January 29, 2025

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
Scrip Code: 512008

Sub.: Earnings Conference Call – Transcript.

Dear Sir/Ma'am,

Pursuant to Regulation 30 (6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of the transcript of Analyst/Investor Meet held on Friday, January 24, 2025.

Pursuant to Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the above information is also being hosted on the Company's website at https://www.efclimited.in/investor-relation/investor-presentation/

Kindly take the above information on record.

Thanking You,
For EFC (I) Limited

Aman Kumar Gupta
Digitally signed by Aman Kumar Gupta
Date: 2025.01.29 11:35:40 +05'30'

Aman Gupta
Company Secretary

Encl.: As Above.

EFC (I) Limited
Q3 FY25 Earnings Conference Call
January 24, 2025

Moderator: A very good morning and welcome to the Earnings Conference Call of EFC (I) Limited for Q3 of FY25.

We have with us today, Mr. Umesh Kumar Sahay – Chairman and Managing Director of EFC (I) Limited and Mr. Nikhil Dilipbhai Bhuta – Whole Time Director; Mr. Uday Tushar Vora – Chief Financial Officer and Mr. Aman Gupta – Company Secretary of EFC (I) Limited.

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 the operator by pressing "*" then "0" on your touchtone phone.

I would now like to hand the conference over to Mr. Umesh Kumar Sahay – Chairman and Managing Director to give his "Opening Remarks".

Umesh Kumar Sahay: Good morning everyone, and thank you for joining us on the Earning Conference Call of EFC (I) Limited Quarter 3 of Financial Year 2025.

The Result we shared yesterday show the hard work and dedication of our team. The number and milestone in the Investor Presentation highlight the progress we have made in achieving our goal and creating value. We remain focused on improving our operation, staying innovative and delivering steady growth.

Now, I request Mr. Uday Vora – CFO to give key highlights.

Uday Tushar Vora: Good Morning everyone. I am Uday Vora, CFO of EFC (I) Limited and it's my privilege to welcome you all to our Earnings Conference Call for Q3 FY25.

On behalf of the Management, I extend our sincere gratitude for your continued interest, trust and support in our Company.

During today's discussion, we will provide an in depth review of our financial and operational performance for the quarter ending December 31, 2024, as well as for the nine months of the current financial year.

Furthermore, we will highlight key strategic initiatives undertaken during the period and share our outlook for the future.

Financial performance highlights:

In Q3 FY25 EFC (I) Limited delivered robust financial results, reinforcing our commitment to sustainable growth and stakeholder value creation.

Revenue stood at 181.5 crores, representing a sequential growth of 6.1% compared to quarter 2 FY25. EBITDA came in at 96.92 crores, registering an impressive growth of 10.3% quarter-on-quarter. PAT was 40.47 crores, reflecting 10.7% sequential increase. For nine months FY25 period, revenue totaled 457.87 crore surpassing FY24 full year revenue by 7%. EBITDA stood at 230.51 crores and PAT amounted to 92.81, crores. These results underscore our ability to maintain strong profitability while navigating a dynamic business environment.

Leasing vertical performance:

Our Leasing vertical achieved significant operational and financial milestones during Quarter 3 FY25. Asset under management now exceed 2.6 million square feet, spanning 70 sites with an average site size of 35,000 to 40,000 square feet. Seating capacity has reached 57,000 seats, with an average occupancy rate of 90% translating to a healthy average rent per seat of 6250 and upwards. During the quarter, we added two lakh square feet to our AUM and enhanced our capacity by 5650 seats. Rental revenue for the quarter was 96.34 crores a 31% year-on-year growth, while EBIT surged by 37% quarter-on-quarter and 157% year-on-year, showcasing our strong operational execution and ability to capture growing demand for managed workspaces.

