

July 30, 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 Thursday, July 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 Gupta
Company Secretary

Encl.: As Above.

EFC (I) Limited

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EFC (I) Limited
Q1 FY '26 Conference Call
July 24, 2025



MANAGEMENT: **MR. UMESH KUMAR SAHAY – CHAIRMAN AND
MANAGING DIRECTOR – EFC (I) LIMITED
MR. NIKHIL BHUTA – WHOLE-TIME DIRECTOR – EFC
(I) LIMITED
MR. UDAY VORA – CHIEF FINANCIAL OFFICER – EFC
(I) LIMITED
MR. AMAN GUPTA – COMPANY SECRETARY – EFC (I)
LIMITED**

MODERATOR: **MS. KASTURI BASU – MUFG INTIME INDIA PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY '26 Conference Call hosted by EFC India Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Kasturi Basu from MUFG Intime India Private Limited. Thank you, and over to you, ma'am.

Kasturi Basu: Thank you. Good evening, ladies and gentlemen. On today's call, we have the management team comprising Mr. Umesh Sahay, Chairman and MD; Mr. Nikhil Bhuta, Whole-Time Director; Mr. Uday Vora, Chief Financial Officer; and Mr. Aman Gupta, Company Secretary.

Before we proceed, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For additional details, please refer to the investor presentation and other filings, which can be found on the company's website and stock exchanges.

I will now hand over the call to Mr. Umesh Sahay for his opening comments. Thank you, and over to you, sir.

Umesh Sahay: Thank you, Kasturi. Ladies and gentlemen and fellow shareholders, I welcome you to today's call to discuss the quarter 1 financial year '26 results. We have embarked on the new financial year with an encouraging set of results, which set us up for a strong swing for the rest of the year.

Our effort at offering comprehensive service as a real estate as a service company are bearing fruit. In fact, we continue to build on the strong base which we established during financial year '25. I would like to begin by providing highlights on our exceptional performance during this quarter. Revenue grew 15% year-on-year to reach in rupees 220 crores and net profit rose by 196% year-on-year to in rupees 47 crores.

The performance clearly indicates our strong execution on the strategic goal, which we have set out to achieve. Our momentum continued to be driven by our robust operating model, skilled workforce and commitment to customer. On the operational front, we have managed to expand our capability and reach across all our segments over the year.

Our balance sheet remains strong, give us both resilience and the flexibility to invest confidently in innovation and sustainable growth initiative. We remain focused of maximizing long-term shareholder value while pursuing future opportunity from a position of strength.

We operate in a dynamic and competitive market where we are prepared to lead with our strategic vision, robust execution framework, innovation and accountability. We believe this quality position us equally to shape the transformation of the sector as a real estate service provider. I thank all our stakeholders for the best going their trust in us. We look forward to your

continued and unwavering support, which I am certain will help us drive the company towards strong growth. Thank you. Kasturi?

Kasturi Basu:

Over to Mr.Nikhil Bhuta for his comments.

Nikhil Bhuta:

Thank you, Kasturi. Good evening, and welcome, everyone. For the benefit of everyone, let me first walk you through our company, EFC's differentiated business model. Built on the managed office solution, design and build, vertical and the furniture manufacturing vertical. These are 3 integrated yet independent business verticals enable us to offer a unique value proposition through our comprehensive real estate solutions.

We operate as a real estate as a service company by providing customized workspaces, commercial interior design and manufacturing of premium furniture products. Each of these verticals is an important cog in the wheel for us in our effort to offer a complete ecosystem to our customers.

Under the managed office space, we managed 3 million square feet at 82 sites across 10 cities. In terms of sectors, the vertical primarily cater to the ITES, financial, hospitality and retail segments. We expanded our seat portfolio to about 63,389 at the end of Q1 FY '26 from just over 60,000 at the end of FY '25.

Our sites are strategically located and offer convenience and accessibility to our customers. Our average occupancy during the quarter was 90% plus, reflecting the large client base and the long-term contracts that -- which we have in place. In Q1 FY '26, this segment contributed 56% to our revenue and 64% to our PBT, profit before tax.

