Date: November 21, 2026

To,
The Manager
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 17th November, 2026 on the Unaudited Financial Results for quarter and half year ended September 30, 2026

REF: NIS MANAGEMENT LIMITED (SCRIP CODE: 544495)

Please find enclosed herewith the copy of transcript of the Investors' Earnings Call held on 17th November, 2026, with respect to the Unaudited Financial Results for the quarter and half year ended September 30, 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/policies/NIS%20Management%20Ltd_Q2%20&%20HFY27%20Concall%20Transcript.pdf#toolbar=1

We request you to take note of the same.

Thanking You,

FOR, NIS MANAGEMENT LIMITED

Debajit Choudhury

Digitally signed by Debajit Choudhury
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Date: 2026.11.21 16:11:26 +05'30'

DEBAJIT CHOUDHURY
MANAGING DIRECTOR
DIN: 00932489

Date: November 21, 2026
Place: Kolkata

Encl.: As above

"NIS Management Limited

Q2 & H1 FY27 Earnings Conference Call"

November 17, 2026

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

MODERATOR: MR. SOUMIK CHATTERJEE – KIRIN ADVISORS PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the NIS Management Limited Q2 and H1 FY27 Earnings Conference Call hosted by Kirin Advisors Private 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. Soumik Chatterjee from Kirin Advisors Private Limited. Thank you, and over to you, sir.

Soumik Chatterjee: 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 I hand over the call to Mr. Debajit Choudhury for the opening remarks. Over to you, sir.

Debajit Choudhury: Thank you. Good afternoon, everybody, and thank you for joining us. On behalf of the management team, I would like to welcome all our investors, analysts, and stakeholders to NIS Management Limited's Earnings Call for the Second Quarter and First Half of FY27.

For those joining us for the first time, let me briefly introduce NIS Management Limited and our business. Founded in Kolkata in 1985 as a security and investigative services provider, the company has steadily evolved into an integrated services platform offering security services, facility management, electronic security, and skill development solutions.

Over the years, we have expanded our service portfolio and geographical presence to serve a diverse client, clientele across corporate, institutional, and government segments. Today, we manage a workforce of more than 19,000 personnel across 14 states, supporting operations at approximately 1,500 sites. Our clientele spans corporates, banks, hospitality groups, manufacturing units, healthcare institutions, public sector enterprises, airports, and retail companies.

Through our subsidiaries, NIS Facility Management Services Private Limited and Keertika Academy Private Limited, we have further strengthened our capabilities in electronic security solutions and skill development. An important milestone in our growth journey has been our transition into a listed company following our listing on the BSE SME platform on September '25.

Since our IPO, we have secured and intimated work orders aggregating approximately INR120 crores, reflecting growing confidence of established private sector organizations, government institutions, and public sector clients in our service capabilities. These orders span multiple

service segments, including integrated facility management, security services, electronic surveillance, infrastructure support, and skill development.

Some of our key engagements include mandates from Reliance Group, various government departments in Bihar and West Bengal, Mumbai Police, and other institutional clients. These engagements have strengthened our geographical presence and diversified our client base. We are pleased to share that NIS received Rhodium status under the State Bank of India's SME Star Rating Program in August '26.

Additionally, ICRA upgraded our long-term credit rating to A- stable from BBB+ positive, while our short-term credit rating was upgraded to A2+ from A2. These recognitions reflect the strengthening of our credit profile, healthy traction in new order wins, and improved financial flexibility following the equity infusion through our IPO, further reinforcing our credentials among financial institutions and other stakeholders.

As we reflect on the first half of FY27, I am pleased to share that we have continued to make progress in strengthening our business operations and expanding our presence across corporate and government segments. During the period, we secured several new work orders across security services, facility management, and skill development, reflecting the confidence placed in our service capabilities and our ability to deliver integrated solutions.

During Q2 FY27, we secured new orders aggregating INR55.55 crores from various government departments and institutions. These included INR11.9 crores work order from West Bengal State Electricity Distribution Company Limited for the deployment of approximately 250 security personnel across various locations in West Bengal for a 2-year period.

We also secured an INR7.93 crores work order from Odisha Rural Development and Marketing Society under the Deen Dayal Upadhyaya Grameen Kaushalya Yojana, DDU-GKY, for skill development training and placement of 1,200 rural youth in Odisha.

