

Date: November 24, 2025

To,
Listing and Compliance Department
Bombay Stock Exchange Limited
P. J. Tower, Dalal Street,
Fort, Mumbai- 400 001.

Dear Sir/Madam,

Sub: Transcript of the Investors' Earnings Call held on 20th November, 2025 on the Unaudited Standalone and Consolidated Financial Results for half year ended September 30, 2025

REF: NIS MANAGEMENT LIMITED (SCRIP CODE: 544495)

Please find enclosed herewith the copy of transcript of the Investors' Earnings Call held on 20th November, 2025, with respect to the Unaudited Standalone and Consolidated Financial Results for half year ended September 30, 2025.

The transcript of the aforesaid earnings call with Investors/Analysts is available on the Company's website and can be accessed on the following link: <https://nis.co.in/Investors>

We request you to take note of the same.

Thanking You,

FOR, NIS MANAGEMENT LIMITED

DEBAJIT CHOUDHURY
MANAGING DIRECTOR
DIN: 00932489

Date: November 24, 2025
Place: Kolkata



**“NIS Management Limited
H1 FY26 Earnings Conference Call”
November 20, 2025**



**MANAGEMENT: MR. DEBAJIT CHOUDHURY – MANAGING DIRECTOR –
NIS MANAGEMENT LIMITED
MR. KANAD MUKHERJEE – CHIEF FINANCIAL
OFFICER – NIS MANAGEMENT LIMITED**

MODERATOR: MR. CHARVIN ZAVERI – SHARE INDIA SECURITIES



*NIS Management Limited
November 20, 2025*

Moderator: Ladies and gentlemen, good day and welcome to the H1 FY26 Earnings Conference call hosted by NIS Management Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. I now hand the conference over to Mr. Charvin Zaveri from Share India Securities. Thank you and over to you.

Charvin Zaveri: Thank you and good afternoon everyone. Congratulations on a very good set of numbers. On behalf of Share India Securities, I welcome you all to the H1 FY26 Earnings Conference call of NIS Management Limited. We are pleased to have with us the management team represented by Mr. Debajit Choudhury, Managing Director and Mr. Kanad Mukherjee, Chief Financial Officer. We will have the opening remarks from the management followed by the Q&A session. Thank you and over to you, sir.

Debajit Choudhury: Good afternoon everyone and thank you for joining us for our first call as a listed company. I truly appreciate your time and interest in our company's performance for the first half of financial year 2026. Since this is our first call, let me begin by briefly introducing our company.

NIS Management Limited was founded in Kolkata in 1985 as a security and investigative services provider and became a corporate entity in 2006. Over the years, we have expanded the business into facility management, electronic security and skill development. Today, we manage a workforce of around 17,000 personnel across 14 states supported by a lean back office team that oversee operations at more than 1,300 sites.

Our clients include corporates, banks, hospitality groups, manufacturing units, healthcare institutions, public sector enterprises, airports and retail companies. We also operate NIS Facility Management Services Private Limited, which provides electronic security solutions and Keertika Academy Private Limited, which is an NSDC-recognized training partner. From a financial perspective, the first half of FY2026 has been encouraging.

At the consolidated level, our total income stood at INR214.89 crores, which reflects a year-on-year growth of 6.8%. Our EBITDA improved from INR16.73 crores, representing a growth of 11.31%, and our EBITDA margin expanded to 7.79%, an improvement of 32 basis points. Our PAT increased to INR10.22 crores, a growth of 12.5% on a year-on-year basis and a PAT margin improved by 24 basis points to reach 4.76%.

Our EPS for the period was 6.42%, which represents a growth of 6.12%. At the standalone level, our total income for FY2026 was INR204.69 crores, an increase of 8.36% year-on-year. Our standalone EBITDA grew strongly to INR13.95 crores, reflecting a growth of 28.87%. EBITDA margin improved by 108 basis points to reach 6.81%. Our PAT increased significantly to INR9.12 crores, which is a growth of 40.07% year-on-year.

And PAT margin expanded by 101 basis points to reach 4.46%. EPS to that was INR5.73, a year-on-year increase of 32.03%. We continue to prioritize integrated facility management contracts, which carry higher margins and are predominantly government-focused. With the



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Government of India continuing to increase spending on infrastructure, we see a strong pipeline of tenders that are well-positioned to win and execute.

Alongside this, we are also focusing on CCTV installation projects, which are again largely driven by government requirements. These two verticals, integrated facility management and CCTV installations, remain the primary margin drivers for the group and I expect them to continue to play a central role in our strategy.

On the corporate side, we are seeing steady client on boarding. More corporates are recognizing the value of specialized facility management services instead of informal cleaning and basic maintenance arrangements. This shift supports our business model and allows us to provide higher-value services that improve margins.

We are also seeing renewed activity in government-led skill development initiatives. We have applied for several contracts across different states and are awaiting the results. Geographical expansion continues to be a key priority for us. We are witnessing strong growth in Maharashtra and Gujarat and I believe we will deepen our presence in these regions.

Before I conclude, I would like to highlight the positive environment in our industry. The organized facility management sector in India is experiencing strong momentum and is expected to grow to nearly USD61 billion by 2030, supported by steady outsourcing and increasing adoption of technology-enabled service models.

The Indian video surveillance market is also expanding rapidly and is projected to rise from about USD4.4 billion in 2025 to more than USD7.1 billion by 2030, driven by smart city projects, higher security needs and a wider use of digital and analytics-based solutions. These trends align directly with our strengths in integrated facility management and CCTV installations and place us in a favorable position to capture incremental opportunities and further strengthen our margin profile. With this, I would be happy to take your questions.