For design and build division, we provide end-to-end interior solutions and turnkey contracting from concept to execution, creating aesthetically striking and functionally optimized office spaces. Our services include general contracting, project management, design and build and MEP services.

This segment accounted for around 39% of Q1 FY '26 revenue and 34% of our profit before tax for the Q1 FY '26. At the end of the Q1 FY '26, we had an order book of INR115 crores, and we had designed more than 5.2 lakhs square feet of space since the last quarter.

In June 2025, we were awarded 2 additional Passport Seva Kendra projects, which includes comprehensive into turnkey fit-outs carried out under a design and build model. We are proud to be entrusted with the Passport Seva Kendra projects in Hyderabad under our existing rate contracts.

Separately, the completion of Ahmedabad Passport Seva Kendra is a testament to our team's commitment and executional excellence. We remain focused on delivering high-quality innovative solution on time and with consistency. Towards the end of the quarter, we announced an interior fit-out contract valued at INR100 crores.

This contract is on track to be completed within 90 days and is a strong endorsement of our execution capability and trust our clients place in us. We remain committed to delivering world-class infrastructure with consistency, quality and innovation.

Coming to the Furniture division, we manufacture custom and ready-made high-quality furniture. Our manufacturing capacity stood at approximately around INR250 crores to INR300 crores. And the order book at the end of this quarter, the Q1 FY '26 was more than INR22 crores.

This segment accounted for just about 5.8% of Q1 FY '26 revenue and about 2.3% of our profit before tax. I would like to bring to your attention that we started this vertical in September 2024 and is still in the initial stages. Hence, we substantial growth potential in this division, especially given that most of the capital expenditure for division has already been incurred.

In case we gain scale here, we have sufficient land for the plant to expand our capacity. These factors position us favourably to scale operations swiftly at the Furniture division and drive sustained expansion with greater efficiency and profitability.

As discussed in past, we have a strategy to own or control assets through strategic resources and structures. We believe this strategy will help us monetize or leverage the potential value of such assets and will bring significant benefits to our customers and stakeholders. We are committed to ensuring a smooth and compliant integration process.

We are also open to acquiring properties, which provide us with strong visibility with respect to the leasing to customers on an ongoing basis and where we see strong potential going forward. Financial structures such as REITs, AIF enable us to expand our assets under management from an ownership perspective directly or indirectly.

In summary, we truly believe that we are well positioned to deliver strong shareholder value on the back of our integrated business model strategy. I thank you all for continued support and faith in us. We remain committed to performing and delivering in the best interest of our stakeholders.

Thank you so much, and good evening. Kasturi, please?

Kasturi Basu:

Thank you, sir. I now hand over the call to Mr. Uday Vora for his comments.

Uday Vora:

Good evening, everyone. Thank you for joining us on today's call. I'm delighted to present the financial highlights of EFC India Limited for quarter 1 financial year 2026. The consol revenue from operation was INR220 crores, a 115% year-on-year increase from INR102 crores in the previous year.

Our strong revenue growth was reflective of robust demand across all verticals. The Rental segment contributed about 56%, the design and build contributed about 39% and Furniture segment contributed to about 6%. The consolidated EBITDA reached INR102 crores, implying a corresponding margin of 120%.

While our profit before tax was INR66 crores, PAT jumped by about 196% to reach INR47 crores compared to INR16 crores in Q1 FY '25. The stellar jump in top line growth, followed by strong operating leverage resulted in EBITDA and PAT margins jumping by 110 and 580 basis points, respectively.

We are positioned well to generate robust growth across all our businesses, optimize capital deployment and leverage synergies across our constantly expanding portfolio. I would like to express my sincere gratitude to our Board of Directors, dedicated employees, valued investors and trusted partners for their unwavering support and belief in our vision.

