MAX INDIA LIMITED

November 2, 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 021

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

Scrip Code: 543223

Scrip Code: MAXIND

Dear Sir/Madam,

Sub: **Transcript of Investors & Analysts Conference Call**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Transcript of Investors & Analysts Conference Call held on October 27, 2023 post declaration of Un-audited Financial Results of the Company for the quarter and half year ended September 30, 2023, is enclosed.

The same has also been uploaded on website of the Company at https://www.maxindia.com/static/uploads/financials/transcript-q2fy24.pdf

You are requested to take the above on record.

Thanking you,

Yours faithfully

for **Max India Limited**

PANKAJ CHAWLA

Digitally signed by PANKAJ CHAWLA
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Pankaj Chawla
Company Secretary & Compliance Officer

Encl: as above

"Max India Limited

Q2 FY '24 Earnings Conference Call"

October 27, 2023

MANAGEMENT: **MR. RAJIT MEHTA – MANAGING DIRECTOR – MAX INDIA LIMITED**
MR. SANDEEP PATHAK – CHIEF FINANCIAL OFFICER – MAX INDIA LIMITED
MR. AJAY AGRAWAL – CHIEF FINANCIAL OFFICER – ANTARA SENIOR LIVING –HEAD FOR INVESTOR RELATIONS – MAX INDIA LIMITED
MR. ISHAAN KHANNA – CHIEF EXECUTIVE OFFICER – ANTARA ASSISTED CARE – MAX INDIA LIMITED
MR. ANKIT KALRA – CHIEF FINANCIAL OFFICER – ANTARA ASSISTED CARE – MAX INDIA LIMITED
MR. NISHANT – INVESTOR RELATIONS DIVISION – MAX INDIA LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Max India Limited Q2 FY '24 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 participants 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 star then zero on a touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rajit Mehta, Managing Director, Max India Limited. Thank you, and over to you, sir.

Rajit Mehta: Thank you. Good morning, everybody. On behalf of Max India Limited, a warm welcome to all of you on the Q2 FY '24 Earnings Call. For the benefit of people who are joining us for the first time, I have with me Mr. Ajay Agrawal, who's the CFO for Antara Senior Living, and also spearheads Investor Relations for the company; Ishaan Khanna, who is the CEO of Antara Assisted Care Services, Sandeep Pathak, CFO for Max India; and Ankit Kalra, CFO for Assisted Care; and Nishant from Investor Relations team, and of course SGA, our Investor Relations Advisors.

We've already uploaded the investor release on the exchanges, and I hope everybody had an opportunity to go through the same. So let me start with you, giving you a summary of the quarter, it has been a great quarter, actually.

So on the residential side, in Doon, all inventory is now sold out, except for one, which is occupied by our employees. 183 apartments have been handed over. It's a buzzing community now with 180-plus residents. It is also reflecting in the operational income that we have, and the satisfaction scores continue to be high at about 88%.

On Noida, we have been saying for a long time, all inventories sold out. Construction is on track for all the three towers, and the finishing work has already started. And we are liaising with the RERA for approvals of Phase II. Gurgaon, definitive agreements in the final stages. The massing and designing have been finalized. There'll be about 288 units approximately that we'll construct with about 0.7 million square feet. Bengaluru, definitive agreement is in final stages. The design architect has been on-boarded. That development will be about 1 million square feet, 480 to490 apartments in that range.

Hyderabad, we have also finalized the broad commercial terms. And hopefully, in the next few days, we'll execute the term sheet as well. That's a large development, about 1.2 to 1.3 million square feet, about 750 - 760 kind of apartments on there. And discussion is also ongoing with land owners in, Pune, Chandigarh and Chennai. Our target is to look at 1.5 million square feet of construction every year, and the Gurgaon, Bangalore projects are in the final stage of negotiations, that is a clear possibility.

On Antara Assisted Care Services, we already have 68 beds operational in Gurgaon. We have tied up 150 beds in Bangalore already. The fit-outs are underway. That's in Barangatta and Whitefield. And we are now looking out for 50 more beds in Bangalore. The scouting for Chennai already started, both in terms of office space as well as care homes. And we're looking for about 100 beds more in Chennai and NCR.

