November 17, 2022

To,

Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex Bandra (E),
Mumbai – 400051

NSE Scrip Symbol: MAXIND

Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400001

BSE Scrip Code: 543223

Sub: **Regulation 30: Transcript of Investors & Analysts Conference Call**

Dear Sir/Madam,

Transcript of Investors & Analysts Conference Call held on November 11, 2022 post declaration of un-audited Financial Results of the Company for the quarter and half year ended September 30, 2022 is enclosed.

The same is also being uploaded on website of the Company at https://www.maxindia.com/wp-content/uploads/2022/11/Max-India-Transcript-Q2FY23.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
Date: 2022.11.17 14:59:43 +05'30'

Pankaj Chawla
Company Secretary and Compliance Officer

Encl.: As above

“Max India Limited
Q2 FY2023 Earnings Conference Call”

November 11, 2022

MANAGEMENT: **MR. RAJIT MEHTA - MANAGING DIRECTOR – MAX INDIA LIMITED**
MR. AJAY AGARWAL – CFO – ANTARA SENIOR LIVING AND HEAD OF INVESTOR RELATIONS

Moderator: Ladies and gentlemen, good day and welcome to Max India Limited, Q2 FY2023 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 guarantees of future performance and involve risks and uncertainties that are difficult to predict. 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, Farzan. Good evening everybody. On behalf of Max India, a warm welcome to everyone to this Q2 & H1 FY2023 earnings call. For the benefit of some of you who may have joined for the first time, I have with me my colleague Mr. Ajay Agarwal, who is a CFO for Antara Senior Living and Head – Investor Relations of the company and SGA investor relations advisor. We have already uploaded all our results on the exchanges and everybody has had an opportunity to go through the same.

First of all, delighted to inform that the capital reduction commitment has been met. We have completed the capital reduction exercise 20% of the share capital of the company has been reduced in August 2022. As promised we have paid out Rs.92 Crores to the eligible shareholders in September 2022 who have participated in the capital reduction process. All these process the shareholding of the promoter has increased from 40.89% to 51.1%. We still have a very robust balance sheet treasury corpus of about Rs.294 Crores and other monetizable asset of about Rs.160 Crores to fund our growth plans.

Before I go into the model that Antara follows for its growth and business, just quick update on snapshot of the quarterly highlight and then I move on to a more detailed deep dive into each vertical. On a consolidated basis our revenues went up by 5% compared to the first half last year and 39% compared to the same period quarter last year from Rs 102 to Rs 107 Crores in H1FY23, Rs. 44 to Rs.61 Crores in Q2FY23. Our consolidated EBITDA similarly went up 4.3x in the first half of this year compared to first half last year and about 6% on a quarter-to-quarter growth. On treasury of the monetizable assets, we have come down by 550 to 450 because Rs.92 Crores odd has been paid out for capital reduction.

On the residential side for Dehradun, we have got 185 units sold compared to 157 and a rise of 32% in collections as well from Rs.449 to Rs.592 Crores. On Noida out of 330 units we have about 313 have been sold, a collection of Rs.166 Crores again representing a 3.3X growth over the quarter.

In terms construction we are bang on target in terms of timing. We have already constructed 13, 14 and 12 floors in R1, R2, R3 respectively, so literally we are constructing one floor every fifteen days in each tower. On Antara assisted care overall a 24% increase in terms of revenue, but more specifically on care homes. There has been an increase of 53% first half this year over first half of last year and the contribution margins have improved by 3% from -32 to -29%. On care at home, a fantastic increase in contribution from 0.1% to 14% on the back of us focusing on high end services like critical care. Similarly on Medcare while there is a 36% increase in terms of sales revenue, the margin has gone up from -9% to 3% on the back of higher rentals equipment that we are doing currently.

Now, a little detail about the model on each vertical and I wanted to reiterate a few things because I know some investors have joined the call for the first time. As we know that Max India is the only player which spotted the opportunity for senior care way back in 2010 and is wanting to provide an integrated care eco-system for seniors. So, we are doing four or five verticals which I will explain soon, nobody else is doing that we are uniquely placed because to be able to do this we require competencies of hospitality, health care infrastructure, real estate which we have under one roof in Max India.