Moderator: Thank you very much. We will now begin the question and answer session. We will take a first question from the line of Keshav Garg from Countercyclical PMS. Please go ahead.

Keshav Garg: Sir, thank you very much for this opportunity. I wanted to understand, post the IPO now what is the net debt on the company and going forward, at what debt-to-equity ratio will you be comfortable?

Debajit Choudhury: I will advise our CFO to address this.

Kanad Mukherjee: Sir, as per the financials, we currently have a debt at a standalone level. We currently have a debt of around INR70 crores. And we are already taking steps to reduce this debt. So most of the debt is, 90% of the debt is actually cash credit. And a very small amount, around INR2 crores, INR3 crores is actually long-term loan based. So we will obviously not increase the debt amount beyond what is the current levels. And I think on a year-on-year basis, as the revenue keeps increasing and the margins also keep improving, we should see our debt-to-equity ratio going

down considerably. And I think in the next 2-3 years, we should see our debt-to-equity ratio reaching somewhere around 40%.

Keshav Garg: Right. And also in the balance sheet, I can see there is some INR53 crores worth of short-term loans and advances. So what exactly is this?

Kanad Mukherjee: Yes, these are actually into two parts. One is short-term loans, which we give as a part of our IFM contracts and facility management contracts to vendors and employees, which is to the extent of around INR7 crores. And around INR47 crores pertains to balances with government authorities, specifically tax authorities and the TDS that we have booked for this year.

And a couple of refunds for AY-12-13, 13-14, which are pending to be received and balance of around INR20 crores, INR25 crores, which pertain to earlier years higher deduction by government contracts, which were not deposited and we are following up with them for deposit of the same.

Keshav Garg: So basically, INR47 crores is a huge amount. It's almost a quarter of our net worth. So basically, when will we get this money back because I can see...

Kanad Mukherjee: Yes, you can please complete.

Keshav Garg: So basically in March also, this was INR48 crores. So basically, it seems that this amount has been blocked with the government for a long time. So will we get this money back or it's the nature of the business that this will continue to be so?

Kanad Mukherjee: No, sir. I think this year it should go down by around INR3 crores to INR4 crores because we are already seeing certain tractions in terms of receiving the money. And we believe that it should go down by around INR3 crores, INR4 crores. And I think in a couple of years, this should come down significantly. The government is also being very proactive in terms of clearing these dues.

Keshav Garg: Right. Now, for FY26, what kind of top line on a consolidated basis should shareholders expect? And what kind of operating margins, EBITDA margins, you think can be achieved?

Kanad Mukherjee: Sir, I think at a revenue level, at a top line level, we are looking at a 10%, 12% growth. We believe that this growth will also be reflected at a PAT and EBITDA level. I believe that the EBITDA margins should stay around 7.5% to 7.7% at a consolidated level and with PAT margins of around 4.5% to 4.8%.

Keshav Garg: Right. And for next year, any projections?

Kanad Mukherjee: I think Mr. Choudhury, our Managing Director, would like to take that question. Is it okay if I give it to him?

Keshav Garg: Yes, sure. Please.

- Debajit Choudhury:** Yes. Actually, what we will see next year is that, although it is a little too early to say, but what we will see is that there have been several contracts which we have booked just very recently. Over the last month and it is happening this month. In fact, significant growth has happened this month itself. And what we will see is that in 2026, we will only get the benefit of, say three or four months of these contracts. But in 2027, we are going to see a significant growth in the total revenue position. And I would think that we would be expecting a revenue increase of about 20%.
- Keshav Garg:** Right. And what about margins? Will margins remain stable, increase or decrease?
- Debajit Choudhury:** Margins would also increase. And we are expecting the margins to again go along with the same percentage. We are not seeing much of a constitution in margins right now.
- Keshav Garg:** Right. So, now, one thing I wanted to understand is that where do we score in front of bigger players like, let's say, SIS? Is our basically the labor that we have or the people, the staff that we offer in security, are we able to find them at a lower price from West Bengal or is it, I mean, let's say, how do we compare with SIS? Is our cost of staffing lower than them?
- Debajit Choudhury:** The few things are that, of course, we are expecting our cost of services to gradually come down, especially since we are integrating a lot of technology within our back office operations right now. So, one thing is that we shall be doing that. And the second thing that is also very important is that although the labor cost does not really come down significantly because our contracts are generally guided by minimum wage contracts.
- So, there will be a division and it is equal for most agencies. But what is true, firstly, we are operating from a smaller base and with a high liquidity position for us right now. We should be able to take advantage of our expansion, as I have just mentioned in different parts of India. And therefore what we are looking at is that we will see a significant higher percentage than possibly SIS, generally, I can say.
- And it is also very important for you will please kindly note, is that we shall also possibly be taking, getting a good advantage from PF offered ELI scheme, which is a very recent scheme. And we should push our EBITDA significantly and the cost of wage will come down. So, what we are going to see is, we are going to see quite a bit of margin happening from these operations. And we should be able to position ourselves distinctly from the way SIS would project.
- Keshav Garg:** Right. And I can see the taxation in FY21 you were 33%, then 25%, 24%, 17% and last year 1%. I am talking about the corporate tax. So, going forward and this H1 we were 5%. So, can you tell us that on a consolidated basis, what will be the effective tax rate on us for FY26 as well as FY27?
- Debajit Choudhury:** I will just advise Kanad to address that.
- Kanad Mukherjee:** Sir, I will take that question. So, the effective tax rate is basically a function of ATJJA. That it is a deduction which is linked with the employment and we have, because of this benefit, we

have been able to reduce the tax rate from 23, 24 onwards. And I think this we can, we will be able to sustain for quite a few years. So, I don't think the effective tax rate, what you are seeing right now, I think that should continue because our business is primarily modeled on the number of, adding number of people.

