November 7, 2026

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

To,
National Stock Exchange of India Limited
Exchange Plaza, C/1, Block G, Bandra
Kurla Complex (E), 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 Tuesday, November 3, 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 Kumar Gupta
Digitally signed by Aman Kumar Gupta
Date: 2026.11.07 16:34:03 +05'30'
Aman Gupta
Company Secretary

Encl.: As above

“EFC (I) Limited

Q2 & H1 FY'27 Earnings Conference Call”

November 03, 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: Ladies and gentlemen, good day, and welcome to EFC (I) Limited Q2 and H1 FY27 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 touch-tone phone. Please note that this conference is being recorded.

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.

I now hand the conference over to Mr. Umesh Sahay for his opening remarks. Thank you, and over to you, Mr. Sahay.

Umesh Sahay: Thank you. Thank you. Good morning, everyone. Thank you for joining us for EFC quarter 2 Financial Year 27 Earnings Conference Call. I would like to begin by thanking our shareholders, investor, customer and business partner for their continued trust and confidence in EFC.

I'm pleased to share that we have continued to maintain encouraging business momentum during the second quarter, supported by our enterprise relationship execution capabilities and the growing strength of our integrated business model. Our 3 business verticals, Leasing, Design and Build, and Furniture Manufacturing continue to provide us with complementary growth opportunity, enabling EFC to participate across the commercial workspace value chain.

Looking at the broader industry, the underlying market opportunity across all 3 verticals remain encouraging. India's office market recorded approximately 66 million square feet of absorption during the first 9 months of '26. In Design and Build, growing office demand expansion of GCC Global Capability Center and investment and data.

Same time, India furniture approximately 25 to 29 billion is expected to grow steadily with increased preference for organizing and quality-focused manufacturer. This trend reinforce our confidence in the long-term growth potential of our business. An important trend we are witnessing is that enterprise are increasingly prioritized flexible, efficient and speed of execution in their workspace decision.

Business today want ability to expand, consolidate or reconfigure their office requirement without significant upfront capital commitment. This created a strong opportunity for professional managed workspace. EFC asset-light leasing model, which does not depend on ownership of the underlying real estate allow us to address this evolving requirement while maintaining a focus on scalability and capital efficiency.

Our Design & Build capability further strengthened our ability to deliver high-quality commercial space efficiently, while Furniture Manufacturing expand our participation in the

broader interior and furnishing market together. This business position EFC as an integrated workspace solution provider rather than merely a conventional office leasing company.

During the quarter, we have also taken important steps including our proposal, our proposed corporate restructuring and the acquisition of Ultrafresh. This initiative are aligned with our broader objective of building a more focused, integrated and scalable organization. Nikhil will elaborate on this development shortly.

As we look ahead, our priorities remain clear, strengthening our enterprise relationship, maintaining execution excellence, improving capital efficiency and pursuing profitable, sustainable growth. Our ambition is not simply to build a larger EFC, but to build a stronger, more competitive and more valuable EFC, one that delivers consistent performance and create long-term value for all stakeholders.

I remain confident in the opportunity ahead in our team's ability to execute our strategy. Thank you once again for your continued support. With that, I would now like to invite Mr. Nikhil Dilipbhai Bhuta to take you through our key business development and strategic initiatives. Thank you. Nikhil bhai.

Nikhil Bhuta: Thank you, Umesh sir. Good morning to all our investors, analysts and stakeholders. Umesh sir has spoken about our performance during the quarter and the larger vision.

I would like to take this forward and discuss 3 important aspects of our business. First, how our individual businesses are progressing and contributing to the overall platform; second, the strategic decisions we have taken, particularly the proposed corporate restructuring and acquisition of Ultrafresh. And third, how these initiatives are helping us build a stronger competitive position and create opportunities for sustainable growth.

Business performance and operational progress can be briefed as under. Let me begin with our business performance. During Q2 FY27, we continue to focus on strengthening our operation across Leasing, Design & Build and Furniture Manufacturing. Starting with our Leasing business. This remains the foundation of our platform and an important source of recurring revenue.

We continue to benefit from our established presence across multiple cities and our relationship with the enterprise customers. What is encouraging is the changing nature of our customer demand. Large enterprises and GCCs are increasingly looking for partners who can offer not only quality office infrastructure, but also flexibility, consistent services and ability to support their expansion across locations.

Our experience in operating managed workspace and understanding enterprise requirements puts us in a good position to address these opportunities. Our focus is not simply on adding more seats. It is on improving utilization, strengthening customer relationship and ensuring that every center contributes meaningfully to the overall business.

Now coming to Design & Build turnkey contracting solutions segment. This business continues to be an important part of our growth strategy. Over the years, we have developed capabilities in commercial interior design, turnkey executions, project management, and MEP services.

Today, these capabilities allow us to participate in the wider range of opportunities, including enterprise offices, institutional projects and multi-locational assignments. An important aspect of this business is that it is increasingly developing independently of our leasing operations. We are not relying with external customers and participating in larger executional opportunities.