Antara, took a bet in 2010 well capitalized and is now leading prominent brand which offers a perfect blend of lifestyle with life care for all seniors. In terms of overall market size, the market was $10 to $12 billion as we assessed in 2019 of unfulfilled demand. So, it is quite a large market and we are focusing on value pools, of residences for seniors, care homes, memory care homes, medical equipment and care at home. We believe that the pedigree of Max group it is well known brand in terms of hospitality, health care and service coupled with brand Antara will help us reap this great opportunity. Our focus continues to be on four million customers, household income of Rs.15 lakhs and above in three clusters of North, West and South. We have already present in NCR and now we are stepping in to the South and West clusters for further expansion.

Just to reiterate we have four business verticals for seniors who are independent little bit healthy but want to live with like-minded people in safe, secure environment we offer residences for seniors and you can look at Dehradun as a resort style option or condominium style in Noida and similar option will come up now in other geography Gurgaon, Bengaluru etc. For seniors who have gone through an intense medical episode or cannot be maintained at home due to issues of mobility, medication, bathing, monetary etc or come from outside the city or the country and have to stay for a few weeks after a surgery we offer the care homes. People who have cognitive neuro disorders we are looking at memory care and seniors who require the same services in the convenient environment of their home we offer care at home services from critical care to physiotherapy to diagnostics to pathology to nurse at home we offer about 16 service lines on that side and last but not the least, in case seniors require some products to be able to live comfortably and recover we offer Medcare equipment ranging from mobility aids like wheel chairs, walkers, walking sticks to adult diapers to hospital beds to air mattresses whatever is required including respiratory aids.

We had commenced our journey in 2013 with the first community in Dehradun and second one in 2020 in Noida. Both have done very well from sales and collection perspective. It gives me immense pleasure to state we have already sold about 185 units in Dehradun only 12 are left and remember I am reading out only the quarterly figures not the YTD figures. So, 185 sold out only 12 units are left in the inventory, we have achieved the monthly sales collection of Rs.13 Crores per month in Q2 FY2023. The project is now debt free continues to be cash on PBT positive. It is a vibrant community with more than 100 residents staying there and enjoying our facilities and we have recorded consistent resident satisfaction scores of 91% and more than 50% of sales comes through resident referrals both are great vindication of the product and services we offer to seniors. We leverage therefore the learnings to build our second community in Sector 150 Noida which is a sports sector. So, launched in January 2020 as a joint development model where a partner has contributed the land the project is being developed in SPV. We have already sold 313 of the 340 units as of H1 FY2023 with a monthly sales velocity of 12 units in fact October we had a record 20 units sale in October itself. Despite the 16% price hike we took to neutralize some or mitigate some of the impact we were having due to rising material cost. Construction is in full swing we have already completed 13, 14 and 12 floors in the three towers and we expect to hand over possession by early 2025. We have already collected about Rs.166 Crores till September end with a monthly sales collection again a similar figure of Rs.13 Crores in Q2 FY2023. Work has already been initialed for launch of Noida phase 2 since we are left with very limited inventory, we still have long list of people who want to purchase our units in Noida, so we are now preparing for Noida phase 2 and we are also in very advanced stages for our projects in Gurugram and in Bengaluru. After that we also aggressively scouting opportunities in the West and as and when we come up with something we will report them out as well.

In Antara we have so far served about 10,000 patients since inception, we are largest player in NCR in terms of assisted living of care home with 150 plus operational beds and 75 bed in pipeline. A total of 225 beds we expect by FY2023 end, we added about 63 beds in Q2 FY2023, 36 beds of memory care this was launched in September. One of its kind product with very thoughtful infrastructure for safety and security, well trained staff on dementia care with the modules certified by health care council and appropriate clinical therapy for the comfort of seniors. 13 beds were added with Medanta hospital in Gurugram and 14 beds in Dwarka care home near Manipal hospitals. We have also expanded our hospital and clinician tie ups expanded to Max Health Care, Narayana, Manipal and 700 plus engagements held with health care clinical professionals in H1 FY2023.

On the medical equipment side, we have all the building blocks both for sales and rental in place. We have about 1100 plus SKUs, a very robust backend and inventory management warehousing and logistics. We launched our first Antara branded wheelchair with senior specific features we researched for a long time to see what features can be added for example the material of the chair or the material of the wheels for better grip or safety belt for safety in motion, the footholds being of a particular material which is not metal to avoid an injury to the seniors, so very thoughtfully designed product available on Amazon. We went live sometime in October on Amazon as already we recorded a few sales of the wheelchair and hopefully in the future more and more products will be launched for the welfare of seniors. We received the QAI certification for our care at home vertical one more vindication of our commitment to excellence and quality. Our satisfaction scores in Antara Assisted Care was consistently above 92% and renewals are about 70% which is again a proof of the customer responding to the product that we have launched. We are also working very hard to have more and more clinical differentiation as we go along so that we are able to build moats around our products.