Additionally, we received 2 work orders aggregating INR34.22 crores from the Building Construction Department, Patna, for housekeeping, operation, and maintenance services at residential premises in Gardanibagh. These contracts have a tenure of 5 years and further strengthen our presence in the facility management segment.

We also secured a INR1.5 crores work order from the Government of West Bengal for training 210 rural youth and facilitating placements for 150 youth under the DDU-GKY scheme. These engagements strengthen our presence across multiple service categories and provide opportunities to deepen our relationships with the government and institutional clients.

Following the close of the second quarter, we continue to strengthen our electronic security business through our subsidiary, NIS Facility Management Services Private Limited. The subsidiary secured a INR6.24 crores work order from CRM Enterprise Business Private Limited for the deployment of automatic number plate recognition systems and IP-based CCTV

surveillance systems across 9 police districts and 1 commissionerate, along with body-worn cameras and night vision binoculars.

In addition, we secured two work orders from West Bengal Police Housing and Infrastructure Development Corporation Limited for the installation of CCTV surveillance systems at various locations in Pandua and Polba, Hooghly, valued at INR53.15 lakhs and INR33.31 lakhs, respectively. These developments reflect our continued focus on expanding technology-enabled services and strengthening our capabilities in electronic security solutions.

Coming to our financial performance for the 2nd quarter of FY27, consolidated total income stood at INR133.62 crores, registering a year-on-year growth of 16.1% compared to Q2 FY26. EBITDA stood at INR7 crores with an EBITDA margin of 5.24%. Net profit stood at INR3.99 crores with a net profit margin of 2.98%.

For the first half of FY27, consolidated total income stood at INR249.06 crores, registering a year-on-year growth of 15.9% compared to H1 FY26. EBITDA stood at INR16.22 crores, with an EBITDA margin of 6.51%. Net profit increased marginally to rupees INR10.39 crores, with a net profit margin of 4.17%.

Overall, our H1 FY27 performance reflects continued growth in our business operations, supported by our expanding client relationships and diversified service portfolio. While revenue growth remained healthy, we continue to focus on improving operating efficiencies and strengthening margins through better execution, disciplined cost management, and an increasing contribution from technology-enabled services.

The outlook for organized facility management, security services, and skill development in India remains encouraging. Increasing demand for professional, compliant, and integrated service providers across corporate, institutional, and government establishments presents opportunities for companies with established operating capabilities and an experienced workforce.

Looking ahead, we are targeting consolidated revenue of over INR500 crores in FY27, supported by the mobilization of recently secured contracts, expansion into new geographies, and deeper relationships with existing clients. Our focus will remain on expanding integrated facility management services, increasing our presence in technology-led offerings, strengthening receivables management, and improving execution efficiency.

We will continue to strengthen our electronic security capability, expand our facility management operations, and leverage our skill development platform to participate in emerging opportunities.

We believe that our established operating platform, diversified service portfolio, and growing order pipeline provide a strong foundation to pursue this growth objective while maintaining a focus on operational discipline and sustainable profitability.

Backed by our established operating presence across 40 states, a workforce of more than 19,000 personnel, and expanding client base, we remain focused on strengthening our competitive position, improving operational efficiencies, and building a sustainable business over the long term.

We believe that our diversified service portfolio, experienced workforce, and growing presence across corporate and government segments position NIS Management well to capture emerging opportunities in the integrated services industry and create long-term value for all stakeholders.

Before I conclude, I would like to thank our shareholders, customers, employees, and business partners for their continued trust and support. We remain committed to delivering professional services, strengthening our business capabilities, and creating sustainable value for all our stakeholders.

With that, we would now be happy to take your questions.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. First question is from the line of Aditya Verma, an Individual Investor. Please go ahead.

Aditya Verma: Yes, a very good afternoon, sir. Sir, my first question is on the, the company reported 16.09% growth in consolidated income and the income rose to INR133.62 crores in second quarter of FY27. So what were the key factors driving this growth, sir, and which business segment contributed the most?

Management: Right, so I'll take this question. So the fundamental reason for the growth that you would have seen is the new contract that have come, which we have listed out in the, which Mr. Choudhury has listed out in the speech. And we have also provided a breakup of that in the investor PPT.

