June 18, 2024

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

**Sub.: Analyst/Investor 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 Wednesday, June 12, 2024.

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_Call.html

Kindly take the above information on record.

Thanking You,
For EFC (I) Limited

AMAN KUMAR GUPTA
Digitally signed by AMAN KUMAR GUPTA
Date: 2024.06.18 17:01:30 +05'30'

Aman Gupta
Company Secretary

Encl.: As Above.

EFC (I) Limited

Analyst/ Investor Meet Transcript

June 12, 2024

**Management: Mr. Umesh Kumar Sahay – Managing Director**

**Mr. Nikhil Dilipbhai Bhuta – Whole Time Director**

**Mr. Uday Tushar Vora – Chief Financial Officer**

**Moderator:** Welcome, friends to the EFC (I) Limited conference call. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask question after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*', then '0' on your touch tone phone. Please note that this conference is being recorded. Before we go ahead, here is a quick introduction to the company.

Pune headquartered EFC India is the first listed company in integrated serviced office and managed office space. Founded in 2014 by First Generation Entrepreneur, Mr. Umesh Sahay. The BSE listed EFC India has a presence in 35 plus centers across 7 cities. EFC India operates under different business verticals under the brand EFC, Sprint, White Hills and Ek Design.

Unlike other industries player, EFC India offers comprehensive end to end solution to businesses and office space management. This includes helping customer, identifying right properties, supporting negotiation with property owners, furnishing and designing the property according to the client's specification, and carrying out ongoing management and maintenance function on behalf of the client. White Hill interiors and DNB verticals provides interior design and commercial space furnishing solution backed by strong supply chain enables.

EFC India is on a trajectory of rapid growth with a sharp rise in net profit at rupees 63.17 crores, a 312% increase in total sales to rupees 428.78 crores and significant jump in EBITDA to rupees 191.92 crores. These impressive financial figures underscore the company's commitment to profitable growth and margin protection. EFC India has total assets under management of 1.9 million square feet. The company has a total sitting capacity of 43,000 with an average rental per seat of Rupees 6250. It has also contracted to add more than 4,00,000 square feet of leased space across Pune, Noida and Hyderabad. The DNB vertical closed the single largest contract with Co forge for developing 1,00,000 square feet of commercial space in FY23-24. The company planned to increase its seat capacity from the present level to 92,000 seats by March 2026. With India ranking as the second largest Co-working market globally and estimated 60 million square feet of flexible office stock available, EFC is poised to seize this opportunity. The company plans to substantial expansion over next three years, aiming to become a significant industries player by developing an integrated ecosystem in the real estate service sector.

I would now like to hand the conference over to Mr. Umesh Kumar Sahay - Managing Director of EFC Limited to give his opening remarks. Thank you and over to you, Sir.

**Umesh Sahay:** Good evening, everyone. I'm Umesh Sahay - Chairman and Managing Director of EFC India Limited. It gives me immense pleasure to welcome you all to our very first analyst and investor call. Your presence today is testament to the interest and confidence you have in our journey and future. Let me start by giving you a brief history of the EFC Group.

The idea of EFC came to me in the early 2010, inspired by the need to provide innovative office space solution in India, an idea that was ahead of its time. We started as a small company with a single center in Pune, offering about 99 seats. From this humble beginning, we have grown into a leading name in the managed office space at co-working space sector with a strong presence across India and over 40,000 seats currently. Our journey has been remarkable. We run bootstrapped over the year, demonstrating reliance and strategic foresight. It was only in 2022 that we become the first ever listed company in India in this space, making a significant milestone as we raise our first ever funding.

This achievement underscores our commitment to excellence and sustainable growth. The managed office space and co-working space industry has undergone significant transformation over the past decade. According to the recent report, India Commercial Office stock is standard 832 million square feet as of December 31st 2023, in the top nine cities, grade A and grade B, bifurcation 85% to 15%. Flex office space occupy occupancy about 1,000,000 seats spread over 65,000,000 square feet across major cities in India. Initially driven by the need for flexible work environment, the sector has now become a constant of modern business infrastructure. In 2023, co-working space accounted for about 20% of the total office space absorption in major Indian cities, reflecting a strong and growing demand.

EFC Limited has a successful establishment itself as a significant player in the dynamic market landscape. Our consistent profitability sets us apart in an industry often marked by volatility. The success can be attributed to our strategic foresight, robust business model and the relentless focus on customer satisfaction. We have continuously adapted to the market need offering innovative solution that cater to a diverse clientele and our ability to remain profitable in a competitive market is a testament to our strong operational efficiency and effective management practices.

In addition to our core offering of managed office spaces, we have strategically diversified into interior fit out and furniture manufacturing business. This division have not only broadened our revenue stream but have also created a significant synergy with our operation. The integration of this business allows us to offer a comprehensive solution to our client, enhancing the experience and satisfaction. Our interiors fit out division, provide customized and efficient workspace design while our furniture manufacturing division ensure high quality ergonomic furniture that needs to evolve need of modern workspace environment.

Looking ahead, we are committed to continue our growth trajectory and further solidifying our position as a market leader. Our focus will be on expanding our footprint and leveraging technology to enhance our service offering. Sustainability and innovation will remain at the core of our strategy as we strive to create workspace that are not only functional and aesthetically pleasing but also environmentally and socially responsible. We will continue to explore new opportunity and partnership that align with our vision and value, ensuring long term value creation for our stakeholders.

In conclusion, I want to express my gratitude to all our investors, analysts and stakeholders for your unwavering support and trust. Together, we will continue to build the future where EFC India limited not only thrives but also set new benchmarks in the managed office space industry. Thank you.

**Moderator:** Thank you, Sir. I now request Mr. Nikhil Dilipbhai Bhuta – Whole Time Director of EFC India Limited to discuss further.

**Nikhil Bhuta:** Good evening, friends. This is Nikhil Bhuta – Director of EFC India Limited. We welcome you all to our first analyst call. We really appreciate your continued interest and support in our company. Today we'll be discussing our financial and operational performance for the financial year 2024, highlighting some of the key strategic decisions that our group has taken and sharing our outlook for the future.

You know, for the financial year 2024, EFC India Limited has delivered strong financial results with the top line on the consolidated level reaching at around 428 crores with EBITDA margin of about 44.76% and PAT margin of about 14.76%. These figures are truly reflective of our resilience and strategic focus and the management's commitment to growing the company forever. Our strategic decision to venture into commercial interior fit out division and to implement backward integration by establishing furniture manufacturing unit has been really instrumental in, you know, driving the growth and the success for the company.

