexible office offering Work*Well* Suites at Max House, Okla., remains 100% leased and occupied. The genesis of our business focuses on the wellness of people. Max Estates Limited's philosophy is built upon three pillars of Max Group's value creations, that is Sevabhav, Credibility, and Excellence, and pans across the core fundamentals of ESG, which is environmental, social, and governance. As a progressive real estate player, we want to make a positive contribution to the environment.

Safeguarding the environment through energy and resource efficiency is the core principle of its sustainable development policy. In this pursuit, we also create a positive contribution towards the global sustainable development goals by efforts and towards energy efficiency, waste management, water governance, and conduct. We also have consciously made choices that minimize the carbon footprint during this lifetime of our assets.

Our ultimate goal is to make net-zero buildings. The LEED certification and IGBC rating of all our assets is a testimony to the same. We encourage a culture of service and helpfulness so that our actions positively impact society and generate transformative change.

Our commitment to save our defines and differentiates us. As a part of our *WorkWell* philosophy, we continue to differentiate our client experience by adding more amenities like fitness centers, salons, and early learning centers, shuttle services, badminton courts, etc. We continue to curate various F&B options to create a unique ecosystem for our clients at WorkWell.

With an aim to uplift our assets with the best-in-class facilities and becoming more operationally efficient, we are developing various digital tools across all our verticals such as parking management, lift management, amenities booking, visitor management, and air quality monitoring. Revenue for Max Asset Services for H1 FY 24 stood at INR135 million. We expect the facilities business of Max Asset Services to witness strong growth in FY24 and 25 as a high percentage of offices are now open and expected to avail our services.

Thank you and with this I hand it over back to Rishi to take us through the financial updates.

Rishi Raj: Thank you. Now let me first give you financial highlights of H1 FY24. Consolidated Revenue stood at INR388 million in H1 FY24. Consolidated EBITDA stood at INR37 million in H1 FY24. Consolidated PBT stood at a loss of INR532 million and PAT a loss of INR429 million in H1 FY24.

This is on account of the following. The company has incurred advertising and marketing expenses of INR132 million in H1 FY24 for the Estate 128 project, which is accounted as an expense, while revenue will be recognized subsequently at the time of the possession. Second, the company has decided to conservatively take a 100% one-time provision on the investment made in Azure Hospitality. The provision is for INR445 million in H1 FY24 and post this company has no further non-core investments.

Accounting for these two line items, adjusted EBITDA in H1 FY24 stands at INR169 million and adjusted PBT stands at a profit of INR44 million. Speaking about a liquidity position, debt stood at INR7,904 million as of September 2023 and of this, the LRDs, the Lease, Rental, Discounting are to the tune of INR3417 million. Cash and cash equivalents today as of September 23 stands at INR2943 million. Adjusting for that, the net debt is at INR4961 million implying a net debt equity of 0.4X.

With this, I now open the floor for Q&A.

Moderator: The first question is from the line of Mohit Agarwal from IFL Securities. Please go ahead.

Mohit Agarwal: Hi and congratulations to your team on the listing and the reverse merger. I wish you all a very happy Dhanteras and Diwali. My first question is on business development. In slide number 22, you have given an indicative growth pipeline. Can you give some colors on what kind of micro market and what kind of product in terms of ticket size you are targeting? Also, if you will be looking to acquire these land parcels or will these be JDAs? And lastly, if you could give some timeline around which you can see the closure of these deals.

Rishi Raj: Thank you, Mohit and happy Dhanteras to you as well. Let me respond to this in a few parts. One, yes, we are looking at all the micro markets of Noida, Delhi and Gurgaon, all the three regions. Within that, as far as Noida is concerned, we are very keen to look for something in Noida Expressway and the region around it. As far as Delhi is concerned, we are evaluating South and Central Delhi. And as far as Gurgaon is concerned, we are evaluating a few areas, Golf Course Extension, Southern Periphery Road, NH8 and Dwarka Expressway.

Now, coming to your second part of the question in terms of product, as you would see in our disclosure at this point, most of the evaluation that we are doing is in the residential segment. And as far as product segment is concerned, as we have always stated, our strategy is to build premium and selectively luxury residential product, more on the lines of what we have delivered in Estate 128, Noida, and now what we are planning to launch in Gurgaon, which we have shared earlier.

