Date: June 08, 2026

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 June 05, 2026 on the Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2026

REF: NIS MANAGEMENT LIMITED (SCRIP CODE: 544495)

Please find enclosed herewith the copy of transcript of the Investors' Earnings Call held on June 05, 2026, with respect to the Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2026.

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/InvestorDetails?id=21

We request you to take note of the same.

Thanking You,

FOR, NIS MANAGEMENT LIMITED

Debajit Choudhury Digitally signed by Debajit Choudhury
Date: 2026.06.08 14:58:43 +05'30'

DEBAJIT CHOUDHURY
MANAGING DIRECTOR
DIN: 00932489

Date: June 08, 2026
Place: Kolkata

"NIS Management Limited
Q4 &12 months FY26 Earnings Conference Call"
June 05, 2026

MANAGEMENT:	**MR. DEBAJIT CHOUDHURY – MANAGING DIRECTOR – NIS MANAGEMENT LIMITED** **MR. KANAD MUKHERJEE – CHIEF FINANCIAL OFFICER – NIS MANAGEMENT LIMITED**
MODERATOR:	**MR. PARTH ACHARYA – KIRIN ADVISORS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to NIS Management Limited Q4 12 months FY26 Earnings Conference Call, hosted by Kirin Advisors Private Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference call over to Mr. Parth Acharya from Kirin Advisors. Thank you and over to you, sir.

Parth Acharya: Thank you. Good afternoon everyone. On behalf of Kirin Advisors, I welcome you all to the Conference Call of NIS Management Limited. From the management team, we have Mr. Debajit Choudhury, Managing Director and Mr. Kanad Mukherjee, Chief Financial Officer of the company.

With that, now hand over the call to Mr. Debajit Choudhury for the opening remarks. Over to you, sir.

Debajit Choudhury: Thank you very much. Good afternoon to everyone. On behalf of NIS Management Limited, I welcome you all to our conference call to discuss the financial and operational performance of the company for the quarter 4 and the 12-month financial year 26.

NIS Management Limited is an established integrated security and facility management services provider with over four decades of operating history. Founded in 1985, the company has built a structured platform across security services, integrated facility management, housekeeping, electronic security, CCTV rentals, payroll processing, investigation and allied support services.

Today, we operate across 14 states through 14 branches with a workforce of over 18,000 personnel deployed across more than 1,500 client sites. Our client portfolio is diversified across government, BFSI, airports, retail, healthcare, hospitality and industrial segments. This diversity provides a stability to our business model and reduces dependence on any single client segment.

Our operating model emphasizes long-term relationships, service continuity, compliance discipline and consistent on-ground execution. Our average client relationship tenure of around 4.5 to 5 years reflects the essential nature of our services and the continued trust of our corporate and institutional clients.

Moving to the financial performance. For Q4 financial year '26, the company recorded consolidated total income of INR180.03 crores representing year-on-year growth of 13.96%. EBITDA for the quarter stood at INR11.11 crores up 29.75% of year-on-year, with EBITDA margin at 9.41% and expansion of 115 basis points over the Q4 of the previous year.

For FY26, consolidated total income stood at INR436.70 crores, reflecting year-on-year growth of 7.74%. Full year EBITDA was INR33.53 crores up, 12.19% year-on-year, with EBITDA margin at 7.68% representing an expansion of 30 basis points. The year was stable from a revenue and operating perspective.

However, reported net profitability was impacted by a one-time exceptional provision arising from the implementation of the Government of India's new Labor Codes. The new labor law framework consolidates 29 existing central labor laws into four unified codes covering wages, social security, industrial relations and occupational safety.

For manpower-intensive industries like ours, the most relevant change relates to the standardized definition of wages and its impact on long-term employee benefit obligations. Pursuant to the changes, the company assessed additional employee benefit liabilities through actuarial valuation of under the AS 15.

Based on this assessment, we recognized a one-time exceptional provision of INR27.82 crores during FY26. This impact is non-cash, accounting-led and transitionary in nature, reflecting alignment with statutory obligations. Excluding this one-time item, adjusted FY26 PAT stood at INR19.12 crores indicating that the underlying business remained profitable at the core operating level. Similarly, adjusted Q4 FY26 PAT stood at INR6.86 crores.