This is important because it allows us to address a much wider market while also strengthening the executional capabilities of our overall platform. Being a project-driven business, the timing of execution and project milestones can influence performance between the quarters, but our focus remains on maintaining a healthy pipeline and delivering projects on time and protecting execution quality.

Now moving to Furniture Manufacturing vertical. This is a business where we see considerable long-term potential. Through Ek Design, we have been building our manufacturing capabilities, expanding our product portfolio and strengthening our presence in institutional and customized furniture solutions.

Our strategy has been to develop this as an independent manufacturing business while also supporting the requirement of our Leasing and design scale, capacity utilization, procurement efficiency and product mix will also be an important drivers of profitability.

We believe that the investments we are making in this vertical can help us create a stronger and more diversified manufacturing platform over time. Our CFO will cover the financial contribution and performance of each this vertical in a greater detail.

Our integrated business strategy that I would like to little dwell upon. Now I would like to explain how we look at this business strategically. At EFC, we have always believed that the growth should come from building capabilities that strengthen each of it.

Let me give you a simple example. A company may initially approach EFC for managed office space. As that company expands, it may require a larger office, a customized fit-out for furniture solutions. Because we have capabilities across these areas, we have an opportunity to serve that customer at multiple stages of its growth. Similarly, a customer who first engages with us for a Design & Build project may subsequently become a customer for our managed office or furniture business.

This creates opportunity for cross-selling, deeper customer relationships and a better utilization of our resources. And importantly, it to grow independently while benefiting from the capability of our larger group. That's the real advantage of our model. We are not dependent on a single business or a single source of growth.

We are building multiple businesses that can create opportunities for one another. This integrated approach also helps us improve execution control, procurement efficiency and customer service.

I'd like now to look at a little on the corporate restructuring that we have proposed through the demerger that is filed with the NCLT.

Coming to one of our important strategic initiatives that is this proposed demerger and corporate restructuring. I'd like to explain the thinking behind this decision because we believe it is important for the investors to understand its long-term relevance. As our workspace business has grown, we have developed 2 distinct operating models.

The first is our leased premise managed office business, where our focus is on managing workspaces, serving enterprise customers and generating recurring operating revenue. The second is our owned property business, where we identify suitable commercial properties, acquire or develop them, improve their utilization and operate them as an income-generating assets.

Both businesses have attractive opportunities, but their capital requirement and return characteristics are different. Our view is that as these businesses become larger, they should have a structure that reflects their respective operating capital requirement.

Under the proposed arrangement, the leased premises managed office operation will be housed within EFC (I) Limited, that is a standalone listed company, while the owned property operation will remain within EFC Limited, the wholly owned subsidiary of EFC (I) Limited. The objective is very straightforward, greater business focus, clearer capital allocation and improved accountability. We believe this will allow us to manage the asset-light operating business and the property ownership business with greater clarity.

It also supports our longer-term approach towards asset management and real estate monetization. For example, when we identify a commercial property with stronger potential, but lower capital current utilization, our experience in managed workspace can help us reposition these assets, attract suitable enterprise customers and improve its income-generating potential.

In such cases, we may be able to create value not through not only through workspace operation, but also through improvement in underlying property commercial value. The proposed restructuring is intended to provide a more suitable framework for pursuing these opportunities while maintaining financial discipline.

We also believe that a clearer capital business structure will help investors better understand the economics, capital requirement and value drivers of our different activities. Of course, the proposed scheme remains subject to applicable approvals and implementation requirements, but we are very confident that the proposal will soon go through the NCLT, receive the NCLT approvals.

Ultrafresh acquisition, which is another important strategic milestone, which is strengthening our manufacturing platform. The second important strategic development, which is this acquisition of Ultrafresh Modular Solutions, I would particularly like to highlight why we see this acquisition as strategically important.

When we started building our Furniture Manufacturing business through Ek Design, we were clear that we wanted to create a business much larger than simply supplying furniture to our managed offices. We wanted to build capabilities in institutional furniture, customized products, OEM manufacturing and other market opportunities.

However, as we evaluated the next phase of growth, we recognize that manufacturing capacity alone is not sufficient. To build a successful manufacturing business at scale, you also need product capabilities, design expertise, distribution, customer relationships and market access. This is where Ultrafresh fits into our strategy.

Ultrafresh brings an established presence in modular furniture solutions, particularly kitchens, wardrobes and other customized home furniture products. It also brings manufacturing infrastructure at Nalagarh, at Himachal Pradesh and established brand design capabilities with an existing network of studios and customer touch points.

For us, this acquisition is not merely about adding revenue. It is about acquiring capabilities, market access and established operating platform that would otherwise take considerable time to develop organically. We see these multiple opportunities from this combination. First, manufacturing optimization. We can evaluate how best to utilize the combined manufacturing infrastructure, improve production planning and strengthen procurement and supply chain efficiencies.

