

August 4, 2026

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001.
Scrip Code: 512008

To,
National Stock Exchange of India Limited,
Exchange Plaza, 5th floor, Plot no. C/1,
G Block, Bandra Kurla Complex, Mumbai-400051.
NSE Symbol: EFCIL

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 the copy of the transcript of Analyst/Investor Meet held on Thursday, July 30, 2026.

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://efclimited.in/investor-relation/investor-presentation/>

Kindly take the above information on record.

Yours faithfully,
For EFC (I) Limited

Aman Gupta
Company Secretary

Encl.: As above

EFC (I) Limited

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“EFC (I) Limited
Q1 FY'27 Earnings Conference Call”
July 30, 2026



MANAGEMENT: **MR. UMESH 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. NIDHI VIJAYWARGIA – MUFG INTIME INDIA
PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to EFC India Limited Q1 FY '27 Earnings 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 questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Nidhi Vijaywargia from MUFG Intime. Thank you. And over to you, ma'am.

Nidhi Vijaywargia: Good morning, everyone. Welcome to the Q1 FY '27 earnings conference call of EFC India Limited. To discuss this quarter's performance, we have from the management, Mr. Umesh Sahay, Chairman and Managing Director; Mr. Nikhil Bhuta, Whole-Time Director; Mr. Uday Vora, Chief Financial Officer; and Mr. Aman Gupta, Company Secretary.

Before we proceed with this call, 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 more details, kindly refer to the investor presentation and other filings that can be found on the company's website and stock exchanges.

With that, I would like to hand over the call to Mr. Umesh Sahay for his opening remarks. Thank you. And over to you, sir.

Umesh Sahay: Thank you, ma'am. Good morning, ladies and gentlemen. Thank you for joining us for the Q1 financial year '27 earnings conference call of EFC India Limited. We are blessed to begin financial '27 on a strong note. Q1 reflects continued momentum across our platform, supported by disciplined execution, enterprise-led demand and the growing relevance of our integrated real estate-as-a-service model.

During the quarter, our consolidated revenue from operations stood at approximately 283 crores, representing a growth of around 29% year-on-year. Profit after tax stood at approximately 71 crores, growing by around 52% year-on-year. These numbers demonstrate the strength of our platform, the benefit of scale and our continued focus on profitable execution.

Over the last few years, we have continuously built EFC as a multi-engine workspace platform across 3 core verticals: Leasing, Design & Build and Furniture Manufacturing. These businesses are distinct, but together, they allow us to participate across the complete commercial workspace life cycle from space identification and leasing to design execution, fit-out, furniture and ongoing workspace operation.

Our leasing business continued to remain the foundation of the platform. It provides a recurring revenue base, deep enterprise relationships and long-term customer engagement. We operate across 25 cities during the quarter and serve more than 780 clients.

Our Design & Build vertical continue to strengthen the ecosystem by allowing us to deliver turnkey commercial interior enterprise, GCC, institutional client and multi-location mandate.

The vertical enhanced our relevance to clients because we are not merely provide space, we are helping them create functional, scalable and ready-to-use workspace infrastructure.

Our furniture manufacturing business further strengthened our integrated model. It supports quality control, faster execution, better procurement discipline and supply chain reliability as this vertical add another important capability to our platform and improve our ability to serve both internal workspace requirement and external institution demand.

The industry backdrop remains encouraging. India continues to see a strong demand for Grade A commercial workspace, managed office solution and enterprise-ready infrastructure. The shift towards GCC flexible workspace, enterprise-led office and integrated workspace solution is closely aligned with EFC operating model.

What is important is that occupiers today are not looking for the office space. They are looking for speed, flexibility, design quality execution certainly and a single accountable partner. This is where EFC integrated Leasing, Design & Build and Furniture capability create a meaningful and competitive advantage.

We remain focused on disciplined growth, improving asset productivity, strengthening enterprise relationships and create sustainable value for all stakeholders. Our approach is not just to expand, but to expand with operating discipline, customer quality and return focus. I would like to thank our shareholders, customers, banking partners, our team members and all shareholders' continued trust and support.

With that, I would now like to invite Mr. Nikhil Bhuta, Whole Time Director, to discuss the operational performance and the company in greater detail.