And fundamentally, the primary drivers of the growth were the security division, which did around INR108.04 crores, and the housekeeping division, which did around INR95.30 crores. And there was quite a bit of growth in the integrated facility management division as well at INR28.96 crores, while the CCTV division grew also significantly to INR6.57 crores. These were the primary drivers of the top-line growth, you know, in this, you know, half year.

Aditya Verma: Okay, so got it, got it. Now my next question is like, despite the revenue growth, consolidated EBITDA declined 29.7% to INR7 crores, with the EBITDA margin declining to 5.24% from 8.66%. What were the key reasons behind the margin contractions?

Management: Sir, primary reason for the margin contraction is, at NIS's level, quite a bit of contracts were, have gotten renewed with lower margins considering the fact that there was a bit of, the new labour law changes with above INR21,000 ESIC coverage and all. And we also saw that Keertika recorded negative EBITDA because of the DDU-GKY project that we have gotten. Keertika has been working in that, for a while.

Operationally Keertika has been working in that, and we expect to start raising invoices by the end of the year. And, ITI business has shrunk, from, last year's revenue to, around INR30 lakhs. It's seen a contraction to INR30 lakhs. With it, the EBITDA has also gone down. And mostly in FMS, we have taken on certain manpower contracts at lower margins, because of which there was a bit of EBITDA contraction overall. So these are the primary reasons for the EBITDA contraction.

Aditya Verma: Okay, sir got it, got it. Sir my next question is like, going forward, what measures is the company implementing to improve operating efficiency and restore EBITDA margin while sustaining its revenue growth?

Management: So going forward, what we are, you would have noticed that, we have gotten a work order of around INR6.34 crores - CCTV contract. We are expecting to get another INR14 crores to INR15 crores of work orders this year.

We have bid for a lot of tenders, and we believe that based on our success rate and our eligibility, we believe that we should be able to, take the CCTV revenue from, from last year it was around INR12 crores, and this year we expect the CCTV revenue in itself to be around INR22 crores to INR23 crores. With an, EBITDA margin of roughly around 20%-25%.

So we see that there would be an improvement there. Secondly, we would start raising invoices on the DDU-GKY contract, which, by the end of the year they have reasonably high margins that would eventually, set off the losses that Keertika has been making.

And finally, sir, one of the things which is important is to understand that in our industry, when we take on a new contract, which we have, we've taken on a lot of contracts, as you've seen, since last year September we did the IPO, and since then we've taken on around INR120 crores worth of work orders. So what happens is that it takes a while to settle the, the, it takes around 5 months-6 months for the sites to settle down.

By that I mean that bank guarantees, agreements, and specifically these cycles are longer in government. So government takes longer to draft agreements and finalize the bank guarantees and settle how the billing will happen, how the payment cycles will take place and everything. So typically I think it takes around 6 months to 8 months for these contracts to settle down.

And, once these contracts settle down, typically the other expenses in terms of operational expenses and, material consumption, they also tend to stabilize, which then helps with the EBITDA margin. So these are the three pillars on which we believe that we should be able to get a better EBITDA margin by March.

Aditya Verma: Okay, sir. Got it, got it. That's it from my side, sir. Thank you for the opportunity.

Management: Thank you, sir.

Moderator: Thank you. Next question is from the line of Darshan Chandra from OM Investment. Please go ahead.

Darshan Chandra: Hello, I'm audible, sir?

Management: Yes, sir.

Darshan Chandra: Sir, just, I want to mean, have two, three questions regarding the EBITDA front. You the management has said in the last con call, Debajit sir has said that on the INR500 crores revenue, the EBITDA margins may be increased by 1% to 8%. But in this quarter, the EBITDA margin has gone down. So for the whole of FY27, what kind of the minimum conservative EBITDA can the management or a company give to investor? And create the wealth for the shareholder as mentioned in the management commentary.

Management: Sir, I think the yes, so the guidance would be around 7% to 7.5% on a very conservative base, but we expect, Yes, but like I mentioned, yes sir.

Darshan Chandra: But in this quarter it has gone down from maybe around 5%, know? So you are, you are saying that in the H2 it will be covered?