Second, geographical expansion. Ultrafresh presence in North India complements our existing manufacturing footprint and create the opportunity to serve customers across the wider market. Third, product diversification, while Ek Design has been developing its institutional and commercial furniture business, Ultrafresh gives us access to modular home segment.

And fourth market is the market access. Ultrafresh brings an established customer-facing network and brand presence, which can support our broader manufacturing ambitions. Our immediate focus would be on integrating the business effectively, identifying operational synergies and improving the efficiency of the combined platform.

We are also conscious that an acquisition creates value only when it is integrated and managed properly. Therefore, we intend to approach this with discipline, preserving the strengths of the acquired business while using the larger EFC ecosystem to support its growth. We see Ultrafresh as an important step in building a more diversified furniture and modular solutions business. How our strategy strengthen our competition position.

Now if you look at these developments together, there's a clear strategic direction. Our Leasing business provides long-term enterprise relationships and recurring revenue opportunities. Our Design & Build business expands our participation in commercial infrastructure and execution. Our Furniture Manufacturing business strengthens our supply chain while creating independent growth opportunities.

And the Ultrafresh acquisition expands our manufacturing capacity, product portfolio and market. Our proposed corporate restructuring is intended to bring more efficiency, more focus and to our workspace operations and owned property activities. These are not separate or

unrelated initiatives. Each one is intended to strengthen a different part of the overall EFC platform.

We believe this approach can give us an important competitive advantage in the managed office workspace industry, company often compete on location, pricing and capacity. In commercial interiors, the competition is often around executional capabilities, time lines and project cost.

And in Furniture Manufacturing, success depends on product quality, manufacturing efficiency and distribution and scale. At EFC, we are bringing capabilities from this different business vertical together. This allow us to offer customers a more comprehensive solutions, gives us opportunity to improve efficiency across the group.

We believe this is one of the reasons our business model has been able to develop and grow across multiple verticals. However, we also recognize the competitive advantage is not something that can be established once and taken for granted. It has to be earned continuously through execution, customer satisfaction, operational efficiencies and responsible decision-making. That remains our focus.

Execution priorities and outlook- Looking ahead, our priorities are clear. In Leasing, we will continue to focus on enterprise relationships, occupancy, customer retentions and asset productivity. In Design & Build, our emphasis will be on expanding external business opportunities, strengthening execution capabilities and maintaining project discipline.

In Furniture Manufacturing, we believe focus on capacity utilization, product diversification, operational efficiency and integration of Ultrafresh. At the corporate level, we will continue progressing with the proposed restructuring and evaluating opportunities that can strengthen our business while maintaining discipline in capital allocation.

We also recognize that as EFC grows, working capital management, project execution, cash flow generation and operating system will become increasingly important. Our objective is to ensure that the growth is supported by a stronger operational and financial foundation.

I would like to conclude with one thought. Our strategy is not to grow by simply adding more businesses or making more acquisitions. It is to ensure that every business we build and every strategic decision we take makes the overall EFC platform stronger and stronger. We believe that this approach can help us sustain our growth, improve our competitive positions and create long-term value for our stakeholders.

With that, I would like to invite our CFO, Mr. Uday Vora, to take you through the detailed financial performance for the quarter, including our segment-wise results, profitability and other key financial metrics. Thank you so much.

Uday Vora: Thank you, Nikhil sir. A very good morning to all our investors, analysts and stakeholders joining us today. As Umesh sir and Nikhil sir have explained, EFC continues to make progress in building an integrated business platform across Managed Office Leasing, Design & Build and Furniture Manufacturing.

I will now take you through our financial performance for the second quarter and first half of FY27, highlight the contribution from our individual business verticals and share our key financial priorities as we move forward. Let me begin with our consolidated performance for the quarter ended September 30, 2026.

I am pleased to share that we have delivered another quarter of healthy growth, both in terms of revenue and profitability. Our consolidated revenue from operations stood at 332 crores compared with approximately 255 crores in the corresponding quarter last year, representing a year-on-year growth of 30%.

Our EBITDA stood at approximately 134 crores, registering a year-on-year growth of 21%, while our profit after tax increased to approximately 77 crores compared with 57 crores in the corresponding quarter last year, reflecting a growth of 36%. Our EBITDA margin for the quarter stood at approximately 40%, while our PAT margin was approximately 23%.

What is important to highlight is that our revenue growth continues to be supported by contributions from all 3 business verticals while profitability reflects the operating strength of our integrated platform.

Moving to our performance for the first half of the financial year. For H1 FY27 we reported consolidated revenue of approximately 650 crores compared with 474 crores in the corresponding period last year, representing growth of approximately 30%. Our EBITDA increased from approximately 213 crores to 257 crores, while profit after tax increased from approximately 103 crores to 148 crores.

This translates into PAT growth of approximately 43% for the first half. Our earnings per share for H1 FY27 stood at approximately 10.11 compared to Rupee 7.09 in the corresponding period last year. These numbers demonstrate our ability to expand our business while maintaining healthy profitability.

