February 14, 2025

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 February 10, 2025 at 11:00 a.m. (IST) to discuss Q3 9M FY'25 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: 2025.02.14 22:31:05 +05'30'

Abhishek Mishra
Company Secretary & Compliance Officer

Encl: a/a

"Max Estates Limited
Q3 FY '25 Earnings Conference Call"
February 10, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 10th February, 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 OF INVESTOR RELATIONS – MAX ESTATES LIMITED
SGA – INVESTOR RELATION ADVISORS – MAX ESTATES LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Max Estates Limited Q3 FY '25 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 and 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, Vice Chairman and Managing Director, Max Estates Limited. Thank you, and over to you, Mr. Vachani.

Sahil Vachani: Thank you, and good morning, everyone. Thank you for joining us on this Q3 and 9 months FY '25 earnings conference call. I'm joined today by my colleagues, Rishi Raj, who is our Chief Operating Officer; Nitin Kansal, who is the CFO; and Archit Goyal, who's the Head of Investor Relations; and our IR partners from SGA. The earnings presentation has been uploaded on our website and stock exchanges.

To give a brief overview, the Indian real estate market continues to witness robust growth with Delhi NCR leading the way. The sector has seen strong sales and new launches driven by increasing disposable income, infrastructure upgrades and evolving consumer preferences.

On the commercial real estate side, the industry has seen record office leasing activity, wherein gross office leasing transactions have increased by 27% in the year 2024, reaching a historic figure of 79 million square feet across all the 9 major cities. This surpasses the pre-COVID peak of 2019 and Delhi NCR approximately accounts for about 15% of the total leasing volume.

The key market drivers for this, as we see it are driven by the expansion of global capability centers, the rising domestic demand, increased adoption of flexible workspaces and a general shift towards premium office spaces. In 2024, GCCs alone contributed about 40% of the total office leasing.

Around the sectoral trends, BFSI, e-commerce and technology firms collectively accounted for about 58% of the leasing activity, while domestic firms led space absorption contributing 45% to the overall leasing.

On the residential side, the market reached a 12-year high in annual sales with properties in the INR20 million to INR50 million range saw a 62% year-on-year growth, driven by rising aspirations and confidence in India's economic trajectory. The NCR market dynamics, the market saw a slight correction to about 28,000-odd units, developers launched about 30,000 units in the second half of H2 2024, aligning with buyer demand and around infrastructure growth. Primarily, luxury and premium housing remains strong, reinforcing the region's appeal for high-end homebuyers and investors.

On inventory and market trends, we saw that the unsold inventory rose 3% to about 106,000 units overall with the quarters to sell at about 7 quarters. However, on the premium and luxury side, they showed stronger absorption with the quarters to sell of around 4 in the INR20 million to INR50 million price point and 3 quarters in the INR50 million to INR100 million price point, which we believe is a very healthy level given historic trends.

At an overview for Max Estates, the company has surpassed its full year sales - achieving about INR5,200 crores of presales in the first 9 months itself. This reinforces our strong execution and market leadership position, demonstrating a year-on-year growth of nearly 300%. This is backed by collections of approximately INR750 crores as well.

Our latest acquisition of 10-acre land parcel in Noida in Sector 105 adds 2.6 million square feet of mixed-use development potential with a gross development value of INR3,000 crores plus an annuity income potential of INR140 crores, which has enabled us to build now a truly well-diversified portfolio of about 17 million square feet within Delhi NCR across residential, commercial and mixed-use development opportunities, positioning us for sustained growth in the years ahead.

A robust pipeline of 7 million square feet with a GDV potential of INR14,000-plus crores is planned for FY '26 and '27, further strengthening our growth outlook. With a very solid balance sheet and INR1,300 crores of growth capital raised, we are well positioned to scale further.

I'll now invite Rishi to share some business updates. Thank you.