Quick highlights of the console financial performance, revenues increased by 5% to Rs.107 Crores in H1 FY2023 and 39% compared to quarter-on-quarter. Some of these figures are already talked about in the beginning. I will repeat, we have enough capital about Rs.450 Crores in treasury as well as other monetizable assets for us to be able to fund our growth. In terms of the assisted care segmental performance on care homes where net revenue increase of 40% on year-on-year basis. Revenue growth to increase in occupied bed to 95%, the Gurugram care home continues to be contribution positive this is the comment we had made repeatedly in all the investor calls that within two years of care home does break even Gurugram done that one quarter advance continues to be contribution positive and hopefully Greater Kailash also will get there in few months' time. The occupancy has ramped up from 45% to now 58% for Gurugram and revenue also grew 68% to Rs.1.7 Crores in H1 FY2023 and obviously that is a great vindication of the unit economics model that we had put in place. We have also witnessed very high visit to conversion ratio, so people who come and see the care home about 50% chose the care home and 70% renewals that I said earlier on. Similarly, on the care at home the net revenue stood at Rs.1.6 Crores a sequential growth of 37% quarter-on-quarter and contribution margin grew to 14%. Medcare revenue 0.7 Crores growth by 36%.

So, just to summarize we are witnessing now a high growth in all our four verticals. Steadily improve in contribution margins and profitability, we have enough liquidity in the balance sheet to fund our growth. We aspire to be an eight to ten communities and residences for seniors in the next five years. About 2100 beds of care home, memory care home across North, West, and South and we are now exploring a digital channel and white labelling for medical equipment business to be able to improve our margins. We aim to deliver robust performance, so in this quarter as you can see whatever we committed we have done a shade better than that and we hope we will be able to maintain this track record.

Once again ladies and gentlemen thank you very much for your support and over to you for any questions that you might have.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Karan Mehra from Mehta investments. Please go ahead.

Karan Mehra: Thank you for the opportunity, sir. I have a couple of questions, the first one is what is the cash flow we can expect from Dehradun project annually from FY2024 onwards?

Ajay Agarwal: Rs.100 Crores would be estimated cash flow which i am going to get including this year and the next year. You want the lease sale or you are talking about operations revenue?

Karan Mehra: The operations revenue?

Ajay Agarwal: Operations revenue approximately Rs.12 to Rs.15 Crores on a steady state business.

Karan Mehra: Okay. Sir my other question is we are looking to expand Bengaluru in the residential segment. So, what are the key factors taken into consideration while selecting a particular geography for expansion?

Rajit Mehta: We wanted to expand both residential for seniors and Antara Assisted care services. We have looked at a target segment, density, we looked health care facilities being available, we looked at competition intensity and connectivity. So, all these have gone into studying a particular market, that is why we have carefully selected south and west clusters and the first city in south being Bengaluru.

Karan Mehra: Okay, thank you for your answers. I will join back in the queue.

Moderator: Thank you. The next question is from the line of Ulhas Paymaster and Individual Investor. Please go ahead.

Ulhas Paymaster: Sir, this is regarding Antara Dehradun project. Can you throw some light on the final profitability of the project. You have been always mentioning about the cash flow and the revenue received, but you have never given us any indication as what kind of profits we have made on the project. Since now the project is completed more than ten years back. Secondly, whatever sales we are making on the project Antara Dehradun, presently are you taking into account the cost of inflation and other price rise or are we still selling the product at the old prices. Sir, second question would be you have been talking about Rs.500

Crores turnover over a five-year period. Can you tell us whether this Rs.500 Crores would be inclusive of the sales proceeds from the sale of Noida or similar project or the Rs.500 Crores will only include the services like care home or care at home or medical equipments. The thirdly, on the Noida project, can you throw some light on what is the arrangement with our joint venture partner and what kind of overall total investments our company will be making in the Noida project and what are the benchmarks, return of investments or return of capital on that project and fourthly, sir you have been talking about a Rs.500 Crores turnover over a five-year period since last one year. Now, one year is already over are you confident that we are likely to reach that turnover target of Rs.500 Crores in the next four years. Thank you.

