



May 28, 2025

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

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

Scrip Code: 544008

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, in continuation of our intimation dated May 14, 2025, for schedule of the Earnings Conference Call, please find enclosed the transcript of the Earnings Conference Call conducted on May 23, 2025, at 11:30 a.m. (IST) to discuss Q4 FY'25 financial results performance of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,

For Max Estates Limited

Nitin Kumar
Chief Financial Officer

Encl: a/a

Max Estates Limited

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“Max Estates Limited
Q4 FY’25 Earnings Conference Call”
May 23, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 23rd May 2025 will prevail



**MANAGEMENT: MR. SAHIL VACHANI – VICE CHAIRMAN AND
MANAGING DIRECTOR – MAX ESTATES LIMITED
MR. RISHI RAJ – CHIEF OPERATING OFFICER – MAX
ESTATES LIMITED
MR. NITIN KANSAL – CHIEF FINANCIAL OFFICER –
MAX ESTATES LIMITED
MR. ARCHIT GOYAL – HEAD, INVESTOR RELATION –
MAX ESTATES LIMITED
SGA -- INVESTOR RELATION ADVISORS -- MAX
ESTATES LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to the Max Estates Limited Q4 and FY '25 Earnings Conference Call. As a reminder, all participant line will be in 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 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, Vice Chairman and Managing Director. Thank you, and over to you, sir.

Sahil Vachani:

Thank you, and good morning to all for joining us on this Q4 and FY '25 Earnings Conference Call for Max Estates. Joining me today, I have Rishi Raj, who's our Chief Operating Officer; Nitin Kansal, our Chief Financial Officer; and Archit Goyal, who heads IR along with SGA, our Investor Relations Advisor. The presentation has been issued to the stock exchanges and uploaded on our Company's website. I hope you all have had the opportunity to go through it.

Let me first share some industry highlights and then the business highlights for the quarter and the year-end. The demand tailwind in the residential space continued as we moved in commercial year 2025 after a record 2024. Though the response is and will continue to be more dispersed with a focus on product market fitment, as well as depending on the developers' brand reputation and credibility.

In Q4 FY '25, Delhi NCR witnessed sales of 13,000-plus residential units, which was higher than the last 5 years quarterly average for the same period by 36%. Despite global macroeconomic uncertainty, the commercial real estate market in Delhi NCR has remained resilient with strong office space demand and sustained investor interest as well.

The record leasing demand for 2024 continues in Q4 '25, underpinned by large deal closures and fresh leasing activity. In Delhi NCR, the net absorption in first quarter 2025 is at 3 million square feet, which was 17% higher than the same period in 2024. Delhi NCR has cemented its position as a prime office space hub for multinational corporations and global capability centers, thanks to the strategic location, world-class infrastructure and improving business ecosystem.

The leasing activity remains strong across major corridors, including Gurugram and Noida. Golf Course Extension Road in Gurugram and Noida Expressway in Noida continues to attract strong interest from global firms that prioritize quality infrastructure and proven delivery records. These are 2 vectors, where our future supply is anchored to.

To give you a brief update on Max Estates, I'm delighted to share with all of you that on the residential front, we have delivered presales booking of INR5,300 crores in FY '25, thus overachieving our revised full year guidance. Further, our collections have crossed INR980 crores as well.

These achievements highlight our understanding of market dynamics; strong brand connect in both the B2B and B2C space and our consistent track record of developing premium developments and experiences that resonate with contemporary customer needs and evolving preferences. Our plan is to grow our presales at 15% to 20% in FY '26 on the back of the strong launch pipeline that we have.

Coming to the commercial portfolio, Max Square has achieved a 99% occupancy within a year of launch, commanding 30% plus premium to the local micro market, showcasing strong leasing traction as well. Across our commercial office portfolio for the full year, we have earned an overall rental income of INR110 crores in FY '25. And this is anticipated to touch approximately INR700 crores in terms of annuity rental income basis peak occupancy of projects currently in our portfolio, both operational and under construction in the coming 3 to 5 years.

In March of FY '25, our strategic partner in commercial real estate, New York Life Insurance signed a memorandum of understanding, committing approximately INR300 crores in our mixed-use sector 105 Noida Project and approximately INR250 crores in our mixed-use Delhi One Project, showing unwavering trust in the company since 2017. Post this investment, the cumulative commitment of New York Life stands at INR1,800 crores in Max Estates.

