October 30, 2024

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Scrip Code: 543223

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

Name of Scrip: MAXIND

Sub: Transcript of Investors & Analysts Conference Call

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Transcript of Investors & Analysts Conference Call held on October 24, 2024, post declaration of Un-audited Financial Results of the Company for the quarter and half year ended September 30, 2024, is enclosed.

The same has also been uploaded on the website of the Company at https://www.maxindia.com/static/uploads/financials/max-india-transcript_q2fy25_final.pdf.

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For **Max India Limited**

RAJIT MEHTA
Digitally signed by RAJIT MEHTA
Date: 2024.10.30 11:47:08 +05'30'

Rajit Mehta
Managing Director

Encl.: As above

“Max India Limited

Q2 FY '25 Earnings Conference Call”

October 24, 2024

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 24th October 2024 will prevail.”

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

Mr. AAkash – SGA – Investor Relations Advisors

Moderator: Ladies and gentlemen, good day and welcome to Max India Limited Q2 FY '25 Earnings Conference Call. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rajit Mehta, Managing Director and CEO. Thank you and over to you, Sir.

Rajit Mehta: Thank you very much. Namaste to everybody and good evening and welcome to this Q2 FY '25 Earnings Call. For the benefit of the people joining the call for the first time, I have with me my colleague Ajay Agrawal, the Deputy CEO and CFO for Antara Senior Living, who also spearhead growth and investor relations for the company. Ishaan Khanna, CEO for Antara Assisted Care. Sandeep Pathak, the CFO for Max India and the Head of Legal for the Group. Ankit Kalra, CFO for Antara Assisted Care. Nishant from our IR team and Aakash from SGA, our Investor Relations Advisors. We've already uploaded the results and the deck on the exchanges and I hope all of you got some time to go through them. To start with, it gives me great delight to say that it's been an action-packed but very satisfying quarter and a good end to H1, which sets us up very nicely for H2.

Steady traction and progress across all business verticals in Q2 FY '25. On the asset side or the residences side, we launched the first intergenerational community in Gurugram, developed by Max Estates Gurgaon Limited, in which Antara is managing senior living towers. The community has received a very good, overwhelming positive response. Within 60-65 days, about 75% of the units are already sold out. I'm talking of September end. Some more sales have been also recorded in October.

Given this encouraging response and the pricing that Gurugram commands, it's a much better financial deal. We are exploring the possibility of a Phase 2 as well. Let's see how that goes. On Noida Phase 1, construction is on track. collections are ahead of plan. And we're also actively pursuing the opportunity at Chandigarh, where the diligence is nearing completion. And discussions for the geographies are also in progress.

On Antara Assisted Care, we have added 234 beds. You will recall for a long time we were operating with 68 beds. Now finally, we are 300. Most of them are operational. Some will become operational in the next three to four weeks.

Both Care Homes and Care at Home have reported healthy revenues with high double-digit growth over the last quarter. And in the products vertical in AGEasy, we've already touched about 82,711 lives. Out of that, 13,500 on our D2C channel, which is our website. And out of these, 2,100 are repeat customers. And the NPS is growing. And the revenues, obviously, like any D2C business, are jumping exponentially every month.

We're also pleased to announce that we've added one more condition in H1F25, which is the Lung Care, where we are focusing on seniors diagnosed with some kind of respiratory disorder, and which causes distress like asthma or during season change allergies. We have launched a few products for this condition. For this, we have consulted with a very famous doctor, Dr. Randeep Guleria, who is also the Ex-Director of All India Institute of Medical Sciences.

With that, now, we have three conditions, Joint Pain, Fall Detection & Prevention and Lung Care. Preparation is now underway for launch of the fourth condition, which is Gut Health, sometime in Q4-FY' 25. And in line with our strategy, we also merged all our offline med care products with AGEasy from April 24, which gives us much better synergies on the back end regarding warehouse, logistics and operations.

Now, before I go into each vertical and financials, absolutely delighted that the customer feedback that we're hearing from everywhere on the products is very encouraging. And this is something I will want to highlight in every call, some stories that we pick up from customers whose life has got impacted because of the products we have sold them.