Rajit Mehta: First of all, Dehradun project got complete only 2017 and the possession was given that is about five years back. As Ajay mentioned we will throw a surplus of about Rs.100 Crores to us in the next two years and our consistent overall operational income of about Rs.12 to Rs.15 Crores a year. It is already cash and PBT positive Ajay can talk about specific numbers which we can share. On the Rs.500 Crores number, that is not including the revenue from residential for seniors as you know on the residential side the cash flow is lumpy depends on sales, we are not including that this is on the three verticals of care homes and care at home, medical equipments. If you remember what I said last call as well, that each care home bed should be able to give us Rs.12 to Rs.15 lakhs in a year which is the current trend we are seeing therefore if we multiply 2100 beds it is about Rs.250-Rs.300 Crores coming out of that vertical and the balance Rs.100 Crores is out of Medcare, Rs.100 Crores of care at home. Currently this year we are trending in the right direction, there was some impact of COVID which happened some time back that lag we will have to take into account. But hopefully in the next four to five years we should be able to see that number coming through that is how the math works on the Rs.500 Crores. But over to Ajay for specific answers on Dehradun as well as Noida.

Ajay Agrawal: I will start with Dehradun first, as for the profit-loss accounts there is not a profit in that phase which we have stated in earlier calls also, there is a Rs.150 Crores impairment which have taken in FY20 that was on account of Dehradun. Because there were lot of cost of learning, and capital gain tax issue, and as that particular price point at particular geography, the sales at that time got delayed and so all the corporate costs and the marketing cost and the interest cost burden actually escalated to Rs.150 Crores minus. So, we have done that impairment at that time, but we are pleased to see that post that impairment which we have done around eighteen to twenty months back, we have been able to maintain our profitability pretty well and there is no further dips happening in the profit-loss account.

As far as cost inflation is concerned, we are very conscious of that, so on periodical basis we have been increasing the sale values and the market has been respecting that. So, we have not seen any hick ups on that account when we have raised the prices, we have not seen a downfall in the sales velocity or collections thereof.

As far as Noida is concerned, the arrangements with our partner is that the land belongs to that SPV and they have contributed lands in that SPV and there is a pre-decided land premium which they will get post-completion and full sale of the property. We are 62.5% partner to the surplus Antara and 37.5% goes to them.

As far as return on investment is concerned because of the price increase of material cost, because of the uncertainties of land payments etc., while we aspire to be at 20% plus IRR we see that that will definitely take a hit. We are trying our level best with the increase in cost also to contain it between 12-13% but time will only tell what ultimate number would be. Our investment in the project is agreed at Rs.28 Crores against which we have paid approximately Rs.25 Crores as on date. Other amount if it all it will go as a bridge funding that will go as a pure loan, it shall be an interest-bearing loan and for which we will be getting some additional revenue out of the project.

Ulhas Paymaster: As what I have understood that return on investment of 12 or 14% or 20% will be only on our investment of Rs.28 Crores, am I right?

Ajay Agrawal: Correct Rs.28 Crores is the capital investment on which we will get the ROI plus whatever additional I am going to invest in that because of the bridge funding that will be a separate ICD with an interest-bearing which interest will flow to us in a periodic basis.

Ulhas Paymaster: Then overall the project doesn't seem to be that profitable, if you look at the absolute numbers 15% on Rs.28 Crores with whatever we have been claiming, whatever highlighting we are doing on the project overall the absolute numbers are very low.

Ajay Agrawal: I totally agree sir, if you have to recall that the project was launched in January 2020 post that COVID happened and at COVID times if I am able to sustain the profitability, so we will be the winners. If you will see Delhi NCR where not many projects were actually being successful while we at our case is having a robust collection, before time construction, a before time collections, line of credit is already in place, the material cost which has increased by at least 50% has been absorbed by the present increases in the prices and in the circumstances, I think we are still a winner.

Ulhas Paymaster: Secondly, whatever the impairment you took for the Dehradun project. Have I understood correctly that you have not been able to recover any of those losses in the last 20 – 24 months?

