November 30, 2021

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

Scrip Code: 539940

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

Name of Scrip: MAXVIL

SUB: TRANSCRIPT OF THE EARNINGS CONFERENCE CALL FOR Q2 FY22 HELD ON NOVEMBER 16, 2021

Dear Sir/Madam,

Please find enclosed the transcript of Earnings Conference Call conducted by the Company for Q2 FY22 on Tuesday, November 16, 2021.

This is for your information and records.

Thanking you,
Yours faithfully

For Max Ventures and Industries Limited

Saket Gupta
Company Secretary and Compliance Officer

Encl: As above

"Max Ventures & Industries Limited Q2 FY2022 Earnings Conference Call"

November 16, 2021

Disclaimer: This document is subject to errors and may or may not contain words which have been included / omitted due to human error while transcribing the conference call. Any and all information should be verified with the company by the reader.

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

Moderator: Ladies and gentlemen, good day and welcome to Max Ventures & Industries Limited Q2 FY2022 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 the 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 the conference call, please signal an operator by pressing "*" then "0" on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sahil Vachani – MD & CEO - Max Ventures & Industries Limited. Thank you and over to you Sir!

Sahil Vachani: Good morning, ladies, and gentlemen. Thank you for joining us on the Max Ventures & Industries Limited Q2 FY2022 earnings conference call. I hope you and everybody is safe and in good health. Along with me today we have our CFO, Mr. Nitin Kansal, Mr. Rishi Raj, Chief Operating Officer, Mr. Rohit Rajput - CEO – Max Asset Services Limited. We also have SGA, our Investor Relation Advisors on the call. The presentation and press release had been issued to the stock exchanges and uploaded on our company's website. I hope you had the opportunity to go through this. As you all must be aware that we have decided to exit our packaging business to focus purely and entirely on real-estate to achieve our growth aspirations and that this call would be more of a strategy call to take you through our perspective on this.

Let me first give you the highlights of the transaction before the strategy rationale behind this deal. Max Ventures, the holding company has entered into definitive agreement to divest 51% stake in Max Speciality Films to the strategic partner Toppan Printing for an all-cash deal of between 600 Crores to 650 Crores. Toppan who already owns 49% interest in Max Speciality Films would now become the 100% owner of Max Speciality Films Limited. Toppan would also be taking over the debt of MSFL as part of the deal and Max Venture would receive 600 Crores to 650 Crores, the exact amount is to be known on the closure of the transaction depending on the working capital adjustments. We anticipate this transaction to close within 90 days.

Toppan had become a strategic partner by acquiring 49% stake in MSFL for about 200 Crores in 2017. At 600 Crores to 650 Crores now for about 51% our stake, that is the value creation of more than 3X during this period for us from MSFL. Now let me get into some of the strategic rationale behind divesting the packaging business. In fact, many investors and friends had been discussing that it was very difficult to understand different businesses in Max Ventures. Max Ventures was formed in 2016 as a result of the de-merger of Max India with the legacy business of Max Speciality Films. In the same year, we decided to venture into the real estate business. We have always stated that the growth driver for the business would be the real estate vertical and maximum capital allocation would go towards this.

The rationale behind the decision is as follow: First to create a focused business and simplify the company structure. In these times of specialization we believe putting our entire focus on the real estate business which has tremendous growth and scaling opportunities is the way forward. Moreover, with strong performance in the packaging business and packaging industry as a whole during the last one year, we believe that this was the right time for us to divest this business and get a fair value for MSFL. This will also simplify the company structure from two different businesses to single real estate focused business. We intent to re-Christine Max Ventures as Max Estates and post the divestment we will also explore the restructuring options to merge the wholly owned real-estate subsidiary Max Estates to re-Christine Max Venture as Max Estates.

The Board of Directors has already authorized investment and finance committee to explore the restructuring options. The change of name will resonate better with the business vision, strategy and focus of the company. This will also enable us to emerge as a pure play real estate entity. The company's entire focus on resources would be shifted to the real state business. Max Ventures will emerge as a pure play real estate business entity with clear focus on commercial and residential real estate focused on the Delhi and NCR region. This will also generate growth capital for the real estate business and divesting the packaging business will give us an additional capital of between 600 Crores to 650 Crores to deploy in the real estate business.

The company as a result will thus be able to create a war chest of more than 1000 Crores funded from sales proceeds, internal accruals, and potential commitment for financial investors. We will look to expand the real estate business through strategic and financial partners as we have done in the past with newer client for the Max Square Project. Further, we are in advanced discussions were nearly half a dozen landowners to acquire and develop prime land parcels in the national capital region. We believe becoming a pure play real-estate company will also attract focused international and domestic funds and investors to participate in our growth journey. We at Max Estates have already demonstrated our execution and capabilities in commercial real estate with both Max Tower and Max House.