Nikhil Bhuta:

Thank you. Thank you so much, Umesh, sir. Good morning to all investors, analysts and stakeholders, and a warm welcome to the Q1 FY '27 earnings conference call of EFC (I) Limited. Q1 FY '27 has been a strong operational quarter for the company. The performance reflects the progress we have made in building a scalable, integrated and enterprise-focused workspace platform.

Our 3 core businesses, Leasing, Design & Build and Furniture Manufacturing continue to perform in a coordinated manner. Together, these businesses allow EFC to offer complete workplace solutions to clients while creating operating synergies, cross-selling opportunities and deeper customer relationships.

Starting with the Leasing business. This vertical continues to be the cornerstone of our platform. During the quarter, Leasing revenue stood at approximately Rupees 154 crores, growing around 26% year-on-year. Segment results from the Leasing business stood at approximately 64 crores of profitability that reflects the stability of the annuity model, the strength of our enterprise relationships and the benefits of scalable across our managed workspace portfolio.

Our managed workspace platform now spans 25 cities with total seat capacity of more than 84,000 seats, billed seats of more than 68,000 seats. We have also additional inventory and

capacities under development, which supports future revenue visibility without making any revenue commitment.

The scale of these platforms gives us operating leverage, deeper customer access and stronger enterprise engagement. Enterprise demand continues to remain healthy. We are seeing traction from GCCs, multinational companies, BFSI institutions, technology companies, consulting firms, enterprise outsourcing businesses and other institutional clients. This client increasingly prefers flexible, scalable, high-quality and professionally managed workspaces.

Our ability to provide consistent delivery across multiple cities is becoming an important differentiator. A key strength of our Leasing portfolio is the quality of customer relationships. Enterprise clients contribute meaningfully to our revenues, and the average enterprise client tenure remains very healthy. This supports revenue stability and helps us build long-term visibility in the business.

Moving to the Design & Build vertical. The business continued to contribute strongly during the quarter. The revenue from this segment stood at approximately 100 crores, growing year-on-year. Segment results stood at approximately 34 crores of profitability. The business continues to benefit from turnkey mandates, repeat relationships, multiple locational projects and demand from enterprise clients. Our current Design & Build order book stood at approximately more than 228 crores. This gives us healthy executional visibility.

The strength of this business comes from our ability to combine design, project management, execution, construction-related activity and MEP capabilities for the deliveries. We continue to see opportunities across commercial space developments, GCC facilities, institutional assignments, retail and enterprise infrastructure.

The Design & Build vertical also plays a strategic role within the group. It supports our Leasing business by accelerating fit-out completion and helping us monetize spaces faster. It also opens the opportunity with the clients who may not initially come to us for leasing but require turnkey workplace execution.

Coming to the furniture manufacturing business. Ek Design continues to scale as an important part of the integrated platform. During the quarter, Furniture revenue stood at approximately 29 crore rupees, growing more than 120% year-on-year. This vertical strengthened EFC's backward integration strategy.

It improves our control over quality, delivery time line and product availability. The business currently has more than 2,200 SKUs and has delivered more than 75,000 units across categories. The order book for the furniture business is approximately 53 crore plus, which reflects growing institutional acceptance of the platform.

The Furniture business is still in a scale-up phase. As volume increases, the focus remains on improving capacity utilization, product mix, executional efficiency and institutional customer relationships. We are building this business for long-term strategic value, not just as a standalone manufacturing vertical, but as an important enabler of the broader EFC ecosystem.

One of the biggest advantages of our model is that we participate across multiple stages of workplace value chain. A client may engage with us for managed offices, for Design & Build or Furniture or a combination of all of these solutions. This increases wallet share, improves client stickiness and strengthens our position as a single accountable partner.

Overall, Q1 FY '27 has demonstrated that our platform is scaling well. The Leasing business remains stable and recurring. The Design & Build business has a healthy order book, and the Furniture business is gaining operating scale. The business pipeline across our verticals remains encouraging, and the market opportunity continues to support integrated workplace solution providers like EFC.

We remain focused on execution quality, discipline expansion, customer retention, asset productivity and sustainable value creation. I would like to thank all our investors, stakeholders for their continued trust and support in EFC (I) Limited.