Ajay Agrawal: Absolutely, as far as the Indian accounting standards when you do the impairment at that time you have to ascertain a future cash flow in and out and then you have to calculate the impairment. Now, the challenge what happens that at that particular time if you have done an impairment and after that the mismatch between the in and out is further down then there is a further impairment and loss coming in. So, while in my balance sheet we are very happy to report that post that impairment it has always been plus, plus only. So, there will be a situation once we have completed all our projects revenues there that we will see that there will be a surplus standing over and above the impairment we have, so we are in a plus situation not minus.

Ulhas Paymaster: Yes, because if we look at the overall price and cost increases in last 20-24 months, I am surprised that why you are not able to recover a sizeable amount of the impairment losses?

Ajay Agrawal: Dehradun sir, I am getting Rs.100 – Rs.120 Crores of revenues because of the price increase and the robustness in the sale velocity.

Ulhas Paymaster: Revenues are sale proceeds not the profits. If whatever profit on those apartment which you are selling now that only profit will go towards reduction of your internal losses. The revenues will not go towards recovery of impairment losses.

Ajay Agarwal: My APSL balance sheet is closing in profit for last three quarters.

Ulhas Paymaster: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Keval Ashar from DSP Investment Managers. Please go ahead.

Keval Ashar: Thanks for providing insights on the business. Few questions from my side. First is, how the traction that we are seeing in care homes as well as any seasonality factor you see in this business?

Rajit Mehta: As I said we have seen a consistent rise in occupancy in the care homes and it is reflected in the growth we are having in terms of the revenue as well as the contribution positive Gurugram performance. That is the increase in occupancy that we are seeing, if I look at overall occupancy my numbers gone up by about 30 to 55% overall. Do it have seasonality, partially not so will do with the weather but to do with the hospital load. When there is variation in the elective surgeries, we will see a little bit of dip in our care home occupancy only to that extent otherwise there is no other seasonality on the care homes at all. The other advantage we have is, if you are able to focus on long-term patients like we have in Gurugram once you cross certain threshold then there is no seasonal impact on the care home. That is the reason you find that Gurugram has shown robust contribution margins, because there are bulk of the people that we have there are long stay.

Keval Ashar: Okay, got it. Second is, what are the measures that you take to increase the awareness about care homes. Because it is very under penetrated market in India. How are you planning to increase the awareness about this concept.

Rajit Mehta: That is a great question, it is category creation job that we have to do actually. We do marketing starting from designing from print ads, outdoors, social media campaigns, below the line retail activities with hospitals, with senior citizens associations, with RWAs, both in Gurugram and in Delhi. We participated also in a few medical conferences focusing on let us say neurology where we took stalls. Constant meetings with doctors, we meet about 700 plus doctors in a month, the sales force does that, release of collaterals. Looking at initiatives to increase the footfall in the care homes for example during COVID we ran a free vaccination drive for seniors in our COVID care home. We have also now started to do OPDs of geriatric as specialists, in Greater Kailash we have Dr. Grewal, who does OPD in the hospital. So, various things we are undertaking to be able to increase awareness amongst all stakeholders. Actually, people who needs the care homes, doctors, prescribers, and people who also facilitate medical value. So, it being quite a journey and I must say that in NCR now the category seems to be well known and in fact we have some competitors who have started to now copy our model and they are shifting to senior care looking at the opportunity. It has taken us a while and lot more needs to be done. But we have taken a 360-degree approach including radio, metro branding everything we have done to be able to create the awareness.

Keval Ashar: Got it. Sir, basically since you mentioned hospitals as well, do we plan to tie up with hospitals because once the patient is operated, they can spend a few days in Antara during the recovery period. Because considering hospital need to churn their beds very fast.

Rajit Mehta: We have tie up with all the hospitals in NCR, Apollo, Max, Medanta, Manipal, Narayana Hrudayalaya, PSRI, Paras, right so we have tie up with all the major hospitals now across NCR.

Keval Ashar: Got it, and sir coming to capex, what is the overall capex that we need for setting up a care home, if you can just give us the cost?

Rajit Mehta: There are two models, if you set up full-fledged long-term care home or a memory care home it takes about Rs.1.5 Crores of capital and with basically rented combinations and then rest of it retrofit for safety and security of seniors. So, that is the capex it takes, if you look at the transition care model, these are care homes that we have near hospitals which are smaller, these are meant for pure short stay patients' post-surgery there the capital required is about Rs.1 Lakh a room.