With both these developments being almost 100% leased out another significant growth driver going ahead would be now on a residential business. We are also in final stages of evaluating land parcels for new commercial as well residential projects and we expect to announce this in FY2022. We are cautious and prudent in acquiring the land parcels to ensure that we do not allocate capital inefficiently. While this approach is sometimes time consuming a little patience helps us to build the business in a sustainable and steady manner. This is a new chapter for the company and a defining moment in the history of Max Ventures. We are very excited now more than ever to scale the business.

As I have said before we believe the opportunity in NCR is immense with hardly any real estate players, growing population and now with Max Estates having the track record of development, having showcased a premium to the micro market that we have done, the brand that we have that resonates with trust and credibility and now a significant war chest to ensure that we are capitalized and able to scale the business with very conservative levels of debt. We believe we have all the pieces that are required to put this puzzle together and for us to be able to scale the real estate business. I will now hand over to my colleague, Mr. Rishi for the real estate business updates, thank you. Mr. Rishi, over to you!

Rishi Raj: Thank you, Sir. Let me now give you the real estate business updates. Q2 FY2022 witnessed strong leasing momentum in the commercial real estate business post the second wave of COVID-19 on the back of return to office and companies signing up new leases as they expand the business. The most significant and rapid change observed during Q2 is that most of the companies have restarted the office, encouraging employees to return along with partial flexibility to work from home. We have witnessed the same at Max Towers as well as Max House with increasing footfalls on month-on-month basis of tenants and rising number of clients visits looking for office space either for relocation to better quality space or expansion at the back of the growth

It is now widely accepted that only work from home option is not a reliable option when considering the overall productivity of the company. In our interactions with top corporate occupiers, it is evidently clear that while flexibility to employees is important a predominant work from home model is not sustainable due to multiple reasons including growth, culture, and innovation as well as other challenges like serious cyber security threat and overall mental and holistic well being of employees. We believe a balanced hybrid workplace ecosystem with mix between work from office and work from home, which will vary depending on sector and functions will be the future going ahead.

However, the role and the purpose of conventional office will evolve and developers who are agile enough to adapt to the new normal will have an advantage. Now coming to Q2 update, total leased area at Max Towers now stands at 4.91 lakhs square feet, leased area attributable to Max Estates stands at 2.89 lakhs square feet, 93% of Max Towers as a whole is now leased and the leased owned by Max Estate is 96% leased. Leased rental from Max Towers stood at Rs.73 million in Q2 of FY2022 versus Rs.42 million in Q2 FY2021. At Max House our second development 60% of area is now leased out with lease agreements registered.

Really delighted to share that when we came to you in our last earnings call this number was at 18%. On the remaining area LOI have already been executed and in final stages of documentation hence Max House is also fully leased out. The weighted average rental rates continue to be at significant premium to respective micro markets for both the office assets. Coming to phase 2 of Max House, the project has commenced construction and expected to be delivered by Q3 FY2023 and is well on track. We are confident of strong lease interest in the second phase of Max House as well building on the success of the first phase.

Coming to Max Square our third project, it continues to be on track both in terms of cost and time and is expected to be completed as per schedule by Q4 of FY2023. I am really delighted to share it is designed to host a suit of aminities and spaces including central forest courtyard, retail, food court, wellness center, early learning center, sickness center amongst many other aminities to truly enhance the work well experience our promise to tenants as well as really enable the future of workspace model.

Now, let me give you an outlook, with Max Towers and Max House are being leased out at a premium to the micro market we are confident of future prospects of commercial real estate in posts pandemic world. We have made progress with growth opportunities can and are in advanced stages of commercial negotiation and due diligence with nearly half a dozen of landowners to acquire and develop prime land parcel in Delhi NCR in both commercial and residential space. We are on track with a target to close at least one million square feet of residential and commercial development opportunity each in FY2022. Post divestment of packaging film business and other sources as Sahil mentioned the growth capital of more than a 1000 Crores will enable expansion of the residential and commercial real estate footprint in Delhi NCR as per our stated aspiration for Max Estate to emerge as a leading real estate developer in Delhi NCR region.

We are also witnessing a demand shift from traditional strata sold offices to well managed grade A office to ensure employee well being and enable community collaboration and innovation. In the long-term, Grade A office developers like Max Estates are sure to gain on account of the shifting preference and a clear trend of quality as evidenced by strong traction of Max Towers and Max House, which is almost fully leased. Residential real estate has witnessed strong green shoots over last few quarters after a long lull period with rising preference for organize developers who has the ability to deliver and execute projects on time as promised with modern amenities and with strong balance sheet.