Given our strong growth trajectory anchored on the promise of delivering LiveWell and WorkWell to enhance the quality of life through the spaces we create, we are very confident of becoming a leading force in the NCR real estate market, aiming to secure a position amongst the top 2. Our focus will remain on maintaining a strong balance sheet and generating cash flows to enable us to execute and deliver our promises in a timely manner.

As of today, we have a portfolio of 17 million square feet spread across both commercial and residential asset classes. These include projects which are under development stages as well. With these highlights, I hand over the call to Rishi, our Chief Operating Officer, for business updates and outlook for the business. Over to you, Rishi.

Rishi Raj:

Thank you, Sahil. Let me cover business updates in 3 sections: residential, mixed-use, and commercial developments. First, coming to our residential portfolio, Estate 128 Noida Phase 1 and Phase 2, we have booked INR2,700 crores of presales, 100% sold, and we have collected INR628 crores in total till date. Phase 2 of Estate 128 saw a 40% plus price premium over Phase 1, reflecting strong demand for well-designed and end user-focused residential developments.

Estate 360, our first launch in Gurugram last year, recorded a presale booking value of INR4,428 crores with 92% of the project sold as of March and that number as of today is 94%. This project has already received a collection of INR807 crores till date.

The joint development on a land parcel of 18.23 acres adjacent to Estate 360, having a development potential of approximately 4 million square foot and has a GDV potential of approximately INR9,000 crores, and we are planning to launch this in this financial year towards the end of quarter 2 of FY '26.

Now coming to mixed-use portfolio. Delighted to share that we received final approval from NCLT and NCLAT for revival of Delhi One Project in Sector 16B, Noida, which is designed to

be a luxury mixed-use development. The project spans approximately 2.5 million square foot of development within 10 acres of land parcel constituting 34,696 square meters of area. We are planning to launch this project in quarter 3 of FY '26, and this has a gross development value potential between sold and unsold inventory of INR2,000-plus crores, as well as annuity income potential of approximately INR120 crores from our leasing portfolio.

Second, Max Estates acquired 10.33 acres of prime land in Sector 105 on Noida, Greater Noida Expressway for INR711 crores with 2.6 million square foot of development potential with mix of residential and commercial in a ratio of 40-60. The project has a gross development value of over INR3,000 crores and annuity rental income potential of INR140-plus crores. As Sahil mentioned, for both of these mixed-use development as well, we have an MOU executed with New York Life to onboard them as a strategic partner with 49% of economic interest.

Now coming to commercial portfolio, we are again delighted to share that we have successfully completed -- on one hand, the acquisition of 3 floors in Max Towers, Noida from our group company, Max India Limited at a value of approximately INR105 crores. The said acquisition will support company's strategy to consolidate ownership in Max Towers and thereby strengthening our operational control and unlocking higher value in the future.

On our operational projects, Max Towers in Noida, Max House Phase 1, and Phase 2 in Okhla Delhi continues to be 100% occupied with annualized rental income of INR41.4 crores and INR39.8 crores, respectively.

Max Square has achieved 98% occupancy within 2 years since completion, commanding 30% premium to the micro market, clearly reflecting strong leasing traction and premium for quality in this micro market. And at this point in time, the rental is INR29.1 crores, which will get ramped up, as we move forward in the next fiscal year.

Finally, coming to our under construction projects on the commercial portfolio, Max Square 2 in Noida, where we have a leasable area of 1 million square foot is on track. Construction is underway and is expected to receive its occupancy certificate by quarter 2 of fiscal year 2028.

Coming to Gurgaon, Max 65 in Sector 65 Gurugram, where we have a leasable -- total leasable area of 1.6 million square foot, construction is underway and is on track and expected to receive occupancy certificate in 2 phases, 40% and 60%, respectively, in quarter 2 FY '28 and quarter 3 FY '29 for the second phase.

All our developments across WorkWell and LiveWell portfolio are pre-certified -- certified to be LEED or IGBC Platinum with deep focus on best practices of sustainability and health and well-being. We are delighted to also announce that our commitment to end user experience reflected in how we operate our assets has also earned us prestigious LEED operation and maintenance, WELL, health and safety and multiple ISO certifications in the past year.