Design and Build Vertical performance:

Our Design and Build vertical recorded exceptional growth executing projects spanning over four lakh square feet across key sectors such as real estate, education, IT and ITES. The total project pipeline stands at 92 crores, with 32 crores worth of projects under execution and an additional 60 crores in progress. The vertical achieved a 51% increase in revenue and 27% growth in EBIT year-on-year, reflecting the strength of our integrated turnkey solution and our ability to address evolving client needs with precision.

Our Furniture Vertical (The Ek Design):

We have established our product lines and achieved standards to increase the turnover. Revenue from completed projects amounted to 13.33 crores with 2.65 crores of projects currently under execution. The order pipeline remains robust with projects worth 8.57 crores created for completion within 30 days, and an additional 14.35 crores within 30 to 60 days.

This performance underscores our ability to deliver high value projects efficiently, further strengthening our relationship and leadership in the furniture and design space. Our Q3 FY25 results are a testament to EFC (I) Limited, resilient business model, operational excellence and strategic focus on long term growth. As we look ahead, we remain committed to expanding our footprint, strengthening our core verticals, and consistently delivering value to all stakeholders.

Thank you once again for joining us today. I request Mr. Nikhil Bhuta, Director of the Company to address further and take up the questions.

Nikhil Dilipbhai Bhuta: Thank you Uday. And welcome everyone to the Conference Call for Q3 Financial Year '24-25 for EFC (I) Limited.

I am Nikhil Bhuta – Whole Time Director of EFC (I) Limited. I am genuinely overwhelmed to inform you all that we have received Certificate of Registration for our EMBERSTONE SM REIT, which is going to be managed by our subsidiary EFC Investment Manager Private Limited. We received a Certificate of Registration in the last quarter. This is the third registration in whole of India, and first of its kind in terms that a managed office operator has come up with floating in SM REIT. Now, without taking much of your time, and as Uday has already highlighted, the results quite in detail. I request moderator, Mr. Ryan to open the forum for a question-and-answer session. Thank you, Ryan please.

Moderator: Thank you. Ladies and gentlemen we will now begin the question-and-answer session. Anyone who wishes to ask a question may press "*" and "1" on your touch tone phone. If you wish to wish to withdraw from the question que you may press "*" and "2". Participants are requested to use their handsets while asking the questions. Ladies and Gentlemen we will wait for the movement while the questions que assembles. The first question comes from the line of Sahil Sharma from Columbus Capital. Please go ahead.

Sahil Sharma: Hi Umesh and Nikhil, Congratulations on very good numbers. "Aapko bahot jyda badhaiya on the very Good Numbers" This is very good growth, especially given the fact that in the last year our revenue was from trading business also and this time that is not there. So, congratulations on that achievement. Sir going forward on the SM REIT what is our expectations and timeline, when can we expect to file a DRHP and when are we expecting to do the IPO for it?

Nikhil Dilipbhai Bhuta: Sahil first of all, thank you so much. And yes, with regards to SM REIT, we are almost now in the final leg of preparation of the offer document. We have appointed CBRE as our industry research partner and they are right now conducting the research on couple of cities, primarily which we are right now identifying certain properties. So, we are expecting that roughly around in the month of February, we are expecting to file the DRHP, offer document with the SEBI, and then as per the approval receiving from the SEBI, immediately upon receiving of the approval we will definitely go for the IPO. So, our at least offer document filing, we are expecting it to get filed during the month of February as it looks right now probably towards mid to third week of February, we should be able to file the offer document.

Sahil Sharma: That's very understandable, and thank you, sir. My second question is that, if you look at the investor presentation this time, you have given very good details on the order booking for both the Design and Build and the furniture and so with that visibility, at least as per my calculations we are somewhere close to achieving something like 690 to 700 crore top line and around from my calculation is around 130 to 140 crore bottom line. So, this year is going as per what guidance we had given in the earlier calls. Sir my question is going forward for FY26 what is the kind of guidance or expectations that we have for the growth of the Company?