Let me now briefly discuss the performance of 3, our 3 business verticals. Our Leasing business continues to be the largest contributor to consolidated revenue and an important driver of our recurring operating income. During Q2 FY27, the Leasing segment reported revenue of approximately 168 crores compared with 129 crores in Q2 FY26, representing growth of approximately 30%.

For H1 FY27, Leasing revenue stood at approximately 322 crores compared with 252 crores in corresponding period last year. This performance reflects the scale of our managed workspaces operations and the continued contribution from our enterprise customer relationships. From a financial perspective, our focus in this business remains on improving assets, productivity, optimizing operating costs and ensuring that incremental capacity translates into sustainable returns.

Coming to my D&B segment. This segment reported revenue of approximately 129 crore during the quarter compared with 112 crore in the corresponding quarter last year, representing growth of approximately 16%. For the first half, revenue stood at approximately 230 crore compared with 196 crore in H1 FY26.

As explained, this business is expanding beyond the requirement of our internal workspace ecosystem and increasingly participating in external commercial and institutional projects. Being a project-driven business, quarterly performance can vary depending on execution, schedules and contractual milestones.

From a financial management perspective, our emphasis remains on project level profitability, milestone-based billing, timely collections and disciplined working capital requirement. Our Furniture segment reported revenue of approximately 35 crores in quarter 2 FY27 compared to 14 crores in the corresponding quarter last year, representing growth of approximately 149%.

For H1 FY27, revenue stood at approximately 63 crores compared with 27 crores in the corresponding period last year. This segment has demonstrated strong revenue growth from a relatively smaller base. Our focus going forward will be on improving capacity utilization, procurement efficiencies, inventory management and operating leverage as the business scales.

The acquisition of Ultrafresh further expands our manufacturing platform, and we intend to pursue integration and operational synergies in a financially disciplined manner. Looking ahead, our financial priorities remain closely aligned with our broader business strategy. We continue to focus on profitable revenue growth, disciplined capital deployment and strengthening our balance sheet.

With Leasing, our emphasis will remain on occupancy, asset productivity and returns from our operating portfolio. Within Design & Build, our priorities will be project execution discipline, billing efficiency and working capital management. Within Furniture Manufacturing, we will focus on improving utilization, managing inventory and realizing operational efficiency as the business expands.

At the consolidated level, our objective is to strengthen cash flow generation, maintain financial flexibility and ensure that our investments and strategic initiatives are supported by sound financial fundamentals. To conclude, our Q2 and H1 FY27 performance demonstrates the progress we are making in scaling EFC's integrated business model.

We have delivered healthy revenue growth, maintained strong profitability and continue to strengthen our presence across all 3 business verticals. While we remain optimistic about the opportunities ahead, our approach will continue to be guided by financial discipline, operational efficiency and responsible capital allocation.

Our objective is not merely to achieve growth in reported numbers, but to ensure that this growth translates into sustainable earnings, stronger cash flows and long-term shareholder value. On behalf of the company, I would like to thank our shareholders, investors and analysts for their continued trust and support.

With this, we would be happy to take your questions. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself

from the question queue, you may press star and two. Participants are requested to use handsets while asking a question.

Ladies and Gentlemen, we will wait for a moment while the question queue assembles. The first question comes from the line of Pramod Mohan with GG Family Office. Please go ahead.

Pramod Mohan: Thank you so much. First of all, I would like to congratulate team EFC for the good performance in the last quarter. My first question is around your current portfolio occupancy. And how does it compare between mature and newly commissioned centers? Do we expect any improvement for the next 2 quarters?

Nikhil Bhuta: Thank you so much, and thank you for wishing us well for the performance that we have posted. Yes, with regards to the occupancy level, as we have always maintained that we generally have more than 90% plus occupancy across. And the occupancy has always been stabilized and improving positively and maintain at 90% quarter on quarter and year on year.

And we'll continue to achieve that. And there is no change, which is because the overall strategy is such that we kind of add those capacities where we believe and we strongly have committed businesses that can bring the occupancy at the optimal level. So yes, we continue to achieve that occupancy and believe that it will continue for even the future quarter on the similar lines, considering the strategies also that we keep on adopting for the same.

Pramod Mohan: Okay. Noted. Follow-up question is, how sustainable it is for EFC to grow as a Design & Build and Furniture Manufacturing because now it has become a larger contributor? Consolidated margin remains at historical level or it will normalize in coming future with the changing mix?

Nikhil Bhuta: No, I think, listen, I mean, obviously, as we have always explained that the Design & Build vertical and the Furniture vertical are integral part of our overall business model. And we've also maintained that going forward, they will contribute substantially to the total top line because at the end of the day, the Design & Build vertical brings the growth and also the Furniture vertical helps us improve our profitability margins being the manufacturing arm once it kind of works at its optimal level, optimal capacity.