In terms of the third part of the question, which is timelines, on an average, our stated strategy is to add 2 million square feet every year. As far as immediate timelines are concerned, our endeavor is to close at least one of these opportunities in this financial year.

Mohit Agarwal: Okay, understood. Is land pricing, especially when you talked about Gurgaon, areas like Golf Course Extension, SPR, Dwarka Expressway, is land pricing an issue that you are facing or are you comfortable with the pricing that you are getting?

Rishi Raj: Yes, I think that's an excellent question. With the tailwind in residential, land prices have definitely gone up when compared to a couple of years ago. As a result, our strategy is more towards joint development agreement, because in the outright purchase, it becomes difficult to align on value.

And in more and more of our discussion, I'm really delighted to share, given the track record and the brand that we have established in the premium, luxury, both commercial, now residential, we see a lot more appetite of landowners and a lot more trust and confidence of landowners to partner with us and enjoy the upside in the joint development agreements.

Mohit Agarwal: Understood. My second question is, in one of the media interactions, Sahil mentioned the facility management business could scale up to INR200 crores over the next three to four years. Could you give some color or details around that? Will this happen in line with your rental income going to INR500 crores? How does one understand that?

Sahil Vachani: Hi, Mohit. This is Sahil. So there are two parts to this. One is that this will increase in line with the overall portfolio, the commercial and the residential portfolio that we will have. If you see the footprint, we are talking about almost 4.5 million square feet of commercial portfolio on a fully built out basis and a similar number for residential.

So the revenue will be the outcome of the income from all of this combined, in addition to the services that we provide, some additional services that we provide to our tenants, commercial office tenants specifically.

Mohit Agarwal: Okay, and this will be a 20% margin business?

Sahil Vachani: Yes, that is what it is currently.

Mohit Agarwal: Okay, perfect. And one last one is on Delhi One, you mentioned it in the opening remarks, just want to understand what's the status there? The NCLT approval has already come. And so that's one. The second part of that is that you mentioned additional 2.5, 3 million square feet. So is it total 2.5, 3 million, including the sold area or additional 2.5, 3 million?

Sahil Vachani: So the first part of your question, the status, we have, as you correctly mentioned, received NCLT approval. I'm sure you would be aware, and it is in the public domain, that the central government through a committee chaired by Shri Amitabh Kant has also come up with recommendations for all industrial authorities on how to deal with insolvency cases. And that is in the public domain.

We are very confident and hopeful that the government of UP will now be able to look at these recommendations and be able to implement them, which will enable a clear path for our implementation of the resolution plan. The second is in terms of area. The total area is about 3 million square feet, and half of it is pre-sold, for which there is some receivables that are going to be, that are due as well. And there's half of it that is going to be, that is to be sold, and that is unsold inventory.

Mohit Agarwal: Sure. So I'll just, is there a timeline to this resolution?

Sahil Vachani: Well, I would certainly hope there would be that, but it's difficult to comment on that right now. As I said, it's something that we, you know, that the industry at large is engaging with the state and looking to drive a resolution. And like I said, there is a guideline that already is there as a result of the central government, and we are hopeful that this will be implemented sooner rather than later, very difficult to give a timeline on this with respect to the state regulation, etc.

Mohit Agarwal: Okay. Perfect. That's all from my side. Thank you and all the best.

Moderator: Next question is from the line of Ravi Shah. Please go ahead.

Ravi Shah: So basically my question was, what are our expected revenues from Max Square and Max House Phase II in the current year FY25?

Rishi Raj: First, let me just tell you in terms of the guidance that we are providing, we are providing the guidance at a peak occupancy level, but I'll give you a couple of more data points for the clarity. For Max Square, at 100% occupancy, the guidance is INR60 crores to INR70 crores. Number two, as we said, 50% of the area is already transacted, and we are very confident that over the next 12 months, the remaining area will also get transacted.

So I think with those data points, you will have enough clarity on the trajectory for the top line. As far as Max House Phase II is concerned, which is 150,000 square feet, the completion is expected by end of this month, mid of December. It's 54% already transacted. We are very confident that it will get 100% leased in the next 12 months, and the full potential is in the range of INR25 crores to INR30 crores.