Finally, coming to the growth outlook, we remain committed to accelerating development pipeline across Delhi NCR. We target cumulative presales of INR21,000 crores by FY '28, growing at 15% to 20% CAGR. Of this, projects, which we have already secured in Gurugram and Noida contributes INR14,000 crores of GDV with launches planned in FY '26 and FY '27.

With a strong and growing portfolio, we are well positioned to continue to add at least 3 million square foot, at least 2 in residential and 1 in commercial of development potential annually in line with our near-term growth strategy.

With this, let me hand over to Nitin for financial highlights.

Nitin Kansal:

Thank you, Rishi. Good morning, everyone. Sharing the financial highlights for the financial year '25 with you, the consolidated revenue stood at INR161 crores and a consolidated EBITDA of INR45 crores. On a profit before tax basis, we reported a number of INR38 crores and a profit after tax number of INR27 crores.

The lease rental income from our completed and leased portfolio showed a growth of 67% year-on-year, reporting a number of INR110 crores. And on a run rate basis, this number comes to INR150 crores. The Max Asset Services revenue stood at INR42 crores in FY '25. The total leased portfolio, as on 31st March 2025 stood at 1.2 million square feet.

Speaking about our liquidity position, our debt stood at INR1,350 crores, as of March 2025, of which around INR852 crores was on account of lease rental discounting in our commercial assets. The cash and cash equivalent, as on March 2025 stood at INR1,785 crores, resulting in a cash surplus of INR435 crores.

Now I would like to open the floor for the question-and-answer session. Thank you.

Moderator:

Thank you very much. The first question is from the line of Parikshit Gupta from Fair Value Capital. Please go ahead.

Parikshit Gupta:

Congratulations on a great set of results. I just have strategic questions to ask. First will be about the competitive intensity in the Delhi NCR market. We understand many real estate developers, A-grade real estate developers have been increasing their portfolio in these markets. Would it - - might it be in Dwarka Expressway, Gurgaon or even Noida with the Jewar Airport also contributing to exceedingly high interest. Can you spend a minute or 2 about how do you see the next 2 to 3 years in terms of the competitive intensity, please?

Sahil Vachani:

Yes. This is Sahil. Absolutely. We do see that there is an increasing competitive intensity in all the micro markets that we operate in. And we believe that this is part of the trend towards a corporatization and more organized framework for the real estate industry, particularly in NCR. As you recall, over the last 15 -- maybe 15 years ago, there were, in fact, more players than this, but many of them were smaller, localized, and unorganized.

With the churn that's happened in the real estate space over the last 1.5 decades, we believe that a lot of the demand is going to concentrate towards organized and institutional players. At Max Estates, we remain very confident of achieving our objectives, both on the residential and commercial side and are very focused on delivering outstanding experiences, both for the LiveWell and WorkWell ideology that we operate. And we are very confident that this will continue to hold us in good stead, as it has in the past few years as well.

- Parikshit Gupta:** Understood. The second question is about the different subsegments within the resi space, as you also included to in your opening remarks. Can you talk a little bit about the luxury to Uber luxury spaces? We all understand projects like Camellias and Dahlias are outliers. But do you see more demand coming in from different ticket sizes? If you could just please elaborate on that?
- Sahil Vachani:** Yes. So if you look at our ticket size that we operate in across all our micro markets, it's around INR5.5 crores to approximately INR9.5 crores, INR10 crores. That's the ticket size that we operate in. And within this, there are the 2 geographies of Noida and Gurgaon. And within that, we have -- this is segregated across senior living, which is Antara and Max Estates. So we continue to be very optimistic that within this segment, the inherent demand is strong and will continue to hold up in the years to come.
- Parikshit Gupta:** Understood. This is helpful. Final question on my end, please. In terms of the pipeline, I think it's the same since the last quarter as well. Is there any particular specific definitive update, which you would like to share as of now?
- Sahil Vachani:** Sorry, any update on -- update on?
- Parikshit Gupta:** The pipeline, the current residential pipeline.
- Sahil Vachani:** Yes. So I think we have already -- I'll pass on to Rishi. We can just share we have already announced the pipeline that we have.
- Rishi Raj:** Yes. So for FY '26, let me respond that into 2 parts. The guidance that we have given for FY '26 to '28 is INR21,000 crores. Of that, INR14,000 crores is already secured. And for FY '26 immediately, for this financial year, we will be launching 3 projects between Gurgaon, diversified between Gurgaon and Noida from quarter 2 to quarter 4 of this financial year.
- And while we are launching projects worth booking value of INR9,500 crores, the guidance that we have given to the market is INR6,000 crores to INR6,500 crores for FY '26, which implies 15% to 20% increase over spectacular result that we delivered in FY '25 of INR5,300-plus crores.
- Parikshit Gupta:** I understand that, sir. Let me just rephrase my question. In terms of the indicative growth pipeline slide that you have shared in your presentation, that remains the same, yes.
- Rishi Raj:** Yes. So if you look at that, if you look at that pipeline, it's a fair mix between Delhi, Noida, and Gurgaon. And it's also a fair mix between different stages at which those discussions are on, including one in Gurgaon at a very prime location that is almost in the stage of definitive documentation.
- And if all goes well, by next quarter, we should be able to come and announce that. And with that, we will be securing our growth target of the growth guidance that we have given for FY '27 as well. And then for FY '28, we will continue to add, as we have said, 2 million square foot following that in each year.