Umesh Kumar Sahay: Sahil next year we have two, three major growth factors which will drive next year. First, because of SM REIT, we will have benefit in terms of bottom line. Second, furniture manufacturing we have taken it live in September, October. So, initially, in-house production was given by the Company and January onwards we will start and you will see the full fledge impact next financial year and secondly, the office industry is growing lot of corporate and GCC is coming in India so office furnishing and turnkey is growing a lot, so that will be a fast growing business and currently there is robust pipeline in D&B, Design and Build. And secondly, we have given good commitment in office leasing whose impact will be seen in the next financial year. So, next financial year the numbers will be good and promising.

Sahil Sharma: Sir, will we be in the position of this guidance now or maybe in the upcoming quarters?

Umesh Kumar Sahay: Sahil we will be in condition of giving guidance in the first quarter. So, as a management will make sure we will be close to our guidance, so that's the reason we will give that in the first quarter. So, as an investor you will see the guidance which we have given in the first quarter will be seen along with transparency and in first quarter the things will be identified.

Sahil Sharma: Thank you and All the Best.

Moderator: Thank you. The next question comes from the line of Amit Agarwal from Nuvama Wealth. Please go ahead.

Amit Agarwal: Congratulations for the Good Numbers. The question primarily relates to, in rental income it's grown by about 31% despite your total number of seats having grown about 52% on a year-on-year basis I am talking about. So, approximately what I calculated, probably on a year-on-year basis, bill seats there is a degrowth of 14% is it normal in this course of business, ups and downs, or is there any particular reason for that?

Nikhil Dilipbhai Bhuta: No, it's obviously normal because, everything is contractual and what happens is the timing also is very significant contributor to this variations. Because what happens is that, let us say, for an instance, in a particular quarter, if the seats are, majority of the seats which are getting built, incrementally built during this quarter are built during, let's say in the first month or the second month or the third month, or on an average. So, that matters a lot and then also, obviously in some of the cases, once the bills are booked, some of the seats which are booked, there is staggered way of seat building up also happening because large clients when they kind of join in, the total seats which they contract with us, might be larger seats, but they also start filling it up in a staggered manner, so the revenue would show a little bit of variation in that range. Because, the timing difference is very critical as I explained, and that is how we have always said that, to analyze the result on a quarterly basis, on a rental site, becomes little difficult, because on every quarter depending upon the situation in that particular quarter in terms of revenue getting booked, in terms of sites coming on live, et cetera would make an obviously difference in the result for that particular quarter.

Amit Agarwal: Thank you that's all I have.

Moderator: Thank you. The next question comes from the line of Ayush Sabu, from Choice Equity Broking Private Limited. Please go ahead.

Ayush Sabu: Could you please give us some guidance regarding the total CAPEX that we will be doing for financial year 25 and 26 considering all three verticals?