Ravi Shah: Understood, sir. Thank you. My next question would be, can you give me the capex plans for FY25? Like what are our views on that?

Sahil Vachani: So the capex plans for FY24, as Rishi covered in his opening comments, the land is fully being already funded across our project in Gurgaon, the residential project in 36A, which is 3.2 million square feet. All the equity for that is fully funded. For our commercial project in Gurgaon, which is in Golf Course Extension Road, the equity for that is fully funded. There is some additional equity which will come in together with New York Life and us. Our share is anticipated to be about INR50 crores of that.

Our residential project in Noida is fully funded, which is Estate 128, and as Rishi said, we have almost completed more than INR330 crores of collection. And then on our office project in Noida, which is in Sector 129, also the equity is fully funded. So the incremental capex for these existing projects and totalling to 8 million square feet is only the construction finance that will be drawn over the period of the construction of three years of most of these projects as required.

In addition, there will be capital that we may need for our additional growth opportunity, and that is a little premature to mention the amount right now because we are not sure about the opportunity that we will be able to lock in and it depends on the type and the business model, if it is a joint development, outright location, size. So that's part of the business development process, and we have shared a pipeline that we are working on.

Having said all of this, just wanted to reiterate that for FY24, we've already done sales of about INR1,800 crores. For FY25, we have the full pipeline already of sales of 2.6 million square feet in Resi, which is the Gurgaon project. So what the capex will be required will be for the sales that, as per the business plan, will come in FY26. Just to highlight that, and therefore for FY24 and FY25, the sales that we need to do residential is fully funded. Thank you.

Ravi Shah: Understood. So just one last question. I mean, there's a lot of articles on uptick for premium real estate and the demand is strong. So are we still continuing to see that momentum and how things are going there?

Sahil Vachani: I think we continue to see a very strong momentum for very good quality developments. We are very confident that with our philosophy of *LiveWell* in the residential space and *WorkWell* in the office space, the demand will continue. Our strategy is to always make developments or create the spaces that truly enable these elements of *LiveWell* and *WorkWell*, and to attract a premium to the existing micro market.

So I'll give you an example in the office space. While Max Towers and Max House Okla are more central locations, they command INR130, INR140 rentals today. Our development, which is Max Square, is more at a INR70, INR75 rental. So it's very difficult to say that we will only be in one segment, but what we are benchmarking ourselves to is that with the segment that we are playing in, we are able to command a premium to the micro market.

On the residential side, our focus is to be in the premium plus segment, which is pricing from INR12,000 a square foot to INR20,000 a square foot. So in that range, not all projects may be at INR18,000, INR19,000, INR20,000, but there will be some projects at the INR12,000, INR13,000 price point as well. And we have to have the flexibility to be able to deliver both profitably, deliver both with the customer experience of *LiveWell* that is central to our core philosophy.

Ravi Shah: Understood, sir. Thank you for your detailed answers and happy Diwali and all the best.

Moderator: Next question is from the line of Vaibhav Sabu from Nippon AIF. Please go ahead.

Vaibhav Sabu: So just a couple of questions from my side. First, on the Delhi One project, I just wanted to understand, have we made any capital allocation towards it or has there been any outflow? And if not till now, is there any outflow? So what is the quantum of outflow which will be there? Let's say once our resolution is accepted.

Sahil Vachani: Thank you for that and happy Dhanteras and greetings for the festive season as well. So there is no cash outflow that has happened with the exception of maybe a very small number of, you know, just small design or related expenses. And we have given a non-cash-backed bank guarantee for the project, that's where we are today.

So per se, no cash has been deployed so far towards the project currently as we speak. And our obligations kick in as per our resolution plan once we receive the regulatory approvals that would be required.

Vaibhav Sabu: But just on the continuation, would it impact, for example, let's say if we want to undertake other business development activities and then we also have in the background that there may be a possibility that we would also require let's say capital commitment towards this project. So is there any prospective impact on our other BD activities? Because we would also have to keep in mind that there may be capital deployed here.