- Moderator:** The next question is from the line of Rishith Shah from Axis Capital.
- Rishith Shah:** Congrats on a great set of presales that we have booked this year. So first question was actually about the collection. So we -- from the projects that we have already sold and some unsold inventory, we have about INR6,000 crores of pending collections. From that, so maybe INR1,500 crores to INR1,700 crore collections each year going forward. So from that, what kind of operating cash flows do we expect? And on a related note, what is the annual capex that you expect to incur on the commercial assets?
- Nitin Kansal:** Rishith, this is Nitin Kansal. Just to answer that. So we are -- our collection plans are currently designed on equal and annual basis over the life cycle of the project. So what we are expecting to collect in next year on an average is -- for the large project is close to INR2,000 crores on the residential side. And we were expecting to deploy a number of close to INR1,100 crores in this project, resulting in an operating cash flow of close to INR900 crores coming from these projects.
- In terms of our commercial assets, we would be deploying across our 2 assets, Acreage Builders in Gurgaon and in Noida, amount of close to INR500 crores. These projects have been financially closed through a debt. We, along with New York Life have already put in the requisite equity in the project. So the remaining amount, which needs to be deployed will be coming through debt, which has already been tied up with banks like SBI and ICICI.
- Rishith Shah:** Okay. So large part of the cash flows will then again go to reinvestment in land, is it?
- Nitin Kansal:** Yes.
- Rishith Shah:** Okay. Sure. And second question, again, related to the demand or the overall environment. So as such, NCR has always generally seen a good set of demand coming in from investors. So that also was partly because of the sharp price rise that we have seen in the last 3 years. But with that normalizing, how do we see that aspect of demand going forward?
- Rishi Raj:** Yes. I think great question. If you -- as Sahil also mentioned, on one hand, we continue to remain bullish in terms of demand in Delhi NCR. Although we would also like to state that in some micro markets like Gurgaon, one may see a bit of moderation in velocity and prices. I think the key here is we look at our business strategy and if we look at our guidance of INR6,000 crores to INR6,500 crores and the key is what makes us confident to deliver on that next year are a couple of reasons.
- Number one, while we are launching INR9,500 crores worth of booking value, the guidance is 15%, 20% to INR6,000 crores to INR6,500 crores. Number two, it's spread between Gurgaon and Noida, almost 50-50.
- And number three, what you will see going forward, which will make a real difference in where demand navigates also building on our Estate 360 experience is to bring product customized to target segment and the market in which we are launching in. And across the 3 launches that we are planning to bring this year from quarter 2 to quarter 4, the product as and when we will

announce, you will see the product is going to be very different and customized to what that location will serve to the target end users.

Moderator:

The next question is from the line of Karan Khanna from AMBIT Capital.

Karan Khanna:

Congrats to the entire team on ending FY '25 on a strong note. Firstly, a more philosophical question to you, Sahil. Your press release says that Max Estates aspires to be the top real estate brand in NCR. So if you could throw some light on what kind of long-term scale aspirations do you hold both in terms of presales margins and also on the annuity front?