Nikhil Dilipbhai Bhuta: So, Ayush, with regards to the CAPEX, with regards to our leasing business as we always maintain that we are trying to add around 25,000 seats on an annualized basis, every year-on-year at least going forward couple of years. Considering that, there's about per seat CAPEX of about Rs. 50,000, that is generally what is the thumb rule that we follow, and there about Rs. 10,000 we consider in terms of investments in deposits. So, if you consider it completely, then in that sense if we are looking at about total 150 crore odd amount of investment. Now what here comes into more calculation is the fact that, we try our best in ensuring that maximum of this CAPEX is funded through our landlords. Because, as you appreciate that when we take the property on lease from these landlords, we try to ensure that how much we can try to get it funded through the landlord, so that rather than the CAPEX that rather comes back to us in form of OPEX because that gets amortized in form of rental that the landlord would charge me for the furnished property. So, if you look at it from a leasing business point of view, the total outlay likely to be is around 150 crore, which we will try to manage between us and the landlord. Generally, our ratios has always been very positive where we do a comparative lesser investment, let's say about 15%, 20% of the total outlay and balance we try to get it funded through the landlord. And that's why we don't take those aggressive stand in terms of building up the inventory without having a backup, the order pipeline with us. So, that's on the Leasing vertical. On the Furniture vertical, there will be investments, but that investment would be largely in terms of working capital, because the moment our business will grow, there will be also growth in the institutional business on the Furniture vertical and the institutional vertical would call for a larger working capital deployment. So, if we are expecting a business of about 150 crore next year in the Furniture vertical and at about two months minimum of the working capital deployment, that's the kind of investment that would be making in the Furniture vertical, there will be no further CAPEX which should be required in the Furniture vertical, because all the infrastructure, machineries, plant and machinery, tools, etc. has already been developed and ready for operations. So, there is no further CAPEX in terms of the plant and machinery, et cetera is required any further. With regards to the Design and Build vertical, again as we have always maintained that it is largely a working capital business because at the end of the day, it's a service business that we carry out for our principles. And there also our estimates are about 30 to 45 days of working capital deployment that would be required. Where, this year we are expecting to close, targeting to close this vertical at about 225, 250 crore and the next year, we obviously would like to kind of continue the same trend of growth, if that we consider for about 30 to 45 days of working capital requirement, that's what would be the investment that would outlay that we would look for in the entire coming financial year. I hope I have answered your question.

Moderator: The Questioner has left the Que. We move on to the next question, which is from the line of Shubham Jain from NV Alpha Fund. Please go ahead.

Shubham Jain: Good Morning. Congratulations on the fantastic set of Numbers. I had a couple of questions. The first thing I wanted to understand was, there's a sharp rise in our interest cost quarter-on-quarter from 7 crores to 18 crores, and there's a dip in other expense from a 15 to 20 crore range to 9 crores in this quarter. So, what explains this change?

Nikhil Dilipbhai Bhuta: So, yes, the increase in the finance cost is also attributable to few things. One is, if you recollect it, during this quarter only we just about the previous quarter only, end of previous quarter only, we had acquired a property in our books here in Wakadewadi, Pune. And obviously the interest and repayment on that, on an EMI would have begun, beginning this quarter number one. So, that was one contributor because that's also a loan of about 55 odd crores and on that our repayment has started. So, our interest repayment has started from September onwards that's one. Secondly, also the contributor is the finance cost estimates which happen due to the IndAS implication. So, that has also because there are certain sites which have come on live during this quarter comparatively, then the portion relating to that would also get accounted during this quarter and hence there is an incremental interest cost in this particular quarter Shubham.

Shubham Jain: Okay, understood and the other expense?

Nikhil Dilipbhai Bhuta: Other expenses basically, there are obviously certain one-time expenses which happens in the beginning of the certain AMC calls, there are certain retainers calls which would have happened and those would have got booked in the first quarter, and hence those one-time expenses are not further accounted in this quarter. So, largely because of certain specific one-time expenses, again there were certain expenses relating to the research and the other activity which carried out relating to REITs, the AIF, etc that we are trying to come up with and the legal and the financial fees around that, would have been contributed in increasing the other expenses in the first quarter which is now managed well during this particular quarter because there no further expenses were there.

Shubham Jain: Understood. So, just to understand how we account for our lease cost is that, across our cost of operations and other expenses and more interest and depreciation cost, what would be the outflow of the rental that we pay to the properties that we rent out?

Nikhil Dilipbhai Bhuta: So, in terms of touching points for the impact of the lease accounting, the touching points are obviously, one is your rent outflow, one is your finance cost, and one is your amortization cost and then there is also a bit in your revenue side, because there is notional interest and certain financial lease income that gets booked at the income level. And then there is substantial impact coming on to the rent outflow and the amortization and the depreciation accounts ahead. With regards to the rent outflow, are you talking in terms of, what is in absolute quantum in terms of?

Shubham Jain: Yes, I am looking for the absolute quantum for the quarter.