Management: In the H2, provided that we focus on, we get the tenders that we are, we have applied for, which are high margin, CCTV tenders, then I think it should improve. It should go back to 7%.

Darshan Chandra: No, no on the, already we have a tender. On that you have said that the INR500 crores revenue will be for FY27 and around INR630 crores to INR650 crores for FY28. So what kind of guide, what kind of EBITDA margin does the shareholder should aim for the company?

Means 7% is conservative and 8% and 8.5% maybe for a CCTV growth comes in because it is fluctuating very much. We were expecting around 6.5% to 7% EBITDA for this quarter, but it has gone, gone down from 7% to 5%, and your PAT has gone down from 6%, quarter-on-quarter, from 6.5% to maybe 3.75%.

Management: Right, sir. So I think by second half it should go back to 7%.

Darshan Chandra: At least you should, at least in the last con call you have given the guidance of maybe 7% conservative and for FY27 also, upward revision of 1% to 1.5% due to CCTV coming in business, right? But in this quarter 2, it has gone fluctuated. Maybe some one time was there, or what was the reason for the EBITDA going down from 7% to maybe below 5% or around 5%? And how will it will be covered up in H2?

Management: So like I mentioned that, there were quite a bit of renewals that happened at a lower margin. Okay, and, and the ITI revenue has shrunk this year, which led to a lower EBITDA margin again. And the DDU-GKY project which we had gotten this year in July, Keertika has been operating on that, and that operations has led to the amount of investments required that has led to a loss in Keertika, because of which the margins have shrunk.

Darshan Chandra: Yes, but are you factoring that, due to lower revision of your contract in H2 also, you are giving the 7% EBITDA guidance for whole FY27 will be maintained?

Management: I think that if we are able to convert...

Darshan Chandra: Conservatively?

Management: Yes, if we are able to convert the CCTV contract that we have already bid for, then even with a lower renewal rate, or with a lower rate at which the renewals are happening, we should be able to reach around 7%.

Darshan Chandra: It means you are saying that for FY27, 7% minimum EBITDA margin, operating margin, will be maintained so that our PAT reaches around INR24 crores to INR25 crores, right? On INR500 crores, the EBITDA margin is 7%. The PAT margin should come around 5% or 5.5%. So it will be easy to maintain INR24 crores to INR25 crores PAT on the quarterly run rate of INR6.5 crores. So it comes around INR26 crores, but INR24 crores to INR25 crores is easily possible?

Management: We'll have to see on that. I think it should be.

Darshan Chandra: According to your guidance only, we are saying that it should become -- it should come.

Management: It should come, but a lot depends on the conversion rate at the CCTV level.

Darshan Chandra: But CCTV level, that conversion means in order, it will be for FY27. Now that orders will be for FY27 only, right?

Management: So what happens oftentimes -- this is Debajit, sir -- what happens oftentimes in government contracts is that when we actually expect the CCTV contracts to convert, or even other public sector contracts especially -- Yes, oftentimes there is a delay in the conversion. The conversion happens, but what happens if there is a delay in the conversion, then we do not always reach a position to raise our invoices on the contracts within the period, that within the quarter that we are talking about, or even within the last few days of the financial year.

Okay, if we have these conversions coming in a time that we are expecting, then we should be reaching the targets that we have set ourselves for. This is one. Whereas I'll give you an example, sir. We had expected that the DDU-GKY orders would come through and we should be in a position to raise our invoices, at least the first tranche of invoices, already by this time.

Whereas the orders have come and yet the execution of these contracts have not yet started. We are expecting them to start sometime towards the end of this month or early December. Now once that happens, the invoicing will take at least another, say, 3 months, so 90 days. So by the time invoicing happens, then we should be able to reach our targeted figures.

Darshan Chandra: And on your -- in the last con-call, because of your -- you are so bullish, because in the first Q1, the CCTV business was not -- business invoice was not coming, you said in the quarter from Q2 and Q3, the invoice will be coming from CCTV, that high margin business. So we were

expecting something around EBITDA around 8% of EBITDA, and going forward it will be maintained.