On Care at Home, we already touched about 12,000 lives till date since inception. We have 8-plus services live in Delhi. Most of our revenue comes through now critical care, physiotherapy, diagnostics and caregivers. We have five service lines alive in Bangalore, including Home Critical Care and now preparing for Chennai launch.

On Medcare, 800-plus SKUs available include Antara labelled products both for sales and rental. So far, we sold about 1,700 diaper packs through the retail channel and through Amazon. And our walkers are all already to 5th bestseller on Amazon with 15 to 20 now being sold daily.

AGEasy isour phygital platform, let me reiterate. This is a platform which is expert-assisted products and solutions to help seniors manage their chronic conditions so they can aid, relief and the joy. We had launched the first two conditions of knee pain management and fall watches. There's been a great response 17 products have been launched across two chronic conditions. We already have two health studios, which are physical spaces that seniors can walk in and seek the expert consult. They are now operational in Delhi and in Bangalore, and the third one in Gurgaon will be operational before Diwali.

Amazon platform is alive. We're also listed now on Flipkart. And great momentum built on marketplaces, particularly for smart watches and for knee braces. And the work has been initiated now for next launches, which are planned in Q4.

Coming to the financial results now. On consolidated basis, we have achieved revenues of INR55 crores in Q2 FY '24, which is up from INR46 crores in Q1, but down 10% year-on-year. This we explained last time as well, since we don't have any more inventory to sell in residences. Therefore, for a while, you will see on a consol basis a dip in revenue. It's purely temporary. As we start selling more communities, you'll find this number ratcheting up.

So while there's a healthy increase on all verticals, including Antara Assisted Care, on consol basis, for a while, you'll see the revenue compared to same period last year a little depressed. But our EBITDA has done well at INR1.5 crores in Q2 FY '24 compared to a INR7 crores loss sequentially last quarter and a gain of INR 5 crores in Q2 FY '23, the reduction, as you know, compared to last year is because we are now investing more in the growth of the business, there's the cyclic nature of revenue recognition in residences, the opex for new business vertical AGEasy and the cost of scale of Care Homes.

I'm confident the revenues will continue to show steady growth. EBITDA performance will continue for a couple of quarters, as we are making investments in strategy growth where the costs are obviously up-fronted. Our treasury and monetizable assets stood at a healthy number of INR530 crores, September '23, which includes a significant treasury of INR125 crores in

Antara Purukul, which is what we had said last time. Antara Purukul continues to be PBT positive, cash positive and has surplus now.

The company had a very strong balance sheet with a consol net worth of INR529 crores as of September end. On the residences side, accumulative ITD collections of Dehradun stand at INR676 crores in September '23, as compared to INR592 crores in September '22, which is a 14% growth. During Q2 FY '24, we have sales collection of INR30 crores.

In Noida Phase 1, we have a cumulative ITD collection of INR325 crores with 96% growth over last year and the collection efficiency of 96% plus. During Q2 FY '24, we have sales collection of INR41 crores, which is quite ahead of our plan. In terms of construction, we're already on targets, completed the block work for all 3 towers, and now the finishing and interiors are underway.

On Antara Assisted Care, overall, net revenue increased by 33% to INR5.3 crores in Q2 FY '24 from INR4 crores in Q2 FY '23. The Care Homes net revenue at INR1.3 crores in Q2 FY '24. It's obviously adjusted for the inoperative care homes, which I explained last time the change in strategy we had done. And we are now looking at full service care homes.

Our revenues grew by 45% year-on-year. The contribution margin improved to minus 9% in Q2 from minus 12% in Q2 FY '23, adjusting obviously for the cost of inoperative care homes. This is purely a temporary impact, it'll get neutralized for the next quarter or so.

On Care at Home, that vertical has done very well, we achieved the highest ever net revenue of INR2.1 crores in Q2 FY '24, grew by 27% over Q2 FY '23, lead by high-margin service offerings and expansion to new geographies, particularly Bengaluru. Contribution margin also improved to 20% in Q2 FY '24 from 14% in Q2 FY '23.

On MedCare, we have also achieved the highest-ever net revenue of INR1.75 crores in Q2 FY '24. It's a growth of 169%. Obviously, it's a small base, so the percentage number is very high. The contribution margin at minus 2%, particularly because the impact in shift in channel mix from B2C to B2B. But this mix should stabilize in the quarters to come, and a steady contribution margin will be achieved as we start to do more and more private labels, most products.