This initiative has not only helped us to increase our top line, but also enabled us to achieve significant cost saving and also achieve the efficiencies which are very much critical in our industry to really establish or create a differentiation. While the manufacturing unit will be fully operational in FY 2025, our interior fit out division is already witnessing an upward trend. As we speak, we have already become a kind of a preferred vendor to lot of large corporates and organizations across and we are delivering successfully on a timely basis with quality services to clients like TCS, Coforge and many more, which is all made marking a significant milestone for our group to go to the next level not just this vertical complementing our existing legacy business of managed office space, but creating a SPU which itself is profitable and creating its mark in the industry.

Looking ahead, EFC India Limited, which is positioned in a favorable market environment with an integrated business model of real estate as a service provider, we are fully geared up to deliver even better performance and create substantial value for our shareholders.

Our strategic initiatives and robust business model places in the sweet spot for future growth and success. I would like to take this opportunity to thank our dedicated team for their hard work and commitment to the organization goals and also our stakeholders for their continued trust and support. We remain committed to driving growth and creating value for all our shareholders. I'd like to take this opportunity to invite our CFO - Mr. Uday Vora to present to you all a little more detailed numbers on the financials for the FY 24 and take you through the various aspects relating to the same.

**Uday Vora:** Thank you, Mr. Bhuta. Good evening. A warm welcome to EFC India limited analyst call. This is Uday Vora – CFO, EFC India limited. Moving on to key highlights for fiscal year 2024, we have set strong footprints in seven cities in India, covering about 1.9 million square feet area under management. We have total 50 sites under our management across these seven cities in India. The total seat capacity has crossed 40,000 mark.

Moving on to some key financial highlights, as mentioned earlier by our director, the total term consolidated turnover that EFC has achieved is to the tune of 428 crores on a console basis, achieving an EBITA of about 44.76% and a PAT of 14.76%. So, of this the segmental break up would be the rental segment that clocked about 263 crores, which is about 62.2% of the total revenue, whereas the revenue from DNB business stood at 113 crores, which is approximately 27%. The revenue from furniture business stood at about 46 odd crores, which is nearly about 11%.
While we speak about the quarter-on-quarter seats, the billing seats on quarter on quarter saw rise of about 10.7%. There is a year-to-date growth in seats which rose to about 41.54% signifying our stronghold into the domestic market, I thank you all and I now open the forum for question-and-answer session.

**Moderator:** Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question, may press '*' and 1 on their touch tone telephone. If you wish to withdraw yourself from the question, you may press '*' and 2. Participants are requested to use handset while asking the question.
Ladies and gentlemen, we'll wait for a moment while the question queue assembles. First question is from the line of Sahil from Columbus Capital, please proceed.

**Sahil:** Umesh ji, firstly many congratulations on the very good numbers in Q4 and FY24 also.

**Umesh Sahay:** Thank you. Thank you. Thank you, Sahil ji.

**Sahil:** Sir so basically, I want to understand from you about AIF and REITs which were mentioned in the notifications that how will the business models be and what impact will it have on EFC from the top line and bottom line?

**Nikhil Bhuta:** So, I think Sahil ji, AIF and REIT business model, business structures that we are trying to bring into as part of the EFC'S overall growth story. The idea behind coming up with AIF and REIT is that we need going forward we need to go and control some of the real estate assets which we are actually right now managing and operating. You know, as an operator, we are a service provider and we, you know work on an asset like model and hence we want to continue with that model when it comes to our rental space business is concerned, but when it comes to creation of assets, we would like to create this fund structures whereby we would be one of the sponsors to the fund. And bring other contributors other potential unit holders to the fund and together we want to acquire assets and again we want to use our expertise of which we have acquired over a period of last dozen year to you know manage those properties in a most profitable manner and also offer the same kind of returns to our unit holders under AIF so that which is in the market today, if you see the standard yield that you know kind of generate for a commercial property is between 7 to 8%. But when you convert these properties and run it like a managed office, you know you are likely to earn much better returns and that is what we are trying to aim and trying to create a differentiation in the market that we probably will be the one of the first one to come in the market and run AIF for the investor as an operator and not just as a real estate developer or not just as an investment fund manager. So that's the structure that we are trying to implement and this is how we are trying to you know, complement the business that we are doing within our EFC India group.

**Sahil:** Nikhil sir, what I was trying to just understand is that from the point of view of EFC India Limited, which is the listed entity. Basically, if we think of the top line and bottom line, will it impact in any way?

**Nikhil Bhuta:** Yes, obviously, because what will happen is that the operation of this assets would be done by EFC India Limited only. So, the whatever that revenue that will be generating from operation of the assets which we will be charging a fee to the AIF for operating, managing and marketing those assets, right. And those fees will directly add to our bottom line.

**Sahil:** Got it. So that was my question. Thank you so much.

**Nikhil Bhuta:** Thank you. Thank you, Sahil.

**Moderator:** Thank you. Next question is from the line of Dhruv Mukesh Bajaj from Smartsync Investment Advisors Service. Please proceed.

**Dhruv Mukesh Bajaj:** Yes, Sir. Firstly, congratulations on reporting an amazing set of numbers and thank you so much for hosting your median con call. My first question was that we have recently set up a subsidiary called EFC Estate Private Limited. So, will this subsidiary be involved in our plans of expanding into REITS or this will be a completely different business segment of establishing IT parks like someone that NESCO does basically? So, if you can give some picture regarding that.

**Management:** Dhruv, thank you for this question, but we are looking at this SPV to participate in some of the strategic investments that we would like to make as a group where you know we see you know obviously in the market we get a lot of opportunities where whether it is development of IT parks, whether it is you know development with large commercial A grade properties and any which ways as a part of our business model, we need to, you know, kind of block this property for us to manage going forward. So, we are you know kind of taking those strategic initiatives and participating in those assets in certain level, we're ensuring that our commitment is purely to ensure that those assets come under our management by the time they really come up fully furnished and you know which helps us in consolidating or increasing our stocks going forward. So, EFC Estate Private Limited will definitely look for investment making such strategic investments into IT parks or such commercial properties that we feel where there is a, you know, an upside on its own from the investment point of view and also another upside in terms of securing rights for managing those assets either through getting the lease out rights or otherwise.

**Dhruv Mukesh Bajaj:** Got it. Sir, but how will we fund these investments like in REITS we are raising funds from other investors who will be our unit holders. But in EFC Estate’s case, will we use our internal accruals or do we plan on raising some funds?