Keshav Garg: Yes, sure. So, last year it was 1%, in H1 it was 5%. So, I mean, it should be in this range or closer to 1%, closer to 5%?

Kanad Mukherjee: No, it will be around 4% to 5%.

Keshav Garg: Okay, great. So, and for next year also the same rate should be expected?

Kanad Mukherjee: Yes, 4% to 5% exactly.

Keshav Garg: Okay, now also I can see that our EBITDA fell last year. And in fact, even our EBITDA is flattish since FY22. So, basically 4 years FY22 are consolidated, EBITDA was INR26 crores, then 29, 32 and then last year again INR27 crores. So, what is the reason that despite revenues increasing, margins seem to be coming down every year?

Kanad Mukherjee: Sir, this would, one of the reasons, I think I will give my answer and then I can pass on the question to Mr. Choudhury and he can give you more detailed answer. But one of the reasons for the EBITDA coming down over the last couple of years is primarily it has to do with the fact that we were focusing more on the private sector contracts and slightly less on the government contracts.

And that has -- that has obviously had, while it has had a benefit at the cash flow level because if you see our consolidated cash flows have improved also during this period of time. The operating cash flows have increased during this, improved during this period of time. It has taken its hit at the EBITDA level. But again, we believe that sustained growth and definitely sustained growth in margins happen at a government level. So, we are again slowly focusing our, you know, refocusing our priorities and focusing on contracts at a government level. I think Mr. Choudhury can elaborate on that.

Debajit Choudhury: Sir there are a few elements which are very important. One is that you will have -- you will -- if you -- since we have been actively participating in all government tenders, etcetera. There are two aspects in government tenders for which we have to moderate our focus into that. The first aspect is, of course, that government contracts take a long gestation period.

And so what happens is that it becomes slightly difficult for us to really estimate as to when are we going to get the contract in hand and can start operating on it. That is one particular problem. And the second problem is that usually government contracts, etcetera especially the state-level government contracts come with a very high PSO.

So, what we are focusing on is while we will be keeping our focus on government contracts because there are good margins in it, but at the same time we are trying to improve our corporate

and our private sector contracts which will help us to give us the advantage of cash flow. This is one.

Regarding the increase in the EBITDA area, there are two aspects, I would say, that as Kanad, our CFO, has just mentioned that we are -- we will be calibrating our growth in the government sector to ensure that there are higher EBITDA margins coming from those contracts, especially by shifting our focus from pure security or pure cleaning contracts to more integrated facility management contracts. And we are also going to see possibly a much higher growth around the rental business in CCTV, which will help us to boost our EBITDA significantly. So, we do look forward to going at a higher EBITDA.

Keshav Garg:

So, now, Mr. Choudhury our receivable seems to be really, really high. I mean, if we compare with SIS, their receivable days are hardly 50 days and ours is like two and a half times of their receivable days. So, why exactly is this and what are we doing to reduce this receivable and also what is the threat of bad receivables, which we might not be able to collect ultimately and we'll have to write off?

Debajit Choudhury:

So, I will hand over to Kanad, but first I would like to say that we are not seeing significant bad debts happening. So, receivables will be good for us and Kanad will give you the details.

Kanad Mukherjee:

So, basically, one of the features in our industry is that there are two things. One is our industry is an annuity-based. These are mostly annuity-based contracts. And the second part is that a lot of these contracts are old contracts. And when we started the contract, there was mostly these contracts required us to invest around three months or four months. Earlier it was four months.

Now it's actually come down to three months, three months of wages. And with that investment the DSO would automatically become 3.5 months and that has basically sustained over time, but what we are happy to kind of announce is that it has sustained over time and over a period of time, we should be able to bring it down. Earlier we were very highly focused on government contracts. A lot of those government contracts are also retained by us. And, therefore, we don't see a lot of -- any bad debt typically happening.

Keshav Garg:

Right. So, now, just if you could give us a brief overview of our, I can see we have five subsidiaries. One is NIS Facilities Management Service. That is self-explanatory, but if you could just give some more color that what exactly, because facility management is a huge segment. Catering is also there, gardening, cleaning. So what exactly are we doing over there? Are we focused on airports, let's say, for example, or private sector, or what exactly and, similarly, the other subsidiaries, if you could just give a brief overview of what exactly are we doing over there?

Debajit Choudhury:

I will try to do that. First is I would like to bring in one distinction from the name and the operations that we actually do in NIS Facilities Management Services Private Limited. In NIS Facilities Management Services, Private Limited, although the name is Facility Management, mostly we are doing our electronic security operations, the SI operations from that.

This is the first thing, sir. We actually do our facility management contracts in the main NIS Management Limited. The reason for this is that since all these are tender based and the credential acquired actually helps us to operate in a bigger and bigger contract size. And for that, what happens is that NIS continues to grow in the facility management space also because of its bigger size. So, first distinction is there, sir.

Now, going down to the subsidiaries, as I said, facility management company, NIS Facilities Management Services Private Limited is primarily centered around our SI activities and now gradually our CCTV installation and rental activities and possibly more going ahead into more analytics-driven CCTV operations.

Now, as we go into that, we will see a lot of turnover increase and margin increase especially in the facility management space. Sorry, the NIS Facilities Management Services Private Limited space. What we are actually looking for is that it had traditionally given us a higher margin and in future it will give us a significant higher margin from what we are operating with. So, there is also another company, which is Keertika. Keertika actually there are two firms.