We are more confident than ever now that the right time is for us to enter into the residential segment given the strong brand equity Max enjoys especially in Delhi NCR region complimented by a strong balance sheet and access to large institutional capital. We are extremely excited with the way economy as well as real estate is recovering and are confident to make Max Estates one of the leading multi asset class real estate developer in Delhi NCR in times to come. Now let me hand over to Mr. Rohit Rajput to give us an update on Max Asset Services.

Rohit Rajput: Thank you, Rishi. Let me give brief highlights about Max Asset Services. As Rishi mentioned that the future of work will be a mix of predominantly work from office with some work from home. There is also section of companies majorly comprising of new age companies were even opting for the co-working spaces and may not necessarily prefer to have a long-term lease commitment. We had recently launched our manage office offerings by the name of work well suite especially for such clients in Max House in Okhla phase 1. It saves a huge upfront cost for the companies and also saving them from the hassle of maintaining the office space. In many ways it also complements our conventional office leasing and many new age companies look for incubation space before we go for long term lease commitments, and both coexist in the same office building is synergistic.

We have received very good response to the same. We have created 219 seats manage office space of which 81 seats are already signed up and occupied. We continue to negotiate with many companies and are confident to sign the remaining seats very soon. Our facility management business is also expected to gain traction now as the occupancy rise at Max Towers as well as Max House. Revenue for Max Assets stood at Rs.37 million in Q2 FY2022 as companies resume office on a regular basis, the company will start availing the facility services again leading to revenue uptick. Let me handle over to Mr. Nitin Kansal.

Nitin Kansal: Thank you, Rohit. Good morning, everyone. Let me give you the financial highlights for Q2 FY2022, which includes our real estate business as well as the packaging business. The consolidated revenues increased by 30% year-on-year to Rs.376 Crores in quarter two FY2022. Consolidated EBITDA increased by 14% year-on-year to Rs.59.8 Crores in quarter two FY2022. The console profit before exceptional items and tax increased by 30% year-on-year to Rs.39.8 Crores in quarter two FY2022. The consolidated PAT in quarter two FY2022 stood at Rs.25.6 Crores although it is not comparable to last year's Q2 as it had an exceptional loss of Rs.27 Crores on valuation write down of our investment in Azure hospitality.

Let me give now give you additional highlight of the real estate business. Our real estate business that is Max Estates Limited, the revenue stood at Rs.10 Crores in quarter two FY2022 as compared to 11 Crores in quarter two FY2021. However, the lease rental income increased by 88% year-on-year to Rs.7.9 Crores in quarter two FY2022 as compared to Rs.4.2 Crores in quarter two FY2021 primarily on an account of improved occupancy at Max Towers and also Max House phase 1. The revenues for the Max Asset Services Facility businesses stood at Rs.3.7 Crores in quarter two FY2022 as compared to Rs.4.5 Crores in quarter two FY2021.

The numbers of Max Specialty Films will be part of Max Ventures until the transaction is consummated, but the relevant numbers going ahead will only be of the real estate business. Speaking about our liquidity position the gross debt in a real-estate business Max Estate stood at Rs.196 Crores as of September 2021. The cash and liquid investments stood at Rs.61 Crores hence the net debt stood at Rs.135 Crores. The debt in the specialty films business would be taken over by Toppan. With the expected divestment inflows between 600 Crores to 650 Crores, our balance sheet will strengthen even more which will be deployed in the real estate business going forward. Now, I will hand over back to Stephen to open the floor for Q&A. Thank you.

Moderator: Thank you very much, Sir. We will now begin the question-and-answer session. The first question is from the line of Jainam Shah from Equirus Securities. Please go ahead.

Jainam Shah: Thank you for the opportunity. Good morning, Sir. my first question relates to the transaction of Max speciality, so around 1350 Crores is the overall enterprise value, and if you see the debt amount then it may be around 60 Crores if we subtract that we get a share of 51% and it is coming around 560 Crores whereas equity value is said to be around 600 Crores to 650 Crores, so wanted to know how it will be 600 Crores to 650 Crores and in your statement you said that that will be taken over by the strategic partners, so wanted to know about that?

Sahil Vachani: Thanks, Jainam. Just to answer that, this number from 600 Crores to 650 Crores is derived, this is the working capital adjustments, which would be carried out at the closing date, we anticipate this number to the land between 600 Crores to 650 Crores and in terms of debt, debt would be taken over entirely by the incoming partner.

Jainam Shah: At the end we will be receiving the cash between Rs.600 Crores Rs.650 Crores?

Sahil Vachani: Yes, we expect to receive a cash to that extent.

Jainam Shah: Now coming to our residential portfolio so what kind of segment are we targeting, mid premium segment, premium segment or affordable segment specific comment on that and which model we will be targeting like acquiring the land and then developing or entering into a JV?