We believe FY26 should be viewed in this context. While reported profitability reflects the accounting impact of a regulatory transition, the operating business continued to generate revenue, EBITDA and positive adjusted earnings.

From a segment perspective, security services remained our largest vertical contributing INR199.49 crores and accounting for 46.03% of total revenue. Housekeeping and payroll contributed INR171.01 crores representing 39.46% of revenue. Integrated facility management, electronic security and CCTV rentals contributed to INR56.91 crores or 13.31% of revenue.

Other services including course fees and allied receipts contributed to INR5.99 crores. This mix reflects the breadth of our platform and our established presence across core service lines. During Q4 FY26, we saw operational progress across government and institutional segments.

In West Bengal, through our subsidiary, NIS Facility Management Services Private Limited, we executed work for West Bengal Electronics Industry Development Corporation Limited under the New Town Smart City project. The scope included restoration of CCTV cameras, OFC cable laying and related infrastructure with a contract value of INR56 lakhs inclusive of taxes.

In Maharashtra, we secured a project from Mumbai Police, Home Department, Government of Maharashtra, covering project planning, network connectivity, operations maintenance and warranty support for CCTV cameras under the IT projects category. The contract value was INR1 crores inclusive of taxes.

In Bihar, we were awarded a five-year housekeeping contract by the Central Building Division, Building Construction Department of Patna, for the Main Secretariat and Old Secretarial campus. The contract value stands at INR10.36 crores inclusive of taxes. These quarter 4 updates reflect continued engagement across government and institutional clients, supported by our operating presence and execution capabilities.

During the period, ICRA also reaffirmed our short-term rating at ICRA A2 and upgraded the outlook on our long-term rating of ICRA BBB+ from stable to positive. Looking ahead, the Labor Code transition is expected to bring greater focus on compliance, wage transparency, social security discipline and workforce documentation across the facility management and security services industry.

In our view, this should gradually accelerate formalization in the sector. Smaller and informal operators may face increased pressure due to higher compliance requirements, while larger corporate and government clients are likely to prefer organized, audit-ready and compliant service partners who can manage workforce scale with proper systems and documentation.

For NIS Management, this creates an opportunity to strengthen our positioning as a structured and compliant integrated service provider. Our focus remains on strengthening execution across core security, housekeeping, payroll and integrated facility management services, while selectively pursuing government and institutional contracts where we have operating experience and service capability.

We are also working on improving internal systems, ERP adoption, payroll processes and workforce monitoring. These initiatives are important for operational control, compliance visibility and service consistency across a large workforce and client base.

To conclude, FY26 was a year of regulatory transition and operational continuity. While reported net profitability was impacted by one-time exceptional provision, the core business remained stable supported by diversified services, long-term client relationships and steady demand across essential service categories.

We remain committed to the disciplined execution, stronger compliance systems, improved operating controls and stable long-term growth. With this, I would now like to open the floor for the question and answer session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vidhi Purohit from Finix Capital. Please go ahead. Vidhi, your line is -- Yes, you're audible. Please proceed.

Vidhi Purohit: Okay. So FY26 revenue growth looks quite muted despite our smaller base. So what...

Kanad Mukherjee: Ma'am, we are not able to hear you. Can you just be a little louder?

Vidhi Purohit: Okay, sir. Am I audible?

Kanad Mukherjee: Yes, yes.

Debajit Choudhury: Yes.

Vidhi Purohit: Sir, FY26 revenue growth looks quite muted despite of a smaller base. So, what exactly held back growth this year?

Kanad Mukherjee: Ma'am, there were -- there are two parts to this answer. One is I'll talk about each of the companies separately and then you'll get a better picture of the consolidated financials. One is that there has been a 10% growth in NIS Management standalone -- at a standalone level. The reason for that is that we got major contracts in the second half of the year. One of them being the Haldia Dock contract which was a INR50 lakhs monthly invoice.

And then by February, we managed to get Reliance stores in Gujarat. So there was not enough time for that to get converted into revenue. However, if you look at the quarterly revenue growth, you will see that it has been reflected there. Significant growth has been reflected there.