Sahil Vachani: So yes, we are very conscious of that this is in our pipeline and we are continuing to look at other business development activities, keeping this in mind and with the assumption that this will happen in due course. As I said, NCLT has already approved it. COC has already approved it. The IBC clearly states where COC has approved and NCLT approved. So it's a matter of time in the sense that we are looking at it.

So yes, we are going ahead with other developments and other business development opportunities, keeping in mind that our cash flow planning is definitely considering in the future that we will be required to fund this and also other residential projects that we are looking to do.

Vaibhav Sabu: Understood. And just secondly from my side on the Azure Hospitality piece; if you explain the rationale for the Azure investment and whether we would be looking to undertake similar such investments just from a capital allocation policy perspective.

Sahil Vachani: Also, the investment was made a long time ago in 2016 when we were not sure about us being a real estate company at that time. It was one of the various businesses. There was a different idea about the company. Subsequently, we have cleaned up and we have said that we are a pure-play listed real estate development business. And therefore, all of these investments are non-core. We are not going to be doing any investments, any such investments are only business and focus is real estate development, focused on the national capital region across the asset classes of commercial and resi.

And we are conserving and deploying every cent, every rupee towards this core vertical of us where we think we have now demonstrated the track record, the credibility and the success and we are looking to scale. The idea of writing this down was that we have now been relisted as a pure-play development business and it was a clean-up opportunity and also more conservative for us.

The company is going to be looking to raise some capital and we just thought it would be easier, this is your hospitality looking to raise, at some point we will look to raise capital and we obviously will not be contributing there, but we just wanted to clean up our books and we will be very conservative in the provisioning of it. And therefore, the books of the company today reflect the exact nature of the business which is pure-play real estate development focus.

Vaibhav Sabu: Understood. Enjoy and all the best.

Sahil Vachani: Thank you very much.

Moderator: Next question is from Ritwik from 1UP Financial. Please go ahead.

Ryan: Sir, just one question. You mentioned the Golf Course Extension, the commercial and Max Square 2 is expected to start construction somewhere in Q4 FY24. So, once we hit the ground, what would be the approximate timelines for the project to get completed? If you can give us some guidance on that.

Rishi Raj: Yes, this is Rishi. On Max Square 2 first, our expected completion timeline is March 2027 is the expected completion timeline and we are tracking to that. As far as Gurgaon is concerned, Gurgaon will be delivered from an occupancy standpoint in two phases. Phase 1, approximately 40% of the development will be delivered in three years and the full phase will be delivered in five years.

Ryan: Okay, that's it from my side. Thank you and all the best.

Moderator: Next question is from the line of Pooja Shah from JM Securities. Please go ahead.

Pooja Shah: Hello, sir. I have a couple of questions. My first question is, we are seeing increasing debt. Could you tell me what would be the optimal debt we are planning going ahead?

Sahil Vachani: This is Sahil here. The debt that we are taking primarily is driven through LRD or construction finance. Our philosophy is that we do not borrow to buy land and therefore, LRD or construction finance are the only two routes to debt. Please bear in mind that construction finance, the debt while we are reporting the full numbers, our share is half of that because these projects are joint ventured with New York Life and they are 49% equity partners. Our guidance is that we feel comfortable taking LRDs and also construction finance and our endeavor is to always keep D/E less than 1:1 in terms of the ratio of this debt, of LRD and construction finance. Currently, we are at 0.4.

Pooja Shah: My second question is, what are the funding plans we see going ahead for the next 6 or 12 months?

Sahil Vachani: We are sufficiently funded. As you may have noticed, we have generated tremendous sales from our first residential project. That will deliver a surplus to us. That is quite significant. In addition to that, as we have announced today, our leasing traction in Max Square and in Okla continues to be strong. We will continue to look at LRD as an opportunity to be able to utilize those funds and recycle those funds to further growth opportunities as well.

Pooja Shah: Yes, got it sir. That was quite helpful. Thank you so much.

Moderator: Thank you very much. As there are no further questions, I will now hand the conference over to Mr. Sahil Vachani for closing comments.

Sahil Vachani: Thank you very much and wishing you all a very happy Dhanteras and a lovely Diwali and the year ahead. I look forward to connecting next quarter. Thank you very much.

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