And as a follow-up, and while you did talk about this aspect earlier during the call also, given that a lot of new grade A developers are taking a chance in the Gurgaon and the Delhi NCR market at large with the premium projects. Now, well, obviously, this shows that the demand is quite resilient. But do you see any difficulties arising here owing to increasing competition for business development and hence higher demand from landowners and also the scope for absorption of this inventory, given that many new projects have similar ticket sizes?

Sahil Vachani:

Thanks, Karan. So let me go in a few parts. First, in terms of our aspiration, you're absolutely right, we do aspire to be in the top few developers in the region. We believe that from a customer experience perspective, we are already there in our office experiences footprint, and we are very confident of doing that in the residential experiences as well.

To be able to do that, not only are we looking to curate and create the projects and experiences at a very high end of quality and customer experience. But on the financial side, we are looking to grow on the strong base that we have and growth that we've had this year, 15% to 20% CAGR over many years.

The second part of your question is how do we look at this in terms of increasing competition? I think one of the things with us is that we are diversified within NCR. We are both in Noida and in Gurgaon. We are in office and in resi. And within residential, we are already diversified across the senior living segment and the Max Estates Signature residences as we call them.

So for us, we believe that the focus on quality, the focus of being local and therefore, on execution; third, the brand strength that we have; fourth, the ideology of LiveWell and WorkWell; and fifth, the diversification across the geography and across the segments that we explained, I think, is going to be able to hold us in good stead to be able to achieve the numbers that we are. And obviously, as you have seen that the numbers that we are -- we are still at a very, very small base compared to many of our competitors or peers in the NCR region as well.

Karan Khanna:

Sure. Just as a follow-up sign, so I think we've seen obviously 1 or 2 ongoing projects at this point. But at some point, in the next 3 to 5 years, you'll also be focusing on 3 to 5 projects running concurrently. So what kind of internal capabilities are you working towards to be able to successfully deliver, let's say, 3 or 5 projects on an ongoing basis?

Sahil Vachani:

Yes, absolutely. That's a great point. And we have already actually upped significantly our capability. We are now a 350-plus team that's focused on deep projects organization, in-house PMC capabilities, strategic partnership with a lot of our vendors in addition to the sales and

leasing infrastructure that we've been able to put together. So there's been a significant ramp-up at the organization level in the last 1 year, and we'll continue to build our capabilities across these 3 or 4 footprints. We already, in fact, have 6 or 7 projects that are under development and construction as we speak. So we are already there. So

Karan Khanna: My second question to you, Rishi. If I look at Slide 2 of the Investor Presentation, you have stated FY '26 guidance of about INR6,000 crores, INR6,500 crores. But given your past record -- past track record of 140% achievement over guidance, is it safe to think that given the kind of launch pipeline across Gurgaon and Noida and also the pending sales at Estate 360, you can comfortably surpass this number? That's one part of the question.

Rishi Raj: Yes. So Karan, again, a great question. As management team, we believe in promising and guiding the market basis our realistic assessment of the launches, the micro markets and overall macro microenvironment that we are anticipating. Having said that, of course, our endeavour and internal targets would be to surpass that guidance. But we definitely believe that this is a realistic guidance that we thought would be fair to give to the market.

Karan Khanna: Sure. And also, in Slide 20 of the presentation, new 3 million square feet project under commercial negotiation was added this quarter in Noida. So could you talk a bit on this and on timelines and your potential for other BD opportunities that you expect to materialize in FY '26 and '27.

Rishi Raj: Yes. So as I said, if you look at our guidance of booking value, INR21,000 crores from FY '26 to '28, INR14,000 crores is already in. And for INR7,000 crores, we would need 2 to 3 projects, one which -- and this would be over FY '26 to '27, Karan. So basis the pipeline that we have, we feel very confident also if you look at our past track record to deliver on those BD targets that we have, commensurate to the trajectory.

As far as specific question on Noida is concerned, this is based on a bilateral negotiation that we are doing, again, in a promising micro market. We will be able to give you more details as time progresses, but there are some good opportunities coming along our way in Noida as well. In addition to anything that authority would bring in auction, Karan, like 105, which we bought through an auction process.