Keval Ashar: Okay, got it and the last question on the Bengaluru residential project that you are planning to set up. How does it work since you operate in asset light model, are we involved in the land purchasing part or we involved in construction part or are we only involved in the designing and maintenance and operation part.

Rajit Mehta: The latter, we are very clear that everywhere we go now we get a partner who come with the land, he or she does sheet has the construction as well and we participate a little bit in equity to show our skin in the game. But the accountabilities, designs the facility, sell the facility and the operation will be ours solely, so that is the model we are following.

Keval Ashar: Understood, sir. How much investment are we planning to make in Bengaluru project?

Rajit Mehta: Too early for me to comment that typical project will range between Rs.25 toRs.40 Crores per project depending on the land cost of it.

Keval Ashar: Understood, sir and how are the cash flows you expect in this project from Rs.25 to Rs.40 Crores of investment. What are the cash flows you expect?

Rajit Mehta: The IRR will be in the range of 20% and if I remember correct the cash flow is about 1.5 - 1.6x of the invested capital .

Keval Ashar: Got it, sir. Thanks and all the best for coming years.

Moderator: Thank you. The next question is from the line of Deepti Kothari from Kothari Securities. Please go ahead.

Deepti Kothari: Hi! Sir, my first question is that the Noida project witnessed a healthy sales. What is the price hike that the company has taken at Noida project and post hike what is the price per square feet?

Rajit Mehta: Actually, if you look at from inception, we have taken about a 50% hike in price from inception till now to be able to mitigate the impact of the rising material costs that we experienced with post-COVID. So, that's amount of price increase we have taken in the project.

Deepti Kothari: Okay, sir and can you throw some light on the recently opened memory care home. What is the occupancy currently and do we intend to open such dedicated memory care home in any other locations?

Rajit Mehta: This memory care home got launched on September 10th it is about approximately 40 beds. As I said safe and secure infrastructure and in terms of grills on windows, anti-skid tiles, grab bars for seniors, well trained staff, Psychiatrists, care givers, doctor as well. All of them we will train on dementia care therapies, repeats whether it is speech and swallow, gate management, balance etc, all full physiotherapy room is there as well. Well defined clinical protocols in terms of assessment of the patient, when the patient comes in and then helping the patient stay comfortably. In the last one month we have seen about 30 leads come and three conversions, so three patients already, so it is about a 10% conversion in terms of leads and about 10% occupancy currently. Too early to say it's been a month or so but three patients already staying there and out intention is to open 10 to 15 of these as we go along in the various geographies. Please remember all these patients by definition are long-term.

Deepti Kothari: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Prachi Sharma from ACE Investors. Please go ahead.

Prachi Sharma: Hello Sir. I just have a couple of questions. Firstly, being how many care homes are we planning to open in Bengaluru with the expansion of residential segment?

Rajit Mehta: There are two different products on residences, the first project we are looking at will be about 400 to 500 units that is available for seniors. On care homes similar to what we have done in NCR about 200 to 250 beds over a period of two years is what we will set up. A combination of care home, transition care and memory care homes combination of these. About 200 to 250 to 260 beds in Bengaluru in the next two years.

Prachi Sharma: Al right, sir. My second question is how much time does it typically take and what is the occupancy level wherein a particular care home can achieve break even?

Rajit Mehta: About 45 to 50% occupancy at care home break even, so it takes about eight quarters for break even. Gurugram broke even in seven quarters and has been contribution positive for the last three quarters and Greater Kailash also will break even. So, 45-50% occupancy and it takes about eight quarters for break even.

Prachi Sharma: Al right sir, this is very helpful. Thank you so much. That is all from my end.

Moderator: Thank you. The next question is from the line of Chaitanya Shah from Silver Light Capital Partners. Please go ahead.

Chaitanya Shah: Hi! Good evening, everyone. This question is regarding the Noida project, I heard in the discussion with earlier participant regarding the numbers and the IRR numbers. Now, I just want to understand what I was under the impression was that the total investment was around Rs.100 Crores including the Rs.66 Crores debt that is there. So, I thought the IRR would be on that number could you clarify that. A second question to that is we get a 10% DM fee on this project, so Rs.100 Crores should flow in just through the DM. Just want to understand how are we arriving at the IRR number.