Nikhil Dilipbhai Bhuta: Yes, so absolute quantum for the quarter, as we say that it is generally in the range of around 45% to 50% of the total income that we incur and total income that we earn and so right now, let's say if we are looking at more than around 55,000 seats that we have the capacity. So, we are looking at anything in an average of about, around Rs.65 depending upon the new sites and let's say in the earlier, the older sites we are looking at in an average of about Rs.50 that is the kind of outflow that we are looking at between Rs.50 to Rs.65 on a bare shell basis, and about let's say, Rs.65 to around Rs.80, Rs.85 on a furnished site rate per square feet that we are looking at.

Moderator: Thank you Subham Can you please join back the Que. The next question comes from the line of Sandeep Agarwal from Naredi Investment. Please go ahead.

Sandeep Agarwal: Thank you. Sir the first question is regarding, currently we have 70 sites out of which, how many sites are with us for more than five years?

Nikhil Dilipbhai Bhuta: So, more than five years would be around 55% to 60% because most of the expansion as you would have seen, have happened post 2022, so more than five-year sites would not be more than 50% it will be in and around that or little less than that in fact.

Sandeep Agarwal: Okay. Sir my next question, if we do any renewal site from the landlord, and what do you with the furniture. Renewal site from the landlord, so what you do with the furniture. Do you completely amortize or use it at a new site?

Nikhil Dilipbhai Bhuta: No. So, let's say if we are continuing with a particular site, then obviously the furniture which is fitted out would remain within that number one, number two it would also matter that whether the furniture is funded by us or it is funded by the landlord. So, let us say, if the furniture is funded by the landlord then it is immaterial whether we leave after five years or we continue after the five years because anyway we are going to be charged certain rental accordingly. Only in a circumstance where we are if we have to kind of renew ourselves, and if we are not able to renew when we have invested for the furniture, then that is the reason why we always calculate that whatever is the landlord tenure for which we have invested in the furniture, we amortize that during that tenure itself. So, we don't consider as if it is going to get renewed. If it gets renewed, that's a benefit that's an additional advantage that we get because we have already kind of amortized the entire furniture during that tenure only. So, only in case, if this question or this aspect is relevant only in case where a site where we have funded for the furniture, and if we are not able to renew the contract with the landlord for whatever reason. Then, in any case we would have amortized this during this first five year contract for which we have taken the landlord's agreement.

Moderator: Thank you. The next question comes from the line of Saagnik Karmakar from E Stock Broking. Please go ahead.

Saagnik Karmakar: Hello, Thanks for the Opportunity. What I wanted to ask is, this quarter whatever furniture revenue we have booked, so that comes totally from our internal orders?

Nikhil Dilipbhai Bhuta: No, in fact this doesn't really count the internal orders. So, there is about more than, about 2.5, 3 crores of internal orders which has got kind of knocked off during the consolidation. So, this is completely a third party contract that has got accounted for and reported in the consolidated results.

Saagnik Karmakar: Okay. So, we talked about order going through Hyderabad, last quarter is that the one?

Nikhil Dilipbhai Bhuta: Yes, so no. So, Hyderabad one was the first order which is, it was that was what we had received from an F&B Company, and that obviously got delivered partially in the last quarter and that is one of the contract which is part of this total revenue that we are talking about.

Saagnik Karmakar: Okay, understood. Also, I wanted to understand when you say that the SM REIT will help the bottom line, how exactly in terms of financials is it going to help?