Karan Khanna: This is helpful. And my last question to you, Nitin, if you can give some color on the overall collection milestones that are expected in FY '26 and also the extension of partnership with New York Life. Can you highlight the share of New York Life and total capex requirement to complete both the projects? And will and when also be taking over share in liabilities and receivables that came with the Delhi One land development?

Nitin Kansal: Sure, Karan. Karan, in the coming year, we have got 2 projects, 128 and 360 in which sales have already happened and collections have also happened. In the current year, what we're expecting is another tranche of collection to come from Estate 128 of close to INR400 crores to INR450 crores and another tranche of collection to come from 360 close to INR900 crores to INR1,000 crores.

In addition to that, what we are projects which we are planning to launch we expect presales of around close to INR6,000 crores in the current year. What we're expecting is to have a collection of close to say INR1,000 crores coming from just 2 projects. So broadly, we would be looking at INR 600 crores as equity infusion of NYL for 49% shareholding in the Sector 105 project and in Delhi One project. So with these projects, we would be in this equity infusion, we would be achieving the financial closure of the project from an equity perspective. And in the due course, we'd also be going ahead for the financial by raising debt on these projects.

Moderator: The next question is from the line of Ritwik Sheth from One Up Financial. Sorry to interrupt, sir. I would request you to please use your handset.

Ritwik Sheth: Sir, just a couple of questions. Sir, what was the operating cash flow from residential segment in FY '25?

Nitin Kansal: Good morning, Ritwik. In the FY '25, we had an operating cash flow from residential in the range of INR450 crores to INR500 crores in FY '25. And what we're expecting this number to have a significant growth in the coming year.

Ritwik Sheth: Okay. So with the collections of INR2,000 crores, can we expect this to move towards INR1,000 crores in FY '26?

Nitin Kansal: We can expect that to happen in that direction.

Ritwik Sheth: Okay. Got it. And sir, second question is on the economic interest of Max Estates in Delhi One and Noida project for the residential side. Can you give us that, please?

Nitin Kansal: So what is happening Ritwik, in the economic interest of Max Estates since this project is currently 51%. Once the New York Life comes in, we will have a number of close to 49% with New York Life and with the Max Estates owning 51% of the economic interest.

Ritwik Sheth: Okay. This is for the residential as well, right?

Nitin Kansal: So this is on mixed land use. For the residential projects, 100% economic interest is with us.

Ritwik Sheth: Okay. Okay. So we have structured it in such a way that the residential is completely with us and only the commercial of..

Nitin Kansal: Just to clarify, the -- in the mixed land use, the Antara asset residential and commercial, both put together, we have a 51% interest. The projects, which are exclusively residential in that, we have 100% economic interest.

Ritwik Sheth: Okay. Got it. Got it. And what about the Noida project, sir?

Nitin Kansal: The 105. So 105 will have a similar case. New York Life is coming with a stake of 49% in that also. And we will continue to hold 51% economic interest.

Ritwik Sheth: Okay. So this is for the mixed use, including residential?

Nitin Kansal Yes. Yes.

Ritwik Sheth: Okay. Okay. So this would be the first project, where New York Life would be partnering with us in residential as well, right?

Nitin kansal Yes. Yes, your understanding is correct.

Ritwik Sheth: Okay. And sir, what was the thought process behind this? If you can just highlight to get 49% from there as well.

Sahil Vachani I think given that these are mixed land use projects, we look at it as an integrated development. And having New York Life, as a partner, we believe, has served us extremely well in the commercial segment. And if we can deliver an outstanding experience like we have done in our commercial segment here, we are confident of growing this partnership.

So not only does it enable to build us -- build further strengthen the balance sheet for us but also help us to do more projects and being able to get more scale. So for all of those reasons, having a partner like New York Life is paramount.

Ritwik Sheth: Great. Great. And sir, so going forward, in case we need some more capital on the residential side, this could be an option in the future as well, right, such partnership with...

Sahil Vachani Exactly. That's strategically why we feel it's good to bring them in at the project level for these. So these could be opportunities that could open up in the future as well.

Ritwik Sheth: Okay. Great. And sir, just one last question. On the gross debt, it's about INR1,350 crores and INR850 crores you mentioned is the LRD. So balance is for the residential portion. Is that understanding right?

Nitin Kansal: Balance is for residential and also for the commercial assets, which is for the -- the construction finance is being taken. So we've got 2 projects, Acreage and MaxVIL undergoing and on which we have a construction finance.