**Management:** At present, we are planning to use our internal accruals because we are not going very heavy on this investment. But you know as you can appreciate, we are generating substantial revenue year on year internally as well. So, we'll be you know part you know kind of earmarking some portion of it for making investment of such nature.

**Dhruv Mukesh Bajaj:** Got it, Sir. That is very helpful. And Sir, can you give an overview regarding the potential margins profile for all the three segments, let's say 2-3 years from now on because we have clocked around 15% PAT margin in the current year. However, the revenues from Furniture segment were very miniscule and since Umesh ji in one of his interviews has mentioned that the revenue potential for furniture business can be 300 to 400 crores and since it's a manufacturing-based plant so I think so margins will be much higher if we work on a higher scale. So, if you can give some idea like how should we look at all these three divisions?

**Management:** Yes, why not? I mean, so from since you have touched the manufacturing of furniture first, yes, the manufacturing of furniture as our MD - Mr. Umesh Sahay said that you know will definitely contribute that level of turnover. But the margin level would be you know easily would be around 40% that on an EBITDA level, that would be making under this division. When it comes to our rental space business, the margin level or an EBITDA level you know is between 30 to 35% and you factored in for the occupancy level, then average is South to on the center level at about 30%. And on a corporate level, it comes up to around 24-25% on an EBITDA side. And on the DNB that is Design and Built division, you know the EBITDA and PAT in design and build more or less remain the same because you know it's a negative working capital kind of a business where you know our, you know, except for the investments that we have to make in terms of recovery from receivables, there is not much investment that is required on the CapEx side. So, the recoverability on an EBITDA level there is about 16 to 17% on a DNB division. So that's an ideal situation that we'll be able to achieve going forward. And right now, the blended margin as you can see on a PAT level is at about 14.67 which is you know which if you convert it to EBITDA level, it is much better. So, on a PAT level going forward, again it will remain between 15 to 20% with the inclusion of furniture division, the PAT you know contribution would also increase on a group level.

**Dhruv Mukesh Bajaj:** Got it, sir that is very helpful. And then can we get a timeline regarding the production that will start from a new furniture facility? And how will the scale up happen? Because it has a huge revenue potential, but like I don't feel that the immediate capacity utilization will be very high. So how are we looking at utilizing that particular capacity and by when will the production start? These are the two questions.

**Management:** Yeah. We are expecting production to start in the second quarter, all the machinery, I mean obviously the plant is already almost ready in terms of, you know, the renovations etcetera and the structures is ready, it is the machineries are already all ordered and about to get installed within this month. So obviously the trial productions and the pilot production will take place and we are expecting it to really go live in the second quarter of this financial year. With regards to, you know achieving the top line from this business, you know you appreciate that in all our businesses, the way these businesses are designed internally, you know the EFC India's legacy business, which is the managed office business, is always an anchor client for this all units. So, you know, we already have over the last about nine months developed the capability to start even on a smaller scale manufacturing the workstations that we really and the chairs that are the major kind of furniture requirement for the Co working or the managed-office players. One of them is as an anchor client, so that business would immediately, you know, begin and we don't really need to find a market for that because as I said we'll be one of the lead consumers ourselves, you know, so and this the requirement of these furniture's are also quite voluminous when it comes to the managed-office players in our industry. So, I think the turnover also we will be able to achieve substantially this financial year. And with the scale that we are expecting, the overall target that we are setting, we believe that we should be able to at least achieve, you know, if not more, at least around 50% of what we really are setting to target this financial year.

**Moderator:** We'll move to the next question from the line of Malhar Manik from MM Capital. Please go ahead.

**Malhar Manik:** Thank you for the opportunity and many congratulations, Umesh sir, Nikhil sir and the whole team for fantastic set of results. First question is, is there any target for what kind of AUM we are expecting on the REIT side and also if you could explain what would be the fee structure for that?

**Management:** We are right now you know in very close discussions with our consultants, lawyers and those structures are getting, you know found up right now. So, I believe I think we need to keep this question for the next quarters session because you know, at that time we'll be in a much better position to give you more precise answers to these things. Right now, like I said, everything is under, you know on the forming of stage please.

**Malhar Manik:** Sure. And Sir, just from a longer-term perspective, I wanted to understand how you are thinking about the culture of EFC and how that affects your hiring practices also, like what, what do you envision as the culture of EFC?

**Management:** Yeah, yeah. I mean, it's a nice question. You know, culturally we as an organization have always remained, if you, if you kind of relate to how a technology developer really, you know, classify themselves or call themselves, we like to call ourselves an agile player. We always like to be on top of things. We always like to be taking ownership proprietary calls on kind of transactions that we all are involved in to. So, we always want that our team is while we like to maintain a lean team, but the team needs to you know are always 100% contributing to their capacity. And we believe that we should be able to drive this culture forward. We are very closely knit group; I mean it's maybe sometime sounds cliché but we work like a family and that's the kind of environment that we try to create within us. And I think going forward yes, this will be challenging situations because you know we are getting into various businesses, we are getting into various diversifications and every business demands different kind of culture, different kind of requirements like manufacturing as a different mindset, service sector has a different mindset, IT sector has a different mindset, so you know, we got to kind of combine those situations. But on the core of our culture will always remain those proprietary commitments, those family value appreciations, those you know, you know taking care of each other like a like a strong, you know, neatly linked to family. And we continue to be like such.

**Malhar Manik:** Thank you so much, Sir. And all the best.

**Management:** Thank you.

**Moderator:** Thank you. Next question is from the line of Chinmaya Bhargava from Badrinath Holdings. Please go ahead.

**Chinmaya Bhargava:** Thanks for the opportunity. So, in looking at the cash flows in FY 24, I'm trying to understand the receivable line item that we have. I understand you know in our business there's a split between interiors, the trading business and the Co working space. Could you just give me a break up of the receivable cycles between these different segments.