On the -- at a subsidiary level, NIS Facility Management Services Private Limited which does provide two services, one is the CCTV services and the second is security of housing societies. So CCTV remained flat this year because of STQC implications whereby all CCTV cameras that had to be purchased had to be of Make in India protocol. Because of which there was quite a bit of a stock-out situation at a lot of places.

And the second was because of the government -- West Bengal government elections, the projects that were supposed to come last year, they started coming at the end of the financial year which is how we converted Webel and certain NKDA projects. So that was the second part. But overall, NIS Facility Management Services has seen a degrowth at the security for housing society level because right now the revenue from that was anyways quite muted in terms of the overall group revenue.

But we saw that the margins are getting wafer thin and so we've exited quite a few contracts at that. So the revenue of NIS Facility Management Services went from INR20 crores to INR16 crores. While the revenue from CCTV business held fort at around INR12 crores. So 12 plus 4, INR16 crores.

Now coming to Keertika Academy, a lot of the DDU-GKY projects ended last year. DDU-GKY MP, DDU-GKY West Bengal and West Bengal consortium. And we spent the last year typically applying for DDU-GKY Odisha, DDU-GKY Maharashtra and DDU-GKY West Bengal. DDU-GKY Odisha has been evaluated and we are confident that by June we should be able to get the project. Maharashtra and West Bengal are still under consideration.

So it's because of that that the revenue of Keertika Academy fell from INR4 crores to INR2 crores because currently there is only one project that is happening in Keertika Academy which is the Keerthika school project. Which is the school project, the government school training project.

Coming to Keertika LLP, Education Associates LLP, its revenue where we provide training to students under four industrial training institutes, four ITIs, there the revenue has remained flat at around INR4 crores. So there was no growth there. So primary growth came from NIS Management but the group companies saw a degrowth or flat revenue because of which the revenue growth has been muted in this year compared to last year.

Vidhi Purohit: Okay, sir. Sir, trade receivables are quite high at around INR145 crores. So which is very large part of the balance sheet. So can you explain why receivables are so elevated in the business? And also can you share the receivables -- sorry sir. Can you also share the receivables aging schedule like specifically how much is due within 90 months, 90 to 180 months and more than six months?

Kanad Mukherjee: Okay. So I will just compare it with the September financials. So in September, out of 145, the primary debtors are from, the primary increase in debtors is in NIS Management Limited. In NIS Management the debtors had grown from INR107 crores to INR119 crores in the first half of the year while that maintained the DSO.

But in the second half of the year it has grown from INR119 crores to INR124 crore. The reason for that increase in INR5 crores is because we kind of suffered collection issues with four contracts. One is Haldia Dock, because of certain operational issues, the bills for five months were stuck. Which has now been cleared in the months of April and May. So that was a INR50 lakhs into 5, so INR2.5 crores.

Then two new Reliance contracts in Gujarat, so that was February and March, so INR2 crores. So INR4.5 crores. And then we have Patna Secretariat which we got in January and the Irrigation Department which we got in January as well. Those payments were also cleared in the month of April. So, that was another INR50 lakhs.

So effectively that was the reason for the INR5 crores increase from 119 to 124. In the month of April when we submitted the receivables statement to the banks, the debtors for April is INR120 crores because we were able to collect most of it in the month of April. Regarding aging, more than 180 days would be around INR5 crores and rest would mostly be within 180 days.

Vidhi Purohit: Okay, sir. Sir, after the West Bengal election results and the formation of the new government, so do you see any changes in the pace of renewals, payments or new tendering for government contracts? And also do you see fresh opportunities for facility management, CCTV surveillance, security services or skill development projects?

Kanad Mukherjee: Okay. So before giving this to Mr. Choudhury, let me just tell you couple of things. So the election has not impacted us at all in terms of getting projects. Because if you would have followed the recent intimation that we sent, on the same day we got a project from NESCO and the PWD. PWD of West Bengal and NESCO is in Bombay.

So we were able to renew the New Secretariat building which was where the bureaucracy of the West Bengal government sits. So that in itself is and that work order was given by PWD. So that in itself is a reaffirmation that we will not be impacted by this government change.