On AGEasy, the business was launched on August 21, as promised on the World Elders Day. And achieved the net revenue of INR11 lakhs in Q2 FY '24. Ahead of the plan, but a small number and too early, but very good traction. Some of you may have joined the call for the first time. Just want to reiterate, we are the only organization in India endeavoring to create an integrated care ecosystem for seniors.

We have 5 business verticals, independent residences for seniors who are healthy, but want to stay in a safe and secured community with like-minded people. Assisted living of care homes for seniors who need more immersive interventions or have gone through a medical episode, need to stay for a few months or a few weeks with us.

We also have memory care. We also have Care at Home services, which is critical care, diagnostics, x-rays, pathology, nurse, patient caregiver at home. The market is $10 billion to $12 billion. To that, now please add what we are discovering on the AGEasy side, so the senior spend. That market is about INR40,000 crores of the spend of seniors on outside hospital spend in the top 30 cities in the Sec A and Sec B. So it's a large market, has a long-term trend.

We're already present in NCR. Bengaluru launched operations and looking for now entry into Chennai very soon. As you know, the development in Noida, Gurgaon, Bengaluru, Hyderabad are more condominium style. It's a high rise. And the care homes are meant for people who need more emergency medical interventions and memory care meant for people who have neuro disorders like Alzheimer, Parkinson's and dementia. We also offer services in the convenience of the senior's homes.

And our MedCare vertical continues to expand its presence both in terms of SKUs. And we keep on doing small, small innovation. So we will launch a host of mobility and related products, for example, the walking sticks we have looked at, which has a torch and an SOS alarm for the senior. So we will keep on launching such products across retail channels and across Amazon.

AGEasy, as I said, has got a very good traction. The seniors have options of either the health studio or WhatsApp video call or calling the expert home. Now if you put all this together and start looking at the aspiration that we have of creating 8 to 10 communities, about 5,000 units, so about 10,000 people who will stay in this community. They are in one sense, captive audiences to us because they will have healthcare needs, medical equipment needs, chronic condition management needs, and therefore, we'll be able to cross-sell, but the customer acquisition cost is quite low.

We commenced our journey in 2013 with Dehradun. Slowly, we have expanded, done well on both on sales and collection perspective. I already shared the cash surplus of INR125 crores that we have in the community. In Dehradun, 180 people staying. And we have leveraged the learnings to make sure that what we launch in Noida and Gurugram in an appropriate model suited to the market at a price point, which is a good product market fit.

We have agreements with developers in terms of developing and our equity participation is not that high. We are pleased to inform you that besides Gurugram the commercial negotiations for Bangalore are now closed and documentation are in the final stages. The Bangalore facility is very strategically located. It's about 10 to 12 minutes from the new airport. It's part of a last 200-acre development in which about 460 to 500 units will be constructed.

Total built-up area of 1 million square feet. There are already in that community about 2 senior living communities fully operational. The Gurugram one is on the Dwarka Expressway, which is the new upcoming area for NCR. Again, part of a very large community. And this will be our first attempt at an intergenerational community for which we'll be providing all the senior living know-how and expertise to developer.

The massing and design for Gurugram has been finalized, about 288 units with 0.72 million square feet to be constructed. Recently, we also closed our commercial for a very nice location in west of Hyderabad. The nonbinding term sheet is scheduled to be executed soon, post which we'll start our due diligence and other processes. And aggressively scouting opportunities in Chennai, Pune, Goa and Chandigarh to create the pipeline for the future.

In Antara Assisted Care, so far served over 15,000 patients. On the medical equipment side, about 800 SKUs, including Antara label products, some of which are also available on Amazon, Flipkart and 1mg. Closely working with IIT Delhi, as I said, to continue to innovate based on senior needs on the products, so they're able to find value.

Our customer vital feedback continues to be healthy at 94% plus and 70% renewals, which is a great belief that customers have. In fact, if you look at Dehradun, 40% of resident referals only. Again, one more vindication of how customers believe in Antara.