**Management:** Yes, please. So, in terms of receivable cycles, primarily the two new verticals that is the DNB, the interior fit out and build up division and even the furniture division, the receivable cycles roughly you know operates between 90 to 120 days. I mean ideally, we try to conclude the transaction where we can do at 60 days credit terms also. But you know at the end of it generally you know the way the broad terms in the market works, it kind of spreads between 90 to 120 days and you know there are certain contracts where even government or semi government agencies are involved then you know it kind of accordingly stretches further down. Further, secondly, you know in always in large contracts like when we work with clients like TCS and Coforge and all you know you have some retention monies which are involved because you know they also want to ensure that you know by once you finish your work, the quality testing and their own internal control with regards to you know the handover of the products etc. They would like to ensure that even post completion, there is a certain amount of money which is retained. So that way the working capital blockage is more in these 2 segments. With regards to the Co working, our managed office business, we are lucky that in that segment you know generally you know on an except for the kind of what monthly gap you have you know so it's about 30 days gap otherwise you know it is pretty much on time and on an average all the players, there is no kind of battered situation, there is no delay situation. So, within 30 days period, we would generally kind of receive every payment from customers who are under the managed office segment.

**Chinmaya Bhargava:** Got it, got it. The second thing I have is a request. I think all of the business that we conduct are held through the subsidiaries that we have. But I don't see us having published the subsidiary annual report for FY 23. So, my request is if you can take care to put out the subsidiary annual reports for the last fiscal and FY 24 as well.

**Management:** Yeah, surely, we'll take note of that and we'll see that if it is not up, we'll definitely put it on the screen.

**Chinmaya Bhargava:** Thank you.

**Moderator:** Thank you. Next question is from the line of Pranav Shrimal from Pence wealth advisories. Please go ahead.

**Pranav Shrimal:** Yeah. Sir, I wanted to ask how many seats are we going to add by the end of FY25?

**Management:** By FY25, we should be closing at around our target is to close around 65,000 plus seats that we like to achieve by then. So just to give you a bit of trajectory, I mean as we speak already, by September we'll be touching around 50,000 to 55,000 seats which are already contracted in the sense that you know they are already in the development or you know beginning to get into development. So, by September we'll be touching between 50 to 55 and by March certainly would be crossing 65,000 seats.

**Pranav Shrimal:** All these seats are being contract with a particular company like TCS, Coforge? These are separate manage?

**Management:** So, obviously it will be separate clients, TCS and Coforge are actually our clients for the DNB sector, ok, we actually we work for them on a contractual basis. But our client for the managed office segments are organizations like, you know, QuestCorp, Tech Mahindra, Mahindra Finance, Flipkart, you know Meta, then you have, you know, Eureka Outsourcing and many such other large corporates. Mahindra Finance is also there, Bajaj Finance is also there. So, I mean you know the different types of organizations but broadly when we see managed office, so we typically focus on established business houses. I mean where you know who are in a position to commit to you for a certain kind of a lock in period. So that you know they have a certainty of their business and so that we also could derive those certainty for our own businesses as well. And it is very necessary for us to, you know, do a long-term planning and once we have this kind of customers, it makes you know our business model more sustainable.

**Pranav Shrimal:** Completely agree with you, Sir. And lastly, what kind of margins can we expect from the TCS, Coforge contract? Will they be in line with the current margin?

**Management:** Yes, they will be. And so, I tell you, Sir, in DNB division, what happens is that you know you have those, you know, so we do develop design and build for not just for commercial office spaces, but we also do for certain unique you know commercial spaces like we developed R&D centers, we developed you know research laboratories, we developed the healthcare centers so these are those unique developments where we make larger margin compared to you know developing an office space because you know when you develop an office space, there are standard costings which everybody is broadly aware about. You know there are standard products, there are standard category of BOQs and BOMs which are prepared. So, in the standard contracts like such in office spaces development we probably made between, let's say around 13 to 15% on a net level, but this increase reasonably well when it when you go into those specialized contracts of R&D centers and laboratories etc. and it increases by 5-6% for sure. So average out to we certainly would be in a position to you know achieved 15-16% of margins that we are even right now also have targeted this year.

**Pranav Shrimal:** OK, got it Sir. And lastly, just the question of the seats. So, the number of seats were adding, are you targeting any particular town or will it be spread across the existing mix?

**Management:** Yeah, it will be spread across. It's spread across in these major 9 cities because you know these nine cities are the one which really contributes to broadly to the economy and they really drive the Flex office space market. And we strongly believe that for at least next couple of years, these nine cities still would continue to hold the spaces.

**Pranav Shrimal:** Alright. And one last question, Sir. Let's think of EFC as a company in the next three to four years. Where do we see ourselves with the let's assume the AIF goes smoothly, we have the Co working space, all the segments are picking up. Where do we see ourselves in the next three to five years?

**Management:** So, I mean, like we mentioned in our opening remarks and like our MD also very categorically mentioned in the opening remarks that we want to establish ourselves as an integrated player where we established ourselves as real estate as a service provider. We don't want to be purely known as the managed office player only because you know, if I want to really create efficiency and deliver the kind of returns that I intend to promise for my shareholders, I need to ensure that I bring the efficiency not just at the CapEx level, but at an operational level by doing such kind of, you know vertical integrations or horizontal integrations and kind of expand my horizon to as a holistic player just then, as a single office operators where my USP's are very limited. But with these verticals added to my kind of arms, I'm really in a position to create a difference in the industry and that is what we try to achieve in the coming years in terms of growth as you know, specifically questioning for, you know, I mean definitely as you can appreciate, both this division, the DNB and the furniture manufacturing, there's just new divisions and it are they are all going to expand you know multifold because you know the base is so small, they will definitely going to contribute substantially to the top line for our company and also in the Managed Office players, we definitely see at least in next couple of years going forward the market is positive. And as long as the market is really positive on the real estate side and also the demand from the GCC clients and also the domestic client is on an upstream, we truly believe that we should be at least if not more be able to kind of achieve .75 times of growth every year in the total number of seats that we will be keep adding to.

**Pranav Shrimal:** Got it, Sir. Thank you. Thank you so much, Sir, and wish you all the best.

**Management:** Thank you so much, please.

**Moderator:** Thank you. Next question is from the line of Mustafa Kanchwala, an individual investor. Please go ahead.

**Mustafa Kanchwala:** Congratulations for the success. So, I wanted to know what are the top clients and how much percent do they contribute?

**Management:** So, as I mentioned on the managed office side, we have top clients like Quest Corp, we have top clients like Mahindra Finance, we have top client like Bajaj Finance, Tech Mahindra, Eureka Outsourcing and many such other players, Sir. And all these top clients and many you know, other large organized, you know organizations contribute who are contracted with us for a longer tenure, they contribute around 75-80% of our total revenue and the balance 20% of the total revenue comes from the clients you know who are also contracted for not such long period, but at least for a period of about you know 12 to 24 months. So, depending upon you know but I think the majority of the revenue comes from these top clients that we really are contracted with.