Second, you would have also noticed that we have gotten work orders from Webel which is also a nodal government agency of the West Bengal government. And that was for CCTV. In the coming days, we expect two, three more work orders from the New Town Smart City project and from the electricity board. And I think within the next couple of days we should be able to intimate the exchanges about those work orders as well.

So as on date, what we are seeing is that the projects which we had filed last year, the tenders which we had filed last year, they are going smoothly. We are getting those projects converted. There were funds which were held up because of vote on accounts and at several government departmental levels, but they are also getting freed up.

Especially at one of our biggest clients is the DTET which is the Directorate of Technical Education and Training where the monthly billing is around INR2 crores. We were suffering for two months in April and May because none of the payments were received. So, but we managed to collect April, yesterday only we managed to collect the DTET collection for April.

And so currently we are -- there were issues in terms of collection, but effectively we are not seeing any issues with the tenders which we had participated in. Regarding a broader explanation of this, I think Mr. Choudhury can answer.

Debajit Choudhury: Well, it is still early days, ma'am, but what I can already tell you is that we are expecting a lot of investments in West Bengal due to the change in the government and our Chief Minister has already announced that. And we being a very established operator in this state for different kinds of industries and commercial activities and government infrastructures, we do see a very strong uptick on our business vertical once these projects get sanctioned and they take up.

So this is one. The second is, ma'am, we are working in this environment for the last 40-odd years. So whatever networking, linkages and associations that we have with the different platforms of government and industry, it is sufficient for us to benefit from any extra business that comes into the state. So we are very hopeful of a very strong positive tailwind towards our growth.

Vidhi Purohit: Okay, sir. Sir, can you provide any revenue guidance for FY27?

Debajit Choudhury: I will request my CFO to address this issue.

Kanad Mukherjee: Yes. So I think currently with the order booking that we have, we should be able to grow at around 12% next year over and above whatever projects that we get during the year. So our projection is, from my end, it would be around something between 12% to 15% at a consolidated level.

Debajit Choudhury: Actually we have achieved at the consolidated level something around INR436 crores and we have a target of achieving INR500 crores within the financial year and it seems that we shall be able to achieve it even possibly maybe some time to spare. So we should be crossing INR500 crores within this financial year.

Vidhi Purohit: Thank you, sir. Thank you so much, sir. I'll join back.

Moderator: Thank you. Next question is from the line of Sakshi Shinde from Shah Consultancy Limited. Please go ahead.

Sakshi Shinde: Hello, sir. I have few quick questions to ask. What was the total value of new contracts added during FY26?

Kanad Mukherjee: Total value of new contracts in terms of -- okay. So we have this monthly billing, so we typically don't have a fixed order book in terms of a project, but I'll still try to answer that question. So Haldia Dock is a INR50 lakhs billing per month and it is a project for three years. So that is around INR18 crores without GST.

Then we have Reliance where we have added Gujarat for around 150 stores. So that should be around a INR1 crores in revenue. We have been able to maintain Reliance West Bengal for -- where we manage around I think upwards of 250 stores. They've been our client for around 10-12 years.

Debajit Choudhury: 14 years.

Kanad Mukherjee: 14 years. So, we think this is going to be a long relationship also, but Reliance has a year-on-year renewal. Now coming to Patna Secretariat, that would be another INR1 crores of revenue a year for three years.

Irrigation Department would be around INR2 crores, but that is for one year. And we also had NBDD which is the National Board for Dairy Development which is another INR10 lakhs billing. Yes. Sorry, ma'am. How much of it was audible and how much did you miss? Hello?

Sakshi Shinde: Sir, I think you were talking about the Patna Irrigation Department.

Kanad Mukherjee: Right. No. So that is the Patna Secretariat where the Chief Minister of Bihar sits. So that was the Patna Secretariat building Then we have Irrigation. Irrigation is a one-year in West Bengal. That's the Irrigation Department in West Bengal. So that is a INR1 crores contract for one year, but these are calendar years. And other than that, I think there are small contracts, departmental contracts that we keep getting in terms of mini-SOWs and MO-SOWs. So, other than that...