With that, I would now like to hand over the call to Mr. Uday Vora, our Chief Financial Officer, who will take you through the financial performance of the company. Thank you so much. And over to you, Uday.

Uday Vora:

Thank you, Nikhil, sir. Good morning, everyone, and welcome to the quarter 1 FY '27 earnings conference call of EFC India Limited. I will now take you through the consolidated financial performance of the company for the quarter ended June 30, 2026. We have started FY '27 on a strong note with a healthy growth in revenue and profitability on a year-on-year basis.

The performance during the quarter was supported by continued demand across our core verticals, disciplined execution and the operating benefits of our integrated platform. Revenue from operations for quarter 1 FY '27 stood at 282.88 crores as compared to 219.62 crores in Q1 FY '26, representing a year-on-year growth of approximately 29%.

EBITDA for the quarter stood at approximately 122.96 crores as compared to 102.16 crores in Q1 FY '26, representing growth of around 20% year-on-year. EBITDA margin for the quarter stood at approximately 43.5%.

Profit before tax stood at 101.34 crore as compared to 66.06 crore in Q1 FY '26, reflecting a growth of approximately 53% year-on-year, while profit after tax stood at 70.85 crore as compared to 46.67 crores in Q1 FY '26, representing growth of approximately 52% year-on-year. Profit after tax margin improved to approximately 25.1% in Q1 FY '27 as compared to approximately 21.3% in Q1 FY '26. This reflects operating discipline, scale benefits and strength of the business mix.

From a segment perspective, the Leasing business remained the largest contributor to revenue. Leasing revenue stood at 153.91 crores during Q1 FY '27 as compared to 122.18 crores in Q1 FY '26, growing approximately 26% year-on-year. Segment result from Leasing stood at 64.33 crore.

The Design & Build business reported a revenue of 100.39 crores during the quarter as compared to 84.69 crores in Q1 FY '26. The segment results stood at 33.84 crores.

The business continues to be supported by execution of turnkey and enterprise-led projects. The Furniture business reported revenue of 28.57 crores during Q1 FY '27 as compared to 12.75 crores in Q1 FY '26, reflecting strong year-on-year growth of approximately 124%. Segment results stood at 2.10 crores. This vertical continues to scale and remains strategically important to our backward integration and execution control model.

Other income for the quarter stood at 11.42 crore. Finance cost for the quarter stood at 10.35 crore, lower than the previous quarter and broadly controlled relative to the scale of the business. Depreciation and amortization stood at 22.69 crore. On the balance sheet side, the company continues to support growth across Leasing, Design & Build and Furniture while maintaining focus on financial discipline.

Our operating model involves both recurring revenue assets and execution-led businesses and we continued to evaluate capital allocation with a focus on return asset productivity and long-term value creation. While the overall financial performance for Q1 FY '27 has been strong, we remain focused on improving operating efficiency, working capital discipline, client collections, execution cycles and asset utilization across the platform.

To summarize, Q1 FY '27 reflects a strong start to the year. Revenue grew 29% year-on-year, EBITDA grew 20% year-on-year and PAT grew 52% year-on-year. The Leasing platform continues to provide stable recurring base, the Design & Build businesses has healthy execution visibility and the Furniture business is scaling as an important strategic vertical within the ecosystem.

We believe the company is well positioned to benefit from the continuing shift towards enterprise managed workspaces, turnkey execution, integrated workspace solution and institutional demand. We will continue to focus on disciplined growth, efficient execution, stronger customer relationship and sustainable value creation.

With this, I conclude my remarks. I would like to thank all our shareholders, lenders, partners and stakeholders for their continued trust and support. I now request the moderator to open the floor for the question-and-answer session. Thank you.

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 touchtone telephone. If you wish to remove yourself from the question queue, you may press '*' and '2'. Participants are requested to use handset while asking a question.

Ladies and Gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Akash from Fedge Limited. Please proceed.

Akash:

Umesh sir, Nikhil sir, Uday sir, many, many congratulations on excellent results this time again. I have 2 questions. I'll break it down in 2 parts. Firstly, the D&B order book is at 228 crores and Furniture order book is at 53 crores. How much of this is going to be for third-party? And how much of this is gonna be for internal capacity?