So we and particularly now that we have come to a stage both in the Furniture Manufacturing and in the Design & Build vertical, where we have created such an expanded business model where we are not just restricted to a particular segment of businesses, where we have kind of captured across the commercial place, Design & Build and also supplying different types of furniture products, whether it is for residential purposes, commercial purposes, projects, exports and so and so forth.

So we strongly believe that this is completely sustainable, not just from the revenue growth point of view, but also from the margin perspective.

Pramod Mohan: And what about the EBITDA margins you are looking at? Will it be normalizing?

Nikhil Bhuta: So EBITDA margin would,I mean, as we have always mentioned that on a consolidated level, we'll be able to maintain a margin of upwards of 20% plus. And at a different vertical level, we

have always maintained that on a corporate level, with regards to the Leasing vertical, we'll be able to make at 25%, while at center level, we'll be able to make 30%, while on the Design & Build, we'll be able to make between 18% to 22%.

And at Furniture Manufacturing at an optimal manufacturing capacity, again, around 24%, 25%. So those are the margins we'll continue to make and achieve those mixed project, I mean, integrated platform level margins of 20-22%, which we will continue to achieve. And we believe that except for the quarters, which in a quarterly basis, it may kind of go up and down primarily because of there are differences in the project execution cycles, project expenses that has to be incurred and those timing differences may kind of bringing a bit of variations in the margins.

But on an annualized basis, you will see that we will be able to achieve these numbers which we are talking about and which have been also been achieved over the years.

Pramod Mohan: Thankyou Nikhil ji, I have just last question left. I was looking at the numbers and found a transaction related to Sanvritti Alpha Private Limited. Can you put a light on it, like what it is? What was the transaction?

Nikhil Bhuta: So basically, this is, we've been very categorically mentioning about our strategy of asset ownership model that we are one of the few players in the market who really own the real estate, which are sort of put to the managed office operations also. So what we have done in this particular transaction that if you see in our investor presentation, we mentioned that we own roughly about 8 to 10% of our portfolio, leasing portfolio under our ownership, not just under the leasehold rights.

So one such property that we had acquired in about a year,more than a year back was a property here in Pune, which was we kind of acquired the property, re-developed the property in terms of then the fit-outs and furnishing-related work, and then identified the best long-term customers and then created value by selling that property, which is now not just redesigned and rebuilt, but also put to income-generating level.

So hence, we could maximize the return that we could earn on that property when we acquired it, let's say, about a year back and when we kind of hived it off after leasing it out, and that, again, then when we hived off the property, it was an asset sale and leaseback model. So ultimately, we still remain the operating partner of that property, but the ownership we have transferred to the potential investor.

And as a result, for the company, we generated around 39 to 40% on return on capital on these transactions. So this is a very important part of our strategy where we are monetizing an asset and also this would enable us to reduce our debt because when we acquire this property, we take these properties on LRD or LAP structure.

And then when we create value, we are not able to just kind of get rid of that asset-backed debt, but also create this value, which we are able to do through the asset sale and leaseback of these properties that we acquire.

Pramod Mohan: Excellent, Thank you so much.

Nikhil Bhuta: That was a transaction that was carried out with the Sanvritti Alpha.

Pramod Mohan: Alpha. Yes, yes. Thank you so much, thank you so much, quite insightful. Many congratulations. Thanks for insight.

Moderator: Thank you. Next question comes from the line of Sahil Singh with Arcandus Capital. Please go ahead.

Sahil Singh: Yeah**,** Thank you, thank you EFC team for explaining the Q2 results in a detail and congratulation for wonderful results. So sir, we have 2 questions. One is related to the D&B business. I understand in the previous calls, the D&B business expected to grow during the year is 50 to 60%.

But with the H1 result, we can see only 16 to 17% growth in the D&B business. But, do you think this number is still achievable in next quarter, next half of the year or do we see any kind of number shrinking from 50 to 60% growth to the current level?

Nikhil Bhuta: No, no. Absolutely, we are on target to achieve the annual target that we have set for our Design & Build vertical. Yes, I mean, we have set a target of 50 to 60%, and that is a target that we all are geared up to achieve. The kind of order book that we already have in place right now really support that claim that we are making that we will certainly be able to achieve our targeted growth of 50 to 60% under the Design & Build vertical.

Yes, quarter-on-quarter, as you have seen, the numbers may have not grown in the same ratio in which the annual target is set, but that is not the right indicator because obviously, there are multiple projects which are under execution and execution cycle also takes its own time. It's not necessary because the large projects that we execute need not to get completed within a period of like 2 to 3 months, which is the quarter that we are talking about.

So we are absolutely confident on achieving the targets that have been set. And that is primarily because of the kind of order book that we already have, which is more than 300 crores plus. And I think that both the next quarters, that is quarter 3 and quarter 4 would be really promising for this particular vertical, and we will certainly be able to achieve targets.