Debajit Choudhury: What's also important is that we keep on adding a lot of area within our existing contracts, right. For HDFC Bank, we have acquired a very large number of branches and also state in Arunachal Pradesh. So that is where we have many branches. So this is how there has been a growth. I do not know whether we can compute it all. We have also added IndusInd Bank and ICICI Bank in the North in this period. So the total growth quantum-wise would be something about say INR10 crores or so per month. Should be around that.

Sakshi Shinde: So just out of curiosity, how was your experience working with Bihar government? Any difficulties you find there?

Kanad Mukherjee: No, ma'am. We have been working -- ma'am, we have been working with the Bihar government for many, many years. We have done the Bihar Police Academy, we have done Krishi Bhavan. Currently, we are doing the Bihar Secretariat. Earlier Bihar...

Debajit Choudhury: We have been doing for many years.

Kanad Mukherjee: Yes. So these were -- so we've never had any problems in terms of execution, finding people, recovery.

Debajit Choudhury: We've worked with Patna Airport.

Kanad Mukherjee: We worked in Patna Airport. Yes. So we've never had any negative issues.

Sakshi Shinde: Great, great. And sir, my next question is how much annual revenue if you can quote was lost due to contract ended or not started or not getting renewed?

Kanad Mukherjee: This year we were a bit lucky because there were -- like, unlike last year. So if you look at the '24-'25, in '23-'24 we had a revenue of INR352 crores talking standalone. And in '24-'25 we had a revenue of INR373 crores. So there was only a INR20 crores growth because we lost two major contracts.

The Calcutta Airport which was around INR15 crores contract annually and then we lost IIT Bhubaneswar also which was another INR6 crores-INR7 crores. So that was a year when we lost two major contracts. But this year there were no renewals per se. So we did not really come up for renewal. So the question of losing contracts does not arise. Next year I think there is the renewal of the existing Government of West Bengal Nabanna and Yes, there are quite a few renewals there.

Debajit Choudhury: Yes, renewal of New Secretariat building.

Kanad Mukherjee: Yes, which we've informed. But otherwise there are quite a few renewals in the government sector coming up.

Debajit Choudhury: Also, certain Calcutta Airport.

Kanad Mukherjee: Yes, so Calcutta Airport is also coming up where we are going to again bid so that we can get back the airport. So last year we did not lose any, but next year considering that some new renewals are coming up, we hope to get them.

Sakshi Shinde: Sir, one last question. Between government and private sector, where do you see better growth opportunities?

Debajit Choudhury: Ma'am, you see there are opportunities in both the verticals. The government there are very good opportunities of increasing our footprint in the government especially if we look at the central government area in airports and gradually into other central government offices, NABARD as we already have. So the more we move into the central government area, there are very good opportunities to grow.

And in the central government the payment receivables are also short-term, so we do not have to really wait a very long-term for getting our payments on bills back. So we can grow pretty aggressively in this. And the big advantage is that since we work through the tenders in the central government tenders or this government tenders, once...

Okay, I'm sorry and thank you very much for waiting patiently. What I was going through is that we find that there is a balanced opportunity in both the private sector and the government sector. In the government sector, we grow through the tenders and these tenders give us opportunities of growing into many states. The tenders also allow us to expand into the similar verticals very rapidly.

Say, if we are getting tenders in the airport, and we have built our credentials around the airport, then it is very much possible to expand into many, many airport contracts across India over a very short period of time. In the private sector, it is usually the sector-specific growth that happens first.

Which means that if we are working in the hospital sector or we are working in the education sector, then our growth usually starts around that hospital and education and we get a quite a few contracts in the same vertical and then gradually it expands into the other domains. So both these contracts, whether it is the public sector contract or a private sector contract, they give us an opportunity of good growth and strong growth.

Sometimes we see that the margins at net is higher in the public sector domain. But in the other side, if we look at integration of multiple service verticals like security and housekeeping and facility management and technical services, then they usually give us a better advantage.

Moderator: Thank you, sir. We will take our next question from the line of Mulesh Savla from Shah N Savla. Please go ahead.

Mulesh Savla: Thanks for taking my question. Sir, my first question is on labor cost. Looking at our new Labor Code which has been introduced now, as we are labor-intensive company, what can be the impact of additional cost on our overall business and will it have material impact on our EBITDA margin going forward?