One is the Keertika Academy Private Limited and the other which basically had been operating with government skill development initiatives. And there is another, which is the Keertika Education and Associates, LLP, which basically operates in the ITI space. In the Education and Associates one, we have four ITIs and we are operating very strongly in those with a very high profit margin coming from that.

But the size of the business is yet a very small business because the ITI is a very niche operation and especially the kind of PPP models that we operate with has been coming from the state government of West Bengal only. We are now looking at increasing our base of ITIs significantly in the coming years and this will also give us a boost in the profitability because the profitability in ITIs is very high.

In the Academy space, there has been issues because of one fundamental reason, that is since COVID, the government spending on skill development had suffered very significantly. And therefore, new projects under the government, either the state government or the central government ministries, have been very low.

This year, there is a promise of this whole thing changing and as it changes and we have also started bidding for those new projects that are about to come. In 27, we expect a very high percentage of these projects coming to us directly and this should improve the status of Keertika Academy Private Limited very, very much. I am very hopeful that Keertika Academy will do that.

There is also another area which I think we should mention is that Keertika Education and Associates had always been operating in an online mode since the COVID days where we have been offering a lot of online training to different personnel. Over the last two, three years, this has also expanded into software technology training online and we have had a very reasonable traction in that.



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And we have not really focused on a very solid growth as yet, but we hope that as more and more requirements for training in the advanced technologies, especially the AI technologies, ML technologies and such things, [inaudible 0:27:12] and others, as they increase, we shall also see a very significant growth in that area.

Keshav Garg:

So then what about Achilles Resolute 51% subsidy?

Debajit Choudhury:

Achilles Resolute is basically a very specific niche firm where we are doing a lot of experimentation in the AI and ML space and we have not generated revenue in that. In going ahead, we are not going to see a very significant increase in this number. Possibly what would happen is that much of our AI and ML initiatives will come over to the NIS facilities management space where we are doing a lot of work in the systems integration and AI-driven cameras.

Keshav Garg:

Right. So I hope all of these entities are profit-making.

Kanad Mukherjee:

I'll just take that question. Sir, Keertika Academy Private Limited has a loss of around 8 lakhs.

Keshav Garg:

This is 8 lakhs for H1 or last year?

Kanad Mukherjee:

H1.

Keshav Garg:

Right.

Kanad Mukherjee:

Other than that they are profit making.

Keshav Garg:

Okay great. Thank you Mr. Choudhury and best of luck to you.

Debajit Choudhury:

Thank you very much, sir.

Moderator:

Thank you. We'll take our next question from the line of Mayank Saraf, an HNI Investor. Please go ahead.

Mayank Saraf:

Hello, everyone. Am I audible?

Moderator:

Yes, please go ahead.

Debajit Choudhury:

Yes, sir. Good afternoon to you.

Mayank Saraf:

Good afternoon, Mr. Choudhury and congratulations. I just wanted to know a couple of things. Firstly, what is the revenue percentage from government PSU tender and what is the average tenure?

Debajit Choudhury:

Traditionally, our government percentage had been 48%. And the tenure is more than 5 years -- 3 to 5 years always, but I think the average will work out to be 5 years because there are contracts which we are operating, large contracts which we are operating for more than 10 years, like the Secretariat buildings in West Bengal and such places.



- Mayank Saraf:** Okay. Currently, how much, like what is the value of the bids that you have submitted from the tender and that is under evaluation?
- Debajit Choudhury:** A tender that we operate in and we have credentials for in the manpower area, NIS Management Limited, they operate around, say, INR5 crores to INR25 crores annually. So traditionally, that is the bid size and we are continuing to do that. And for the technology area, each of our bids would be something around, say, INR3 crores to INR5 crores and which could go even up to INR10 crores to INR14 crores.
- Mayank Saraf:** And what is the retention rate that we are seeing in the government contracts traditionally?
- Debajit Choudhury:** As I said, it is very high because we are doing, say, an average of 7 years, 8 years on these government contracts.
- Mayank Saraf:** Okay. So secondly, now I am coming to the electronic surveillance part.
- Debajit Choudhury:** Yes, sir.
- Mayank Saraf:** So I just wanted to know like what is the value of tenders that we have won for CCTV specifically and the current bid pipeline?
- Debajit Choudhury:** Pardon sir that you are.
- Mayank Saraf:** Value of tenders that we have won and the current bidding pipeline for government CCTV projects?
- Debajit Choudhury:** So the exact figure, Kanad will be able to give you.
- Kanad Mukherjee:** Sir, I will just take this question. So basically, we have bid for current order book of this year. I mean, the current bid pipeline that we have is around INR14 crores to INR15 crores with two tenders coming in the month of November itself. And I think by January, we should have been able to bid on all of it.
- During the year, we have booked revenue from -- we have booked during this entire year, we will be booking revenue from our rental contract amounting to around INR7 crores and we've already completed three orders from the Syama Prasad Mookerjee Port, which amounts to around INR3.5 crores. And we have also won the order under the MPLAD fund, which amounts to around INR2 crores and we, like I said, we'll be bidding for another INR14 crores worth of contracts between now, November and January.
- Mayank Saraf:** So this CCTV thing has a better EBITDA margin, I guess?
- Kanad Mukherjee:** Sir, this CCTV thing has significantly better EBITDA margin. There are two ways to -- there are two business models here. One is the opex model. The other is the capex model. And when I say opex and capex, I mean it from the customer's perspective. So one is where they buy the cameras, and we only do supply installation, testing, and commissioning. So there we somehow

we look at EBITDA margin -- we look at a gross margin of around 15% to 20%. 20% is on an average, because large value contracts and these are government contracts, so the margins are better.