Rishi Raj: This is Rishi. I will take that question first. First part of your question in terms of target segment, as we stated we are looking at opportunities in Delhi NCR, Gurgaon, Noida, and Delhi, coming to target segment one would classify it as mid segment to premium segment and one way to understand that segment in terms of price brackets it would be anywhere upwards of Rs.8000 per square feet to 10000 to 12000 to 15000 so that the segment we are targeting, we are not targeting affordable segment. In terms of business model the current discussions we are open to all the models outright joint venture as well as joint development, the pipeline that we have where the discussions are going on, we have both discussions going on for outright as well as joint development with the landowners and this is in terms of the kind of residential product again, we have both in the portfolio, the group housing as well as mixed use where you can do group housing floors and villas.

Jainam Shah: So, just to followup, you have Max Life Insurance as a partner, so will that be the same case for the residential or will be 100% for the residential business?

Rishi Raj: Yes, we are open to evaluate potential strategic partner to residential business as well.

Jainam Shah: And just last one from my side, regarding that one project where we are having around 2.8 million square feet of land which has been Delhi NCLT so any update on the same project?

Rishi Raj: Yes, I am delighted to share a few updates, number one, when this plan was submitted to NCLT, there were three, four major objections that came to the plan, the good news is most of them have got cleared or withdrawn except one. Number two so far it has been progressing slow because of the pandemic and virtual hearing and so on and so forth, now we have got the date for physical hearing to start and back-to-back hearing to start from mid of December 14, 2021, so we are hopeful, and we expect now this to progress relatively fast than earlier.

Jainam Shah: That is great to hear, Sir, just one last thing, we have a target of one million square feet for commercial and one million square feet for the residential we are targeting for FY2022, so going forward how we are targeting for residential like you will be targeting some new strategy and developing any specific number you will be targeting every year for the development and any plan like that?

Rishi Raj: So, look from a strategy and direction perspective our aspiration is to on an average add one million square feet, which is a number which we have shared just to give a sense of direction and scale, but as you know in real estate business things can be little bit lumpier, it really will vary from project to project, a few project which we have in pipeline today varies from close to one million to upwards of 2 million and in those cases it will be developed over 2 or 3 phases.

Jainam Shah: Thank you, so much. That is, it from my side.

Moderator: Thank you. The next question is from the line of Sanjay Kaul from FE Securities. Please go ahead.

Sanjay Kaul: Good morning. I wanted to find out that you mentioned Max Ventures will also do some collaboration with Max India, could you please give me some sense on that?

Rishi Raj: So, Sanjay, this is Rishi. Good to hear from you, what we have mentioned is, is in a residential venture some of the opportunities that we are exploring could be intergenerational opportunity where we may do partnership with Antara Senior Living who could play development manager role for a certain portion of that particular project, so that is also in discussion and that is what we had mentioned.

Sanjay Kaul: Thanks, and any chances of any thought process of merging Max India with Max Ventures?

Sahil Vachani: I will answer that, this is Sahil. No, we do not have any intention of merging the two entities, Max India will be come a pure play senior care operator across the different businesses and focus more on care aspect for senior, Max Estates and Max Ventures is in vision to become a pure play real estate business so there are two very, very different businesses and hence partly the reason for us to sell the packaging businesses that we did not want to have the confusion of different businesses and create a mini conglomerates and that we will continue to keep both of these separate.

Sanjay Kaul: Market cap of Max Venters is approximately say 2000 Crores right now and you will get about 130 Crores and get 630 Crores net from sale, so the entire value will come to about 1500 Crores am I right, this is one of the cheapest companies in the segment going forward?

Sahil Vachani: Yes, and the assets that we have which is Max Towers, Max House, Max Square, and you know Max House and Max Towers are completely leased out, absolutely.

Sanjay Kaul: Can you give a sense of rental that will get say March 2023, 2024, 2025 in the Max Ventures from the commercial side that you already there, these two towers and plus Max will come up?

Nitin Kansal: Mr. Sanjay, for us to give forward looking statements, we would not be doing that, but we have a stated objective that we would be having a lease rentals of close to 35 Crores coming from Max Towers and close to 16 Crores coming from phase 1 of Max House and we expect the phase 2 of Max House also commissioned by FY2023 and Max Square, which is 7 lakhs also to get commissioned by them, so we expect all the rentals to start flowing in by FY2023, middle of FY2024.

Sanjay Kaul: Thank you, I will come back with something else, thanks a lot.

Moderator: Thank you. The next question is from the line of V.P. Rajesh from Banyan Capital. Please go ahead.

V.P. Rajesh: Thanks for the opportunity and congratulations on the transaction it is good to see structure finally getting fructified. We were talking about the lease amount which we will get, but total lease you will have let us say fiscal year 2024 after all the four properties are full leased out?