Rishi Raj: Good morning, everyone. Let me cover the business updates in 3 sections: mixed-use, residential and commercial developments. First, mixed-use development. As Sahil updated, we have won the bid to acquire 10.33 acres in Noida Sector 105, adding 2.6 million square foot of mixed-use development with GDV potential of INR3,000-plus crores and annuity income potential of INR140 crores, annuity rental income potential of INR140 crores. This deploys INR300 crores of existing capital, including an upfront payment of INR284 crores, which is 40% of acquisition cost. Balance cost is to be paid in 8 half-yearly installment at an interest rate of 10.5% to Noida Authority.

Coming to our second mixed-use development, the Delhi One project in Sector 16B, Noida, received NCLAT approval, and we are on track to take over…

Moderator: Sir, sorry to interrupt you. We have lost your audio.

Rishi Raj: Can you hear me?

Moderator: Yes, sir. Now we can.

Rishi Raj: Okay. I'll repeat from Delhi One. The Delhi One project received NCLAT approval, and we are on track to take over the entity housing the development with expected launch in FY '26. It has 2.5 million square foot of development potential between sold and unsold units and a GDV potential of INR1,500 crores from new sales, INR500 crores from receivables of unsold -- of sold units and annuity income potential of INR120 crores from commercial office and retail developments.

Next, on residential development. With the successful launch of Estate 128 Phase 2, we have achieved INR869 crores in presales. This takes the combined project sales for both the phases now at INR2,730 crores. We have, in total, collected INR550 crores from Estate 128.

Coming to Estate 360, our Gurugram launch, we have recorded INR4,325 crores in presales with 90% of units sold and INR645 crores collected. Our plan is to launch 18.23 acres adjacent to Estate 360 in calendar year 2025 is on track. This has a development potential of 4 million square foot and GDV potential of INR9,000 crores.

Finally, coming to commercial portfolio. First, we are in the process of acquiring 3 floors in Max Towers for INR105 crores, consolidating our ownership. Post acquisition, area under our ownership has increased from 3.1 lakh square foot to 3.6 lakh square foot, representing 63% of total. And with this, our annual rental potential will increase from INR42 crores to INR50 crores.

Coming to Max Square, with a leasable area of 6.8 lakh square foot, we have achieved 93% occupancy with rental premium of over 25% compared to prevailing market rate in the micro market. It featured a significant leasing transaction that we recently closed of approximately 150,000 square foot, making it one of the largest GCC deals in Noida.

Coming to our underdevelopment projects, Max Square Two and Max 65 in Gurugram, both of them are under construction, which is in full swing. It is progressing well, and our completion is expected in quarter 3 calendar year 2027 for Max Square Two in Noida and Phase 1 of our 65 project in Gurugram. For second phase of 65 project in Gurugram, occupancy is expected by quarter 4 of calendar year 2028. Overall, our commercial portfolio, including operational assets under development and those at design stage at peak occupancy is poised to generate INR725 crores in annuity rental income over the next 5 years.

Coming to our growth outlook, we remain committed to expanding our development pipeline with a strategic focus on acquisitions in Delhi NCR. Over the next 3 years, we aim to achieve presales booking of INR21,000 crores cumulatively. And of this, between development projects already in Gurugram and Noida, we have already secured INR14,000 crores of GDV potential set for launch within the next 2 years. With robust development pipeline, we are very confident to continue to add, as per our guidance, at least 3 million square foot of development potential every year in the near term.

With this, I hand over to Nitin for financial highlights.

Nitin Kansal: Thank you, Rishi. Good morning, everyone. To begin with, I'll start with the financial highlights for the 9-month ended for financial year '25. The revenue stood at INR121 crores. The EBITDA stood at INR35 crores, profit before tax of INR16 crores and profit after tax of INR12 crores.

Lease rental income showed a growth of 87% year-on-year, clocking INR83 crores in the 9 months. The revenue from the facility management arm, Max Asset Services stood at INR30 crores. The total leased -- commercial leased area in the portfolio stood at 12 lakh square feet at this point of time.

On the liquidity front, currently, we have a debt of INR1,125 crores, including an LRD, lease rental discounting debt of INR800 crores. Against that, we have a cash and cash equivalents of INR1,600 crores, resulting in a net cash surplus of INR300 crores.