Sahil Singh: Okay. Thank you for giving a understanding on this point. Second point is, I understand the consolidated revenue has grew from 30% in Q2 year-on-year, whereas our EBITDA just grew to 21%. So is there any specific reason where our margin has compressed compared to the revenue growth? Or do we see any kind of key reason for the diversion of margin being reduced compared to the revenue growth or the margin will recover in a subsequent quarters?

Nikhil Bhuta: No, absolutely. I mean, first of all, we've always maintained that Q-on-Q numbers are not the correct indicator for comparing the margin. The margin comparison should happen on an annualized level. And that is how a business cycle or business trend could be analyzed well rather than just analyzing on a quarter-on-quarter basis.

But having said that, obviously, the nature of our business is as such, let's say, for a leasing business, there are always the gaps in terms of the when we are developing properties, incurring

expenses in developing those assets, which we have to put to use for leasing purposes or the corresponding revenue that we realize from that.

There is always that timing difference and that timing difference sometimes gets reflected in the way the income and expenditures are recognized and recorded in the books of account. But on an overall level, on an annualized base level, as we've always maintained that we'll be able to achieve the margins that we kind of go out to achieve on and which is what we have always kind of indicated and also rather mentioned in our presentation now that each vertical, what kind of margins that we are able to earn on a stabilized level.

And also for the other verticals, whether it is Design & Build or the Furniture Manufacturing, in fact, all of those, all these verticals are growing kind of rapidly and are able to maintain those margins having particularly, like I said, on the quarter-on-quarter margins and relating to the last year's margin versus last year's, this year quarter versus current quarter comparison or Y-o-Y comparison, if you, or quarter-on-quarter comparison if you're looking at, margin would, like I said, would , may not be the right indicator on this quarter basis.

But still, because of this timing differences, number one, and also naturally, this quarter, in particular, there has been quite substantial increase in the prices of materials, prices of different services that has been availed. And that obviously has contributed a little bit of pressure. But like I said, on an overall basis, we'll certainly be able to maintain those margin levels, which we have set out for on an annualized basis.

Sahil Singh: Understood, thank you so much, I think this is helpful for us. And wish you a Happy Diwali.

Nikhil Bhuta: Thank you thank you. Happy Diwali to you too.

Moderator: Thank you. Next question comes from the line of Vishal Kunden with Futurefront Edge LLP. Please go ahead.

Vishal Kunden: I have one question. Sir, what was the rationale for acquiring Ultrafresh via a 54 crores share swap? And how does modular furniture complement EFC? Also, I wanted to know what valuation method was used?

Nikhil Bhuta: So yes, I mean, the rationale for acquiring Ultrafresh, as we have mentioned in our speeches and also into our corporate announcements are that first, it is into manufacturing of furniture, modular furniture and also has a wide distribution network that it has created in the Tier 2 market.

Secondly, I mean, when the acquisition is carried out, we got access to the northern market in terms of having set up the manufacturing facility in North India in Himachal Pradesh. So kind of that brings us a lot of supply chain efficiency, a lot of logistic efficiency if we have to cater to that market or that region, number two.

Number three, modular furniture is part and parcel of our overall strategy. As you know, that we already have a large manufacturing setup in Ek Design. So there also, we carried out a lot of

modular furniture, a lot of office infrastructure furniture, a lot of residential high-end furnitures, seating systems, etcetera, also for the export purposes that we carry out.

So all those reasons were very obvious that the acquisition of Ultrafresh, number one, gave us the access to manufacturing capabilities in the northern market. Also, it gave us access to the network that they have created through more than 160 touch points that they have across the Tier 2, Tier 3 cities in India. And hence, the rationale was very clear. With regards to the acquisition price, yes, it was acquired at a valuation of about 54 crores.

It's into this business where it is into largely enterprise businesses. And such businesses based on the advices of the recognized and reputed valuers are generally valued anything around 1.5 times the top line. And this, the acquisition that we carried out, in fact, was at about 1.49 times of their FY26 revenue.

So in that sense, the acquisition was fairly justified. That was one aspect, but another important aspect was the share swap was carried out where the EFC shares was also valued at a price of Rupees 270 per share, which is the fair value that was arrived at by the big four valuation agencies. And based on that, even the seller, the erstwhile owners of Ultrafresh Modular, which was very reputed companies have accepted this valuation.

And hence, we got an inherent benefit where despite our market price was at a little lower than what these prices were, we got the maximized value, which is the true potential value of our company, which is at 270 rupee per share that we could establish or we could achieve for this transaction. Hence, this was absolutely a transaction where we were able to kind of not just acquire at the right value, but also create a margin through the price at which our shares were valued.

And hence, we gained overall, we were positive from both the aspects. In terms of the benefit this transaction can bring in, in terms of because now the shares are issued naturally, the share base is increased by a few number of shares which are issued for acquiring this company under the share swap transaction.

But this EPS would certainly get accretive with the increasing revenue that we will be able to establish for this business because now when this business is getting synergized with EFC platform, we'll be able to kind of add a lot of revenue generation and a lot of synergies, which could immediately bring in a lot of B2B businesses, a lot of project businesses, a lot of export activities apart from their ability to market through the network that they have created.