Nitin Kansal: Rajesh, difficult to give an exact number as of now, we expect the range to be between 120 Crores to 150 Crores once all the properties are leased out, what we have in pipeline today and whatever we commission as projects going forward will be on top of that.

V.P. Rajesh: Okay in addition to that you have pipeline which you talked about is that mostly residential or even the commercial in there as well if you just give more color that how many commercial properties versus how many residential?

Rishi Raj: We have very strong pipeline both for commercial and residential I am really happy to share compared to when we came to this call last quarter versus today in both commercial and residential we have a pipeline of 6 to 8 million square feet, number one, each, number 2 - in both commercial and residential, let me take it one by one in commercial we have got two projects which are in the due diligence stage so it is past term sheet, one in term sheet, and several advanced commercial negotiations. Similarly in residential we have couple in advanced negotiation and closure on the commercial front and one at a term sheet MoU stage so with that kind of a pipeline and where they are in this stage of the deal cycle, we feel very confident with stated aspiration to close one each this fiscal.

V.P. Rajesh: So, in terms of the capital required which is the 6 to 8 million each segment what is the total capital we are looking at?

Rishi Raj: Just to correct we will not execute 6 to 8 million this fiscal that is the pipeline the target is to close at least 1 million each in residential and commercial and on the capital to fund it I will request Nitin to address.

Nitin Kansal: So Rajesh this is way we look at it with the war chest of equity value of more than 1000 Crores we would be able to leverage it further and deploy this capital over the period of the next three to four years as I mentioned in the first answer to your portion we expecting a rentals close to 120 to 150 Crores which is expected to come in FY2023-24. With the lease rental discounting joint venture partnerships and this vouches we expect this capital to sustain us for the next span of three to five years comfortably and to achieve our stated objective of doing a million square feet of residential and commercial every year.

V.P. Rajesh: Commercial is going to be always going to own the property and keep it with us or sell it at some point also?

Rishi Raj: Let me address that in to two parts, our stated strategy and clear strategy is to build to lease we do not want to build and sell and do a fragmented ownership. The history especially post COVID those properties are not going to do well so it will be build to lease so that we can curate the experience for customers around work well philosophy which is what would differentiate us among rest in Delhi NCR now second part in terms of once it is build to lease and gets stabilized and once we build critical mass today we can explore multiple exit options.

Nitin Kansal: Rajesh ji just to supplement what Rishi just mentioned we have been able to not only the marketing intelligence tell us that the strata sold properties trade at a discount but our experience at Max Towers tell us that is because we have been able to do console offerings to potential lessees we have been able to get a premium of 25 to 30% and one of the major reason is that these buildings are owned by us so we believe this is here to stay and we would like to maintain the ownership with them till the time we receive a critical mass and then we can do a listing of them as Rishi mentioned

V.P. Rajesh: And Nitin Just one last question what is the after-tax proceeds we expect I know you will get I know you will get a sort of 600 or so but after-tax payment what will be the net proceeds?

Nitin Kansal: So, this would be long-term capital gain transaction for us which entail a tax in the range of somewhere between 75 to 100 Crores for us.

V.P. Rajesh: Okay, alright and you say it will be done in three months by the end of this financial year?

Nitin Kansal: We expect the transaction to be consummated by the quarter four of the current financial.

V.P. Rajesh: Right so by the end of financial year we should have the cash on the bank.

Nitin Kansal: Yes, thank you so much.

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

Ronak Jain: Good afternoon. Couple of questions from my side, firstly how do you plan to deploy the funds received from divestment of packaging business?

Rishi Raj: As Nitin earlier stated the sale proceed coupled with other sources gives us a fire power of 1000 Crores plus the deployment of all this will happen in the real estate business to grow and scale real estate business both residential and commercial and this will be good enough for us to address and achieve our stated aspiration of having 1 million square feet every year in both the segment on an average. In terms of allocation between commercial and residential, commercial being built to lease, residential being sales the capital intensity will vary and also it will depend on whether it is an outright purchase or joint development model so we will very judiciously allocate this capital towards commercial and residential as adequately it would require depending on which segment and which model?

Ronak Jain: Secondly do you have any plan to exit our investment in Azure hospitality in near term?

Rohit Rajput: As we mentioned before we will continue to evaluate opportunities at right time to exit our investment in Azure hospitality.

Ronak Jain: Okay, that's all from my side.

Moderator: Thank you Sir. We have next question from the line of Amit Shah from ACE Securities. Please go ahead.

Amit Shah: Sir I have only one question. Sir many real estate companies are closing land transaction and launching projects what are the challenges faced by Max Estate in closing the same?