Nikhil Bhuta: So, thank you so much, Akash. And yes, we have delivered a strong performance this quarter as well, and we are very confident going forward. With regards to the Design & Build order book and the Furniture order book that you mentioned or what is mentioned by us in the presentation, it largely contributes towards the outside business only. So more than 85% is from the outside business because the majority of the development on the internal work has already been taken care of and largely it is done by the landlords only. So hence, this entire order book that we are talking about is largely, more than about 85%, is from the external business relationships only, Akash.

Akash: So, my second question is, sir, the interior D&B division revenue has declined from the previous quarter. It was, I think, earlier about 120-odd crores, which has come down to about 100 crores now. Is this a business which is seasonal? Or are we expecting some order delays? Or what is it?

Nikhil Bhuta: Yes. I mean, there is a little slight reduction compared to the last quarter, which is Q4. Typically, you would appreciate that our business in the Design & Build is a project-based business. There's no seasonality, which is kind of affecting this business. But what really matters in this kind of division or vertical is basically the projects that are under execution.

Now typically, you start getting your projects in the third and the fourth quarter of financial year, then they get under execution. And obviously, you see a great amount of upside during these 2 quarters, which is quarter 3, quarter 4, and you would have probably observed in our financials in the last financial year as well.

But so hence, the best way to probably look at this is if you look at it Q-on-Q, Y-o-Y, then obviously, there is a significant growth Q-on-Q, Y-o-Y. And it will continue similarly Q-on-Q every Y-o-Y, every quarter on Y-o-Y basis.

And we are very confident that keeping in mind the order book that we already have, which is about more than 228 crores and our executional capability that the time line within which we execute, we are very confident of we are an absolutely on track of achieving the growth target that we have of more than around 50% under the D&B segment on a Y-o-Y basis. So absolutely, there is no seasonality involved.

Yes, obviously, the market conditions overall, there has been, as you know that overall disruptions in the supply chain, overall disruptions in the material pricing, et cetera, But despite all that, we have kind of continued growing on a Y-o-Y basis, and we believe that we will continue growing this vertical at the kind of targeted growth rate that we have set for ourselves for the current financial year.

Akash: Thank you, Thank you so much. This answers my query.

Nikhil Bhuta: Thank you

Moderator: Thank you. The next question is from the line of Bharat from Komtek Capital. Please proceed.

Bharat: Yaa, thank you EFC team and Congratulations for this wonderful result. Sir, I have 2 questions. First question, I will just like to put, I understand your model considers leased centers, owned asset and asset monetization. So how do you look this product mix over the next 3 years? And how investors should value these 3 models differently?

Nikhil Bhuta: Absolutely. Thank you so much, Bharat. I mean I think it's a very interesting question, and it is very necessity for all our investors to understand that how we are really contributing in creating better returns and overall capital efficiency through this model.

So, number one, what we are doing is that we are not getting our leasing business affected anyway. What we are doing through the asset monetization model is we are basically acquiring certain good assets.

So we are doing value acquisitions where the assets which are probably, let's say, 10-year-old, which are vacant, we acquire them, we refurbish them, we create value in them. And then we lease it out through our own managed office vertical, which is anyway, that's our kind of legacy business, right, and we understand this thoroughly.

So what we are able to do is we are able to monetize such assets, create value in those assets and create a greater amount of IRR revenue through this additional kind of revenue stream in a sense, if I may say so, for my leasing business, I myself is the landlord, which otherwise, what would I do, I would have got into a leasehold contract with the landlord, take the property on lease and then I would have operated as a managed office.

Here, what I'm doing is I'm acquiring an asset and I am developing them and offering them for a managed office solution and also getting appreciation in the property value because of the grade improvements and because of making this asset the yield generating, the rental yield generating asset and hence, create that appreciation.

So this is a fabulous opportunity that our management has offered to the investors where investors apart from the leasing revenue that apart from the leasing profitability and all the integrated business model profitability that we generate, we are also able to capture this asset monetization opportunity and which kind of improves our overall profitability, our overall margins, our overall offering to the investors at large.

So I hope I've answered this broadly. But I mean, we don't differentiate as an asset class here, like I said, this is just we are kind of in a sense, some of the assets that we are acquiring on our own book to create this appreciation approach in this.