**Mustafa Kanchwala:** OK. And what are the minimum contract with the top clients?

**Management:** So generally, you said minimum lock-in period with top clients are either three years and five-years contract or some of the special clients with whom we have been you know in contract for more than 6, 7, 8 years because you know as you would appreciate Sir, we are in this industry for more than 10 years now, we've spent a decade and there are clients who are with us for, you know, such a longer period of time. And with them we have like, and they have so much of confidence with us and we also respect those confidence and they have always contract with us for a five-year lock-in period. So, we have mix of clients, but generally like I said normally any client who joins us, they would come up for a five-year contract with three-year lock in and then you know and the average even lock in that we also achieve is around two to three years only.

**Mustafa Kanchwala:** OK. Sir, one more question. I was just seeing the OPM. Last quarter, the OPM was 35% and this quarter the OPM was 56%. So, any reason for this thing?

**Management:** Oh, no. I mean, the reasons are obviously that the, you know we've been able to improve upon some of our margins like I said that we are adding these different verticals and you know bringing more and more efficiencies so you know the margins are improving and you know the consolidated level margins would improve further. So, I think going forward you will continue to see similar kind of trends.

**Mustafa Kanchwala:** OK, so I just one more question. What is the addressable market size for this business segment? And what is the CAGR rate at which the sector market size growing and what is the market share that we have captured and how are we targeting on growth?

**Management:** OK, so there are multiple questions there, I'll try to address how much ever I've kind of understood. The total addressable market, Sir, it is, you know if you look at the total Office leasing space market as our MD said in his opening remark is more than 800 million square feet of stock available in the top nine cities. Out of that, the Flex office market you know has been continuously growing. You know earlier they used to occupy not more than 5%, 7% kind of share and today, you know, it is already kind of occupying 25% of that kind of shares on an ongoing basis. But if you see otherwise the total stock on a flex of this level, it's roughly estimated at about 65,000,000 square feet. And you know, and then there is there are about multiple operators as you can understand there are various regional players, but there are very limited Pan-India players like us who are available in the market you know there are players who are let's say dominant in a particular city or a particular state but you know, and that is why the number of players is multiple in our industry. In terms of our market share, as you could see, you know we are, I mean if you consider in the top five top ten players, we are among those top five top ten players in terms of our capacities and in terms of our presence and most importantly in terms of the profitability, probably we are one of the top three players or I mean I mean I don't want to you know really sound too optimistic. But yes, I mean what going forward we see the trend that you know would be capturing reasonable, you know, percentage of the total market share and there is you know lot of growth opportunity is still available Sir.

**Mustafa Kanchwala:** OK, OK. And what are the percentage we are targeting in next three years?

**Management:** Percentage of what, Sir?

**Mustafa Kanchwala:** Percentage of growth

**Management:** Yeah. So, percentage of both industry level as they say that this particular Flex office industry is going at a CAGR of about 20%. You know it's been ranging pre COVID between let's say around 18 to 22% while you know post COVID it is between 22+ so on average it is around 20% plus of CAGR. So, we would definitely all would be you know, working at the industry, we would definitely like to beat the industry growth rate and achieve much larger growth rate, which you can see in our results also. And we would like to continue to achieve similar kind of as I have explained in my previous question that at least point I mean, we would definitely be increasing our seat base, you know from year-on-year basis with 75% growth rate at least in the seat capacity.

**Mustafa Kanchwala:** Ok, so we do we have any direct, let's say players? I compared it, I mean to say.

**Management:** So, Sir, in our industry, lot of players have different business models. You know, you know there are different players with different business models. Yes, all of us are I mean in Co work managed office business or Co working businesses as they commonly say, but you know the business models differ quite substantially. But if you want to look at in terms of, you know, the nearest competitors for us are obviously Awfis which has just got listed themselves, their business model is relatively a bit different, but like I said, they are also from the same industry and we also belong to the same industry. But like I said, you know that's the kind of comparison we can grow at the most. There are no listed players to our best of our knowledge.

**Mustafa Kanchwala:** I think Kontor Space is also in the similar line.

**Moderator:** Sorry to interrupt, Mr. Kanchala, may we please request you to rejoin the queue.

**Management:** Yes, they are also in the same.

**Mustafa Kanchwala:** OK. OK. No issues. Thanks a lot, Sir.

**Moderator:** Next question is from the line of Nitin Devariya from Prithvi Finnmark. Please go ahead.

**Nitin Devariya:** Thank you for the opportunity, Sir. As you mentioned in the opening remarks, at our seat capacity has reached to 43,000 capacity right now. I just wanted to 1st understand what is the occupancy level for the Q4 FY24 and also for full year?

**Management:** So Q4FY24, we were more than 90% and full year basis also I think at about 80 to 90% that would be the kind of range because generally on an average we are always 90 Plus kind of occupancy that is what we maintain, which largely comes from the fact that you know most of our clienteles 75 to 80% of the revenue is contributed from the long-term clients.

**Nitin Devariya:** Sir, I just wanted to understand what is the CapEx cost per seat?

**Management:** So, CapEx cost per seat for us is around ₹50,000. That's what we kind of estimate internally and that's what the target we really have.

**Nitin Devariya:** OK, OK Sir, to my understanding, I guess our CapEx cost per seat is relatively much lower than that of other listed players. So, like what are the reasons for the same like is there anything like they might be spending more on the interior fit out front or on the facility as compared to us or what is that mode that we have?

**Management:** So, I mean, you know we obviously number one and obviously that we have a large huge purchasing capability and that is where we do quite a bit of you know sourcing is one of the key factors when it comes to you know maintaining your cost on a substantially lower level. Second important thing is you know that over 10 years you know, we have been doing this and kind of working our developing our own centers without use of any you know external third party you know contractors or advisors. So, what has happened is that you know in the process we have developed so different efficiency levels that at different level, whether it is when it is fitting out a particular HVAC system or whether it is, you know, creating an Internet connectivity system for the entire center, the kind of efficiency that we have achieved that has been able to kind of that is enabling us to kind of bring the overall cost to a level that we are able to maintain the deficiency. And I think that is the reason precisely why we have gone into creating those additional divisions of DNB and also improving our sourcing ability with getting into the furniture manufacturing. So, I think these are the results of, you know, you know, 10 odd years of hard work, 10 odd years of dedicated, you know, kind of commitment to bringing down the cost, bringing up the efficiency and I think that is all paying up well to us right now in maintaining these cost levels.