And just to summarize, as I said, hopefully, we'll be in 8 to 10 cities over the next 5 years with residencies for seniors 4,000 to 5,000 units, about 2,000 beds of care homes, memory care homes, 50-plus health studios in both physical and online presence across Northwest and South cluster. I repeat, our focus is 4 million customers in Sec A, Sec B across the cities. And obviously, customers will stay with us in the community, our repeat customers of various products and services.

So that is the Antara story. We are quite happy with the quarter. Very focused on executing where or what we have to execute. And hopefully, we'll be able to meet all the commitments that we make to our investors. So I'll stop here and welcome any questions.

Moderator: We will now begin the question-and-answer session. We take the first question from the line of Harsh Kandanani from Aionios Alpha. Please go ahead.

Harsh Kandanani: Congrats on a good set of numbers, especially in Care at Home and MedCare. I just had a couple of questions on the Care Home business. Have we added any beds in this quarter in the Care Homes business? And does the outlook for FY '24 remain the same?

Rajit Mehta: No. In this quarter, we have not added beds because the beds that we identified and finalized in Bangalore are under fit-outs. They are build-to-suit, about 150 of them. They'll become operational in Jan of '24.

The outlook remain the same. We will achieve our number of 360 beds by March '24, as promised. We have 50 more beds in sight in Bangalore, looking out for 50-odd in Chennai, and we're already under discussion about 50 in Noida. So we will meet our guidance. And it will become operational in Jan '24 because in Bangalore, they are basically build-to-suit and fit-outs are also happening now.

Harsh Kundnani: Got it. And just another thing on AGEasy. Sorry, I missed which products did you mention in your opening remarks, which are gaining traction? And I understand that this business is just quite nascent. So could you please quantify how much impact on an EBITDA level would this business have probably in this quarter and over the next, say, 2 to 3 quarters?

Rajit Mehta: Yes. So as I said, this AGEasy, which is a platform addressing chronic conditions. Initially, we launched 17 products across 4 categories, addressing knee pain as well as fall management. And the products that are getting traction on Amazon are basically the knee braces, which are knee caps, which help you redistribute the weight of the knee and give it support and smart watches. These are gaining very fast traction.

As far as the EBITDA is concerned, as you understand, it's a new business. And therefore, it will consume capital and show a negative EBITDA before it starts to break even. I think FY '24 is INR30 crores loss that we have projected for AGEasy. Because most of the costs will appreciate in this D2C business, are basically marketing and manpower.

Moderator: We'll take the next question from the line of Charanjeev Singh from Family Office. Please go ahead.

Charanjeev Singh: My question is regarding our Homes. So what I learned is that while we launched Dehradun, it was a kind of premium property. It was INR14,000 per square feet. And thereafter, we said that we shall be staying in more in mainstream something between INR7,000 to INR10,000 per square feet.

My question right from there. I happen to visit the site of Gurgaon. Their towers are coming. So that was under-lifted visit, but I saw that site. That site is at a very premium location. So are we putting your towers to the opportunity the apartments which we shall have there? Would it be the premium location apartments or it will be mainstream? What is the approach of the company that should we segregate our premium segment as mainstream segment or we shall remain in mainstream? That is the basic question.

Rajit Mehta: Yes. So I have been saying for many quarters, we are now in more urban locations compared to Dehradun. Our objective is to achieve a product market fit. So whatever the market needs based on research in terms of size and whatever it can afford in terms of prices, we will do.

For example, we had launched Noida at INR6,500 to 7,000 many years back, all inclusive. As we sold, we discovered that the price you know the market can take more and more price revision. So, the last price, we sold over INR10,500 - 11,000.

Similarly in Gurgaon, we benchmark what the market price of like developments is nearby, though we are senior focused players there is a premium that we also demand over the market. Same thing in Bangalore. Bangalore needs smaller sizes? And the price point is very different. So to answer your question, we are looking at good product market fit, both in terms of capital cost and the monthly maintenance that seniors have to pay.

So Noida is about INR7.5 to INR8.0 in 2024 per square foot. So we'll be guided by what the customers want in terms of size and what the market wants in terms of price. But we'll be in that ballpark number as we go along. So Dehradun is today, resale is standing at INR18,000, INR20,000 square feet. So we're not attempting to look at creating Dehradun again. It's a one-of-its-kind. We may create something else as we go along. But whatever the market can absorb, if Gurgaon demands the price in that locality of about INR17,000, INR18,000, INR16,000, so be it. But Bangalore I know, we'll be about INR7,500 to INR8,000. So it really depends on the market.