Bharat: Understood. This is helpful, sir. Sir, my another question is, I understand we take 18 to 20 months for payback for per seat fit-out cost, which is 50K. Could you please give some idea whether 50K is a standard cost or it's for some selected centers or it is from selected category? Or what is the worst payback period if the cost changes per seats for fit-outs?

Nikhil Bhuta: No. I mean it's fairly standard. I mean, we have been doing this business for quite some time now. So obviously, it's fairly established for us. And as you also know that, the fit-out cost, in

our case, is usually funded by the landlord. We'd rather say that this is a payback for landlord in that kind of a period.

So absolutely, there is not specific to any centers or anything like that. This is a kind of a standard payback period that one can achieve for the fit-out that is done for our businesses. And we also can achieve for fit-outs where we do for our own properties. Within this period only, we are able to kind of achieve the payback. And this remains fairly constant standard across the centers, across cities, across pan-India basis.

Bharat: Understood. I think this is helpful Sir, thank you so much sir and once again congratulations for wonderful results.

Nikhil Bhuta: Thank you. Thank you so much.

Moderator: Thank you. The next question is from the line of Mohan Sharma from Vinayak Capital. Please proceed

Mohan Sharma: Congratulations team EFC. Thank you so much operator. Your Furniture revenue has increased 36% quarter-on-quarter, but your segment profit fell around from 75% to around 7%, margin dropped 40% to 7%. What was wrong in the Furniture segment?

Nikhil Bhuta: There's nothing wrong in the Furniture segment. And in fact, you see what how we look at it this segment right now is this segment is growing continuously. It is kind of stabilizing itself continuously. And if you see year-on-year and quarter-on-quarter, it is improving in terms of the top line.

And hence, it is improving its capacity utilization. And you would appreciate that the moment we kind of come to an optimal capacity level, we will be able to kind of demonstrate the margins which are more stabilized, margins which are more measurable.

And I think that is the only situation that we are obviously witnessing in this Q-on-Q results that, yes, if you compare it with some of the earlier quarters where if the volumes are low, where maybe the services were for a specific type of projects, the margins were different and these are services for very different type of projects, the margins could be different.

But when we operate at an optimal level and which is what we are progressing towards, I think by end of this year, we should be kind of progressing to an optimal capacity utilization. And at that time, we would be able to kind of come to a position to compare our margins more appropriately.

So at this point of time, comparing margins at a quarter-on-quarter level would not be appropriate because, like I said, it is still at not a full optimized capacity level, and we are in progress to achieve it sooner within this financial year. And I hope this answers your question.

Mohan Sharma: Yaa, Thank you so much Sir, but I have a follow-up question. So, is the Furniture segment structurally low margin? Or was quarter 4 of '26, margins were unusually high? Which quarter reflects the real run rate?

Nikhil Bhuta: Like I said, we will be able to kind of give you the real run rate once we are at an optimized level, which is, like I said, more than 60-70% capacity utilization. So the real run rate would only be established once we are at that level, and that is the time where we will be able to establish the correct profitability standards.

And as we have always mentioned that this business is one of those business which is a value-accretive business for us and where our margins are going to be really well because we have a lot of visibility on the businesses, a lot of different kind of business model strategies that we adopted starting from doing OEM business, doing exports business, doing institutional business, providing customized solutions. All of this is kind of helping us to kind of expand our margin beautifully well.

We expect achieving an EBITDA of more than 25% easily under this vertical. And that is a stabilized margin that one can really look at, and this is what we are looking at achieving once we are at an optimized capacity utilization level, sir.

Mohan Sharma: Thank you so much. Thank you so much for the clarification.

Nikhil Bhuta: Welcome please.

Moderator: Thank you. The next question is from the line of Fenil Brahmhatt from Choice Institutional Equities. Please proceed.

Fenil Brahmhatt: Yaa. Hello, so first of all, congratulations on a good set of numbers to team EFC. So I have couple of questions. So what was the average occupancy rate and retention rate for the quarter?

Nikhil Bhuta: Hi Fenil, yes, the average occupancy rate has been 90% plus, as you can see probably in our presentation also. The operational billing capacities and the inventory that is roughly around 90% occupancy that has been worked out if you look at the numbers that is presented in the presentation also.