Kanad Mukherjee: Okay, sir. Sir, I'll just take this question. Sir, in our industry, in the security and facility management industry, all costs which are related to the contract labor is passed through to the client.

Mulesh Savla: Okay.

Kanad Mukherjee: So everything is passed through to the client. We undergo minimum wage hikes during the year. Different states have it at different times, but it happens every year, twice a year. So that is passed through to the client. PF, ESIC is passed through to the client. Leave, everything, gratuity, everything is passed through to the client.

So sir, we believe that this will continue. And we don't till now at least see the Labor Code came in the 21st of November. And till now we have not seen any material impact in terms of the client coming back and saying that okay, labor cost has increased because of the 50% clause of gross wages and everything, so we would like to renegotiate in terms of EBITDA. That has not yet happened.

So we are also monitoring the situation. The other part is that West Bengal government where around 70% to 75% of our business is, that has not yet come out with the draft rules. So how that is going to impact in the future is slightly unknown.

And with the new government, so the old government was not going to per se come out with the draft rules. But this new government is definitely going to come out with the draft rules and the final rules and we will be able to assess after this happens.

Debajit Choudhury: But in that also, having had a look at the other states where we have BJP governments and such, the impact as we have felt has not been very significant in that. But there would be certain rationalizations which would happen around the wage benefits, leave benefits and such things.

And more regulations coming in possibly in the safety codes and such things. But at the same time, these will also have a very strong positive impact on us as it will become more and more difficult for informal operators to continue to operate.

Mulesh Savla: So continuing with that, sir, how much growth do you expect from converting from non-organized to organized player? And do you see that we can grow little faster than what we are expecting? I mean, you said that INR500 crores probably you will do it in the current financial year. Can we expect little higher growth than what you are projecting right now?

Debajit Choudhury: Sir, I will tell you in two ways. One is that it is always possible to continue to grow at a faster pace than what we are growing. Like you will see that we had been growing earlier at around 6% to 7% and then after this IPO we have already achieved a growth level of 10% and above. And we intend to move on with the same spirit over the next three-four years. So that will definitely have a very positive impact. One.

Mulesh Savla: Great.

Debajit Choudhury: But on the other hand, if you look at that what is going to be the quantum of formalization that will happen in the industry from the informal operators those who are working, so that can also have a sobering impact a bit because informal contractors' prices had been very low.

So whenever a client actually starts moving towards formalization of the contract due to more enforcement of regulations etcetera, what happens is that the first thing that gets a bit affected are the contractors' margins and things like that. So that also has a compensating sobering impact although that helps boosting of the revenue in a very strong way.

So sir, this is a little early days for that because the implementation of the acts have not yet started and clarity in all these is still awaited even from the central government departments on certain areas of the clarity. Sir, I think we still have to wait for a few more quarters before we really know how this is driving growth.

But we have a strong faith that this will help formalization of the industry. And sir, in history we have always seen the more the industry has formalized, the more we have benefited as a business.

Mulesh Savla: Right. So even I expect that to happen. And even you said that STQC certification really, you know, muted your CCTV camera contract. So probably we can expect some pent-up demand in CCTV contracts also this year?

Debajit Choudhury: We shall definitely. In the state of West Bengal, it will definitely happen, sir, for two reasons. One is the availability of the devices as the STQC licensing has started becoming available to products of more manufacturers. And of course with the change in the government. So that will in itself.

The second is that we have also put our -- started our footprints in Maharashtra with Mumbai Police contract. And we are also expecting a very good impact on that especially from the point of view that there have been fewer tenders due to non-availability of the devices. Sir, as you say, those possibilities are distinctly very strong.

Mulesh Savla: Great, great.

Kanad Mukherjee: Sir, just I would like to add one thing that while growth is something that we would like to obviously try to achieve for more than INR500 crores, but one thing that has always been the challenge in this industry is balancing the growth with the operating cash flow. And we would not want a situation where our operating cash flow, especially free cash flow, going below what it is today.

So there is always -- because in this industry, the longer time you spend with a client, the lesser is the indirect cost on that client. So the more cash then comes to you and you can spend it to acquire newer clients. So that ensures that the operating cash flow keeps improving. So this balance will also be taken into consideration this year while we also look at the growth.