Charanjeev Singh: Okay. Because that market is premium market, the area where your plot is there.

Moderator: We'll take the next question from the line of Namit Arora from Indgrowth Capital. Please go ahead.

Namit Arora: My question was within the broad sort of area of senior care, do you feel that you are in most of the verticals that you need to be today? Or are there new initiatives within the broad focus of the company that you're looking to add over the next few years?

Rajit Mehta: So actually, we have done a comprehensive study of what senior need and what the value pools are. So both are important. What senior needs and where the value pool lie. So, it was the biggest value pools were around the Residences for seniors where the CII report said India will need about 250,000 units, and the current supply is only 20 - 25. That was one. Second was assisted living of Care Homes, which is $1.1 billion. Care at Home $3.9 billion. MedCare about $750 million, and now AGEasy is a INR40,000 crores market, we went and did a study.

So at this point of time, we are scaling up and executing across these 5 verticals. At this point of time, we are not able to see anything that we have left out with AGEasy coming in, that is answering the question of handling chronic disease as well as please remember, we just launched 2 conditions. We will keep on launching conditions as we go forward to cover the entire spectrum of chronic diseases for seniors depending on market size.

So I think at this point of time, our hands are quite full. But for some other needs, we are quite open to partnerships. For example, we will never provide online financial services for seniors. But if there's a partner available, we do a tie up with that partner. So we are focused on the 5 verticals. Whatever else that senior needs, which is a big market opportunity, if at all, we'll do a tie-up. But at this point of time, this is a big execution task for us going forward.

Namit Arora: My second question was around marketing and branding. Now given the pedigree of your group and institution and the legacy over many decades, do you think that you need to sort of work further on marketing or branding only for this broad category?

Because the general take up or the awareness in India may be somewhat lower than what you might expect. I'm just trying to see how do you leverage the legacy and goodwill of the group over the last few decades with the market reception. Are there any thoughts around that?

Rajit Mehta: You're absolutely right. It's a great question, actually. Because what we are doing, part of it is awareness, part of it is category creation. For example, residences, there is no we need to create the category. People will understand the need for independent housing for seniors, so it's more an awareness.

And the good news is as we entered Bangalore, we found the awareness to be a little higher than what we expected. In fact, we also found quite number of people using our name, which we had to then take some legal action. That's on the lighter side. But on Care Home, for example, it's a category creation job.

On MedCare, it's more distribution and awareness. So you're absolutely right. We are at it and a lot more work needs to be done. So we recently also released a brand film launching AGEasy. You can have a look at it. It got a fantastic response from all social media handles and YouTube as well. So a lot more to be done on that side, and we're at it, we'll continue to focus on that.

In AGEasy, as I told you, a large proportion of the spend is actually on marketing. But that's something we need to continue to do to leverage the legacy as you said.

Moderator: We'll take the next question from the line of Ranodeep from MAS Capital. Please go ahead.

Ranodeep: A couple of questions. Sir, on the intergenerational project that's coming up in Bangalore. I wanted to understand, do we have any global case study of this model being successful? Or is it going to be something new that we have conceptualized for Indian market?

Rajit Mehta: That's coming in Gurgaon, actually, intergenerational. Bangalore is only a senior-focused development. But in Gurgaon it's intergenerational. And this is the feedback we have been getting when we started our journey int NCR that seniors are looking for more life around them than just senior folks. And some geographies, they also look for if their children can stay at a nearby distance. So that's the attempt we are making.

There are international examples available. But the reason we went into this was based on the feedback we received from the market. It is not an idea that we conceived. The feedback came to us saying, why don't you do intergenerational. Because it would be a nice thing for seniors to stay or living in a buzzing community and maybe the children can stay nearby. So that's the attempt we are making in Gurgaon. Bangalore is a senior-focused development.

Ranodeep: Okay. Fair enough. My next question was on the Care at Home. With 1,700 patients served in this quarter Q2 FY '24, where do you see this getting sustained? the reason I'm asking the question in the backdrop of there are firms to name it, Emoha has just recently been funded in the CDB. Some big players like Zerodhas of the world, right? So are we ramping up Care at Home? And where do you see the numbers stabilizing on a quarterly, what kind of targets do we have, the number of patients that we want to serve?