On our capex, we are planning to deploy an amount of close to INR875 crores in the next 2 years across our commercial portfolio. These projects have already achieved the financial closure through equity commitment from New York Life and the raising of debt from a consortium of banks led by SBI and ICICI Bank.

In the residential space, we are planning to deploy an amount of close to INR5,000 crores across already launched assets. This capital is expected to be deployed from the sales receivables from the existing sales. The total collections from the residential portfolio stood at INR1,195 crores.

On the capital utilization and growth outlook, around INR350 crores from the QIP funds has been earmarked for the Sector 105 upcoming development. Remaining capital will be strategically deployed for future acquisitions and expansions. With a well-capitalized balance sheet, we are well positioned to execute our planned developments while maintaining financial discipline.

With this, we now open the floor for question-and-answer session.

Moderator: The first question is from the line of Mohit Agarwal from IIFL Securities.

Mohit Agrawal: Congratulations on a very successful launch in Noida. My first question is on the business development deal announced in Noida. So you've mentioned that there are consortium partners also. So could you elaborate on what is the attributable share to Max Estates, both on the residential side and on the rental business side?

Nitin Kansal: Thank you, Mohit. The share which is attributable to Max Estates is 80% across both the residential and the commercial side.

Mohit Agrawal: And the capex outlay will also be in the same proportion or you are supposed to -- the entire INR700-odd crores is to be put in by Max Estates?

Nitin Kansal: So we would be trying to achieve the financial closure of this project through the combination of debt and equity. And the existing partners and the other consortium members will bring their respective share of equity required for the project.

Mohit Agrawal: Okay. Understood. My second question is, in your presentation, you mentioned you've given a margin guidance. So I see that you have given 40% to 45% for Noida project 128 and about 20%, 25% for 360. Could you elaborate a bit why the difference and if you can explain, is it because of the JDA arrangement? So I think there's a big difference. So if you could explain that? And also these margins are gross margins or are these EBITDA level margins? Yes. And yes, and I think associated with that is, do we assume that the entire $4 million, INR9,000 crores pending launch in Gurgaon is also going to be at similar margins of 20%, 25%?

Rishi Raj: Okay. So, Mohit, a few questions. I think, one, what explains the difference in the margin? One is outright. Second is joint development. In joint development, as you know, the land payment happens through revenue share over a period of time, which makes cost look inflated. And hence, for a like-for-like comparison, we also look at IRRs. And on the IRR front, both the projects have a very good healthy IRR of -- in both the projects, we are estimating to cross 35% plus IRR in both the projects. So that's one.

I think your second question -- on your second question with respect to Gurgaon project, yes, you can estimate similar margins for that project as well for INR9,000 crores, which will be launched over the next 2 years.

Mohit Agrawal: Okay. Understood. On your presales, I think you've given a guidance of INR21,000 crores over the next 3 years, which kind of implies 15% CAGR -- 15% plus -- more than about 15% to 20% CAGR. So firstly, if you could confirm that? And secondly, you have only INR500 crores plus of unsold inventory. So when do we see the next launch happening? In your opening remarks, you have said that CY '25 is when the next launch is planned. But if you could kind of be more precise about, let's say, which quarter should we expect the next launch happening?

Rishi Raj: Absolutely. So, yes, we confirm that number in terms of cumulatively INR21,000 crores and the CAGR that you just articulated. In terms of launch timeline, of this INR21,000 crores, as we shared, almost INR14,000 crores is secured in the 3 projects, which is the Gurgaon 18.23 acres and the residential component in Delhi One sold and unsold inventory, and Sector 105 that we have recently acquired. So this constitutes INR14,000 crores of INR21,000 crores. As far as launch is concerned, our plan is to launch all of -- all the 3 in FY '26 staggered from second quarter onwards.

Nitin Kansal: Just to supplement one thing, which Rishi mentioned about the CAGR part, your understanding is correct about 15%. If you take it from FY '25 onwards, then we hit a CAGR of 15%. But you factor it from FY '24, the number comes to a CAGR of 44%.