Then there is the rental model, which is the opex model for the client. And under the rental model, typically these contracts go on for around 5 years to 6 years. So last year we won a contract where we invested around 600. This was in 2024. This was pre-IPO, where we won around we invested around INR6.5 crores, INR7 crores.

And we will be booking INR7 crores in revenue each year for the next five years. We've already booked INR3.5 crores in the first half year. We are going to be booking INR3.5 crores in the next half year. And yes, so from a margin profile, CCTV cameras are definitely very, very higher than our traditional business of facility management.

Mayank Saraf: So currently, how are we positioned like how many states are we eligible in to bid for CCTV? Is there any requirement or regulation?

Debajit Choudhury: So we are eligible to bid in CCTV in almost all states. So there is no regulation. It is only the limit to our installation capabilities like we are pretty strong in the East. So in West Bengal, Odisha and the Northeast, we have a pretty high capability of taking the contracts. In Maharashtra, our capability is evolving and we hope to see a lot of traction coming from Maharashtra, Gujarat area over the next year. In fact, some of these could actually be on the opex model, on which we are hinging a lot for our year-on-year margins.

Mayank Saraf: So can we expect like for the next one year, can we expect a 10% to 15% rise from the CCTV revenue?

Debajit Choudhury: I am sure that that would happen.

Mayank Saraf: Okay. Thank you so much and all the best.

Debajit Choudhury: You are most welcome, sir.

Moderator: Thank you. Next question is from the line of Nimish Maheshwari from Sunrise India Growth Fund. Please go ahead.

Nimish Maheshwari: I want to understand about -- hello.

Moderator: Yes, please go ahead.

Debajit Choudhury: Yes, good afternoon, sir.

Nimish Maheshwari: What is coming under other non-current assets, which is two works from the last published number?

Kanad Mukherjee: Sir, other non-current assets would be fixed deposit, sir, mostly.

Nimish Maheshwari: What is inside it?

Kanad Mukherjee: Other non-current assets, right?

Nimish Maheshwari: Yes, other non-current assets. What is inside it?

Kanad Mukherjee: Yes, so these are fixed deposits that we have done. Earlier, these fixed deposits were against the mortgages. And right now, we have done fixed deposits based on from the IPO fund.

Nimish Maheshwari: Okay. So fixed deposit is coming under non-current assets?

Kanad Mukherjee: The fixed deposits are coming under other non-current assets and cash-in-cash equivalents, both.

Nimish Maheshwari: Both? But why -- Why both?

Kanad Mukherjee: Sir, because there are -- the majority of the fixed deposits are short-term, six-month fixed deposits. And a very small percentage of fixed deposits are kept under long-term.

Nimish Maheshwari: Okay. So for long-term, you are going into other non-current assets?

Kanad Mukherjee: No, sir. It's not because of that. Because we realize that in the short-term, we will not be able to use all the funds. The long-term, we're offering better, slightly better interest. So, but it is liquid able at any point in time.

Nimish Maheshwari: And in non-current investment, what is that INR11.5 crores?

Kanad Mukherjee: Sir, these are our subsidiaries. Investments which were done in our subsidiaries.

Nimish Maheshwari: Okay. Sir, in last three years, if we see our revenue, so there is not much substantial growth we have seen. So how you are looking for next two to three years and because of this CCTV shift, how much margin profile improvements we can see in next two to three years?

Debajit Choudhury: Sir, our growth expectations are pretty high, especially not only in the revenue area, but in the margins area also for the next two, three years. So there are certain changes we have already started doing. And we also expect to use our IPO funds in making these very important changes.

One is, as I said earlier, sir, we are going to become more an integrated facility management and security solutions operator than standalone security or standalone cleaning contractors. This will give us a very high growth in revenue because where we today with the same client, we are possibly having revenues coming from a single vertical of security guarding or cleaning operations, et cetera. We, by an integration, we will have a much higher revenue.

And since the integration usually comes with a lot of mechanization, automation and procurement of consumable materials and rentals of machineries, we will see a significant surge in the margins in these integrated facility management contracts. So that is one area, sir, we are going to have a very high revenue.

And what we are also focusing on, which we didn't do much of earlier, is that we have been focusing more or less primarily on the government contracts for these integrated facility margin, integrated facility services, management services. But now, of course, we are looking at moving into the private sector corporate space for doing this work.

And the demand for this kind of work in facility management is increasing day by day. So this is one aspect of it, which makes us see the revenue and the margins growing pretty high. And then the second thing that we are looking at is our initiatives in the CCTV area. And in the CCTV area, there are a few additions that we are looking at or focusing on. One of that, as I mentioned earlier, sir, is our initiatives in the AI-driven camera space.

We have worked with a few startup firms, and we are working currently with some already very established AI firms. And we are seeing that the traction for such installations where the cameras are AI-driven, although we started it before the IPO almost in a pilot basis, but we see that growth in this is so high in the last few months that it should actually give us a very high revenue.

And so I think at least for the next two, three years, we are going to see a very high margin from these operations. In some of these operations, sir, for particular type of cameras, which are very niche cameras built by startups in which we hope to see a very high traction and margin.

Nimish Maheshwari:

Thank you.

Moderator:

Thank you. Next question is from the line of Vishvender Singh from Prudent Equity. Please go ahead.

Vishvender Singh:

Good afternoon, sir. So I wanted to ask, what is the current order book and how much is the expected timeline for its completion?