Rajit Mehta: Yes. See, as I said, Care at Home was all of the completion of service. We're uniquely placed to offer all the integrated services because of a background of the experience of managing real estate, infrastructure, hospitality and health care.

We are focused, very focused on high-margin services. So if you look at our contribution margin from 14% up to 20% now. That's our focus, which is critical care, diagnostic, physiotherapy, that's our focus really. So as we launch new cities, we will launch this service. It's a completion of service. We are more focused on residences, care homes on MedCare as well as on AGEasy now. It is something we want to do, but in a very healthy contribution margin.

So this is about -- and in Critical Care, we now achieved about 54% growth on a quarter-on-quarter basis. So we'll focus on higher margin lines, quite aware of what you are mentioning, also quite aware of where others have struggled to make contribution margin. So it's a fine balance we will do.

The other point I'd like to reiterate, as we set up communities, the Care at Home service becomes a captive customer for us. So that's why we'd be able to drive better margins in the future. So we want to continue the journey and allocate capital, but in an appropriate manner, not being too bullish about it, and therefore, ending up the same the others have ended up in negative contribution margin.

Ranodeep: Sure, sure. Fair enough. So my last question was with respect to AGEasy . I wanted to understand, will there be an element of engagement? There are various tech platforms that are venturing into the space where they are focusing on the engagement build for senior citizens, right?

So does AGEasy have an element of engagement platform where maybe your customer is not on any of the old -- is not consuming any of the products of Max India. But in future, this is a good experience that they get through one of these engagement platforms eventually looks at all the offerings of Antara. So any thoughts around that?

Rajit Mehta: Yes, sure. Very clear thoughts actually and very clear position on that. We have started various platforms where we started to develop AGEasy. As you know, it's been a 1-year research we have done. And in our insights from the market, both in India and in the U.S. and some parts of Asia, we found that customers seldom pay for a subscription service. And anything which is not linked through a product, it's very difficult to make a good business model out of it.

So we are very focused on products and services and very focused on a phygital platform. That's another learning that we have had much like Lenskart, that you have to give the option to the seniors to either come into a health studio, do a WhatsApp video call or call an expert home based on their convenience. So we're offering a phygital presence. We're very focused on products and services and solutions, which will help them age with ease and joy.

Engagement is a loosey-goose stuff, while people are doing it. It's more of a community creation initiative rather than a business model. So we might do it for community creation or tie up with people who are doing it to get access to customers. But we'll be focused on products and solutions for chronic disease management.

Moderator: We'll take the next question from the line of Ankeet Pandya from InCred Asset Management. Please go ahead.

Ankeet Pandya: Sir, I just have two questions on Care Homes business. So sequentially, I've seen that the number -- revenues have been flat sequentially. Even though inoperative beds, that has also increased from 6 beds to 62 beds. So just can you give some color on that front?

Rajit Mehta: So no inoperative beds have not increased. So let me explain that a few calls earlier. So we tried our hand as an operator model where we said that we will tie up with a guesthouse operator who will provide the F&B and the housekeeping services. We provide the care services.

However, we discovered that the SLA and TATs were not working. We were not able to maintain the quality. And therefore, we said we'll close down. We'll only operate full-service care homes. And so there are 68 beds operational. These inoperative ones have been shut down. And now we are increasing capacity.

The reason you see the overall revenue flat because we haven't added capacity this quarter, which will get added this quarter. As I explained earlier, 150 beds in Bangalore will start operating from Jan '24 and on the lookout for more beds to end at 360.

But if you look at the Gurgaon care home, the occupancy has gone up at this point of time. So there are about 22 move-ins in Q2 that we discussed that we had in versus 30 move-ins in Q1. And the occupancy now in September actually was 61% in Gurgaon.

Ankeet Pandya: So, then the at Gurgaon, I think the main reason is from the change because of getting -- not outsourcing the beds? So that is one of the main reasons since the last 2 quarters, it has been relatively flat, we can assume that?

Rajit Mehta: Outsourcing the beds? No, no. So we have not outsourced any beds. Where I said Gurgaon is a full service model where we operate everything from the care services to physiotherapy to F&B to housekeeping.