So, there was this one, , lady from J&K, who could not undertake a knee surgery because of her cardiac condition. She consulted with us; we offered her adjuster brace for one leg. And after experiencing, improved mobility, she also ordered one for the right leg. And now the feedback from her is it has restored her independence and improved her quality of life. And that's, delightful to hear. There was one more caregiver who had booked a physiotherapy session, with Antara for his mother, who had severe knee pain due to osteoarthritis. He bought one web brace from us, but it caused discomfort.

Basis the feedback, we quickly changed it. And he was so happy that he bought a much better brace at a higher price, but that was more suitable for the knee condition of his mother. I'm just sharing these because this is what gives us delight that we are finally able to achieve our aspiration of impacting quality of life for customers.

So, what we have done now, all the feedback that we hear from various touch points, we have brought them into one place. So, we're able to track them and make sure that we engage with such customers in the future. That was more on the on the SEWA we do for our customers.

Now, let me get into vertical by vertical what we have done, what we've achieved. On the residences vertical, as all inventories were already sold out in Dehradun. We are now getting some opportunities for resale because sometimes, conditions in seniors' life change, the loss of one partner or a medical condition.

So, we do get some five, six, , resales, every now and then. During H1 FY '25, we have actually, helped resell nine units and generated INR 1.8 crores in marketing fees. The operational revenue from Dehradun has increased to about INR 6.2 crores for Q2 FY '25, a 23% growth over last quarter. Dehradun community is on track for operations break even much ahead of plan. Also, the revenues, which have been quite robust in the community continues to be PBT and cash positive. And the overall cash surplus now standard about INR115 crores.

In Noida phase one, all inventories were already sold out. I'm pleased to inform you the collections are better than planned. Our construction is right, on target. We have a 98% collection efficiency total collection achieved so far is INR 358 crores, 10% growth over last year. The block work for all the towers has been completed, the finishing and interiors are underway. And work is going to get initiated soon for applying for the occupancy certificate as per the promise made to consumers.

On phase two of Noida sector 150, last earnings call I had informed you about temporary setback because of RERA. We have taken legal advice and already filed an appeal. And the appellate authority has issued now a notice to UP RERA. The next hearing is in November. Meanwhile, there's been some development. Another very large marquee developer had a similar issue, and they approached the high court.

The high court has now given a decision in favor of a developer saying that in case 30 days have passed since the application to RERA was filed for approval and if there is no comments from RERA in 30 days, then RERA cannot reject the application and it is deemed approved. So that order has just come.

And hopefully that should help us in order to fight a legal case better. While there's a delay in the launch of phase two, the silver lining is that the market has improved. And therefore, when we launch phase two, we should be able to get a much higher sales realization.

On new communities, I've already spoken about Max Estates Gurgaon, which is a 0.7 million square feet development of the total 2.1 million square feet dedicated to seniors, 292 apartments, 214 till September 30th already sold and some were sold in October. Sales collection of INR 107 crores and Antara will soon have a steady revenue income. Part of it has already come in the consolidated results.

We have already booked that income from the project. And we are now exploring the new opportunity in Chandigarh so that we are able to meet our target of 1.5 million square feet under development every year. For Antara Assisted Care, overall net revenue was INR 12.6 crores in Q2 FY '25, grew sequentially by 26% over Q1 and represents a year-on-year growth of 139%. On Care Homes, significant expansion planned for FY '25, which I shared last time, about 600 beds. So, as I said, 234 beds added, which means total we have about 300. 170 odd LOIs signed in Chennai, 80 additional beds in Whitefield, that makes it total about 550.

And in addition, 50 beds will be a lookout for either in Chennai or Bangalore, wherever we get a good deal. So that will help us meet our promise of 600 beds operational till March FY '25.