Debajit Choudhury:

Sir, I will advise Kanad to address this.

Kanad Mukherjee:

Sir, so basically, I'll just answer the question slightly differently because we are in an annuity kind of a business where we kind of retain contracts on a year-on-year basis. So our order book is... So till now, we have been able to retain all contracts that we had last year. Now, our turnover for the last year was consolidated turnover for the last year. So for security, facility management and housekeeping, our turnover was INR373 crores.

At the end, that INR373 crores is still with us. So we should be doing INR373 crores definitely. With that, we are expecting another... We've also added around 600 odd manpower during this year. We expect to add around another 400 to 600 manpower during this year at a very baseline level. And this should take -- along with minimum wage revisions, we should look at around 10% to 12% increase in the entire revenue profile.

Vishvender Singh:

Okay. Another question I wanted to ask, like next year is election in Bengal So are you preparing for more election-related services or contracts? So do you see that as a major growth trigger for us?

Debajit Choudhury: So typically, election-related contracts are very temporary in nature. So what happens is that, yes, we are expecting election-related systems integration because there is a government directive that or the election commission directive that all booths have to be covered under CCTV.

But there is also the slight additional risk because after the election is over, many of these cameras actually become redundant for a significant period. And so what we have already put forward to some of the governments is that instead of these contracts typically remaining within the realm of systems integration, we should rather move towards a rent model in this.

And we hope we shall see some revenue coming from that in the election year, which would actually help us to improve our inventory position and also help us in getting a very good margin. We are traditionally an operator which works extensively in the events area. And we shall like to exploit this kind of an election period contract into the events area, sir.

Vishvender Singh: Okay. Lastly, sir, I want to ask, what is the current share of revenue from CCTV segment? And what is your expected target to end, like, contributed in the next one to two years?

Kanad Mukherjee: Sir, first half is INR9 crores. And we expect it to be around INR22 crores -- INR21 crores, 22 crores by the end of the year.

Vishvender Singh: And can you share the EBITDA margin for that segment if it is possible?

Kanad Mukherjee: Yes, the EBITDA margin for that was around 18% to 20% on the back of the rental income that I just spoke about, which is essentially that we had made the investment in 2024. And now we have received the rental income and there was not much cost of operations associated with it. And so our EBITDA margins had gone up. And we expect to see this sustained growth on a year-on-year basis, at least for the next five years.

Vishvender Singh: Okay, just wanted to like add on what is the share of CCTV in opex versus capex you were mentioning that you were mentioning that there are two segments in that?

Kanad Mukherjee: Exactly Basically, looking at the fact that we do around INR20 crores, we've done INR20 crores business last year, just take last year full year numbers, INR20 crores business last year. And in the INR20 crores business last year, it was mostly the non-rental income, the SITC income, which is where the customer purchases the cameras, but at the end of the year we were able to book some level of -- we were able to raise a very small bill that did not really impact much.

But this year, if we do around INR21 crores, of the INR21 crores of revenue, INR7 crores we will anyways book on from the rental income, three and a half we book, three and a half we'll book in the second half. So INR3.5 crores, INR7 crores we'll book from the rental income. We are expecting maybe another crores or so of rental income booking. So it'll be somewhere around, I think INR8 crores over INR20 crores, INR21 crores so maybe 40%.

Vishvender Singh: 40% is opex?

Kanad Mukherjee: 40% is rental income, which is -- and then 60% is the non-rental income.

Vishvender Singh: Okay, sir. Thank you, sir.

Moderator: Thank you. We'll take our next question from the line of Keshav Garg from Countercyclical PMS. Please go ahead.

Keshav Garg: Sir, so what is the kind of capex that we are looking at?

Kanad Mukherjee: So the capex is already done. It was done last year. So on this contract, we are...

Keshav Garg: So no significant capex expected on an overall consolidated basis?

Kanad Mukherjee: No, okay you are asking on a consolidated basis?

Keshav Garg: Yes.

Kanad Mukherjee: Yes, there is not much of a significant capex that we are looking at, except for if we get, let's say we are currently in talks with one of the private banks for a command and control center, which will require a certain level of capex. But it should be to the tune of from the talks, what I can understand, should be to the tune of maybe INR5 crores, INR6 crores over two years. Other than that, maybe a machinery purchase of maybe a crores and a half because we got [inaudible 0:48:02]

So that would possibly require a machinery purchase, from what I can understand. That contract has started. Then next year, if certain other, certain two other bids actually fructify, then maybe next year, INR2 crores to INR3 crores of machinery. I think this is the profile of capex.

Keshav Garg: Okay. And what's our cost of borrowing? What's the interest rate we pay on our borrowings?

Kanad Mukherjee: Yes, so this year, I think so after the IPO, what we've been able to do is we've been able to reduce our interest rate with SBI from 10.26% to 8.85%. And we have we've already given Bank of Maharashtra and ICICI Bank both a request to reduce it to 8%. So that we are expecting that will happen by, come around by end of this month or maybe next month.

On the other hand, we have, we have an ICRA rating, like ICRA rating that we do every year. So we are a BBB Plus company. This year we are expecting that on the back of our financials and the IPO and the liquidity that we are expecting an A minus rating. If that comes, if that happens, then we are hoping to bring it down further to maybe, SBI can go down up to 8%. Bank of Maharashtra and ICICI Bank being minority partners in the consortium, banking consortium, they can go down to maybe 7.5%.

Keshav Garg: Okay. That's great. So interest outgo should also reduce in the second half as compared to the first half then it was around INR4.75 crores?