Mohit Agrawal: Yes. Understood. Sure. And my last question is on business development, the schedule that you shared. I see that about 1.3 million square feet of a business development project has moved from last quarter, this quarter from a due diligence stage to a definitive documentation stage. If you could elaborate a little bit on what could be the expected GDV and how soon could we see this closure happening? Any color on that? That's my last question.

Rishi Raj: So your observation is correct. It has moved to definitive documentation stage. Mohit, if you can just allow us a couple of more months. Once we have been able to successfully close this, we will come back and discuss with you further details.

Moderator: Next question is from the line of Pritesh Sheth from Axis Capital.

Pritesh Sheth: Just one question on the Delhi land pooling, now that the election outcome is there. What do you expect from -- on that land pooling policy, like how much business development, how much new project additions can we do from that? And what should be the timelines? Has the discussion already started with the respective representatives? So just your thoughts on that.

Sahil Vachani: Thank you, Pritesh. This is Sahil. Yes, we are very optimistic and bullish on the opportunity that Delhi has to offer now moving forward, in particular, the land pooling project that is there. To put that in context, we are talking about almost 6.5-odd million square feet of development potential that's primarily residential that could potentially open up in Delhi, in the geography of Delhi. So at this stage, it's very early days in terms of how this will move forward, but we are very confident and very hopeful that this can become a huge value-additive opportunity for Max Estates.

I'd just like to clarify that what my colleagues, Rishi and Nitin shared in terms of our GDV that we currently have and the plans for the next 2 years does not include any of the opportunities of land pooling. So any translation of this would be over and above all of what you have seen in our presentation.

Pritesh Sheth: Sure. Got it. And just from our perspective, our scope of opportunities there would only be restricted to land pooling policy or there are other opportunities that are also emerging in Delhi considering I think there were 3, 4 steps which are highlighted in the manifesto by the BJP government. So what other opportunities we can look at? Or do you think that land pooling policy itself is large enough to keep that focus on that perspective itself? Yes.

Sahil Vachani: I think for us, the land pooling opportunity is primary given that the family office entity has about 100-plus acres already that has been almost all contiguous here. So we would like to focus on that, given that there is a land bank that it could be a relatively asset-light opportunity for Max Estates as they consider it. So we believe that from a value creation perspective for Max Estates, this could be the most optimum and value creative and accretive opportunity.

But definitely, we are open to all other opportunities as well. And it's very early days for the change in government in Delhi, as you know. So we will be watching this also very closely over the coming months, and we'll explore opportunities as they become available.

Pritesh Sheth: Sure, sure. That's pretty helpful. And we'll always be good to hear any updates on this side from you guys.

Moderator: Next question is from the line of Ritwik Sheth from One Up Financial Consultants.

Ritwik Sheth: Am I audible?

Rishi Raj: Yes. If you can speak a little bit loudly?

Ritwik Sheth: Yes. Sir, a few questions from my end. Sir, firstly, collections in Estate 128 seems to be on the lower side, assuming we have started collecting for the second phase. So can you just clarify because I believe we had collected INR450 crores in the previous financial year? And you mentioned INR550 crores till date we have collected from both the phases. So can you just give some update on that?

Nitin Kansal: Sure, Ritwik. In the Estate 128, we have -- from the Phase 1, we had done a collection of INR450 crores, which was close to 25% at the time of the launch itself. The next installment, as I said, becomes due in the month of March, April, and we expect the money to be collected, another INR450 crores to come at that point of time. Against Estate 128 Phase 2, we have done sales of close to INR870 crores as we speak and against which we have done a collection of close to INR100 crores as we speak today. And this number -- the balance number, we're expecting about 25%. This will be collected in the current financial year itself.

Ritwik Sheth: Okay. So everything is on track and as planned?

Nitin Kansal: Yes. , everything is on track. We have got a collection efficiency of close to what, 95%, 96% as we speak today.

Ritwik Sheth: Okay. Great. And sir, collections for 9 months FY '25...

Moderator: Ritwik, sorry to interrupt you. Can you speak a little louder, please?