Rishi Raj: As I said if you look our investor presentation as well we have very strong pipeline 6 to 8 million square feet in both residential and commercial I think one would need to go through the full deal cycle from sourcing to commercial negotiation to diligence so from that standpoint what we do not want to do is take a wrong decision and rush till the time we are very satisfied with the diligence including a clear title so and so forth. Having said that as I said with what we have been pipelined and also at what stages they are and let me repeat in commercial we are in advanced stages of diligence on two term sheet for one and couple of more where commercial negotiation is getting close so we have a very decent advance stage pipeline and similarly for residential one is in term sheet stage and one is in advanced commercial negotiation and several others to follow. So, we do not see any challenge in taking one of these in both the segment to close your incoming months and quarters.

Amit Shah: Okay, thank you, that's all sirs.

Moderator: Thank you Sir. We have next question from the line of Hitesh Sharma from WhiteSky. Please go ahead.

Hitesh Sharma: Wanted to know like the money come from the sale of film unit some special dividend should have been given to share holders who have been there for so many years?

Sahil Vachani: We believe that there is significant growth opportunity in the real estate space which is the capital-intensive business and thus the capital is going to be required for the growth of the real estate business. We think that the value creation that can happen in us scaling the real estate business is hugely exponential given the opportunity available to us and NCR and thus for all share holders we believe that is in the best interest for us to grow the real estate business and accrue value there

Moderator: Thank you Sir. We have next question from the line of Sanjay Kaul from FE Securities. Please go ahead.

Sanjay Kaul: Thank you I am back again, I wanted to talk about this New York Life Insurance investment in the holding company also so what I believe is that they are partners in our Max Square Project would they be willing to partner in the residential side only or they only stick to commercial?

Sahil Vachani: Thank you Sanjay for your question. Just to give you a little bit of a background New York Life is one of the oldest insurance companies in America with current investible corpus of more than $600 billion. We are their only partners in India for real estate investment they own 23.5% of Max Ventures as a share holder and in addition through their portfolio of this assets under management have directly invested in SPV they have committed and are confident of growing their India book with us and thus we believe that opportunities could be both in the residential as well as commercial space so to answer to your question yes they will be open to residential as well in times to come.

Sanjay Kaul: Thank you so much.

Moderator: Thank you Sir. We have next question from the line of V.P. Rajesh from Banyan Capital. Please go ahead.

V.P. Rajesh: Sir the Azure hospitality business what is our total investment in that and if you can just give some color on the percentage ownership what could be the estimated value today of the investment?

Rohit Rajput: This is Rohit here. Our current investment in Azure is little shy of 50 Crores and about 15% shareholding. I am also happy to report that post impact of hospitality of COVID and restrictions on dining, the revenue of the business has staged good recovery and I think it is a good time for us to look at how this investment can be monetized at some point the right valuation

Nitin Kansal: If I can just step in Rohit so Rajesh we had made an initial investment of close to 72 Crores in Azure hospitality of which we took a impairment of 27 Crores in the second quarter of FY2021 that was the peak of COVID uncertainty so the carrying value of book of accounts is close to 45 Crores but with this pandemic gradually the pandemic recessing out the business has already exceeded the pre-COVID revenues and we are very confident that we would be not only able to recover the investment would also be able to recover the impairment which we had done in the last year and we are very bullish about the entire F&B industry and we would invest in this industry and our investments will be certainly profitable for us.

V.P. Rajesh: I agree the down in the restaurant business has been phenomenal so that's why I am trying to understand so our cash investment is around 72 Crores for 15% stake is that right?

Nitin Kansal: 72 Crores the carrying value in the books is close to 45 Crores, 27 Crores has already been paid in the books.

V.P. Rajesh: I understand that, but I am just saying the money that we have invested is 72 Crores.

Nitin Kansal: Yes.

V.P. Rajesh: This is what kind of residential I believe if I remember correctly, it is Mamagoto and some other place like Daba court that right?

Rohit Rajput: They operate under two brand names one is Dhaba which is a casual dining Indian style food and the other is Mamagoto which is Pan Asian again casual dining and also increased the share of home delivery revenue so now it is a combination of home delivery business Mamagoto and Dhaba being the prominent brands and two smaller sub brands by the name Slygranny and Foxtrot.

Nitin Kansal: In addition, what they have done is taking the advantage of this pandemic they had very aggressively ventured in cloud kitchen and expanding on the delivery business also.

V.P. Rajesh: Right could you share monthly revenue in September or October from this business?

Rohit Rajput: In October, the business unaudited revenues went up to 11.66 Crores and this is about a 114% of the pre-COVID Feb-March 2020 revenues.

V.P. Rajesh: This is all for the four brands you mentioned right.

Rohit Rajput: This is consolidated revenues for all the operational outlets with restricted seating guidelines in operating right now in F&B

Nitin Kansal: Further to add in certain places certain outlets have not been able to open their entire outlets so we expect few other outlets to open by the end of this year.