Kanad Mukherjee:

Yes, there are possibly two reasons why interest outgo should reduce. One is that we are -- so we've historically been under the banking consortium. So let's say, let's take SBI. SBI has given us around INR39.5 crores in cash credit. Now of that INR33 crores is actually FCNRRB. So the INR4 crores that you're seeing is actually as a 44 lakh loss of FNRB, forex loss.

We have removed, we have already given an application to completely remove the FCNRRB. What FCNRRB does is that what FCNRRB and any other loans which are in the nature of WCDS, which is Working Capital Demand Loans, what they do is that the interest remains fixed. So the impact of the collection does not get translated into a lower interest cost.

So now what we have asked the banks is to remove all WCDL and FCNRRBs so that the collection impact can come in. And once that comes in, I think it should, this year annual interest cost, the absolute number should be less than even the last year. Because if you compare 24-25 interest cost to 23-24, you would see that there has been a crores of reduction and that was because we gradually kept converting these WCDLs into normal cash credits. And I think we should be able to complete that process this year.

Keshav Garg:

Right. And also regarding the CCTV business, if you could give us more idea that what exactly, I mean, are we some distributor of some OEM CCTV manufacturer like CP Plus, etcetera or it is just that we are buying CCTV cameras from some distributor and then installing it at the customers. Is that the business model?

Debajit Choudhury:

So the first is that we are system integrators. A system integrator actually works on a comprehensive contract. So where the contract requires procurement of these devices along with that, a hold of accessories. And after those are installed, we also do the installation. So there is a lot of labor cost involved in it. And the installation is done. And after it is installed, for a significant period, we usually maintain these contracts for a longer period. Now that is the vanilla type of installations that we do.

Right now, what we are focusing on and we are doing more and more are installations, which also require an additional layer of AI analytics. Now we are working with our partners in providing this AI layer. And when this becomes, it does not remain only as a installation project per se, although technically it will remain.

But in a greater part, these analytics also give us a lot of other potentials. I'll give you as an example that in certain private contracts, as I said, that we have an AI device and which we are installing, we are in fact increasing our subscription revenue from these contracts. These are yet small, but this will significantly grow because once we are installing a camera system with an AI layer.

Then the subscription element of that maintenance becomes significantly higher and important for the entire project. So it is not just pure purchasing and installing cameras. It is basically comprehensive projects towards a clear outcome or giving certain solutions in the security space or even in other management space.



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- Keshav Garg:** Great. And lastly since our major business is coming from West Bengal, soon there are elections. So in case there is some change of government, do you anticipate any disruption in our business?
- Debajit Choudhury:** We are already working in 14 states. And over the years, we have seen a shift in government in many of the states. For example, I can give you examples of Assam. I can give you an example of Odisha. And I can give you an example of the very recent Bihar. So in all these places, we have seen a change in the government, but due to our operating character and due to the outcome that we provide through our contracts, we have never seen a significant drop or change in the revenue because of a change in the government.
- Keshav Garg:** Okay. Thank you, Mr. Choudhury.
- Debajit Choudhury:** The only thing that may happen is that older contracts may actually change in favor of some newer contracts.
- Keshav Garg:** Right. Thank you, Mr. Choudhury: Best of luck.
- Debajit Choudhury:** You are welcome.
- Moderator:** Thank you. Next question is from the line of Mayur from Tijori Finance. Please go ahead. Mayur, please go ahead with your question. The line is unmuted. Since there is no response, we will move on to the next question from the line of Vishvender Singh from Prudent Equity. Please go ahead.
- Vishvender Singh:** Hi, sir. I wanted to ask what is the employee count currently and what was it for the last two years?
- Kanad Mukherjee:** Sir currently sitting in – okay currently, the employee count as on end of September, 30th September, 17,200. Last year, we ended with 16,600. And the year before last, we ended at 16,400.
- Vishvender Singh:** And you said you will be adding roughly 400 to 600 more employees this year?
- Kanad Mukherjee:** At a very baseline level, we should definitely be adding around 600.
- Vishvender Singh:** Okay, sir. Also, I wanted to ask on your previous statement on EBITDA margin increments. So, what was the trigger for that? You were saying it will improve from current levels.
- Debajit Choudhury:** So, this statement that I gave a little while ago on our 27 guidance and things like that?
- Vishvender Singh:** No, somebody asked if EBITDA margins have come from 8% to 7%. So, you mentioned that it will improve and go back?
- Debajit Choudhury:** I mentioned that there are two significant areas where we are looking at a higher EBITDA margin. One is we are actually trying to add more integrated facility management contracts from the standalone security and housekeeping contracts. Because these integrated facility

management contracts actually come with comprehensive requirements like there are manpower.

But a significant percentage of that comes from deployment of machineries, consumable materials and other specialized cleaning services and specialized facility services like it could be horticulture. It is oftentimes facade. We do very large facade cleaning and things like that. We do pest control.

So, with those coming in within the contracts, we shall increase the revenue and the margin on this. This was one. And the second is that with our CCTV installations with AI-driven cameras coming in and we are being one of the fewer service providers who can actually provide the AI-supported analytics from primarily our own or very close resources, we should also see a very significant jump in the margins in the CCTV area. That's what I said.

Vishvender Singh: So, sir, can I go back to our previous 8% mark for this year?

Debajit Choudhury: This year, 8% 26.

Vishvender Singh: Yes next year.

Debajit Choudhury: Next year 27.

Kanad Mukherjee: Yes 27. Sorry sir what is your question.

Debajit Choudhury: Can we go back to the questions.