Ajay Agarwal: As we speak earlier also to you that as I speak a fixed investment what I am doing as far as the DM is Rs.28 Crores. Over and above what is going is as a bridge funding, so what is happening is when there is a cash flow mismatch because of the debt equity we will have equally participate in the debt as and when I going to get the debt from my lender. So, that Rs.91 Crores which I explained at that time was including that debt. So, Rs.28 Crores will be a fixed number which we invested in day one and it will be getting out after seven months on the project is over. In between as we are keeping on investing the funding and taking out the money as and when which is required and that is why the peak amount was coming as Rs.91 Crores. Now, the IRR is when it calculated is on a monthly cash flows what I am going as a debit and the credit. So, DM what I am getting, let us suppose my sale value presently is envisaged at possibly Rs.1000 Crores, so Rs.100 Crores will come to me as a DM fee that is mapped on the monthly basis. Against that there is a cost which is validated on that and the net profit comes out of this plus whatever interest income what I am get on the bridge funding I am going to invest will be again mapped on that and then we have calculated the month wise inflow and outflow and the IRR has been calculated.

Chaitanya Shah: What is the kind of margin that you make on the DM Fee generally?

Ajay Agarwal: Presently it is very difficult because the infra is already created with us. So, presently the DM is taking care of that cost what we are already invested it. So, my whole team is already there the corporate cost what you see is the cost what we are earning. So, that DM what is coming to me is not having any direct cost on me, but I need to have over a four to five such projects to completely absorb the corporate cost. So, it will be not right to say what the DM Fee would be but just to answer the question from the growth perspective, our thought process is that against these we have seen separate geographies. I will have approximately 15 to 20% of the direct cost and rest all will be used to take care of my corporate cost only.

Chaitanya Shah: Okay, basically if I understand this correctly the more you scale up in terms of having more project DM Fee should start contributing to the bottom line and for the company is that right?

Ajay Agarwal: Absolutely, and that is what exactly is happening in this last two years also, the Noida project has started throwing the DM Fee and that is increasing steadily and that is reducing my net corporate cost load on my company.

Chaitanya Shah: Okay, alright and when can you expect from corporate announcements on Bengaluru and project that you are doing Max venture?

Ajay Agarwal: Till the time that deals are not crystalized and the term sheets not sign off it will not be correct to announce because announcement has to be with a crystal program in hand.

Chaitanya Shah: Okay, and my third question is regarding the latest memory care home that we opened. What is the occupancy right now and what is the feedback that you have received in the last one month since you opened, last one or two months".

Rajit Mehta: As I said there are about three patients now and occupancy of about 10% in one month. The feedback so far has been excellent from the patients and the patients' kin as well. So, so far, it's been quite good. Also, when we launched we had invited certain doctors and hospital administrators and we shared the entire project, we had people like Dr. Padma who is the head of Neuro Sciences in All India Institute, Dr. Shamsher Dwivedi from VIMHANS, Dr. Sameer Parikh from Fortis and Dr. Ajit Singh from the US who have given us big thumps up to be entire product in the ways we have constructed and all the patients who come to us by default as I said earlier. We will have a much longer length of stay.

Chaitanya Shah: Okay, alright. Thank you. That is all from my side.

Moderator: Thank you. The next question is from the line of Ulhas Paymaster an Individual Investor. Please go ahead.

Ulhas Paymaster: No, I will come back again on the Noida project, what is the ICD amount given to the Noida project and what is the kind of interest spread we are earning. The second question is about whatever you mentioned about DM Fee I have not understood it properly, but whatever I have understood can you tell us what is the kind of recovery we have made towards this DM Fee in the last six months and what is the expected recovery for the whole year for 2022-2023. So, my feeling or my worry is that on Rs.30 Crores investment on Noida project and a 15% ROI that is about Rs.5 Crores, if you look at the overall reputation, the size of the Max group and the kind of effort and time you are putting in the project. Then Rs 5 crore for the project which has a gestation of four-five years is very low and I do not know how you have worked for the business model. Am I not getting the total viability of the project or something is missing, please elaborate. Thank you.