On financial numbers, Care Homes, net revenue INR 1.7 crores in Q2 FY '25, which represents a 9% growth over Q1 FY '25 and a year-on-year growth of 29%. The existing Care Homes, Gurgaon and Memory Care Home, reported a positive contribution margin in Q2 FY '25 versus a negative margin of 15% in Q2 FY24. Gurgaon Care Home is clearly demonstrating the economic model we have visualized. The net revenue is INR 1.2 crores in Q1 FY '25. If you recall, I've been saying that a care home of that size about 30 beds or so will produce INR 5 crores to INR 6 crores on steady state.

So, if you look at INR 1.2 crores in one quarter that clearly is headed towards INR 4 crores to INR 5 crores revenue, 37% year-on-year led by higher occupancy of 65% and average revenue per bed growth of 5%. Margins have sharply improved from minus 1% in Q2 FY24 to 18% in Q2 FY '25. And as we ramp up occupancy, the margin will improve further. You might see a little bit reduction in occupancy in the Gurugram Care Home, primarily driven by two reasons.

One, the business we are in, sometimes we lose people who are staying with us for a long time. That's the law of nature. So, there were some deaths that happened, unfortunately and one or two people moved out. It's a temporary phenomenon. It'll come back once Diwali is over. On Care at Home, we continue to expand our footprint in new geographies. Bangalore and Chennai have registered strong sequential growth of 62% and 35% respectively in Q2 FY '25 over Q1 FY '25.

We have also increased the penetration of higher margin services like critical care, physiotherapy, diagnostics. We have now achieved the highest ever revenue of INR4.3 crores in Q2 FY '25 with strong sequential growth of 15% over Q1 and a year-on-year growth of 109% led by these higher margin service offerings. Overall contribution for this vertical in NCR is 22% in Q2 FY '25. And we have touched about 17,300 lives through its vertical since inception.

And please do remember the number of lives we touch whether through residences, the products business, care homes, or care at homes are customers for us to whom we can then sell more products and services which was the intention and the aspiration behind creating an integrated care ecosystem. So, you are able to then create the flywheel concept where customers are with you and you can sell them more products and services with a much higher LTV.

Overall, AGEasy achieved the highest ever net revenue of INR 6.6 crores in Q2 FY '25 with strong sequential growth of 40% over Q1 and a year-on-year growth of 255%. Obviously, the base is small. Therefore, the percentages appear quite high. All SKUs have shown strong growth month-on-month. Monthly revenue rate has grown from INR 52 lakhs to INR 65 lakhs to INR 87 lakhs to INR 1 crores 39 lakhs in September 24.

So typically, like any D2C or e-commerce business, you can see the exponential growth in the monthly run rate month-on-month. We have already crossed an annual trajectory of about INR 25 crores plus with 70% of the business coming from marketplaces, 20% coming from our own D2C channel and 10% through offline.

On Amazon, we already have 10 products which are amongst the top 10 best sellers. The Lung Care health condition was launched with eight products in Q2, showing initial good traction. It's too early, but good traction. The fall detection smartwatch launched in August 24 called Protech is gradually picking up month-on-month. For joint pain management, the focus continues to be on product portfolio expansion and establishing unit economics. We have launched about 50 new products in H2 and Gut Health as the next condition launch expected in Q4 FY '25.

We're exploring now strategic partnerships. We are in dialogue and as and when we sign a deal, we'll announce it. We are now in dialogue with a leading consumer electronics brand to become our technology provider for watch and devices for seniors and distribution expansion, we have initiated sourcing from China, already placed about 2 crores order for 20 products which will improve our margins to 20%- 25% and once we're able to stabilize this supply chain we will replace more and more from China which really improves our margins. We're getting a good customer response.

Now, coming to the business and financial performance of Q2 FY '25, a strong endorsement of a brand and offering by customers. I already offered you some customer stories, but very healthy customer satisfaction scores, 92% for care homes, 95% for Care at Home and 83% for AGEasy. Really a vindication of the quality we are building. In the Dehradun community, they continue to be as high as 88%.

On Antara Senior Care, we also received the HR Excellence Award from Business World. We are also certified now as a Great Places to Work. We are a very, very young organization and some of the achievements and milestones validate the quality and the fundamentals we're building in the business.