And we were very bullish on the company, but suddenly then Q2, the margins has gone below -- means it has gone below way, means 29% below what you have guided for, and maybe higher, because we were expecting something around 8% because of CCTV coming business, CCTV coming business in Q2 and Q3. But somehow it has not matched your given guidance. It is way below. That was a problem.

Management: I hope that by the next quarter itself, of which we are into that quarter and we are operating, and once we see that the contracts that we have just received, you will see which I mentioned in my speech, these contracts, as we start getting these conversions, the service charges will help us to boost the EBITDA margin.

Darshan Chandra: Okay, because when we maintain the EBITDA margin, the PAT margin will come, right? And when PAT margin will come, the way the investor will gain, or it will be something— you understand that?

Management: I fully agree. It is also, what we are noticing, that the investor confidence is fluctuating a bit, and that should stabilize very soon. And I will...

Darshan Chandra: Sir, that will stabilize when you meet the guidance, or at least beat the guidance what you have given.

Management: Yes, sir, that is what we are looking at.

Darshan Chandra: Yes. If any other...

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

Nitin Shah: Hi, I hope I'm audible.

Management: Yes.

Nitin Shah: Yes, good afternoon, sir. Sir, so my first question is that, as subsidiary received an INR6.24 crores order from ANPR in IP-based CCTV surveillance across 9 police districts and 1 Commissionerate, so could you provide an update on the implementation timeline and expected contribution from this project?

Management: So the implementation timeline is 15th of December, but I think we will, as per what I have understood, it will take around 10th January to 12th January to finish the project because of clearances. So that is one. And second is, the contribution margin that we have budgeted before we took the project was around 18% to 19%.

Nitin Shah: Okay, sir. And so, we can see that the electric surveillance, CCTV monitoring, and ANPR systems and other technologies, security solutions demands rising. So what is company strategy to expand its presence in this segment?

Management: Company strategy to expand in the CCTV segment, you said?

Nitin Shah: Yes, in CCTV, electronic surveillance.

Management: I'll try to answer that. You see, the whole of this electronic segment is now gradually shifting towards AI-embedded surveillance systems and the CCTV systems, etcetera. They are mostly coming with AI supports. And so we are looking at, basically focusing more onto these sectors. We are working with several of the OEMs in generating our capabilities in cameras, CCTV cameras for edge processing. And once that happens, these are gradually being laid out. We shall be able to pick up more contracts.

In fact, we are intending to focus a lot more, as I have said earlier also, into the electronic segment. And there are expectations that we shall be able to have a strong boost in the demands from the government institutions for this, especially in West Bengal and Mumbai. In West Bengal, you see, there has been a change of the government, and we were already expecting that many of the pending contracts of the West Bengal government, which were pending because of the election, etcetera, would be coming out.

But they have also taken their time. And it should now start happening, and we should be focusing a lot on that. So coming forward, we will be seeing quite a few more CCTV contracts coming our way, and each of these contracts would traditionally have a higher contribution margin.

Nitin Shah: Okay. And sir, how does management see the contribution of technology-enabled services, the company's overall revenue and profitability over the next 2 to 3 years, particularly compared with the traditional manpower-based security services?

Management: Sir, very strongly. Firstly, what we are looking at is, we are possibly going to have our standard security services contract gradually being converted into hybrid modes. So the hybrid modes would mean that we would be having access control systems. We will have more electronics, CCTV systems.

We can have intrusion detection systems and other such technology-enabled services getting into the same contracts that we normally do for manpower servicing. And there is already a pretty strong interest in our customer base. And we are including -- we have approached banks and to whom we are already providing our security services to actually start taking over a control room service from us, so that all large number of branches of the banks can be monitored by a centralized control room structure.

And we are quite far into the discussions and even in the design phase of building up such control room infrastructures. Going forward, this will be a significant portion of our revenue, which would be coming on a subscription basis. We will see…

Nitin Shah: Okay, sir, got it. Thank you, sir.

Management: Thank you.

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

Vikash Sharma: Audible, am I, sir?

Management: Yes, yes.

Vikash Sharma: Hello, sir. Good afternoon. I want to know about the Odisha government order we have for the training and placement of rural youth?

Management: Sir, can you try to be a bit louder?

Vikash Sharma: Hello.

Management: Yes, this is better.