Your continued confidence in EFC India Limited is the foundation of our progress. As we move forward, we remain firmly committed to delivering consistent, sustainable performance and creating long-term value. The path ahead holds exciting opportunities, and we are energized by the prospects that lie before us. Thank you once again for being an integral part of this journey.

With that, I would now request the moderator to open the call for Q&A session. Thank you.

Moderator: Thank you very much. The first question is from the line of Vivek Mishra from SVK Ventures. Please go ahead.

Vivek Mishra: Thank you mam. I would like to ask, as you have grown your design and build business significantly in last year, how does EFC's integrated model position it completely in a market which is very much fluttered by pure-play DNB or rental firms?

Nikhil Bhuta: Yes, Mr. Mishra, I mean, we are independently kind of building our skill sets and also consolidate our position in the design and build sector. And certainly, when we go in the market and compete with our peers, obviously, we will have to create those differentiators and then only we'll be able to kind of establish ourselves and win more contracts.

You could see probably from the performance of our company beginning '23, '24 and even this financial year that we have been continuously been able to kind of grow at a pace of more than 75%, 80%. And that's what we strongly believe that we'll be able to do with the help of a strong team that we have built up strong management network that is helping us to kind of win more contracts.

And most importantly, our skill sets and our ability to perform these contracts on an absolute timely basis, which is really creating some differentiator for us. So I think we will have to compete undoubtedly because if you're operating in a particular segment, you'll have to compare with your peers who are in this segment.

But we have created already a position for ourselves where we are in a position to receive contract or get awarded a contract worth INR25 crores or INR50 crores or INR100 crores, and as you have also noticed, which we have received a contract worth INR183 crores. So these are the situations are making our positions quite stronger. And we believe that we'll be able to compete fairly well with our peers and establish ourselves and retain our market share and grow our market share going forward.

Vivek Mishra: I understand. And in continuation of the same question, what's EFC's perspective on competitors? Now we see that several of your competitors are also market listed. And they're also implementing these integration strategies. How does it plan to -- like how does EFC plan to maintain the competitive edge?

Nikhil Bhuta: I mean, at the outset, I mean, I'd like to say that it is -- again, as I said, it's kind of revalidating our Chairman, our MD's vision of kind of creating an integrated model way before anybody really thought about in the co-working or the managed space that if we need to build a sustainable business, we need to create an integrated comprehensive business model.

And obviously -- and another additional and important aspect is our entire management and the key team who has been with the company for a long period of time, have gained this expertise over a period. And this is about a decade of hard work where they've got a lot of learnings, whether it is in the managed office space, whether it is in the design and build sector because earlier, we were anyway designing those spaces for our own requirements.

So the skill sets, the learnings are already there. And the management and the key team has been kind of have done it this grounds up. So it's not a situation where now we have resources, so we are deploying these resources by hiring manpower or hiring partners or kind of hiring any infrastructure and getting this new verticals implemented.

It is the skill set, it is a learning. It is that base ground level working, which is helping us to create that differentiator. And we are also today have come to a stage where being an early mover in our industry at least, we'll be able to kind of maintain that competitiveness because we have already established ourselves in all these verticals before our peers kind of start competing with us.

So I mean, certainly, we'll have that advantage. And most importantly, as I said, the advantage of being somebody having a learning and the skill set for over a decade, that is also additionally putting us into a little differentiated position.

Vivek Mishra: Thank you so much. That's all from my side.

Nikhil Bhuta: Thank you.

Moderator: The next question is from the line of Akash Chelani from Future Edge.

Akash Chelani: Congratulations first to EFC and team. My question is the share of our 3 different verticals that we have, do we see any change in that going forward in the coming quarters? And also a follow-on question to that is what is our exact road map to grow each of these verticals? What are our growth plans in each of these verticals?

Nikhil Bhuta: So with regards to change in the contribution of each vertical, we've been very clear about it that all the verticals have a different -- they operate under different business dynamics. The leasing vertical operates where the growth is pretty linear because it is directly correlated to the number of seats that we add and the price that we are able to kind of average revenue per seat that we are able to maintain.