As you recall, we also signed up an MoU with IIT Delhi, so we're able to design and customize the products for seniors, especially the mobility solutions. We have also entered into a collaboration with Dementia India Alliance. That's an NGO working for dementia across India.

They're helping us both in terms of protocols and content for training and knowledge partners and they have a tie-up with NIMHANS on an all-India basis. If I remember correct, one of the contents of our training program on geriatric care has already been certified now by the Healthcare Sector Skills Council. Again, a vindication of the kind of quality we are building.

On the consolidated performance for Q2 FY '25, happy to report a healthy revenue of INR 48 crores in Q2 FY '25 which represents a sequential growth of 48% over the previous quarter, primarily driven by the higher DM fees from Gurugram.

If you recall, I had been saying constantly that the dips in revenue are temporary. As we launch more communities and we get more inventory to sell, this will get covered up. Those signs are visible now in the results we have published.

Our consolidated EBITDA loss reduced to INR 15.7 crores versus the loss of INR 21.5 crores in the last quarter primarily on account of higher revenue from residences vertical. However, we have also been able to contain our losses through cost optimization, and a very healthy treasury income as well.

Overall, all our treasury and other monetizable assets stood at a healthy number of INR 370 crores plus as of September 24. There is a plan in terms of utilization between the residences vertical and Antara Assisted Care. Consolidated net worth of INR 445 crores as of September 24.

Some of you may have joined the call for the first time, like to reiterate that Antara is the only brand building an integrated care ecosystem for seniors and we are able to do that because of our lineage of healthcare, infrastructure as well as hospitality. We do believe that seniors need change with age and medical condition and therefore we want to be there for them as and when they need something.

We have three verticals essentially, residences for seniors who are relatively healthier, but want to stay in a community of like-minded people in a safe and secure environment. For people who need more immersive interventions of daily activities of life who need help for bathing, feeding, mobility, monitoring, we offer our assisted living or people who have gone through an intense medical episode like a transplant or bypass surgery they come to us. And we do have specialized memory care homes for people with Dementia, Alzheimer's or Parkinson's.

Our AGEasy vertical is nothing, but as the word suggests helping seniors age with ease and joy. It's an offline/online store focused on senior-specific products and solutions helping them manage their chronic health conditions. You can buy these products on our website, from marketplaces, Amazon, Flipkart or you can walk into Antara AGEasy store in case you feel that need. You can call our command center. You can do a WhatsApp video call. You can call the expert at home. All options are available to you. It's an omnichannel approach.

The size of senior care market only continues to grow in India and that's the beauty of being in this sector. Each quarter, we have seen a new estimate being released ranging from USD 7 to USD 12 billion. Collier's came out with a report on the demand of senior residences which talks about 18 to 20 lakh units. So, it's a significantly large market, as you can see.

In summary, at Antara Assisted Care, we have touched more than 80,000 patients so far. On the medical equipment side about 800 SKUs including Antara-labeled products some of which are available on marketplaces. So hopefully, in the next 5 to 7 years, the promises we have made of 8 to 10 communities, 4,000 to 5,000 units of senior living, 1,500 to 2,000 beds of care homes memory care plus Antara AGEasy available through various channels including physical spaces. We're on track for that.

Now this quarter, I think, is a demonstration of all the promises we have made, and the numbers are visible now in terms of our growth. So, thank you very much for your patience. Thank you for your support. I'm happy to answer any questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Harsh Kundnani from Aionios Alpha.

Harsh Kundnani: A couple of questions from my end. If you could just help me understand the DM fees from the Gurgaon project with Max Estates, over what period would this be recognized and how do you recognize this? Is it based on the sales collection from the project or is there any other factor for it?

Rajit Mehta: Yes, let me answer the question. Go ahead, Ajay.

Ajay Agrawal: So, Harsh, one, it is going to be based on the collections. So, as per the arrangement, the collections are to be netted by the brokerages we are going to pay. And the net amount which is going to get collected after reducing the pass-throughs like GST, EDC, IDC. Whatever is collected in the quarter will be billed to them and it will be a quarterly revenue which we are going to recognize.