Mulesh Savla: Great. And just last question on EBITDA margin. I think we are operating at about 7%, 7.5% or 8% EBITDA margin in the recent past. What are the chances to improve this or to sustain this in future? So what are your takes on EBITDA margin going forward?

Kanad Mukherjee: Sir, yes, sir one of the reasons why the EBITDA margin improved per se from the last year is because although the CCTV business did not show much growth compared to last year, because around INR7 crores of the INR12 crores was rental. So whose capex was done in '24, '25, we saw an EBITDA of around INR4 crores coming just from there.

So that will continue this year also. Now the other challenge obviously is at which pace is which division growing? Last year we saw that security and housekeeping services which operate at an EBITDA of 4.5% to maybe 4.8%, they grow very fast. But in terms of IFM growth and CCTV growth, there is per se stagnation and in fact in some cases even de-growth but these are higher margin contracts.

So this balancing out is going to be essential over the next one year. If the security housekeeping, the pure play, manpower supply business grows very fast next year and the CCTV does not grow, then the mix changes significantly and that could impact the EBITDA margin. I think Mr. Choudhury can elaborate on that.

Debajit Choudhury: There is only this thing that considering that we have had a very tempered growth in the CCTV over the last year because of the reasons that we have discussed like the STQC and the tenders. With those being removed right now, so we will see hopefully a very good growth in the CCTV business.

And the other area where actually our business had been languishing and we are expecting a very good burst of growth in that is the vocational training or the skill development initiative. The different government schemes like the Deen Dayal Upadhyaya Grameen Kaushalya Yojana which is DDU-GKY or the Pradhan Mantri Kaushal Vikas Yojana. These had been very slow in coming.

And in fact over the last two-three years there had been no new projects which had come about in the DDU-GKY or PMKVY area. But now these have started coming in. And we believe that we having so much of background credentials and experience in this sector, we should be able to get quite a bit of contract in these sectors for the entire group. And this could actually also be a very good game changer towards EBITDA.

Mulesh Savla: Great, sir. Thank you so much and wish you all the very best.

Debajit Choudhury: Thank you so much, sir.

Moderator: Thank you. Next question is from the line of Riya Jain from Orient Capital. Please go ahead.

Riya Jain: Hello?

Moderator: Yes. Ma'am you are audible.

Riya Jain: Okay. Sir. A few questions. So given our small base.

Kanad Mukherjee: Ma'am you could just come closer to the handset.

Moderator: Please speak a little louder ma'am.

Riya Jain: Okay. So, given our small base, what is holding us back from growing revenue and PAT at 30% to 40%? And what needs to change for us to move beyond 12% to 15% growth?

Kanad Mukherjee: I will allow Mr. Choudhury to answer it, and then I can give you a different perspective also.

Debajit Choudhury: Well, the two things are that as a little while ago Kanad, has just mentioned that if we wish to grow only by the top line, then we have almost an infinite potential of growing at 30% to 40%. Because you see if we decide to bag all the tenders that come about our way and our organization being one of those which have maximum credential in each of these categories, we should be getting at a very, very competitive price a lot of these tenders.

But the problem would be that firstly the margins on these tenders would be very, very low. And it could affect the quality of the contract in a significant way. So we are slightly shy of really increasing revenue without a very strong consideration towards the bottom line either in the terms of the margin or even the cash flow.

We are also afraid that with Central State Government we can acquire a lot of contracts very fast but they may come with a very extended credit periods, ultimately the DSO goes up and which becomes a very difficult contract over time to manage.

So ma'am, I would say that we are not always attempting to continue to grow at 30%, 40% because the top line revenue may allow us to do that but it could severely impact our bottom line margins and the cash flow. So this is one part of it.

And the second is.

Kanad Mukherjee: What needs to change so that we can achieve 40%?

Debajit Choudhury: So, as regarding the change, ma'am, the change would be basically again as I said that the more we have formal contracts coming in, the more we see that there are formal operators who are compliant and who are bidding in a very compliant manner, the more we will see that we are getting our margins from almost all contracts.