Moderator: The next question is from the line of Sulabh Jhajharia from Nippon Life AMC.

Sulabh Jhajharia: Just one small question. So when I see the quarterly trend of total lease area, it has gone up in Q4 versus Q3, while the lease rental income has come down from around INR304 million to INR275 million. Just curious to know why that has come down while the area lease has gone up?

Nitin Kansal: So what happens is typically, when we enter into lease agreements, they have a certain period of rent-free fit-out, which is given as rent free to the tenants. When it is over a period of time, that rent equilibrium takes place. So on a long-term period, if you see on a run rate basis, we would be coming to a number of close to INR150 crores.

Sulabh Jhajharia: Okay. So in this case, when it goes down quarter-on-quarter, that means some area got leased in and some area would have got leased out, is it? Because that's where the gap should come in because if the lease -- net lease area has gone up and people are already there, the number should

have gone up, right? I mean, or it remains same, but it has come down quarter-on-quarter, hence I was wondering why is it so?

Nitin Kansal: So what happens is at times, certain tenants have a rent-free period in the quarter, which kind of equates a number and results in a number going down for a certain quarter. But if you see on an annual basis, the number equates out on an equal basis.

Moderator: The next question is from the line of Sagar Shah from Financial Research.

Sagar Shah: Just one clarification. In terms of -- I mean, since for construction projects in terms of accounting regulations, I mean, we are supposed to only book sales once the OC is obtained and the possession handed over. So am I correct in understanding that our first bookings in books would be in FY '28 when we deliver Phase 1 of Estate 128. Am I right in thinking?

Nitin Kansal: Yes, your understanding is correct.

Sagar Shah: So FY '28 would be the first booking. So that should be approximately since the GDV of that project is approximately INR2,800 crores, right?

Nitin Kansal: There are 2 parts to it. One was the Phase 1, which had a GDV of INR1,844 crores which will be booked in FY 28 and balance is towards Tower 4 of Estate 128 which will be booked in FY 29

Sagar Shah: So that would be the first...

Nitin Kansal: The only thing, which I will that I'd like to highlight over here is the accounting clarity, whereby the marketing cost is booked in the year in which is incurred. If you see in the current year, we had booked a marketing expense of close to INR38 crores. So corresponding to which the income would come in FY '28, but the expense is getting accounted for in the current year.

Sagar Shah: Yes, I appreciate. So from FY '28 onwards, all the sales bookings would be -- would accelerate, right, for all our projects?

Nitin Kansal: Yes, yes. I think that the way to look at it is that we would be having a steady-state number of a top line of close to INR6,000 crores and gradually moving up year-on-year from FY '28 onwards, '29 onwards.

Moderator: The next question is from the line of Gaurav Gupta from Zeno Research.

Gaurav Gupta: Congratulations on a great quarter. Just one question. How are we looking at the geographic expansion, some of the Tier 2 cities of NCR like Jewar, Ghaziabad and in fact, Faridabad as well. Are these the areas that as a company you would be looking to explore in future?

Rishi Raj: Gaurav, thank you. At this point in time, we are very focused, and we see huge opportunities between 3 dominant regions of Delhi NCR, both from a commercial and residential standpoint, which is Gurgaon, Delhi, and Noida. In terms of some of the new markets, which are emerging, those markets are in our radar. We are studying those markets. And at the right point in time,

when we have the conviction, we will come back and update you. But at this point in time, the focus is in these 3 markets.

Gaurav Gupta:

Understood. And just another question. So based on the guidance that you have given for the next financial year, so for the Gurgaon project, would it be fair to assume that the pricing based on the million square feet of development that it would be somewhere around INR23,000 and for Noida One would be probably around -- just for the residential bit around close to INR30,000?

Rishi Raj:

So Gaurav, explicit guidance at this stage before we get RERA wouldn't be fair for us to comment on that. But we will -- at the right point in time, we will give you the indications.

Moderator:

Sir, does that answer your question? As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.

Sahil Vachani:

Thank you so much. Thank you for participating and going through us, reflecting on our journey for last year. Look forward to engage with you in the subsequent earnings calls. Thank you.

Moderator:

Thank you. On behalf of Max Estates Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.