Ritwik Sheth: Yes. Collections for 9-month FY '25 is at INR700 crores. Can you just give us the figure for operating cash flow also, the pro forma operating cash flow for 9-month FY '25?

Nitin Kansal: So for the 9 months, the operating cash flow stands at close to INR400 crores. And this number is expected to go to a number of close to INR700 - 750 crores by the end of the financial year.

Ritwik Sheth: Okay. Got it. And sir, what is the pending construction cost at Estate 128 and 360?

Nitin Kansal: So on Estate 128, what we have deployed is a number of close to what -- I think all told, including land, we have deployed a number of close to INR650 crores to INR700 crores on the project, and we expect to spend another INR450 crores on the project. And Estate 360 has just started on the construction. The balance amount which needs to be spent would be in the range of INR1,400 crores to INR1,500 crores over the period of next 3 to 4 years.

Ritwik Sheth: Got it. Got it. And sir, my last question is on the commercial. Two projects are under construction. How much equity we have already put in these 2 projects till date? And anything pending?

Nitin Kansal: So we have -- currently on these 2 projects, we have already deployed equity of close to INR450 crores. And the -- so across 2 projects, we have put a number of close to -- if I can say, close to INR700 crores has been deployed on both the projects. And what we expected is the INR100 crores, INR150 crores is supposed to come from both the partners put together to complete the equity commitment. But that commitment would be more year ended because currently, we have already achieved financial closure through raising of debt through a consortium of banks led by SBI and ICICI Bank.

Ritwik Sheth: Right. Okay. Got it. And sir, one last question, if I can squeeze in. Sir, you mentioned that approximately 7 million, 8 million square feet -- 7, 8 projects are there in the pipeline and about

3 million square feet. So in FY '26, what kind of outlay and what kind of GDV are we looking to add from these projects? If you can give a rough idea? We've added exceptionally well in the last 18 months with these 3, 4 projects. So can we expect a similar run rate for the next, say, 12 to 18 months?

Rishi Raj: So, Ritwik, our stated guidance is to continue to add at least 3 million square foot every year. If you look at our track record of FY '25, we have surpassed that by more than 2x. So we will continue to be on that path as per our stated goal.

In terms of GDV, if you look at, cumulatively, we have stated INR21,000 crores over next 3 years. And as we said, INR14,000 crores is already in the secured portfolio. So our goal will be now to add another INR4,000 crores to INR5,000 crores at least in FY '26, and we will continue to build that portfolio.

Moderator: Next question is from the line of Vikas Mistry from Moonshot Ventures.

Vikas Mistry: You've done exceptionally well and continue to see that you continue to do well. So my question is on -- first question is on Gurgaon project. You are saying that our margins will be in the similar range, but the micro market is still in good shape and demand is extremely high. So incrementally, if we sell the same project 10% even at premium, then we should be supposedly making slightly 4%, 5% higher margin on that.

Rishi Raj: Yes. So, Vikas, great question. If you look at launch, we sold 85%, we are at 90% now. Let me take the opportunity to also update you how -- what's -- how we are going to monetize that. We are going to use this 10% to build out -- to further build out depth in our distribution network in Gurgaon.

And we have already initiated a business development plan for our upcountry and international market, touch at least 10 upcountry and 8 to 10 international markets in coming months as we move towards launch of our next project in Gurgaon.

And also the objective is to inch up the price with this 10% remaining inventory. So yes, we should see improvement in margin. Exactly how much, we will come back and update you as we move in that direction.

Vikas Mistry: Okay. Okay. That's understandable. Rishi, one more thing that once you are saying that INR21,000 crores over a period of 3 years, it looks not conservative on the side because we are sitting -- we have 3 years and BD team is doing extremely good and demand in NCR is really, really good. Don't you think that you are underestimating by a good margin?

Sahil Vachani: This is Sahil here, Vikas. I'll take that. I think we have always focused on trying to meet the guidance that we have been giving for the last 2 or 3 years. And I think we would like to be a little conservative in our approach to continue to do that. So I think given that, this is what we are looking to -- this is the guidance that we have formally given. Even this, if you look at it from FY '24 is about a 44% CAGR. So I just thought that we'll share that perspective. And you're absolutely right, if the market continues in the trajectory that it has in the last couple of years, there's no reason why we should not be able to upsize this as well.