And when we start getting margins from almost all our contracts, with our credential background, we can grow at a very high rate. I think Kanad would also have something to add.

Kanad Mukherjee: There is another aspect to it.

Riya Jain: We would be losing market share if we don't get the new contract.

Kanad Mukherjee: We would be losing market share if we don't grow.

Debajit Choudhury: No, ma'am, we stay conscious of remaining with the market. Actually if we look at it, say the security market I can tell you offhand had been growing at around 10% to 11% on a year-on-year basis. And so while we are remaining on the overall now we have started growing from the last quarters etcetera towards a 12%, 13%. So we are staying ahead of the market. And we will always remain conscious that however we grow, we do not actually fall behind the growth of the industry sector in the market.

Riya Jain: Okay. And who is our largest revenue contributor currently and what services are we providing to that client?

Kanad Mukherjee: Ma'am, the largest revenue contributor is currently Reliance Retail at around INR30 crores. It will be slightly more, couple of purchase orders are yet to come. So this year it should be around INR35 crores, INR36 crores. And after that there is the Directorate of Technical Education and Training which contributes around INR24 crores. Then we have the airport which contributes around INR22 crores to INR23 crores. Then we have HDFC Bank which would contribute around INR19 crores, then Anjali Jewellers around INR12 crores to INR13 crores. That is typically how it is.

Riya Jain: Okay. Thank you.

Kanad Mukherjee: Thank you ma'am.

Moderator: Thank you. Next question is from the line of Naman Desai, an Individual Investor. Please go ahead.

Naman Desai: Hello.

Kanad Mukherjee: Yes sir.

Naman Desai: Yes. Thank you for the opportunity, sir. Sir, I would just like to ask two questions. First of all, our entire IPO proceeds have been deployed or is there any pending utilization?

Kanad Mukherjee: Sir, currently INR36.91 crores is unutilized. And if you look at, sir, our consolidated balance sheet, whatever we had deployed during the year has come back. So if you look at our cash and cash equivalents, it's around INR67.13 crores and other non-current assets is around INR16.22 crores. If you subtract that from the last year's balance sheet, you would see that around INR45 crores, INR47 crores is currently with us. This is basically the money that we had deployed and which has kind of come back to us.

Naman Desai: So sir, what is the rationale behind not utilizing the money which you have raised? I'm not getting what strategy you are having here.

Kanad Mukherjee: Sir, it is not that we have not used. First of all, sir, our IPO happened in September. The new contract started coming in the month of November and December, January. So there was not per se enough time to deploy them. And we still deployed around INR10 crores which we kind of recovered through the clients, when they pay the bills and the statutory funds etcetera. So we expect that by this year we should be able to significantly deploy the funds and within the two years we should be able to completely deploy the funds.

Naman Desai: Got it. And sir, another question would be regarding the CCTV segment. So when do we see the revenue coming in from the segment?

Kanad Mukherjee: I'll just hand over the call to Mr. Choudhury, he'll be able to answer this. When can we expect the revenue from CCTV to go up?

Debajit Choudhury: I think from this year onwards we will start seeing the CCTV towards the end of this financial year I mean. We should be seeing quite a bit of growth in the CCTV returns because we are expecting certain tenders to come about within the next two-three months. And if we would think that these would normally take about three to four months or so of project work, so we should be starting to see a good return coming back by the year end.

That is the first part of it. And at the same time, we are also anticipating that we will be getting a few significant AMC contracts and which would give us a very good margin and top line growth in the CCTV business itself. So I think we shall see it within the next six months or so that the CCTV business has started picking up even in the terms of generating revenues.

Naman Desai: Got it, sir. Thank you. I'll get back in queue.

Debajit Choudhury: Yes. Thank you.

Moderator: Thank you. Ladies and gentlemen, that's the last question for today. I now hand the conference call over to Mr. Parth Acharya for closing comments.

Parth Acharya: Thank you everyone for joining the conference call of NIS Management Limited. If you have any further queries, you can write us at research@kirinadvisors.com. Once again, thank you everyone for joining the conference.

Kanad Mukherjee: Thank you.

Debajit Choudhury: Thank you very much.

Moderator: Thank you. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you all for joining us today and you may now disconnect your lines.