The project cycle is five years, but we feel that in the first four years, practically all the revenues will come in, because the last one year will be more of a fit-out and possession-linked accounting.

Harsh Kundnani: And I just wanted to understand on the resale inDehradun project, could you just help us explain the nature of this revenue and is there any cost associated to this particular revenue and what is the net collections from that?

Ajay Agrawal: So, yes. So, good question, Harsh. So, what is happening now is that there are, because of certain circumstantial reasons of the residents, residents are moving out. So, there, as per accounting standard, when I am going to re-lease an asset, I have to first reverse the lease of the old one and I have to book the new lease. So, the revenue is for the new lease which is getting booked. And the lease premium cost what you see is for the cost of the payment what I am making to the old leaser.

So, practically, it is a set-off kind of accounting transaction. However, we get the marketing fee on that is a pure revenue for Antara. Just to give a sense, we have earned INR 1.8 crores approximately in the first six months on account of these resalesand these revenue, we are very hopeful that this is going to continue because one of the other units are going to get resold in every quarter and this revenue will keep on ticking in.

Harsh Kundnani: And is this INR 1.8 crores gross revenue or net of the lease expenses that you are paying back to the old leaser?

Ajay Agrawal: No, this is net. So, 1.8 is over and above what I am paying. So, the payment is what is due to the exiting lessee. The receipt, the revenue, what you see is the amount which I receive from the new lessee. And the net marketing fee is what I charge from the exiting lessee.

Harsh Kundnani: So, the premium expense on lease surrender that particular line item in your P&L, that is the expense, that is the payout to the old lessor. That’s the way to look at it.

Ajay Agrawal: Correct. So, when we were selling our old inventory, if you remember, there was a cost of sales which was coming at a direct expense. That has now changed shape because I have sold everything and that will come as a lease premium account.

Harsh Kundnani: And just one last question from my end. The operations revenue that you report from the Dehradun project, which is INR 6.2 crores in this particular quarter, this is purely recurring revenue, which is your maintenance plus other activities or does this include any of the resale activity revenue?

Rajit Mehta: No. This is purely the maintenance and the revenue we get from other services seniors utilize. Does not include the marketing fee.

Rajit Mehta: That's fine. 6.2 is fine.

Moderator: Thank you, sir. The next question is from the line of Nikhil Gupta, an Individual Investor.

Nikhil Gupta: Pardon me if there is some disturbance. I'm traveling. So, two very quick questions preceding the long-term horizon. So, first, if I just extrapolate the Antara assisted care revenue around INR 12 crores, right? So, it's a yearly revenue of INR 50 crores. So, in the next couple of years, achieving INR100 crores, it's not a big deal. I mean, we are growing very fast. So, is it a right assessment?

Rajit Mehta: Yes. So, if you --we don't make forward-looking statements, but if you look at the trajectory, obviously, as the capacity is being built up more and more, trajectory will increase. So, as I said, we're already on an ARR of INR 25 crores or so, as we say, as we stand now. But if you look at the March exit rate next year, probably will be, besides AGEasy, about INR 100 crores or so. You're right.

Nikhil Gupta: And the last question is on the fundraising part. So, as per my understanding, what I've been hearing from you guys, is there any issue with that? Are you facing some headwinds in terms of fundraising? Or, and can you just highlight that part? It would be great.

Rajit Mehta: No, absolutely no headwinds. We have just started the process. So, as we said, the first tranche will come through right issue, because the promoters are very competent of the business and want to invest more. That process is underway. In fact, today, we got the approval to formally go ahead, from the Board and now we'll be engaging with intermediaries to putting the documents in place.

As you know, SEBI's already declared its intention of introducing a fast-track method. We're waiting for the rules to come out, and then we will appropriately move forward. Parallelly, we've also engaged with Ernst & Young on the second tranche, but that's something which is under progress. So, no, we haven't faced any headwinds.

Moderator: The next question is from the line of Parth Vasani from KK Advisor.