The operator models were there. The housekeeping and F&B was done by the operator. We were doing the care services. That model, we have shut down. But full suite model is what we are doing now.

Ankeet Pandya: Okay. Fair enough. And sir, just on the operating profitability of Care Homes. There also so now we have the visibility of guidance of 2,000 beds that you want to add in the next 2, 3 years, given that will also be requiring marketing spend also. So how should we look at profitability from your own goals given that the base that we have at now the number of beds and significant addition? So in the next 1, 2 years, how should we look at the profitability? Do we expect breakeven by FY '25 or FY '26 for Care Home business?

Rajit Mehta: Got it. So 2,000 beds is the aspiration we have over the next 5 years. Now at a unit level, each care home should breakeven in the seventh or eighth quarter at a 50-55% occupancy level. The average revenue realization per day, we are seeing now about 4,300 in Gurgaon, but could be different in Bangalore. And this also is depending on the price escalation that we go through.

We see that very healthy. So, on a unit basis, you should watch out for, in 7-8 quarters is the individual Care Home breaking even and is the contribution margin slowly going up from 2% - 3% to about, 20% in 5 years' time when the Care Home fully mature. So that's the model we should follow.

And the revenue is about INR12 lakhs to INR15 lakhs per bed. So if you multiply 2,000 beds with this number, you'll get 250-300 crores number. And the the contribution margin at a unit level will be 20% to 22%, but EBITDA margin will be 12% to 14% on a consol basis. And the breakeven depends on how we open, how fast we open. So the mature Care Home will do a breakeven in the 7th or 8th quarters.

Moderator: We'll take the next question from the line of Karan Mehra from Mehta Investments. Please go ahead.

Karan Mehra: A couple of questions from my end. Sir, in Dehradun there is 1 unit occupied by a doctor. So just wanted a sense like will it be sold? Or will it remain like that? And if you can throw some light on what is the surplus that will come in FY '25 from Dehradun?

Rajit Mehta: So that unit also will be sold. Technically, it is sold, but not in the last quarter. So alreadyunder discussions, will be sold. And in FY '25?

Ajay Agrawal: This is Ajay. In FY '25, we are targeting that in financial year '23-24, all our revenue will kick in as far as the residences leases are concerned. So, FY '24-25, the revenues from maintenance, which will be in tune of approximately INR12 crores to INR15 crores. There will be some income which will be coming for the resale marketing fees, what we are going to earn on some churn, which is going to happen in the residences.

Karan Mehra: Understood. And sir, how is the memory care home performing? And any plans on where are we going to open our next memory care home?

Rajit Mehta: Memory care home, at this point of time, is an occupancy of 30%. And we are looking at how to increase that. Yes, we will open more memory care homes. But at this point of time, for the next 2 quarters, our focus is on care homes in Bangalore and Chennai. So we'll be able to hit the 360 beds. So till the time, we hit an occupancy of 60% in memory care. We won't open a second one.

Moderator: The next question is from the line of Charanjeev Singh from Family Office. Please go ahead.

Charanjeev Singh: So my question is regarding Care Homes. Since it's a new category altogether and we, as investors, we don't have that much exposure to this category and touch and feel of that sort of thing, so is it possible for us as investors to visit this place in Gurgaon say for example, we are based in Gurgaon, to visit your Care Home, so that we can understand the product as it is, that what exactly that product is?

Rajit Mehta: Of course, you can. Please get in touch with us, and we'll organize a visit. No problem at all.

Moderator: The next question is from the line of Akshay Kothari, an individual investor. Please go ahead.

Akshay Kothari: Sir, what would be the average age of the individuals living in the senior living at Dehradun?

Rajit Mehta: Dehradun will be skewed as we got 65 to 75, that kind of band. Noida a little younger, because more in the urban area. But Dehradun about 65 to 75.

Akshay Kothari: Okay. And when we are selling homes in this senior living, do we have a criteria for certain age individuals only to be sold?

Rajit Mehta: Yes. So for each community, you have to be minimum -- one applicant has to be minimum 55 years as on date of possession. So, you could be 50 years when you are applying for it, it takes 3 to 4 years for construction. So one of the applicant has to be in that age bracket.