Vikas Mistry: Okay. One last question just from my side, slightly longer-term question. As we look you to be a credible partner in NCR, we look you to be becoming as good as DLF as we go over a period of time. But only thing piece missing here is that, we don't have land. And you already alluded in a couple of conference calls that you have sponsored standard critical land. And once you say that once you start pooling that and building it and you're saying that 4 million, 5 million, 6 million square feet will come from that. We think that you can -- if you start pooling that, then development potential can be much, much higher from there?

Sahil Vachani: So firstly, I personally -- I don't think that the fact that Max Estates has not had a land bank has been a disadvantage to the company. If you look at where we are today with the INR7,500 crores of sale or INR7,000-odd crores of sale that we've done already in residential plus another INR14,000 crores that we have got. So we are talking about a INR21,000 crores GDV that we've been able to acquire over the last 2 or 3 years, of which INR7,000 crores we've already sold.

So I don't know if not having a land bank has been a disadvantage. In fact, one could also argue that it has benefited us because it's enabled us to be agile, flexible. It enabled us to have a strong balance sheet and to be able to go to the locations and choose the micro markets that are absolutely prime and premium, and we've been fortunate enough to have been able to do that. So that's the first part of the question. We believe that we can continue to follow that approach and to do that as well.

The second part is, yes, the benefit of having a land bank without it being a drag on our balance sheet is definitely an opportunity for us with the sponsor land bank that is there. And we are very hopeful that in the coming years, the land pooling policy does translate into something more meaningful and into development potential, which will enable Max Estates to then have best of, in a sense, both the opportunities of us acquiring the various land parcels and also partnering for the captive land parcel that the sponsor office has. So I hope that answers your question, but that's our strategy moving forward.

Vikas Mistry: Yes, that answers the questions. But we are looking -- I think you're looking from on the rearview mirror where the cycle has been super strong, and we are the beneficiaries of the super strong cycle. But here on now, volumes will be only growing and price may not be inching so much on upward direction. So it looks like that the asset strategy that has -- we go into the micro market, which is good, and we just kill there.

But going forward, it will not be the case. So we think that over a period of time, if you have good land bank, then it will be a good complementary strategy and focus on commercial, then it will give good dividends. And in the end, I want to say thanks to the whole team, and you're doing an exceptional work, continue to do so.

Sahil Vachani: Thank you so much. Just to address that for a second, absolutely right. I think we believe that having a combination of, not only, like I said, the sponsor land that we're trying to do in addition to the new opportunities that we have and the commercial portfolio is a derisked and a strong strategy. One could argue that maybe in a slowing market, getting newer opportunities may be slightly easier and more attractive and getting opportunities in a heated market may be tougher. But yes, I think thank you for your good wishes.

Moderator: Next question is from the line of Krishna Shah from Ashika Stock Broking.

Krishna Shah: Sir, I have a couple of clarifications. Firstly, on the BD guidance, you mentioned that we'll be adding 3 million square feet per year or doing a GDV of -- adding GDV close to INR4,000 crores to INR5,000 crores. Is that correct?

Rishi Raj: Yes. I think the guidance is minimum 3 million and minimum INR4,000 crores to INR5,000 crores.

Krishna Shah: Okay. Got it. On annual basis, right?

Rishi Raj: On annual basis, yes.

Krishna Shah: Yes. And secondly, for the launches. So what are the launches that we've planned for FY '26 in terms of GDV?

Rishi Raj: So of INR14,000 crores that we have in our portfolio, it spreads across 3 projects, 18.23 acres of land in Gurugram, residential component in Delhi One mixed-use and residential component in Sector 105 mixed-use land that we have acquired. Our plan is to bring this to launch in staggered phases starting second quarter of next financial year.

Krishna Shah: Okay. Got it. And the launches will go on till what time period -- in phased manner?