Fenil Brahmhatt: Okay. And the retention rate was?

Nikhil Bhuta: Yes, our retention rate is roughly around 95% plus. I mean we just have a churn of about 4 to 5% which is also mentioned in the presentation that our average tenure for our enterprise client has increased to 51 months, which is even better than what we have achieved for our earlier quarters.

So I mean, that itself shows that there is a great amount of retention. And hence, there is a very insignificant portion of churn that is happening at our organization level on the Leasing vertical. So we are very strongly positioned in terms of our stability of revenue stream under the Leasing business.

Fenil Brahmhatt: Okay. On this D&B segment, we have mentioned 2,280 million of current order book. So can we have handy the last quarter's order book? Or by end of last quarter, by end of FY '26, what was this number? So that will give the sense like it increased or decreased or what? So can you have that number with you?

Nikhil Bhuta: Yes Fenil, you can obviously refer to our Q4 presentation where we have already mentioned that our order book at the end of the quarter 4 was at 135 crore worth of orders on hand, out of which, as we have mentioned, that already executed 100 crores plus of orders, which balance are under execution. And this quarter, we have order book of more than 228 crores, which is also already under execution. So that's on the order book, Fenil.

Fenil Brahmhatt: Okay, okay. Great, great. And then the next question on the guidance side. So what we can expect from the D&B and Furniture segment, like the average or any CAGR growth or margin from this segment? And for Leasing segment, the seat addition of 18,000 to 20,000. So we are confident on that?

Nikhil Bhuta: 100% confident on kind of adding about 18,000 to 20,000 billable seats on the Leasing business. 100% certain about the kind of growth that is happening under the Design & Build segment, which is, like I said, roughly around 50% Y-o-Y. And we are also equally confident of achieving similar kind of growth for our Furniture vertical also, which will bring us to a very optimal capacity utilization level. So we are absolutely confident on achieving the targets that we have set for ourselves for this financial year in terms of the growth targets.

In terms of the margins, margin remains stabilized because one of our organization motto is very clear that independent of the growth that we're trying to achieve, we have to ensure that our margin remains stable and rather improves going forward with more capacity utilization, with more economy of scales being achieved through the integrated business model that we are working on and with more monetization models or strategies being added to the overall business plan. So absolutely, we are on target on those lines, Fenil.

Fenil Brahmhatt: Okay. Okay, noted. And the last question for you, sir. Like could you share some more color on demerger of EFC and EFC India? Like when we can expect these and the impact of this demerger on our financials as well as the overall business. So that will give more sense.

Nikhil Bhuta: Yes, Fenil. So this is more of a restructuring mode and more of a consolidation process where we are trying to kind of consolidate our corporate holding structure rather than doing anything on the financial restructuring.

So this is more from that point of view, and that is going to help ease understand the overall corporate structure much better. Now at the end of this entire process being executed, what you will see is a company which is a consolidated company at EFC (I) level where you have your Design & Build vertical and the Leasing vertical.

What will be left out under a separate subsidiary, wholly-owned obviously subsidiary is an asset holding company because what happens is when we are acquiring assets on our book and when we try to monetize it from a tax efficiency point of view, we try to keep them separately so that whenever we monetize them, there is a good tax efficiency that we can achieve.

But doing this demerger, the objective is that we have consolidated all our different verticals, different subsidiaries into one and everything gets consolidated at EFC (I) level, and hence, simplifying the corporate holding structure.

Sometimes people feel it kind of that there are multiple subsidiaries, et cetera. So that entire situation is kind of getting sorted out. Now it is simplified. By doing this restructuring, we are able to kind of consolidate everything under EFC (I) Limited. There will be only EFC (I) Limited, there will be asset holding company and there will be furniture manufacturing because that is our partnership company with our technical partner.

So otherwise, everything will be consolidated under EFC (I) Limited, which is already there. But I'm saying, structurally also all these wholly owned subsidiaries are getting aligned at EFC (I) Limited.

Fenil Brahmabhatt: Okay, okay. So sir, whatever revenue or whatever income we'll get from this normalizing the asset that will going to have an impact on the overall financial, right? So where we are going to show that, in which category or which line item or particular line item or like how we are going to consolidate that particular amount which we are going to right from the normalizing the asset?