Parth Vasani: I had two questions. So, first one is, what is the update on Bangalore project? I mean, it has been a while since we have heard some development in Bangalore residence for senior segment. So, if you can just give an update on that?

Ajay Agrawal: So, yes, you're right. It had been quite a while. So, we were very close to getting into the closing transaction. However, there was a disconnect between the lender to the landowner. And he was not ready to be flexible in the transaction. And we were very clear that we require proper financial closure. So, that deal has got stalled because of that. While we are still in discussion with the lender but seems there's nothing going on. We are actually actively pursuing for plan B.

We are in talks with certain developers. But yes, we have lost that time, and we are going to make that up. That's all. Alternatively, because of this Bangalore setback, we are fast tracking our Chandigarh works. And also, we are exploring the partnership of Gurgaon Phase 2 so that our commitment of 1.5 million square feet development remains.

Rajit Mehta: As I said earlier, the Gurgaon Phase 2 will be financially a much sweeter deal given the price points in Gurgaon and the overwhelming response we received. So, we feel we will be financially better off, but we didn't hold back Bangalore because of us. It was just that we didn't want to enter into any transaction which doesn't have a clean financial closure for the lender of the developer. But we'll meet our target of 1.5 million square feet. That is not under dispute.

Ajay Agrawal: And also, Bangalore is not off the radar.

Parth Vasani: So, lastly, I just want to ask one more question. So, what can be the per square feet pricing that the company can achieve in Chandigarh project? And also, what kind of IRRs are we, I mean, we can achieve from that project?

Rajit Mehta: So, we normally do a deep market study to figure out what is the market operating at and then we do demand a premium both for our brand and the senior living offering. So, currently, we are trying to understand that. But we feel the market is around 8,500-9,000. And obviously, we'll price up. We will certainly be much above that given our brand and given the senior specific facilities we put in. That's a current indication of the market. And as Ajay may have briefed you many times, we don't enter a project with less than a minimum 20% IRR. We won't do it.

Parth Vasani: Okay, sir. That would be it from my side. Thank you very much.

Moderator: Thank you, sir. The next question is from the line of Raj Joshi from Ace Securities. Please go ahead, sir.

Raj Joshi: So, thank you for the opportunity. I have a couple of questions. The first one is, why has our finance cost increased on a Y-o-Y basis?

Sandeep Pathak: It is because of the new lease. So, we entered into a new lease for our corporate office. And the lease cost which we incur is bifurcated between the finance cost also a portion of that. And that's where it is going up. Otherwise, there's no borrowing at group level also. The only borrowing which we have is pertaining to vehicle loans etc.

Ajay Agrawal: So, just to embellish on that, any property which we are taking on a long-term lease, which is more than 1 year, there we have to follow an Ind-AS accounting, wherein a right to use asset has to be created, then some amount goes into a debit as a finance cost, something goes on a depreciation. So, that's complex accounting. And that's the reason why our finance cost is increasing because we are taking new assets on a long-term lease. All our care homes which we are taking are all on long-term lease and the office etc. And that's why there's a steady increase.

Raj Joshi: Ok Got it. So, another question is, how do you perceive the competitive intensity in the industry, especially on the residence segment, wherein our peer, Ashiana Housing has suggested that senior living will be the focus area going forward. So, how should we look into the thing?

Rajit Mehta: Yes. So, I think it's first of all great news that more people are stepping into this vertical. Because as I said, JLL released a report sometime this year where they said the demand in India of 18 lakh units and even today the supply is sub 50,000. So, very happy that more people are stepping in because that helps to create the category and get the concept going. However, Ashiana is not really a competitor with no disrespect to them because they operate in a very different target segment. They are more affordable housing, they are in INR 50 lakhs to INR 1 crores.

We are operating in the upper middle class and above, kind of segment. So, Noida was INR 1 crores to INR 3 crores depending on size of the apartment. Gurgaon is starting from INR 3-4 crores upto INR 5-7 crores depending on size of apartment Penthouse of course. So, it's a different TG but we are very happy to have other people join because the need in India is very large. And it's better that there are 7-8 solid players who can then really create the market.