Nikhil Dilipbhai Bhuta: So, under the SM REIT, our wholly owned subsidiary EFC Investment Manager Private Limited is going to be the manager to the SM REIT, because SM REIT, we will only be owner, owning it 5% and the balance would be owned by the investors. So, what in terms of revenue, which will come directly on our books, is the income for the services for management and operation of that entire SM REIT including managing their occupancy, including their marketing activity, administration and operational activity, all the activity that we would be carrying out, that would be charged in form of service fee, and that service we will directly add to our bottom line, because all other expenses whether on account of electricity, on account of housekeeping, security, which are generally booked in our books are now will get booked with regards to the property that SM REIT has acquired in the book of SM REIT only, so we will get directly only a net service fee that we are eligible for delivering these services for those SM REIT and that's why it is adding to the bottom line.

Moderator: Thank you. The next question comes from the line of Kushal Chauhan from Viom. Please go ahead.

Kushal Chauhan: I wanted to understand on margin, so the D&B margins have shrink a little bit. So, what is the guidance going forward and in all of this inventory how are we expecting around 40% of margins from furniture business, as per your commentary because that is something which even big players are not able to generate?

Nikhil Dilipbhai Bhuta: So, with regards to the D&B division, the margins we generally expect a margin range to be anything around 17%, 18% only but largely because of the certain contracts which we are receiving today, that is really contributing in us, enabling a higher margins and obviously, if tomorrow we get the blend, which is likely to happen in the coming quarter where we get the blend of this contract, the average would come down around 20%, 22% despite we are getting certain high margin contract because, there will be contracts which had also of a moderate margin, which will average out the entire margin profile. With regards to the rental income, rental margins, if you see at an EBIT level, yes EBIT level comes pretty high because it doesn't account for interest cost. Where, there are about eight floors which are now at this point of time owned by us, and the revenue which comes from there we don't have to pay out the rental and hence that proportionate amount is actually getting paid in form of interest, because we have taken LRD against those properties. So, if you really want to understand the margins, then you have to actually calculate not just look at the EBIT, but also minus the interest portion, which is dedicated only to the Leasing vertical. Then you will see it will come out around 30% and that's the kind of margin that we have always guided to the investors that we are trying to achieve from our businesses.

Kushal Chauhan: And what can be the CAPEX per seat, it was around 1400 or 1500 per square feet. So, what is the guidance going forward and how are we managing this cost efficiency?

Nikhil Dilipbhai Bhuta: So, as I have explained earlier, that CAPEX per seat would range around Rs.50,000 per seat, or let's say if you talk in terms of square feet, our thumb rule always has been around Rs.1250 per square feet, and we will maintain that thumb rule always because, we believe very strongly that if we really do not kind of optimize or bring efficiency here, then there are very less scope for me to kind of maintain my margin profile accordingly, and hence if you looking at in terms of outlook, as I said my CAPEX profile would remain at Rs.1250 per square feet and as I have also mentioned to the earlier answers, that we try our best in identifying and locating properties where most of our properties are getting funded in terms of CAPEX for fit out expenses through the landlord only, so that there is a lesser CAPEX that is getting burdened on the Company and according the liabilities.

Moderator: Thank you. The next question comes from the line of Vishal Mehta from Raghav Capital. Please go ahead.

Vishal Mehta: Hi Good morning Nikhil Bhai and Umesh Bhai, I just wanted to understand, a couple of days back you had this BSE notice that you have acquired this Company Master and Platt what's the rationale behind that?

Nikhil Dilipbhai Bhuta: So, this, basically we have acquired this Company more like a strategic investor. We were not going to participate actively in the management and operation of the Company. The management of the Company is kind of a separately run through the significant promoter shareholders who are the promoters also. And our interest is to, we are looking at some synergies that could be established with this Company which is operating in renewable energy sector, so that going forward if those synergies could help us in bringing down our operation costs, or maintaining our margin fine, that's the precise reason why we have kind of taken a strategic call in participating and acquiring certain strategic investment share in the Company.

Moderator: Thank you. The next question comes from the line of Raj Saraf, Finvestors. Please go ahead.

Raj Saraf: Very Good Morning and Congratulations on the very good set of Numbers. A couple of questions from my side. Sir, in this Q3, we have availability of operational seats like 51,000 to 52,000 total. So, going forward, by the time we conclude this financial year, how much seats will be available for billing?