Nikhil Bhuta: I didn't understand what you're saying about normalizing the assets. But basically, what I'm trying to say is that through this restructuring, we are doing all our Leasing business, Design & Build vertical under EFC (I) Limited. And then there will be furniture manufacturing business and then there is asset holding company where our SPVs, which will hold the assets that we will monetize over a period of time.

So it will be EFC (I) Limited and then there will be EFC Limited, which is already there as a wholly owned subsidiary, will getting kind of merged into the EFC (I) Limited. Hence, there will be only 2 company below EFC (I) Limited, one is the asset holding companies and the second Ek Design Industries Limited

So the income will get consolidated at EFC (I) Limited, number one, on a standalone basis. And that will obviously offer a tax efficiency and also offer a simplified corporate structure. So an all income streams would be recorded accordingly, whether it is, let's say, revenue from Leasing, Design & Build or Furniture on a segment basis.

And also if there is an asset monetization happening, that asset monetization, if there is a capital gain, then capital gain would be reported accordingly or if there is revenue from leasing activity, it will get clubbed under the Leasing business. So that's how things will get reported or organized through this restructuring that we are doing.

Fenil Brahmabhatt: Okay got it got it. That's all from my side. Thank you so much and all the best.

Nikhil Bhuta: Thank you

Moderator: Thank you. The next question is from the line of Ali from EN Capital. Please proceed.

Ali: Hi, Good morning, all our EFC. Firstly, congratulations to the team at EFC on the performance. We look forward to seeing this growth trajectory maintained on a quarter-to-quarter basis. Sir, I have a few questions. I hope I can ask them?

Umesh Sahay: Please, Go ahead, please.

Ali: Yes. So sir, firstly, the revenue is down by 3% quarter-on-quarter and the EBITDA is also down 14% quarter-on-quarter. But if you see the profit after tax, that has gone up. So can you please explain what has driven this PAT increase despite the weaker operating performance?

Nikhil Bhuta: First of all, there is absolutely no weaker operating performance at all. The EBITDA reduction is primarily because of the way the Ind AS accounting works. What we have always maintained is the best way to look at our company is to look at the PAT level.

And if you see the PAT level, the company has improved its rather profitability. And hence, the reason behind this improvement is obviously the outcome of our integrated business model where we are able to bring so much of efficiency, so much of cost control, so much of economy of scale that we are able to kind of achieve these things.

And specifically, if you talk about, the Leasing vertical has performed very well. If you look at the segmental result also. In fact, the Design & Build vertical, despite there is a little reduction in the turnover compared to the last previous quarter, which is as I've explained in my earlier question, it is largely because of that the Q1 is generally the slow starter relatively. And if you look at my Q1 for the previous years, you will also witness that. But right now, the order book already in hand shows a strong visibility going forward. And hence, kind of establishes whatever target that we have set could be achieved in terms of growth on a Y-o-Y basis for this financial year also.

So what I'm trying to explain is that if you look at it all these situations and also the incremental businesses under the Furniture business also, all of this coming together and our core business model is enabling us to offer a better profitability, enabling us to kind of improve our margins. If you also look at that we have kind of rationalized our borrowing costs significantly and hence, that is also contributing to the bottom line significantly below. So if you look at from a PAT point of view, that is why there is a significant improvement in the bottom line because there is the rationalization of borrowing costs as well.

The borrowing costs, again, as you already may know that it is largely towards the assets that we have acquired that is towards the LAP or the LRD facilities that we generally avail. So what I'm saying is overall, the performance, the positivity on the PAT is contributed through, obviously the better capital deployment strategies, obviously better operating performance because of the integrated business model and also the kind of scale at which that we are operating, hence, brings the efficiencies.

Ali: Understood, sir. Understood. Sir, as you said that the Leasing business did well, and obviously the segmental results show that. But the competition from all these competitors, Awfis, Smartworks, WeWork India, IndiQube and large landlords is significantly increasing. So what is EFC's key differentiator which is keeping EFC on the edge beyond the price? What is that which is beyond price and speed of execution? And how do you look forward for the entire year?