Vishvender Singh: So, like what is our EBITDA margin guidance for this year and next year considering these two triggers happen in this second half?

Kanad Mukherjee: Sir, I think this year I would say that it should remain within the range of 7.5% to 7.7%. And next year, I think we believe that these, you know, the improvements that we've made, it should come into play. And it should improve the EBITDA margin to about 8% -- near about 8%.

Vishvender Singh: Okay sir. Thank you, sir.

Moderator: Thank you. We will take our next question from the line of Mayank Saraf, an HNI investor. Please go ahead.

Mayank Saraf: Yes, I have another question and a suggestion as well. Since we got listed in September and right now you said we won some tenders last month and this month as well. So, kindly please notify the exchange so that the investors can read about it?

Debajit Choudhury: Yes, we shall do that.

Kanad Mukherjee: We're basically waiting for a larger contract to kind of roll in. But definitely, whenever we get a new contract.

- Debajit Choudhury:** Significant government contracts and other things, we shall definitely upload.
- Mayank Saraf:** Thank you. And one more thing, I just wanted to clarify, like we're talking for some tax benefit of 80J or something like that?
- Kanad Mukherjee:** Yes, sir.
- Mayank Saraf:** Of INR3 crores, INR4 crores of bottom line being added. So, this is for FY26, if I'm right?
- Kanad Mukherjee:** FY26. Yes, sir.
- Mayank Saraf:** So, that will get added to the bottom line like INR3 crores or INR4 crores?
- Kanad Mukherjee:** Sir, what we've seen is that in 24-25, despite the tax actually going down significantly, it did not translate into a bottom line addition.
- Mayank Saraf:** Okay. Got it. Thank you.
- Moderator:** Thank you. Next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.
- Madhur Rathi:** Sir, thank you for the opportunity. Sir, the INR7 crores rental income that we are expecting from the CCTV rental business. So, is it fair to assume that majority of this will flow to our EBITDA? So, can we expect 80%, 90% EBITDA margin on the INR7 crores revenue?
- Kanad Mukherjee:** Sir, there are two things. It's not just -- that's not the only contract because we also like I said, we have around 60%. If we do around INR20 crores, INR21 crores in CCTV business this year, there is going to be the SITC part also which is the supply installation, testing, and commissioning part.
- Now, assuming that -- now all contracts don't end by March. So, because of that, but we will have to purchase the cameras and everything. So, while we have seen that there has been a spurt at the EBITDA level in the mid-year, I would not place that figure at the end of the year. I think I would still go with 20% EBITDA margin is what my 20%, 25% EBITDA margin overall for the CCTV business.
- Madhur Rathi:** Right. So, I'm just asking about the rental aspect of the business. So, on that INR7 crores, INR8 crores revenue that we'll generate, majority should flow to our EBITDA. Is that understanding correct?
- Kanad Mukherjee:** That understanding is perfect. Yes.
- Madhur Rathi:** So, on basis of that, we made INR16 crores EBITDA during H1. So, our margins are even further reduced to 6% in H1 when considering that if I exclude the INR3 crores, INR4 crores revenue and INR2 crores, INR3 crores of margin. So, our EBITDA is actually INR13 crores on a INR210 crores revenue. So, if you could just help us understand that, why is that?

- Kanad Mukherjee:** There has been an improvement because if you see, comparing to the EBITDA margin at a consolidated level was 7.79%. In the first half. In the second half of the last year, it was 7.27%. So, there has been an improvement at the EBITDA level.
- Madhur Rathi:** Right. But, sir, if I'm looking at only the core business, that the facility management, the integrated, all kinds of contracts that we have currently, and I reduced whatever rental income that we received, the INR3 crores, INR4 crores during H1. So, then our EBITDA is only INR13 crores and our margin is only 6.1%. So, I'm trying to understand on that?
- Kanad Mukherjee:** So, from 7.2%, it has reduced to 6.1%. Like I said, majority of the amount will get converted, but not all. There is going to be around -- there has been roughly, if I'm not wrong, a crores of rupees in terms of maintaining of the contract. So, the entire EBITDA, the entire rental income will not get converted because you see CCTV cameras will also have to be replaced. So, there are costs associated with that.
- Madhur Rathi:** Right. And so, currently, we only have this, how big is the CCTV capex model contract that we have and how much contract are we bidding for?
- Kanad Mukherjee:** Sir, currently, we have that one contract which is with the Government of West Bengal Food and Supply Department and that is for 5 years. So, that's INR7 crores into 5. Other than that, they have also given us an enhancement of, I mean, we bid for the enhancement of another 100 warehouses so that we should be, because we are an existing service provider, we obviously have an upper hand in the bidding process in terms of getting the contract being an existing service provider.
- So, that should be another INR10 crores, but, I mean, INR2 crores into 5. INR2 crores annual revenue into 5. Other than that, there is one there is a private sector with one private bank. We are discussing a command and control center which will also be in a rental model, but I think that would eventually convert into 25-26.
- Madhur Rathi:** 26.
- Kanad Mukherjee:** Sorry 26-27.
- Madhur Rathi:** Got it. So, that was from my end. So, thank you so much and all the best.
- Kanad Mukherjee:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we'll take that as the last question for today. I now hand the conference over to management for closing comments. Over to you.
- Debajit Choudhury:** Thank you very much for being here and for participating in this detailed manner. It also gives us a lot of clarity and an inspiration to go forward. And I look forward to meeting you again and coming back with more encouraging equally and more encouraging figures. Till then, I will sign off from here along with Kanad our CFO.



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Moderator: Thank you, sir. On behalf of NIS Management Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.