**Nitin Devariya:** Ok. And Sir, 1 more question if I may. Sir, like this year we have reached around 43000 seats, and last year, we were somewhere around 25000 seats. So, like how have we added new seats to the same facilities or have we entered new cities? How has that grown?

**Management:** Actually, there is some issue with the line. Please allow us a minute.

**Moderator:** Ladies and gentlemen, thank you for patiently holding. We have the management line reconnected. So, we will move on to the next question from the line of Harsh Mulchandani from Chris PMS. Please proceed.

**Harsh Mulchandani:** Thank you for the opportunity. Congratulations to team for a great set of numbers. I had a couple of questions. One was I wanted to understand what is the current ALM split which we have, one is on the contracts which we have with the landlords. What is the weighted average duration of those contracts? And for the managed office lease, what is the average duration with the existing clients which we have on board?

**Management:** Yes. So, with regards to the average client contracts with the landlords are concerned, you know it depends only differentiates a bit between the state of Maharashtra and the rest of India because in state of Maharashtra, if we sign a contract with the landlord for more than five years then it gets converted into you know a lease contract and we kind of end up paying a large stamp duty on that almost equal to the amount that we need to pay on the transfer of property. So generally, in Maharashtra our all our agreements are on a 5-year contract with the landlord. Obviously, you know like I said that we are in this industry for more than 10 years and we started for Maharashtra and we have been able to successfully renew the agreements for another term of five years. And so, and again accordingly within the state of Maharashtra. Otherwise from there in the state of Maharashtra, our average contracts range between 7 to 9 years with the landlord. With regards to our contracts with our customers as we said that all our enterprise, all our large customers, we generally have a contract period of five year with lock-in period of three years or five years depending upon the comfort that we have with the customer. That is the kind of average that we generally maintain.

**Harsh Mulchandani:** Got it. Fair enough. And one question I had with respect to the investor presentation. In one of the slides, you have mentioned capacity under development and then you have mentioned seats under development. So just wanted to understand what is the difference in your terms when you say capacity under development was close to 40,000? And seats under development was close to 4000 number. So, what do you exactly want to convey in that slide?

**Management:** Yeah, yeah, I'll explain to you what happened, Sir, in our industry, you know, these are very loosely used terms and that is why we try to be very specific here. So, if you look at that slide, there are about 5 different parameters that are mentioned, capacity under development is the capacity which are already contracted and where either the seats are under development means seats are getting made right now the interior in some of the centers are still under development. Capacity operational is the capacity which is fully ready and already operational. So those centers are operational and working. There is no development going on, ok and the billed seats are the seats which I'm billing to my customers right now. And where I'm generating my revenue already and the seats and the development is the difference between the capacity operational and the capacity and the development. So, you know what is my operating capacity and what is the development of capacity. So, the development capacity will come in line in let's say in a month or so while operational capacity is already operating while we are sitting on that particular day. So, I think that's the difference if you and the inventory is the difference between the operational capacity and the billed seat. You got me?

**Harsh Mulchandani:** Got it. Got it. So, the first number is basically the bigger is the correct number to look at if you want to see what number would be operational in the short term?

**Management:** Yes, yes, absolutely. Absolutely, absolutely.

**Harsh Mulchandani:** Got it, got it. And just one last question is you know we are working on multiple segments. So, going forward, how would the revenue split look say from the managed office spaces, the furniture segment and then probably we would have some managed asset income from the REITS, etc., which would probably come so maybe 2-3 years down the line, you know, how would the revenue split look?

**Management:** So going forward, yes, I mean the revenue from the Managed office business would comparatively go down in terms of percentage contribution to the total revenue because you know you would appreciate that in the managed office space, you know the incremental revenue is completely a matter of adding more and more seats. So, you know beyond the point there is a limitation that I can add number of seats in a particular financial year because you know you need to grow so much number of seats and you need to get them occupied also. So going forward we believe that I mean ideally, we would like to achieve a good mix where you know, all these verticals are contributing equally and that's the kind of mix that we would probably aim at. But you would also please, you know, be mindful of the fact that you know, the DNB division is a division where there is an infinite growth possibility because you know in a particular contract in a particular quarter, I could get probably, you know, quite a substantial value of contracts while you know and going forward that the same trend could continue as long as the commercial real estate and the overall real estate market growth is continuing. So, I think overall we like to maintain the in equal contribution from all the segments to the total revenue of the company.

**Harsh Mulchandani:** Got it. Fair enough. Thank you so much and best of luck.

**Management:** Thank you.

**Moderator:** Next question is from the line of Prathamesh Dhiwar from Tiger Asset Management. Please go ahead.

**Prathamesh Dhiwar:** Yeah. So just couple of questions. So, what is our current order book in furniture and Interior design segment?

**Management:** So, as I explained, I mean, you know, my furniture division furniture manufacturing business will get into manufacturing in the second quarter. So obviously we had not begun taking orders from the third parties. But if you appreciate the fact that you know within this particular you know before September itself, I would be doing at my managed office business, I would be doing a development of around, you know, 15,000 seats between April to September that I will be adding. So, for those 15,000 seats, I will be required to get the furniture and that furniture will come from my furniture business. So that is the kind of business which is already assured. With regards to getting an external clientele, so right now we have not started taking the order because as I said before, we really get into the, you know, I mean the pilot production, we would not probably go in, I mean we already have done the soft launch; we already have our marketing material etc. already identified the potential customers, already getting into certain white labeling contracts, etcetera, but we've obviously not signed up any contracts because we'll do it only once we are in a position to do the pilot testing in next 15-20 days.

**Prathamesh Dhiwar:** OK. And Sir, what is our current order total order from TCS and Coforge?

**Management:** Yeah. So, on the DNB division, I have already signed contracts of 132 crores, which includes contracts from Coforge, TCS and then many other organizations like, YesssWorks, Bosch, Saga University and such contracts are already there, signed for 132 crores and they're about 60 odd crores or contracts under documentations and negotiation while we speak so you know, I mean, if we stop doing any further development then also we are looking at about 200 crore business straight for our DNB division obviously this this turnover would be much better going forward because we are just sitting in the first quarter. So that's the kind of order book that I'm having in the DNB divisions.

**Prathamesh Dhiwar:** OK, great. And sir, when this 132-crore order will get translated into revenues?

**Management:** They will get translated in revenue in the first and second quarter, both coming together because you know there are gestation period involved. So, it will take I mean in both this quarter you will see the results capturing these numbers.

**Prathamesh Dhiwar:** OK. OK. And Sir, can you tell how much top ten clients contribute to our revenue in Co working segment?