Nikhil Bhuta: So yes, Mr. Ali, I mean, keeping out price and speed of execution out of the equation is very difficult. And that is one of the key differentiators, obviously, which we drive and which has been our kind of one of the kind of business model that always has been. Listen, competition is

always there in every businesses. I mean and without competition, you also do not thrive to grow further, and we really thrive with the competition around. And fortunately, if you see, all our competitors have adopted a very unique business model, and we have our own model, which is an integrated business model, which is a real estate-as-a-service business model.

As Mr. Uday Vora would have explained in his speech, that we are able to make us more accountable and kind of offer us as a complete solution or a complete package to our customers where we are giving them a complete turnkey solutions for any leasing requirements that our customers are looking at, where they don't have to really look at whether, okay, if I have to take an asset and get it leased or whether I have to get it designed and build or whether I have to source my furniture, everything is happening at one place.

So I think what is our moat in this entire business, if you see, one is this integrated business model, which kind of brings that economy of scale, that brings that economy of efficiencies, bring the kind of the abilities where we are able to improve our margins overall. And what we are also able to do is that our presence across these multiple cities and kind of able to kind of make the model harder to replicate for others because we are just not just doing only a pure leasing or co-working platform, but we are into enterprise-led revenue businesses where we have Design & Build, Furniture manufacturing and Leasing revenue all coming together and kind of making an integrated 3 multiple revenue streams that is enabling us to kind of grow going forward.

So what I'm trying to say is that the moat comes if you look at it in terms of the revenue streams that we have developed, which is 3 different revenue streams. Not a single revenue stream with cost centers, but 3 different revenue streams with 3 profitable businesses that verticals that we have developed, number one. Number two, obviously, the integrated business model and hence the economy of scale.

And number three is obviously the price and the execution capability. And number four is certainly the design capabilities. And number five is certainly the fit-out cost optimization that we've been able to kind of achieve over the years.

So these are the key differentiators for us in the market. And we believe that this will and further, lastly, I mean, sorry to miss out, but lastly to add, which we have kind of mentioned this time in our presentation also that our ability to do the asset monetization and hence, achieve the capital appreciation as an additional source of revenue for our investors and hence, that adds further to our overall moat that we bring as an organization.

Ali: Absolutely, sir. Interesting. Last one, sir, if you allow me?

Nikhil Bhuta: Please go ahead.

Ali: Yes. So sir, can you just explain what's the city concentration as of today? And where do we look forward to doing more?

- Nikhil Bhuta:** Yes. So I mean the city concentration is obviously there in the presentation. If you see, we have kind of done a regional bifurcation of how our presence is kind of across India. Yes, right now, we are heavy on the Western India because that's been our where we started our journey from.
- But we are very strongly going forward, we are kind of expanding our presence across India on an equal footing level. If you look at -- now we are more than 15% in North India. We are more than 15% in Southern India. And we are also continuously growing in the Eastern India.
- So I think with this expansion, then our focus will also remain in those 3 city quarters of North and South. Let's say, in North, you have Gurgaon, Noida, Delhi and on South, you have Hyderabad, Bangalore, Chennai because those are those 3 cities we are very focused.
- West India, I mean, from business-wise, it's always been the strong locations where we have locations like Bombay, Pune, Ahmedabad, Indore, to some extent, I would consider even Rajasthan, so the Jaipur, all of these locations are those business cities and they are obviously thriving. And hence, our presence would also increase on those cities.
- Right now, we are focused on the 10 major cities, which is 3 in the North, 3 in South and about 3 in West, which is Mumbai, Pune, Ahmedabad and a couple of them in the eastern side, which is obviously Kolkata going forward. So that's where our presence is right now, and that's where we are also looking at expanding ourselves.
- Ali:** Yes Sir, Congratulations Sir and we will look forward.
- Nikhil Bhuta:** Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to Ms. Nidhi from MUFG Intime for closing comments. Over to you, ma'am.
- Nidhi Vijaywargia:** Thank you. I would like to thank the management for taking the time out for the conference call today and also to all the participants for joining this call. If you have any queries, feel free to contact us. We are MUFG Intime, Investor Relations Advisors to EFC India Limited. Thank you so much.
- Nikhil Bhuta:** Thank you.
- Moderator:** Thank you on behalf of EFC India Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.