So believe this is absolutely EPS-accretive transactions in the long-term and the kind of benefits that it offers through the manufacturing infrastructure in northern market and the distribution network across India, it really makes a lot of sense for the EFC as a platform.

Vishal Kunden: Alright Sir, Thank you thank you.

Nikhil Bhuta: Welcome.

Moderator: Thank you. Next question comes from the line of Ashutosh Chaudhary with AB Billcort. Please go ahead.

Ashutosh Chaudhary: Hi, Thank you, Nikhil Ji for such an informative speech as well as the answers for the questions being asked. My question is, as Design & Build scales, could receivables and the working capital grow disappropriately? And what are current debtors ageing, especially collection cycle and retention balances? And how does the EFC convert project profit into cash?

Nikhil Bhuta: No, that's an interesting question, Ashutosh sir. And we have always maintained that while Design & Build vertical is an asset-light vertical, obviously, it plans certain amount of working capital deployment because these are those projects where milestone-based payments are released.

And yes, there are retention payments, there are performance guarantees, those are to be issued because we are developing these projects, delivering this project within certain time lines and those obligations are very critical for these projects because institutional clients won't probably get into those projects or Design & Build activities without leaving those strict time line for us.

So we'll certainly be able to kind of achieve those numbers in terms of the top line, as we mentioned earlier, but it certainly requires a working capital deployment. But having said that, it doesn't grow disproportionately naturally because the project mix also that we choose is always in a manner that there are projects which are institutional, large institutional projects where payments are released on a very strict milestone basis.

There are projects which we private projects and private institutional business projects where we do where we are able to demand and we are able to kind of dictate kind of working capital cycles, which are much favorable to us. So all in all, obviously, it is certainly a working capital-intensive business.

But having said that, it doesn't really grow disproportionately with the growth in this business. So we are certainly be able to kind of, number one, like I said, maintain the working capital cycles of anything around about 90 days to 120 days because that is the time the entire projects get realized not just from the milestones point of view, but also the retention, which are generally around 5% of the total project value.

But that is the kind of time line that we generally have to account for because the kind of scale at which we are working, obviously, we have to do multiple projects and institutional activities and which requires the working capital cycle to be in the range of, like I mentioned, anything around 60 to 90 days depending upon the projects and depending upon the type of work that is to be executed Sir.

Ashutosh Chaudhary: Thank you, thank you for the answers sir and best wishes for the next quarter.

Nikhil Bhuta: Thank you.

Moderator: Thank you. Next question comes from the line of Shailendra with Damani & Damani. Please go ahead.

Shailendra: Good morning everyone**,** I'm Shailendra from Damani & Damani. I have 2, 3 questions sir, relating to proposed merger. So my first question is what is the economic rationale for the proposed demerger or restructuring whatever you want. How we need to improve the transparency, capital allocation and shareholder's value?

What will be the post restructuring structure, financial impact, time line, cost and the risk involved? And my second question is how, investments and the restructuring created shareholder's value beyond this revenue growth?

My last question is how does EFC ensure the arm-length dealings along with all dealings across all subsidiaries intercorporate companies transaction, shares swap acquisition and the restructuring, how that is the basis of arm-length dealings sir? That 3 questions and lastly happy Diwali to everybody.

Nikhil Bhuta: Thank you, sir. You are really testing my memory, but I will certainly try to answer all the 3 questions one by one. First, coming to the proposed demerger, the proposed restructuring that is planned, as we have explained in our speech and also in our presentations very clearly, that the proposed demerger brings a lot of transparency in terms of the way our business models are going to get conducted through different entities.

So sir, to just put it simply, the entire leasing vertical, which is our managed office business, which is, in a sense, an asset-light business is getting demerged from our wholly-owned subsidiary, which is EFC Limited and getting merged into our main parent listed company, which is EFC (I) Limited.

So now the EFC (I) Limited, which is our parent company, will have 2 verticals housed under the on a standalone basis, one, the Design & Build vertical, which is also, in a sense, an asset-light vertical except for the working capital requirement and the Leasing vertical, which is also an asset-light business where both these business will kind of get housed under EFC (I) Limited on a standalone basis.

Another important aspect during this restructuring is Sir is that all the project-specific SPVs which were there under the Leasing vertical, all of them are also folding into the EFC India Limited. Hence, we are making the structure absolutely clean in terms of the Leasing vertical and the Design & Build vertical where everything is housed at a listed level and there are no multiple entities which are getting kind of getting into these businesses where we had project-specific SPVs or we have region-specific SPVs, all of this now is becoming only getting into one entity.

The second important aspect which becomes critical of this the restructuring exercises that all our assets, which are all the real estate that we own under our asset ownership model, as we have explained earlier that our Leasing vertical we divide into 2 parts. One is the asset operating model and one is the asset ownership model. So all the asset operational model is all shifting towards the listed company, as I mentioned.