Raj Joshi: Okay, sir. Got it. Thank you.

Moderator: Thank you, sir. The next question is from the line of Raj Mehta from Wisdom Advisor. Please go ahead, sir.

Raj Mehta: So, my first question is on the demand front. So, how do you see the demand for MedCare products?

Rajit Mehta: Yes. So, I would classify the business as under AGEasy now. So, if you look at our initial estimates we made in 2019 with the help of McKinsey, this entire vertical of patient aid, as it was called, was about $750 million. But if you look at now, the estimate we did before we launched AGEasy, we've done a sample interview of customers across seven cities. And the spend was about INR 3,000 to INR 4,000 per customer on wellness products. That is a INR 40,000 crores market sec A, sec B, top 30 cities.

If you take one more market estimate we have done. So, for all the products that we have that sell on Amazon, joint care only on Amazon is a INR 200 crores category. Fall Detection is an INR 450 crores category. Lung care is an INR 200 crores category.

So, that's INR 850 crores.. So, from any angle that you look at, the market size is really $7 billion to $10 billion overall. And for products specifically, this could be an INR 50,000 – 60,000 crore market, put together. So, it's a very large market and we have just skim the service. We're not even 1% of that.

Raj Mehta: Since our Gurugram intergenerational project has received an overwhelming response, so will this lead to pivot our strategy to build more of intergenerational communities as compared to standalone senior living communities only? So, just wanted to know what are your thoughts on this?

Rajit Mehta: See, as I said, this is the first experiment we had done. So, while the response is very welcome, we will wait to see the community operate and then see how the dynamics work out. But we will be driven by opportunities available. So, if we have partners who are willing to build intergenerational, we'll be very open. It really depends on which developer we get basis the need that we have. But very happy to do both the models actually. Depends on the market and the need.

Raj Mehta: Sir, so, one last question. So, what can be the additional cash flow over and above DM fees that can arise out of the intergenerational community in Gurgaon?

Ajay Agrawal: So, there is a performance deposit of approximately INR 33 crores what we have given for Gurgaon and we would be entitled to some additional fees depending on the net profit of the project, what we'll get at the end of the project. We are not able to quantify that presently because that time would tell. So, that will be certainly the amount which is going to come to us at the end of the project.

Rajit Mehta: And then we will, once the community comes into operation, we'll have the annuity income through operating the community. That's the third line of revenue.

Ajay Agrawal: Yes. And that will be a perpetual line.

Raj Mehta: Yes. So, that's it from my end and all the best. Thank you.

Moderator: Thank you, sir. As there are no further questions from the participants, I now hand the conference over to Mr. Rajit Mehta, Managing Director and CEO, for closing comments.

Rajit Mehta: Thank you very much. Really, thank you for the engagement. Thank you for the questions. Thank you for your support. As I said, it's been a great quarter for us and a great ending to H1. Finally, we are able to see line of sight into more beds, which we have been wanting to do. On the residences side, the Gurgaon project has gone on very well. I was just reflecting in the morning that we had taken some years to sell 197 units in Dehradun, 2.5 years to sell 340 in Noida. And now in Gurgaon, within 60 days, about 214 sales already recorded.

So, that's great. Also, exploring other opportunities. Now the focus in H2 is on making sure that we're able to work on occupancy of the care homes and finish the balance of 300 beds to make it 600 beds. Care at home continues to be a very steady performance with higher contributions, given our change in strategy. On AGEasy, typically like any D2C business, the monthly run rate is jumping month-on-month. So, we are well in line in keeping our commitments that we have made to you.

And in terms of a long-term aspiration to become a INR 1,000 crores plus top line over the next 5 years, again, these are forward looking statements. Really depend but that's the aspiration with a healthy PAT of 15-20% in 5 years' time and a break even perhaps in FY '27/ FY '28. So, we are keeping that vision in front of us all the time and marching towards that.

So, thank you very much and wish you all a very happy Diwali and festive season.

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