Rishi Raj: So the Gurugram launch, we will do it in 2 phases. Phase 1 will be launched in financial year 2026. And Phase 2, subject to market and the response will go into FY '27. The Delhi One and Sector 105, both the launches will happen in FY '26.

Moderator: Next question is from the line of Ronald from ICICI Securities.

Ronald: Congratulations on great set of numbers. Firstly, on the sector Estate 360 project, like it was a conscious decision to go with only 0.1 million square feet of launch or because the balance of 0.2 million square foot, would it be launched in next 2 quarters in phases because how you are planning this, the end of project? Because the next 0.2 million square foot, you are taking at a much higher realization of about 18%-odd higher than the current run rate.

Rishi Raj: Sorry, just to be clear, if your question is how we are planning to sell balance inventory in Estate 360?

Ronald: Yes, sir. And you only -- was it a conscious decision for 0.1 million sales in Q3?

Rishi Raj: So just to be clear on the facts first, 90% of total has been sold. The balance 10%, as I stated earlier, very consciously, we have kept that inventory to help us build further distribution depth and breadth, not only in Gurugram and in NCR, but also now we are expanding aggressively in terms of our outreach to build the awareness about the brand and the product in upcountry and the international markets in coming months. And this will help us, a, do that; and b, also it will help us now improve the pricing beyond what we have already done in the launch phase.

Ronald: Right, sir. Great. And sir, on the -- like as you mentioned, the launch pipeline, so around INR4,500 crores for Gurugram in FY '26 and balance around INR2,500 crores. So you would be looking at around INR7,000 crores of new launches in FY '26, right?

Nitin Kansal: So in FY '26, what we are planning to launch is, as Rishi mentioned, Estate 360, one, around 18 acres of land, which has a sales potential of close to INR9,000 crores in Sector 105...

Ronald: So that is around INR4,500 crores, balance go so around INR2,500 crores balance.

Rishi Raj: So this entire inventory would be launched over the period of 2 years.

Ronald: Okay. So the point I was coming to is that you would be eyeing 10% to 15-odd percent growth in presales for '26, '27?

Rishi Raj: We would be a eyeing a growth of close to 15% to 20% year-on-year on the presales number.

Ronald: Okay. Great. And the last one would be, sir, we have seen a significant price appreciation over the last year. Your project itself has given 40% higher realizations. And quarter-on-quarter also, there was a 15% jump in Estate 360. So, still you are assuming some kind of price hikes going ahead. So are the land prices also following the same trend? How are you seeing that as the demand been stable enough to catch or to absorb this kind of price hike? So overall, NCR as a scenario in terms of luxury and super luxury segment?

Rishi Raj: Yes. So, Ronald, if you look at what's happening in NCR, and you have to segment the market a bit. If you look at corporate listed institutional developer with right location, product and experience, they're able to command a top of the price bracket and continue to expect appreciation and premium on that. At the same time, you will also have players who are not able to deliver on that. So you cannot look at the market from a one-size-fits-all approach. So you will need to segment and see what's happening with what cohort of players.

As far as land is concerned, 2 things I would say. One, if you look at the data for last 2 years, there has been enough supply of land. In fact, in calendar year 2024 itself, out of 1,700 acres of land that got transacted pan-India, almost 700 acres is in Delhi NCR, implying more than 100 million square foot of development potential. And from that perspective, in terms of what we want to acquire of 3 million square foot every year is a very reasonable target of less than 5%, close to 3% kind of a target. So from that perspective, as Sahil also alluded earlier, we don't see a challenge in continuing to grow our portfolio.

As far as pricing is concerned, you are right. If you look at over the last couple of years, the pricing has definitely increased in terms of FSI cost across Delhi NCR. And that also is one of the drivers along with cost of construction when it comes to price that you are seeing on the residential side. But coming to the moot question, which is our confidence in acquiring the right land at the right price in Delhi NCR, we are very, very confident because of what I just mentioned.

Moderator: As there are no further questions, I will now hand the conference to the management for closing comments.

Sahil Vachani: Thank you very much for participating today and look forward to speaking again next quarter. Thank you.

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