Akshay Kothari: Okay. And sir, what is our capital allocation plan for the cash we are having currently?

Rajit Mehta: So of the INR530 crores treasury plus monetizable assets, about INR200 crores is what we thought of our senior living communities, and the balance for Antara Assisted Care, including AGEasy.

Akshay Kothari: Sorry, I could not get you. Can you get back?

Rajit Mehta: INR200 crores for Antara Senior Living and about INR300 crores-plus for Antara Assisted Care, including AGEasy and all these are based on estimates of growth. We will allocate capital depending on the growth and scale that we see. But that's a broad allocation currently.

Akshay Kothari: Okay. Just on the senior living Noida construction, which we are doing. Our equity contribution would be around INR28 crores, right?

Ajay Agrawal: Yes, it will be INR28 crores.

Akshay Kothari: So I just could not understand how come my IRR is coming around only 15% to 17%. It should be much more like we are taking a lot of external funding and everything would be funded by customer itself in a way?

Ajay Agrawal: Yes, you are right in a true math sense. But particularly in Noida, what has happened, we launched this project in the time of COVID and because of the COVIDkicking in , we got delayed by a year or so. And by that time, when we actually started constructing, all the commodity prices increased quite significantly.

So as a comparative, the steel went from INR45 to INR72 when we started constructing. And so that practically ate all the revenues of Phase I. Now the market is moving. We are hopeful that in Phase II, we'll be able to recoup some of the IRR drops. And that's why we have kept a stable conservative number and all efforts are there to ramp up this number to the best possible.

Akshay Kothari: Okay, understood. And just on that, what is the guardrail for IRR which we generally have in these projects?

Ajay Agrawal: 20% is a number, below which we will not like to sign off any arrangements.

Akshay Kothari: Okay. And in future, we are going to be in this business, senior living also. So in future, do we look for more of vertical development? Or we look for going into horizontal development like the one in Dehradun as well?

Ajay Agrawal: Frankly, as an aspiration, horizontal looks better. But unfortunately, in the India dynamics, FSI norms and the FAR utilization do not allow you to make too much of a luxury because that compromises significantly to the landowner share. So each geography will have its own nuance. I intuitively see geographies like Pune and Goa will more have a horizontal kind of a view, while geographies like Hyderabad, Bangalore, Chandigarh, Delhi would be more high rises.

Moderator: We'll take the next question from the line of Yug Mehta from AP Capital. Please go ahead.

Yug Mehta: The EBITDA margin, EBITDA has fallen sharply on a year-on-year basis. Can you attribute any specific reason for the same?

Rajit Mehta: As I said in my opening comments, the reason is because we don't have any inventory to sell, the revenue has not gone up, but the capital required for growth is being spent, both in terms of all verticals of Antara Assisted Care. So that is the main reason why the EBITDA has come. But it will get corrected as we start to have more revenue when we launch new residence projects and the new beds in Bangalore. This is a temporary phenomena, it will go away in a couple of quarters.

Yug Mehta: Okay. Are there any plans to enter into Coimbatore as it's a huge market already operational in that city?

Rajit Mehta: Part of the future plan. But at this point of time, focus on Bangalore and on Chennai until the end of this financial year. And once we have fully populated these two markets and have got what we wanted, then we look at the other market.

Moderator: Ladies and gentlemen, as there are no further questions, I now hand the conference over to Mr. Rajit Mehta: for closing comments. Over to you, sir.

Rajit Mehta: Thank you very much. I really appreciate the questions. It really helps us put our story out there. As I said, it's been quite an exciting quarter for us. The focus is on execution, execution, execution, scale up and growth to be able to meet the commitments that we have already made to you.

As I explained last time also, reiterating that you'll find the EBITDA so because of various reasons of no inventory being there to sell the residences side and the investments we are making in growth is a temporary phenomena. It will come off. We remain committed to create the integrated care ecosystem for seniors. We are still focused on the 8 to 10 community, the 4,000, 5,000 beds that we want to do, the 2,000 beds in terms of Care Home that we want to do and making be sure that the other Care Home, MedCare equipment and AGEasy are launched across cities.

So that's our focus. So thank you very much for your support. Really appreciate it.

Moderator: Thank you very much, members of the management. On behalf of Max India Limited, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.