V.P. Rajesh: I think it is a very good investment hopefully we rebound very well in the coming quarters and hopefully we will get a good value down the road. Thanks

Moderator: Thank you Sir. The next question is from the line of Jaikishan Parmar from P3GREEN. Please go ahead.

Jaikishan Parmar: I have three questions. First would like to confirm that Azure revenue just shared that 11.66 Crores is it for one month or Q2 that's one. Second question to Rohit Rajput as we have good detail of real estate and commercial business and guidance also pretty clear, so we want to just understand bit more about MAS like qualitative factors per feet how much you charge and what are the growth prospect for that. That's second. Third as an investor you must knowing like want to share concern that initially Max Ventures started as a four vertical – education, investment, film and MAS. So gradually everything evolved like you removed education part that is good. In real estate also you defocused in investment which is not really to investments and finally you spin off Max Film everything going as per plan but again I would like to know full Q&A is around that only now the left is asset real estate is that business we are not seen growth considering Max Brand. There is another normal company or the company which do not have 50 or 60 years of history then it is okay but Max Group has longstanding experience trust in everything so in that aspect I think we are not meeting investor estimate. These are the 3 points.

Rohit Rajput: Thank you. Let me address the first two parts of your question. Number 11.6 Crores were unaudited numbers for the month of October 2021 for Azure consolidated not quarter numbers. Second part of your question is for Max Asset Services what is the charge that we are getting per seat at our current location in Okhla we are averaging about Rs. 17000 per seat. This charge for those familiar with micro market is at a significant premium and leasing velocity for that is also going quite well and we have very positive interest and expect to fill this up in the months to come very rapidly.

Rishi Raj: Just to supplement to what Rohit said, Jaikishanji in this case what happens is if you see if you are leasing out the space and we do through the work well suite the realization per square feet is more than 2.5x so when we do our business through work well the lease rental realization is at least 2.5x going forward.

Jaikishan Parmar: So, if I ask you how much square feet will it require for 219 seats?

Rohit Rajput: Close to 14000 square feet is required for 219 seats.

Jaikishan Parmar: Okay.

Rohit Rajput: Now the other part of your question around growth as you mentioned we will look at growth through two pillars one is that this work well suite or the flexible office offerings is proving to be a very valuable amenity for all our commercial real estate going forward so based on that experience and the customer demand we planned to include this product in all our upcoming commercial developments obviously the scale, the pricing will be dependent on project-to-project and market-to-market. The second part of it is that we are now evaluating locations in non-Max assets for Workwell Suite so that we can service a network of clients across NCR. in addition a positive spillover of developing Workwell Suite as a product has been that customers have been asking us to develop, build, as well as manage the spaces even if it is on a conventional lease so those revenues again are set to increase for prospective tenants not only our current buildings but also future projects.

Jaikishan Parmar: Any pipeline for this Workwell apart from Max Real Estate?

Rohit Rajput: We are evaluating locations which are non-Max in Gurgaon and Delhi. We are hoping to close new locations.

Rishi Raj: If I can just build on what Rohit said and the narrative that we had provided around synergy let me illustrate that with the help of one very strong example for this two how both the businesses are very synergistic. So, in Max we have tied up with Samsung Electronics who is relocating from Gurgaon to Okhla. Now one of the reasons we were able to crack this deal with Samsung was not of course because of the product and conventional office space but they wanted end-to-end solution and hassle-free solution and where we ended up was because not just the leasing of office space but also the entire design, the built, the fit out of their premise is being done by Max Asset services and we are seeing specially post COVID we are seeing many those opportunities getting translated both in Max Towers and Max House.

Rohit Rajput: Answer to third part of your question which is around

Jaikishan Parmar: Just want to clarify it is not question just want to share my view, that's it so if you want to give any comment on that that would be great.

Rishi Raj: I think we have already responded on growth aspect and then we are confident to deliver on that.

Jaikishan Parmar: Sure. Thank you.

Moderator: Thank you Sir. The next question is from the line of Saju Gupta from SK Securities. Please go ahead.

Saju Gupta: Good afternoon to the management and congratulations for concluding the deal. My question is just now you talked about three deals that it is going to get fast tracked form the month of December so I presume that you should be able to close this deal by next year? So, my question around this is that what is the area of land which will come to the company once it gets concluded and second question is that you are having an aspiration of one million square feet for commercial and this thing would that include this part if it gets concluded by next year or that would be separate?