On the other hand, both the design and build vertical and the furniture vertical, both is subject to getting good and consistent contracts from different customers. And hence, the growth potentials are quite enormous in these 2 particular vertical.

And hence, there is always a possibility that both this vertical, design and build and the furniture vertical may start contributing reasonable and substantial revenue to the overall kitty. As you -- as we all know that at least in the present days, we are maintaining about 55% to 60% contribution from our leasing vertical. And obviously, going forward, for at least a reasonable period of time, it will remain as our significant contributor. But I mean, it is time to -- we can all kind of easily see the way that we are getting businesses, way that we are expanding our strength in both these vertical, whether in design and build and furniture, I'm sure they would also start contributing equally substantially to the overall kitty.

And we are more than happy as long as this entire business model that we have created, which is real estate as a service, if it contributes from either of the vertical, but it contributes in creating further value, that is certainly a welcome step for all of us. And our efforts are equally aligned in growing all the 3 verticals. There is -- because there is a separate team for each of the verticals.

All the teams have their own targets on -- all the teams have their own performance metrics as defined. And hence, everybody is geared up with available resources, skill sets and the learnings. So I mean, we are very optimistic that all these verticals will perform really well and would contribute probably going forward equally or, I mean, if not equally, but certainly substantially to the overall kitty.

Akash Chelani:

Got it, got it Nikhil Sir. Thank you so much.

Nikhil Bhuta:

Thank you. Thank you.

Moderator:

The next question is from the line of Aayush from Choice Institutional Equities. Please go ahead.

Aayush:

So I have 2 questions regarding the office rental division. So the first one being regarding our seat addition of 25,000 seats for the next 2 years, do we see any upside regarding this target? Do we see -- what is the probability of adding more than 50,000 seats for the next 2 years? And secondly, what is the capex amount that we are going to incur in FY '26 and FY '27, considering that it's an asset-light model and the landlord is paying 90%. So we could quantify the capex amount.

Nikhil Bhuta:

Yes. I mean with regards to the number of seat addition, we can talk about the current financial year as we have always maintained that we are targeting to add anything around 20,000, 25,000 seats. Aayush, we can certainly, as you know, that adding seats is not a limitation, but the most important aspect is to ensure that we maintain the occupancy level at 90% plus because if we are not able to do that

And then we will not be able to kind of maintain the kind of profitability margins that we generally try to maintain. So I think for the current financial year, for sure, we are looking at a situation where we are not looking beyond the situation of doing anything between 20,000 to 25,000 seats addition organically.

And in terms of capex, as we have mentioned that generally and on an average, about 90% of our all seat additions are done with the help of capex being incurred by the landlord towards fit-out-related expenses. So that fit-out-related expenses are taken care by the landlord only.

Our kind of contribution in the leasing division largely come to the fact that we need to kind of block certain properties, block certain properties in specific areas and give them advances way ahead of the time that we need to kind of take really possession of the property. Secondly, once we take the possession of the property and then by the time the property gets developed and it gets fully operational and it start generating revenue, till such time, we need to obviously fund the certain working capital related or preoperational expenses.

And these are the kind of investments that we probably have to make, which is obviously a reasonable amount. But certainly, it is not an amount that one can say that we have to invest as equal to probably how much we have to invest for the furniture fit out. So on an average, if I may say that, let's say, if I'm adding 25,000 seats, 25,000 into about -- what we're probably looking at is about total investment of INR125 crores, out of which only 10%, which is about INR12.5 crores worth of furniture that we may have to invest in for.

And then there is obviously about anything between INR10 crores to INR15 crores of capital that may get blocked either, like I said, for the deposits or for additional requirements in terms of the preoperational and working capital-related expenditure till the time the site become operational.

Now our commitment towards blocking the properties may require some more capital depending upon how and which -- but that is a little more opportunity based. But on an average, if I have to tell you that this is the kind of capital that we need to deploy for a particular year. And particularly, we are talking about this financial year, but then that is the kind of capital that we need to deploy and which we are able to deploy out of our available internal resources.