**Management:** Top ten clients would contribute around in the Co working segment about 50 odd percent. They would contribute to our total revenues.

**Prathamesh Dhiwar:** Ok Sir, and just question, let's say if we are adding 15,000 seats in six months, so how much time it will take to occupy these seats?

**Management:** So, I mean generally, you know our targets are that you know by the time our development work finishes in about next three months' time, we occupy you know around 80% plus of the capacity and the balance 20% takes the so around if you look at from the development point of view, generally the gestation period is about four to six months from the time the seats and from the time the center is ready to occupy.

**Prathamesh Dhiwar:** OK, great. Sir. That's it from my side and all the best.

**Management:** Thank you so much.

**Moderator:** Thank you. Next question is from the line of Vedansh from VR Investments. Please proceed.

**Vedansh:** Yeah. Hi, Sir. Thanks for the opportunity. So, I have two questions. One was, what are the type of clients that we kind of target as in the question was more around let's say Apples of the world and Microsoft, they'll generally prefer a tier one kind of a real estate space. So, what is the kind of customer segment that we target? And secondly, what is our competitive positioning with our, let's say other players that are there in the market as in what is the core offering that we provide to our customers or the person who was taking it on the lease that so these are the two 2-3 things that we are better off compared to, let's say, any competition?

**Management:** With regards to your first question, you know right now, so I mean I come to the other second question because that said remember correctly. So, I'm saying that with regards to the competition, you know we strongly believe that we have created our own niche in the market and we like to cater to the kind of customers that we are catering to right now, which is basically our catchment area we have kept quite large where you know we are able to you know, cater to either a domestic as well as an international client both. Because the quality of infrastructure that we provide are such that you know, there is no compromise in those infrastructure. And while it comes to the pricing, we strongly believe in the remaining in a sustainable and affordable pricing which you know really makes a difference and makes a way for this particular model against every organization to get into the office leasing model. Otherwise, you know large corporates today on their own could easily, you know hire or lease let's say 40,000, 25,000, 50,000 square feet themselves and build their offices. But if I'm not able to remain cost competitive cost conscious while providing the similar level of services and the infrastructure then creating the differentiation would become very different and difficult and that is where you know our focus as you see from our expansions are also is that how do we really control the cost, how do we really optimize on the resources that that are available with us. So, I think I've tried to answer both the questions in this thing that this is where we try to create differentiations and this is how we try to position ourselves in the market.

**Vedansh:** Sir, if you can kind of help with the probably not a data more from a directional sense, right. So, let's say let's think of a Microsoft, right. So maybe there are two similar players that are approaching them. Would how much would be our pricing, let's say lower than let's say some other competition, right? Is it like 5 percent, 10% lower or what is going to make Microsoft select EFC (I) or let's say some other competition?

**Management:** So, Microsoft, select EFCI over other competitors you know, that's obviously is a situation where a lot depends upon the kind of locations that they are you know looking at. Also, quite depend upon the kind of infrastructure because ultimately when this kind of clients comes, you've got to appreciate the fact that they come with the with definite specifications. They come with their definite requirements. You know, they have their own BOQ and BOM so the differentiation which I can let's say for an instance I give you an example so that you could appreciate. If a Meta is sitting with me in Ahmedabad, now their requirement is much different than probably, let's say a Flipkart sitting in Chennai. So, you know for me to kind of exactly demonstrate to you that whether I am developing the infrastructure right for a Meta or Microsoft or of Flipkart of this world? Yes, because as far as they are, I am here to develop on a build to suit basis you know, when it comes to these large clients. So, what happens is that now in this build to suit basis, how do I really optimize on my costing? How do I really work on my internal cost parameters? That is where I can create the differentiation. You understand? I mean you know today you know it is not you need that only you can create certain designs, correct? Everybody can create those designs. But what is the uniqueness is that how do I really optimize and minimize my costing and optimize my resources so that I'm can able to create differentiation and pricing differentiation and the quality and so I think that's directionally it works for us.

**Vedansh:** So how would be competitively priced in that range? I mean, do we know do we have some sort of analysis done that we are like let's say 5% cheaper than some other competition as in the area for the set of similar set of customer, how competitive are we from a pricing standpoint?

**Management:** So, I mean, I would not like to comment on what the other players are doing, but I'm saying you know the if you look at the market, you know I'm doing, I am as far as I'm concerned, I'm developing the space at 1250 rupees per square feet. That's my cost parameters. Now everybody will have their own, you know, costing work. And, I mean, I believe that we are one of the cheaper one in the market in terms of the kind of quality and the kind of infrastructure that we create. We are still one of the most cost-efficient players in the market.

**Vedansh:** Got it, Sir. Thanks. Thanks. I got my answer. Thank you so much.

**Management:** Thank you so much.

**Moderator:** Thank you. Next question is from the line of Tushar Sarda from Athena Investments.

**Tushar Sarda:** Yeah. So, you've answered most of the questions very nicely, but I couldn't find your presentation either on the BSE website or your own website. Have you made a presentation and shared because I heard some participants refer to it.

**Management:** Yeah, we hope we will be uploading it post this call and you'll have it on our website as well as on the BSE website.

**Tushar Sarda:** OK. And 2nd, any timeline for listing on NSE?

**Management:** Well, yeah, I mean we're working on it, obviously and we target internally that in the coming financial year, we should be, you know targeting listing on NSE.

**Tushar Sarda:** Ohh OK, thank you very much.

**Management:** Welcome please.

**Moderator:** Thank you. Next question is from the line of Anurag Agarwal from Agrawal Analytical Investments. Please proceed.

**Anurag Agarwal:** Hi, Umesh sir. Thank you for this opportunity and thank you for conducting this concall. Really encouraging to see that. Sir, my first question would be towards the managed office spaces. Sir, as we all know that virtual offices have very high return on investments and return on equity. So, what is our plan towards virtual offices?

**Management:** We don't, we don't have that as our segment as of now and all our you know businesses are purely managed office businesses and we can really count the head at our you know if I am telling you that if I am operating with 36,000 seat capacity, you can find those many heads at my centers please.

**Anurag Agarwal:** Got it, got it. So, like we, we're not planning to add virtual offices, are we not looking at that segment as of yet?

**Management:** We're not looking at that segment as of yet and we are also evaluating it from a legal aspect as well because you know there are quite a bit of other complications which slowly coming in with regards to getting into those virtual businesses. But having said so, we genuinely haven't really evaluated it too much. We may, we may look at it. In future, but not as of now.