Rishi Raj: On the growth aspect in the size of the opportunity that we are evaluating let me just recap what I said earlier on commercial and on residential in both we are evaluating across different opportunities 6 to 8 million square feet in advance stages in the pipeline. Number 2 is you look at commercial the opportunity is both in outright and joint development when it comes to the size of the opportunity in terms of the leasable area it is in the range of 1 to 1.5 million square feet so that is the kind of opportunity we are evaluating primarily when it comes to geography in Gurgaon that's where our next target of expansion is. When it comes to residential as I said again all the models 6 to 8 million square feet in the pipeline one in closure of commercial negotiation is done the term sheet is getting closed one in final stages of commercial closure these opportunities range of 1 million to upwards of 2 million square feet the one which is upwards of 2 million square feet will be a joint development opportunity which will be developed over few phases. In addition to all of these I just want to remind all of us we also have Delhi one which is ranging from 2.5 to 3 million square feet which is a mixed-use development and I updated earlier in the call that most of the objections that was there in plan is either sorted out or withdrawn except one and with physical hearing starting from 14th December we hope to get that expedited as well and that gives us a mixed-use development opportunity cutting across commercial, residential, and retail. So, I think it is just a matter of time and a bit of patience before this will all start falling in place and you will see visible growth trajectory for Max Estates.

Nitin Kansal: Mr. Gupta just answer the last question whether 1 million square feet if you mention is Delhi one a part of that, this one million square feet addition to that.

Saju Gupta: Okay. Thank you so much and all the good luck to you.

Moderator: Thank you Sir. The next question is from the line of Jigar Shroff from Financial Research. Please go ahead.

Jigar Shroff: Thank you for taking my question, just one question I missed a bit, did not quite understand the collaboration that Max Estate is going to have with Max India related to the Antara project. If you could please clarify again?

Sahil Vachani: The opportunity for as you know Antara is a senior living business. The opportunity for us is to do developments where we have some elements of commercial some elements of residential both of those being developed by Max Estates and operated by Max Estates but in addition to that in the same ecosystem there is an opportunity to have development for senior living as well and thus one ecosystem you can have senior living, residential, commercial, F&B, retail and this is the concept which is some parts of the world has now become very popular known as intergenerational living and this can be huge huge opportunity in India and we would be one of the first few people not only to be able to developing but be able to have a capability within the group at a larger level to have the capability within each segment to be able to operate each of these verticals and thus here is a lot of synergy and being able to have an ecosystem where there is few towers senor living, few towers of residential, commercial, retail, F&B all of that ecosystem and we believe that can really be a differentiator from a customer offering perspective and can help us on another alpha.

Jigar Shroff: Okay my question was would Antara remain a part of Max India or it would be hived off and merged into Max Estates.

Sahil Vachani: It would be a part of Max India because that is separate business, that business is completely different business it is a senior care business whereas we are in the real estate development business so they are going to pivot more and more towards the care model and we are going to be purely focused on real estate so it is going to be separate there is no plan to amalgamate both these entities

Jigar Shroff: So, your role would only be restricted to construction of the Antara Senior Living homes right?

Sahil Vachani: Construction and selling and development and they can be the managing partner, they can be an operator for it so for example this is a very popular concept in the hotel business for example I can give you an illustration there are owners of property there are people who own it and develop it and sell it and then there are just some people who manage the property so only for the senior living position Antara can be managing partner for us for the senior living development and we will do obviously the residential commercial as a well but we can have their expertise from the senior care perspective and to bring that in as a capability to able to offer to our clients and to offer to a larger set of audience the whole ecosystem.

Jigar Shroff: Understood. Thank you and all the best.

Moderator: Thank you Sir. The next question is from the line of V.P. Rajesh from Banyan Capital. Please go ahead.

V.P. Rajesh: Thank you, just a question on the Delhi one as you were saying it is a mix use project and to get it out of the NCLT could you share like how much cost will be involved and then for further developing what would be the cost?

Nitin Kansal: This matter is subjudice under NCLT for us to give the contours of the plan would be difficult at this point of time.

V.P. Rajesh: Okay fair enough. If I see this matter concluding in the current mentioned year, I know you said that December is the month when you will have the hearings but what is the likely timeline of the completion here?

Nitin Kansal: This is matter under the judiciary although what is happening with the physical hearing starting from December, we have become optimistic on the timelines but to have a commitment or some have confidence in the current financial year is slightly difficult, but we are really hopeful that there is a matter will get expedited.

V.P. Rajesh: Thank you.

Moderator: Thank you very. Ladies and as there are no further questions, I now hand the conference over to Mr. Sahil Vachani for closing comments. Over to you Sir!

Sahil Vachani: Thank you everybody this has been a momentous occasion for us, and we really appreciate and value your support I look forward for your continued support as we look to build this out into what can be NCR's best real estate most reliable real estate brand. Thank you again.

Moderator: Thank you. Ladies and gentlemen on behalf of Max Ventures and Industries that concludes this conference. We thank you all for joining with us. You may now disconnect your lines.