Aayush: So that would be like in the range of around INR20 crores to INR25 crores for FY '26?

Nikhil Bhuta: On an average, yes, like I said, subject to the opportunities. Otherwise, that's the kind of average numbers that we look at in terms of capex.

Aayush: And also for the D&B division, do you see us improving our margins in our guided range? And what would be the expected order inflow for FY '26?

Nikhil Bhuta: You're saying that we'll be able to maintain the margin you asked?

Aayush: No. I mean is there any possibility of us improving the margins in the D&B division like north of 20%, 23%? And what would be our expected order book -- order book inflow for FY '26?

Nikhil Bhuta: For FY '26, right now, I won't be able to commit to you for the entire financial year. But like we have mentioned in the presentation also, which is uploaded, that in the first quarter -- before beginning of the first quarter, we had order book of about INR200 crores plus. And now additionally, we have got another order book of about INR110 crores or so.

So that's the order book which is in hand. We will probably be able to kind of commit the more precise numbers for this financial year going -- in the coming quarters. But right now, that is the order book which we have already won and which we are already executing. So that's on the order book side.

In terms of margins, it quite significantly depend upon the type of projects because if it is a very standard typical office infrastructure projects, the margin would be lesser. If it's a project where only there is no design involved, but only build part of the contract is to be carried out, there also the margins would be lesser.

But if the contract is a comprehensive design and build contract, then the margins will be higher because for the design services, we have our manpower, which we are anyway paying to them for the services.

So I don't need to really outsource those activities and my margins will be much better for those design services or for certain kind of contracts where certain specific set of skill sets are required and which we possess, then we'll be able to kind of offer -- I mean, I'm able to charge a better price and hence, drive better margins.

So margin profile will certainly change project to project, transaction to transaction. But on an average, like I said, if it's a -- if it's a traditional standard office infrastructure kind of project, we'll retain the margin that is about 15%, 18% that what we earn. If it is a non-standard, non-routine kind of work, it will be anything between 18%, 22%.

And if it is design and build and works contract, both put together, then again, the margin could also add -- increase further by a couple of percentages depending again upon the project. So that's broadly the profile would be. And this will continue and would remain so for similar nature of businesses.

Aayush: Thank you.

Nikhil Bhuta: Alright. Thank you.

Moderator: The next question is from the line of Mahesh Chhabria from SBI Funds International IFSC. Please go ahead.

Mahesh Chhabria: I actually wanted to get some sense of your D&B and furniture business. And how much of them is actually captive in the sense that to your current landlords and typically the extent to which the company itself incurs capex? And what portion is to outsider? Do you also service other than the landlords to outsiders as well in your D&B and furniture business?

Nikhil Bhuta: Yes, sir. I mean thank you very much for this questions and to give you an explanation. Obviously, the design and build vertical has both these different types of contracts. One is the contracts which we carry out for the landlords who are giving our leasing vertical the space to kind of -- on a lease basis, right?

That -- like I explained to you, sir, that, let's say, if I'm adding about 25,000 seats on an annual basis, then per seat, generally, my cost of development is on an average, if I may say, depending -- otherwise, depending upon how the landlord and my client wants me to design. Otherwise, it is on an average about INR50,000 a seat, which is roughly, if you look at in terms of total value, it works out to around INR125 crores.

Out of that, as I've explained to the other member earlier, that about 10%, which I generally spend for myself, obviously, that doesn't get counted under my turnover. But -- so roughly around INR100 crores of business is generally done with the landlord in a year who are giving us the furnished properties for leasing businesses, okay, sir? But apart from that, we do extensive business with third parties.