**Anurag Agarwal:** Correct. Second question, Sir. In terms of the furniture manufacturing division, so in the last financial year we had done a revenue of about 46,00,00,000 in the floor and furnishing trade segment and like you mentioned that we have a capacity of something about 300 to 400 CR for the furniture factory. So, you know, seeing that the last year the work required or the revenue you know gathered from this segment, which will be internalized now was only 46 crores. How do we see our capacity of, you know optimization or how do we see our capacity utilization in this segment?

**Management:** You know the large-scale capacity is getting operational in next two months' time in the next in the second quarter of this financial year. Last year only we had kind of done, you know, a large level of testing of these products by, you know, buying it from certain, you know, direct manufacturers also trading it for our own understanding about the furniture market. So, you know we kind of entire turnover that you see it is purely from the, you know, the trade that we had carried out during this financial year to kind of test and understand the market, create a kind of network of you know potential buyers, create a network of potential raw material suppliers, so you know we are getting into such ambitious plans so you got to gear up to really, you know, establish ourselves well and to do that, we had carried out this activity. And so, this 46,00,00,000 business, it cannot be compared to the kind of manufacturing turnover that we intend to achieve. 46,00,00,000 was more of a trading nature to kind of establish ourselves, see some of the opportunities that we were getting in the in the market at that point of time and so and so forth.

**Anurag Agarwal:** OK, so like it would be fair to assume that we will not be able to, you know reach 100% utilization in one or in maybe a year or so and we will require you know selling these furnitures at the market level as well in retail or wholesale level as well. So, have we given any thought towards that?

**Management:** Yes, we are looking at both the segment B2B and B2C both and obviously we'll be focusing primarily on B2B market. B2C is also something that is there within our you know thought process and our overall plan and we'll be kind of doing carrying out our transactions in both the segment, that's number one. And with regards to the capacity achievement, yes, it is very obvious that you know any manufacturing setup to achieve 100% capacity on the year first itself is quite challenging but having said so, as I've explained earlier since in a large part of our capacity would require for our Managed Office business itself and we being one of the anchor client, I think our ability to achieve a reasonable capacity of more than 60 to 80% is pretty much possible during the first year itself.

**Anurag Agarwal:** OK, that's heartening to hear, Sir. So, you mentioned that we spend about ₹50,000 per seat on CapEx out of this, how much would be you know, the furniture part?

**Management:** So out of ₹50,000, if broadly, if you look at it about around 60%, which is, you know roughly around, let's say around ₹30,000 goes towards the furniture part of it. So, it's furniture and fixtures. You can't just say furniture, furniture. But they're all put together, FNF would take about ₹30,000.

**Anurag Agarwal:** Got it. Got it. So as a sponsor of the REITs that we're coming up with, the EFC listed entity, how much percentage of that will we have to contribute to that?

**Management:** So, under REIT there is no such sponsor concept because we are forming an SM REIT which is small and medium REIT and there is the concept of sponsor is being taken away from that structure. With regards to AIF, we are a sponsor and for an AIF as we understand about 2% is the total commitment that's statutorily required, like I've explained earlier, that we are yet to form up some of the strategies and some of the plans for both these structures. So, I would request, if you don't mind, please, to keep this question for me to answer in the in the in the next analyst call because you know by then I would have much clearer and confirmed structures for this both the AIF and the SM REIT is concerned.

**Anurag Agarwal:** Got it. Great, Sir. Thank you so much, Sir. Looking forward to see the investor presentation.

**Management:** Surely. Thank you so much.

**Moderator:** Thank you. Next question is from the line of Ankur Gulati from Amara Capital. Please go ahead.

**Ankur Gulati:** Hi, thanks. A quick question. What is the average price per location you have on your co-working?

**Management:** Average price is generally 25,000 to 30,000 if you look at now on an average but and the current situation, we don't now take any site with less than 50,000 kind of range, but in, in and around 50,000 is an ideal sweet spot in the current situation and you know that kind of gives us a good control in that probably market and that's how it works.

**Ankur Gulati:** Perfect. So, you're saying you're scaling up from, let's say, 25 or 30 to 50%?

**Management:** Correct, correct, correct going forward we're targeting primarily in that range.

**Ankur Gulati:** Now more from a strategy perspective because you have your furniture and built in design in house, in a scenario, let's say where rents are getting a bit more competitive, I guess you have an edge that you can offer a lower rental to clients with that share to assume.

**Management:** Ohh yes, we already are. So, and if the if the market would demand further, we'll work on our efficiency, but even in the current market situation we are already offering a very competitive and reasonable rate. So, I don't think so there is a need to go down further but yes, I mean, if the market demands, so we will certainly gear up ourselves for such situations as well.

**Ankur Gulati:** And. Third, again from a strategy perspective, some of the smaller Co working players are struggling. So, any thoughts on acquiring some of these guys?

**Management:** I mean it, it is purely an opportunity that we need to evaluate on a case-to-case basis and we are you know we are in the process of growing. So obviously all the different opportunities would we would evaluate and I think as long as the business is profitable, as long as the transactions that we are entering into create value for us, we are ok to look at any such opportunities.

**Ankur Gulati:** Perfect. Last and I guess you've already told that you will work on our next call, but you have filed for an AIF you have filed for SM REIT, is just to keep optionalities open?

**Management:** We have some clear thoughts, we have some clear directions from our management and particularly our MD and thoughts are very clear and we do understand that you know both the structures to an extent have a similar impact but we do have some specific strategy for both of it and, you know, and the management would definitely try to form it up over a period and I think you will see us coming up some with you know really nice structures which would benefit to the complete ecosystem, all the stakeholders.

**Ankur Gulati:** And Awfis reports of around 35% EBITDA. You guys are close to 45-50. So, and what are the main drivers for higher margin?

**Management:** So, as I've explained earlier, the main drivers are, like I said, are limited primarily, the cost controls are one of the major contributors. And apart from that, the occupancy levels are one of the and also the overall costing you know, not just on the cost of development, but also the cost of management because you know, we work in a very lean and very agile structures and don't like to create too much of heavy manpower, you know, at organizational level. And like I said, efficiency in the development of the center with these lean structures and also the occupancy level that we are able to manage. I think that kind of helps us in controlling our overall cost and you know maintaining the margins.

**Ankur Gulati:** Got it. OK. Thanks all the best.

**Management:** Thank you.

**Moderator:** Thank you. 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. You may now disconnect your lines. Thank you.