Now all assets which are owned by us will remain at EFC Limited level, the wholly-owned subsidiary level. So, now there is a clear allocation of capital that we can that can be defined, a

clear allocation of the profitability that can be defined in terms of the asset-light business, asset operating business versus asset ownership business. And we are able to obviously arrive at the right amount of ROCE.

We are also able to arrive at the right amount of kind of returns that each businesses are throwing and then obviously, return on capital that, as I mentioned, could be achieved through this. So this is a very important aspect of the complete restructuring exercise as the asset is the demerger scheme is concerned.

With regards to the rationale that you mentioned about all these acquisitions and investments and the restructuring that we are talking about, obviously, sir, that you would appreciate that in today's time and age, the corporate governance is of utmost importance. And we need to establish those standards, which are of highest integrity, highest transparency.

With these structures, we are able to not just kind of bring those highest corporate governance standards, but also this kind of helps us create, like I mentioned, verticals where we are able to create efficiencies, execution capability and deeper customer relationships through this complementary structure by where you are able to, one, on other side, the asset-light model is created, on the other side, we have asset ownership model is created.

So absolutely, sir, these acquisitions or investments that we are making, either they are adding to our overall plan of growing business as a platform where we are not just kind of looking at the revenue growth, but we are also looking at a long-term objective to improve the return on capital, asset productivity, the recurring earnings and cash generation, right. So this restructuring, acquisitions, investments are all aligned towards this objective, sir, and we are sure that we will be able to achieve them.

And to your last question about the maintaining the transparency with regards to the related party transactions, the transactions between the subsidiaries. Please appreciate that, first of all, our business model is such that we derive value from the backward and forward integration and we try to maintain the margin within the group itself. So that's a very integrated part of our business model.

Having said that, all these verticals operate as a standalone profit centers, right. So, they compete with each other in terms of bringing their businesses. And when they compete with each other, obviously, the arm's length pricings are established by default, because it is not a question that, okay, if there is a business with Design & Build vertical wants to give to a Furniture division, it goes just because it is my subsidiary or it is my sister concern, I have to give that business to them.

They have to compete internally. They have to compete with the other 2, other 3, I mean, suppliers who will also give their quotations and pricing. And once obviously, the L1, the best quotation will always bring the order. So, this is very clear that we have a very transparent way of operations where arm's length pricing is established through big four financial institute big four accounting firms who really helps us in setting the arm's length pricing.

And when we carry out these transactions and report this transaction to SEBI, which is anyway a regulatory requirement, we ensure that all the pricing and all the terms at which these transactions are kind of carried out or conducted internally are carried out at the arm's length price only. And that as very well, like I said, documented and established.

So sir, we are very cognizance of these aspects of maintaining the full transparency, maintaining the arm's length pricing, maintaining those competitiveness within the organization and not bring any slackness in terms of our growth going forward and also growth in the overall margin profile that we want to achieve through this integrated business model. I hope sir, I've kind of answered all your questions, and thank you so much and also happy Diwali to you, sir.

Shailendra: Thank you, thank you.

Nikhil Bhuta: Welcome Sir.

Moderator: Thank you. Next question comes from the line of Neeraj with AP Alpha. Please go ahead.

Neeraj: Good morning all. First of all, congratulations EFC team for delivering great performance this quarter to your investors and shareholders. I have 2 questions more on the forward-looking perspective. Now with H1 already passed, is EFC on track to achieve its annual top line and bottom line targets? And which are the verticals who are behind or ahead of the plan? And out of them, what will drive H2 growth on higher contribution towards revenue and profits?

Nikhil Bhuta: Thank you so much, Neeraj. First of all, yes, as I explained earlier, that we are absolutely on track to achieve our annual targets. And we are confident that as a platform, we will certainly be able to achieve the growth that we have set out for, number one.

Number two, all the 3 verticals, which is Leasing vertical, which is Furniture vertical, and Design & Build vertical, are fairly on track in terms of achieving the targets. Let's say, the Leasing vertical has already achieved the numbers that it is targeted to achieve on a proportionate basis.

And the same is the case with Furniture vertical as well. Design & Build vertical, yes, it looks apparently with the numbers that is recorded and registered for the first half year that it may not, that it is lagging behind a bit for the annual levels, but it is not because of the order book that we already have right now in hand and the orders which are under execution.

Had this order book not been in hand, then obviously, one may have a concern around this. But since there is an order book in hand and since we are very confident that these orders will get executed within this financial year itself, we are very confident to even achieve the targets within the Design & Build vertical as well.

Hence, overall, all the 3 verticals, number one, are absolutely on track in the first half, and we are expecting that it will do much better comparatively in the second half as well, which is generally the case if you look at our previous year performances. So forward-looking, we are absolutely on track, Neeraj ji, and we are confident to achieve the growth targeted for all the 3 verticals.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. Due to time constraints, we have reached the end of question-and-answer session. On behalf of EFC (I) Limited, that concludes this conference. Thank you for joining us. You may now disconnect your line.