And that is a precise reason why we created this vertical and opened up this vertical for serving to third parties and leverage our strength and also create an additional revenue source and retain these margins, which we are anyway otherwise able to retain through this segment. So today, we serve to multiple clients, which are catering to -- which are belonging to different industries, starting from, let's say, an office infrastructure requirement client, research institutes, educational institutes, health care institutes, IT parks, so all different type of industrial sheds that we may need to develop. all these different industries that we are able to cater to because we have those skill sets, strength and internal team including the team of engineers, designers, structural engineers and who are able to -- and MEP consultants -- internal MEP consultants who are able to kind of deliver upon such large contracts.

So the contracts which we have been announcing in the market, I've just explained earlier again that we have received a contract from a leading MNC company worth INR183 crores, which is not relating to anything related to our leasing business, completely independent. We have recently received another contract worth about INR60 crores from again somewhere in the -- a large MNC organization. Then we have -- obviously, we are doing the Passport Seva Kendras.

So we have done the Passport Seva Kendra in Ahmedabad in Bapunagar. We are presently doing 2 in Hyderabad. So -- and then we have already worked for Triple IIITs for their research institutes. We have worked for Coforge for building their large office infrastructure, more than 100,000 square feet.

We have worked for D.Y. Patil. We have worked for Ghodawat Group. So we have done businesses for various such customers on the D&B side, sir. And similarly, it happens for the furniture side also. So let's say a lot of.

Mahesh Chhabria:

In terms of quantification, INR100 crores with the landlord, so ex-landlord to all these other companies, that would be how much in terms of the order book that you're likely to...

Nikhil Bhuta:

If I have to bifurcate in terms of what I achieved in the last financial year, let's say, I achieved a total business of around INR250 crores in last financial year, out of which about INR100-odd crores could be allocable to those landlords. Balance INR150 crores plus is allocable to my third-party contract. This financial year, that will change substantially because the contracts which

I'm talking about, that is about more than INR250 crores worth of contracts are from those third parties who are in no way connected to our existing verticals.

Mahesh Chhabria:

Got it. Got it. And margins are, I mean, same as for landlord as well as the third party?

Nikhil Bhuta:

Like I explained, sir, just a while ago that it depends on project to project. It doesn't really change it is because even for landlord, for me, landlord is a third party only in a stricter sense because I'm doing this business. I'm just -- I'm doing the design and build for them as they as my principal and I'm as a contractor. So it's on that contractual terms only.

Mahesh Chhabria:

Sure. And sir, if you could also slightly comment on though you have a very good June on June on a comparison basis, which actually, if you see historically, June quarter is usually under pressure as you're comparing on a quarter-on-quarter basis for the last couple of years.

If you could compare June with March on a sequential basis, I mean, there are higher expenses, which has led to maybe a drop in the profits only from a March to June basis. So would you be able to compare the March and the June numbers and probably comment on where you feel that higher maybe expenses have gone or margins, what will be the impact on the margins on a sequential basis?

Nikhil Bhuta:

Sure. No, I mean, I think that's a very relevant question. And I think we also like all our investors to understand and appreciate that because what happens is generally, what -- during an end of a quarter -- end of a financial year, let's say, in the Q4, that is the time when we start planning and start significantly start acquiring properties on a leasehold rights basis for the coming financial year.

And then the quarter 1 and the quarter 2 are both these quarters where there is heavy development work is involved. So when I say heavy development work is involved in a sense because we also have to ensure that the most of our seats that we are planning to add during this financial year, during any financial year, we would like to get them built out at least in the first 6 months period.

If we don't get them built out during the first 6 months period, then our ability to start generating revenue from them and get accounted for the -- in the books as in realized revenue becomes very limited. And hence, what happens is that, number one, both these quarters are a little under pressure in terms of the expenditures, primarily because these sites are not fully operational, partially operational.

So there are certain fixed expenses, which are always there and which basically kind of leads to a little pressure to the -- on the profitability. But if you then look at it on a Y-o-Y basis, sir, then it averages out because our ability to generate a little better margins between Q1, Q2 and Q3, Q4. And hence, that the annual -- on an annual level, it really averages out. But otherwise, Q1 generally has a bit of pressure. Q2 also faces the same similar kind of thing, but Q2, Q4 is on a progressive basis doing generally does very good.