Nikhil Dilipbhai Bhuta: Sir, by end of this financial year from billing perspective, we are trying to achieve total seats, anything around 55,000 seats that we are trying to bring it on a billing level and on a capacity level, obviously we are trying to achieve more than around 62,000 to 65,000 depending upon how the contracts getting closed for acquisition because, this is the quarter we try to maximize ourselves in terms of securing the contract, so that the revenues from those contract can start spilling, kind of generating from the next financial year first quarter itself.

Raj Saraf: Okay and sir as we are listening to the market and seeing some slowdown in the economy. So, do you feel that this also affecting our operations bookings like that sir?

Nikhil Dilipbhai Bhuta: So, at this point of time, first of all as you have appreciated one of the reason why we have kind of created this integrated structure and also created a multiple sources of revenue, is to ensure that we kind of kind of hedge ourselves or shield ourselves from potential risk that one can foresee from slow down in a particular kind of a sector. Yes, all the three verticals are having dependence on the real estate and accordingly, on the economy. Yes, the economic slowdown would have an overall impact, but as we can see right now primarily post-COVID the entire office market, and also the way the office premises are getting on a leasing model where the ultimate customers are looking at a solution which is more flexible for them, and more solution which is kind of less CAPEX oriented for them, but they are remaining to be an asset light Company and hence, the likely growth in these sectors is likely to remain upward for next at least one or two years, independent of the overall economic situation as what we appears to be as of now. We are keeping a tap on this situation, and as we say that there are sectors which are the essentials and would remain robust at least going forward. So, let's say education, health care, etc and that's why our focus from the furniture sector is also, not only on the real estate sector, but also on to those education and healthcare sectors. So, that we can at least try to tap those sectors and get more revenue from that in the furniture division. Similarly, on the D&B division, and also our customers that we are trying to learn under the Leasing vertical are also diversified, we are not only focused on IT, ITAS or BFSI, but also trying to get into different kind of customers who are operating in different industries, and so that we have a proper risk distributed across the sectors that we are trying to work upon. So, that's the kind of the strategy that we are adopting and we are trying to kind of hedge ourselves against the potential risk because of the slowdown in the global economy or in the domestic economy could bring into our businesses.

Moderator: Thank you. The next question comes from the line of Rohan Shikhani from Accentual. Please go ahead.

Rohan Shikhani: Good Morning. Thank you for the opportunity. I just wanted to ask a couple of questions that, first of all in the quarter two conference call you had given a guidance of the rent per square feet that was Rs.6250 but the rent, but you mentioned that the further seats will have rent about Rs. 6500 or more, but seeing more than 10% growth in seats, the average rent per seating hasn't increased. So, like, what can we expect in the further quarters regarding the average rent per seat?

Nikhil Dilipbhai Bhuta: So, we have always maintained that we try to operate within this bracket, which is on an average it ranges from Rs.6000 to Rs.7000, Rs.7500, and an average out to around Rs.6250 to 500 and that's the range that we try to operate and that's how entire economics, also we plan. So, whenever starting beginning from acquisition of site. So, the rental that we pay out, the kind of CAPEX that we do, and obviously the price that we kind of establish for that micro market we try to maintain within this range. Having said that, obviously we are looking at a situation, because right now we are already seeing a trend where we are achieving anything around Rs.7000 plus, minus, let's say 10% that kind of range, depending upon again, like I said the markets, depending upon the location that we are kind of penetrating in. But overall trend in terms of pricing would remain the same, because we are very conscious, in our industry location and pricing are the two very critical factors that one needs to be really focused about in terms of achieving the right growth and maintaining the right margin profile. So, it would certainly remain in this range.