Ajay Agarwal: I will answer one by one, one you said about the equity interest ICD presently we have given Rs.25 Crores now because of the structure issue we have to give our equities in ICD only this amount has gone as an ICD which is at a 9% rate of interest because this is practically my equity. This is going to come to me once all the project is over, that is the Rs.28 Crores out of which I have given only Rs.25 Crores as on date. Now, the internal debt what we are planning as I explained earlier answer, approximately Rs.66 Crores is what is planned and it will go as a bridge funding as and when it is needed as the construction is going to where as new payments of various approval fees will come in and that money would be at approximately 12 - 12.5% that will be depending on what the rate of interest for my external funding would be and it will be commensurate to that and that money will keep on going and keep on coming in that will only be to bridge the mismatch cash flow for the interim period. As far as the DM Fee which you asked, DM Fee is typically 10% of the total collection what I am going to get, so if the project is estimated to have a collection of approximately less than Rs.1000 Crores or Rs.1100 Crores will be at 10% of that. When you said about collections what we have received for this last month in this is collections what we have received in these six month is approximately Rs.80 Crores against that my DM Fee dues have become Rs.8 Crores. There will be some difference because there will be a GST impact and the brokerage amount has to be minus, so definitely above of Rs.7 Crores.

Ulhas Paymaster: This Rs.7 Crores has not for…

Ajay Agarwal: Yes, the fourth question which you said about the meager interest and how much time and money we are putting in, yes point valid. This is not the aspiration of Antara and as we explained in our various calls our boundary conditions for our future growth is to have an IRR of more than 20% and we need to be asset light, we don't want to participate in land, we don't want to participate in construction. Unfortunately, with this project because it actually happened right before the COVID times to keep our brand value in place we have to wear lot of new shoes which we were not interested in. So, we went into construction, we took the whole responsibility of construction, we took the loan in this project which is where we launched we have to make this project successful so we sold at 10:90 to make that project successful. The material cost in the last two years you yourselves have seen that the prices of steel from Rs.53,000 has gone up as big as Rs.75,000 luckily now it has stabled down back to Rs.55,000 – Rs.56,000. But we have seen a huge, huge, huge cost of material purchase where already the sales which has happened you cannot increase the price in that as per the RERA regulations and that is the reason why particularly for Noida the IRR is less.

Ulhas Paymaster: This Rs.7 Crores has gone towards on the credit side of the P&L account, am I right for the six months?

Ajay Agarwal: Correct.

Ulhas Paymaster: Okay. Thanks a lot.

Moderator: Thank you. The next question is from the line of Anoop Shah from Shrinath Securities. Please go ahead.

Anoop Shah: Hi! Thank you. On home care segment what is the margin profile in this business segment and which are the services that have a higher margin.

Rajit Mehta: As steady state basis on care at home we should be able to get contribution margins of about 15 to 20% currently at 14% we are running and the services that get to you the highest margin are critical care, diagnostics, pathology, and physiotherapy.

Anoop Shah: Okay, and one more question, how many products on our Medcare vertical is listed on Amazon or any other social media platform?

Rajit Mehta: Currently we only listed four SKUs of our wheelchair, we listed only on October 10th as I said. The first attempt at listing on a platform. This point of time four SKUs of a wheelchair only.

Anoop Shah: Okay, alright. Thank you so much.

Moderator: Thank you. As there are no questions from the participants. I now hand the conference over to Mr. Rajit Mehta for closing comments.

Rajit Mehta: Thank you very much for all the questions and your support as well. As you can see that certainly every quarter we made progress on all the verticals in terms of growth, in terms of profitability, in terms of revenue increase and we hope to keep that trajectory. We are very focused on where we want to be, then entry into Bengaluru both for residences as well as for care homes should happen. Somebody asked the question about new project announcement fingers crossed in the next couple of months. Let us see what announcements we can make depending on closures. Once we close the term sheet everything is fine and only then we will make the announcement, so that should also happen. Very excited the senior care space is expanding every month we are seeing new players coming in with different models, somebody is looking at AI based remote care, somebody is doing assisted living only, people are doing emergency services, companionship is what good fellows which is Tata has launched as well. So, we are glad to see the market expansion as well. Lot of investors coming in, so interest from all stakeholders and that augurs well for the industry because as the industry starts to expand obviously the market expands as well. We are also getting traction with the government on policies and advocacy at this point of time.

So, an exciting sector and exciting space to be in and we look forward to being in touch with you and make sure that we are able to meet our commitment in terms of performances. Thank you very much once again and wish all the best.

Moderator: Thank you. Ladies and gentlemen, on behalf of Max India Limited, that concludes this conference call. Thank you for joining with us and you may now disconnect your lines.