This financial year also, I mean -- and you can also see on the lease side, it's a very linear business. So if I once have expanded myself to a level, obviously, it is not going to go down.

But this financial year, we have been able to maintain a good top line in the Q1 primarily because of our additional verticals. These verticals have started contributing substantially.

So the top line that we have been able to maintain for Q1 is largely because of the orders that we have got in hand in the design and build segment. And that has really been able to maintain our top line to a level, which is now if you see year-on-year basis comparison, if you do of the similar quarter that there's more than 120% of increment in the top line.

Mahesh Chhabria:

Sure. One last question. You did mention about acquiring properties. So how would your capital structure change? Are you like planning to do something like a REIT structure wherein you get an equity investors under a particular SPV? Or are you planning to raise it in your own books and acquire those properties? And what would be the quantum of acquisition that you would have in mind?

Nikhil Bhuta:

So with regards to the acquisition strategy, it is pretty clear that as long as my balance sheet permits, I would certainly acquire the property on my books. With regards to my plans to acquire, so as of now, if you see my debt-equity ratio is even less than 1:2.5 So I do have a lot of leverage potential that I can take, and I am able to acquire properties on my books itself.

Having said that, I mean, obviously, our management, our MD has targets to kind of build our businesses around creating assets worth substantial value over the next couple of years. And to achieve such plans and achieve such business targets, certainly, we will have to go beyond our books and start looking at different structures like REIT. And that's the reason why we have got the license for the REIT, SM REIT.

And obviously, we are looking at such other alternative structures where that at least we are able to kind of control those properties, manage those properties, increase our AUM going forward. With regards to -- if you look at in terms of plans to acquire property for the current financial year, we are actively looking for properties subject to fitting into our business criteria, subject to fitting into our return -- I mean, yield and ROI criteria.

We'll be -- we are constantly looking out for properties in certain specific cities, certain specific region. And I mean, you would have seen based on our acquisition activities that we carried out last financial year that we have gone ahead and acquired almost 3 properties. We are constantly looking for this financial year as well as long as it fits into our criteria.

Mahesh Chhabria:

Alright. Sure. Thank you very much and all the best for the rest of the year.

Nikhil Bhuta:

Thank you. Thank you so much.

Moderator:

The next question is from the line of Mrigank Anand an individual investor.

Mrigank Anand:

Good evening. So my question is, in the recent calls and announcements that we have seen, the Design and Build and Furniture segment seems to have more in terms of orders. So can we expect this segment, these segments to outperform the rentals business going forward?

Nikhil Bhuta: I mean, listen, Mrigank, I mean, like I've explained earlier, both these segments -- all these segments are really growing segments. There is a significant amount of growth opportunities in both design and build segment and also in the furniture segment. If you see globally and also in the Indian market, the CAGR at which both these industries are going are upwards of 15%, 18%.

And so naturally, the growth opportunities are substantial, and we are getting and we have been able to get good businesses. Having said that, I would not like to kind of call it as outperforming any of my verticals. At the end of the day, we are looking at -- we are building this ecosystem. And whether we do business under a leasing vertical or under a D&B vertical or a furniture vertical, what we are really growing is our -- we are really growing our ecosystem.

We are really growing our entire offering, our solution. Whether it is met through one particular vertical or not, that's not relevant. And also additionally, as I've always maintained that the leasing vertical is a pretty linear vertical in terms of growth unless I add more seats or I do inorganic route of business, that's the only way I can do some great amount of growth there. But otherwise, both the D&B and the furniture verticals has significant opportunity to grow primarily because of the stages with the industry in India and also otherwise, the nature of businesses this industry belong to.

Mrigank Anand: Ok got it. Thank you and all the best.

Nikhil Bhuta: Thank you so much.

Moderator: Ladies and gentlemen, due to paucity of time, that time was last question, and we conclude the question-and-answer session. On behalf of EFC India Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.