Rohan Shikhani: My second question is, seeing the advent of furniture division. Two questions here, what can be the revenue split going forward and secondly, as you said that the furniture is in-house. So, how much margins can we see to be realized in next financial year because currently we can see that there is a very low profit before tax, in terms of furniture division EBIT my bad.

Nikhil Dilipbhai Bhuta: Yes, absolutely. In terms of the contribution of each vertical is concerned going forward, yes, since our rental business is a legacy business and the core business that we have established ourselves with, that for next one and two years, would remain a front runner and going but if you look at it probably down the line two years we are more than happy to see a situation where we are able to bring a kind of an equilibrium among all the three verticals, number one. With regards to the margins for the Furniture vertical, we are very confident that, considering the kind of product range that we have developed, and we are also continuously developing and the market conditions, we believe that 30% EBITDA is something which is really achievable. When we entered the market, based on the market report and the research, we have always been guided that anything between 35% to 40% is something achievable, but realistically speaking, considering the different product mix that one would come up with, achieving 30% margin in our mind is very much achievable, and would be achieved. At present, you see a lesser margin primarily because obviously we are not at our best capacity because as we explained we started only last quarter, and obviously took kind of a little time in terms of establish their product range, establishing the quality standards, and getting our team trained to do a mass production and so and so forth. So, going forward, once we do a better capacity utilization, you will start seeing the margins in the furniture division in terms of its EBIT level, as you have seen right now. But yes, certainly we will be able to maintain a margin in and around 30% on an EBITDA level in the furniture division.

Moderator: Thank you. The next question comes from the line of Abhishek Dikshit from HEM Securities. Please go ahead.

Abhishek Dikshit: Hello Sir, So, in the earlier concall, we have given the guidance of doubling our top line in FY25, are we intact on that?

Nikhil Dilipbhai Bhuta: So, doubling our top line was obviously the target that we had once kept for ourselves, because, you need to hit for those high targets and we are, maybe not exactly would be in a position to double it, but we would certainly be going as near as possible to that. And right now, looking at the growth overall we believe we will certainly not be able to double it entirely, but would come somewhere near to that maybe, around 50% more than the last year would certainly be the achievable situations.

Abhishek Dikshit: Okay. So, we are aiming for 50% growth in the top line in FY25.

Nikhil Dilipbhai Bhuta: Yes, more than that yes, in and around that.

Abhishek Dikshit: What was the reasons, we missed our guidance?

Nikhil Dilipbhai Bhuta: No, like is said it is not a guidance, that was a target that we had kept and we still have more to achieve such. But if you look at that, we have kind of improved our margins so independent of the target if you look at the margins, margin will get doubled from what we achieved last year. So, which is what is more significant because you kind of with this integrations we have at least try to bring the efficiencies as you could see my last year, entire year PAT was at about 62, 63 crore. And this quarter by nine months result is at about 92.8 crore. So, there is already, more than 50% increment in the profitability by nine months only. And with every profitability getting added is going to be marginally adding only. So, certainly we will doubling our profitability in terms of turnover, yes we would achieve a little lesser than what we have targeted for in terms of doubling it. But more important, as I explained, is that we are able to bring those efficiencies through this integrated model and achieve a better profitability in the overall business.

Moderator: Thank you. Ladies and gentlemen, that was the last question, and we conclude the question-and-answer session. I now hand the conference over to Mr. Aman Gupta, Company Secretary of EFC (I) Limited for his closing comments.

Aman Gupta: Thank you, Ryan. Thank you everyone for joining us on the earnings call. We truly appreciate your time and engagement. If you have any further queries or require additional information, please feel free to reach out to our Investor Relations team or drop us an email. Your continuous support and trust are invaluable for as we work together to drive the Company forward. Wishing you all a wonderful day ahead. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen on behalf of EFC (I) Limited that concludes today's session. If there are any questions that have remained unanswered due to paucity of time, request you to kindly send us the same to compliance@efclimited.in. Thank you for your participation and you may now disconnect the call. Thank you.