Vikash Sharma: Yes. This is about the Odisha government order for training and placement of rural youth under a DDU-GKY program. Could you give me an idea on execution timeline and expected revenue contribution from this project?

Management: Right, sir. I think, it's a project to train around 1,200 people in Odisha, and basis, the total work order value is INR7.93 crores. And the billing happens only after training and skilling -- training and placements. So, basically, it's not just that you train them and you can raise the bill with the client. You will have to train them and place them, and after that you can raise the bill.

So there is a bit of a upfront expenditure that is required to set up the training centers and engage the teachers and provide residential accommodation to students and schooling, etcetera. And I think the training and placement happens all in 6 months. And so, we are expecting that we should start raising the invoices by Quarter 4 of this year.

Management: The payments would be coming in tranches. So, there would be some payments which we will be receiving -- a portion of the payments per candidate we should be receiving within the first month, but that is a smaller component of the total payout.

And then there is a payment which we shall receive after completion of the training, and the final payment we shall be receiving per candidate after completion of another 6 months. So, what happens is that the total payment will come over a period of 9 months but in different tranches.

Vikash Sharma: Right, sir. got it. We've also received an order from West Bengal government for training 200-odd youths and placing 150 candidates. What's the company's current execution capacity in the skill development segment? And how many candidates does it expect to train and place during FY27?

Management: Sir, actually, what has happened is, NIS and Keertika together, has a very large capacity of providing the training and also inducting the students in its own payroll. Because we train in the similar trades that we do contracts in, so which is security guarding or housekeeping and facility services.

So, if we look at it, your Odisha contract and the West Bengal contract are very similar in line. The Odisha contract is one way larger because most of the allotment has already been issued in the first order itself, whereas in West Bengal, they will be issuing the orders or allocation in tranches again. On completion of the first lot, another lot will be given, and that way.

So, we expect, firstly, and then we also have a very large balance, reserve capability to absorb further such DDU-GKY projects. So, it is possible that we shall be able to take this number, which is right now about 1,400, to more than 3,000 and so, over the next one year or so.

But at the same time, this will also help us in getting a very ready pool of manpower for deployment in the different contracts in these states. We also have -- I'll give you for an example that we also have an application pending in Maharashtra for the DDU-GKY project for quite some time, and the final assessments, etcetera, reviews, evaluations, those are still pending.

Once that is over, then we shall again be getting a substantial number of manpower from that end. So, this comes with a very strong potential both ways. One, for the -- our skill development initiatives by itself, and then again the additional benefit of being able to deploy these personnel.

You are aware possibly that availability of skilled personnel for these trades have become pretty limited, and this will actually help us to service our contracts with different governments and corporates, in a much better way.

Vikash Sharma: Right, I got it. My last question, sir, just to understand the industry, how are you seeing long-term potential of skill development and placement business, our business, particularly as you mentioned, with new government programs geographical expansions, opportunities to work with private sector employers?

Management: That is quite high. If we look at it this way that, you see, the Make in Bharat program, that is there with the government, our ITI, the four ITI that we have are very well placed to take advantage of this situation because, the more requirement of skilled, workers in technical trades, as they can grow up, we shall also be able to supply those, manpower, as required. And as it is our students that come out of our ITIs have a very high placement ratio.

And so we see a very strong possibility in that. The second is, our own business growth in, security services, facility management, etcetera, should allow, taking in a much larger number of skilled youth than we can currently take.

And, both nowadays, what we are also doing is that we are integrating our, NIS operations and Keertika operations in a way so that we can take a large number of trainees, students in the skill development and then deploy them in our regular contracts.

So, these two are very strong potentials. And we have not yet looked into the third very strong potential, which is due to evolve over the years, next two, three years is, possibly international placement because, gradually international placement requirements, for skilled youth and especially in technical trades and soft services skills, are increasing from different countries. And, we are very oriented towards, satisfying those requirements.

Vikash Sharma: Right. So that was extremely helpful. Thank you, sir. My best wishes for the future.

Management: You're welcome.

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

Rohit Parmanandka: Yes, hello, good afternoon. Yes, we have seen growth in EBITDA and.

Moderator: Sorry to interrupt, Mr. Rohit, we are unable to hear you, sir. Your, voice is sounding very muffled. If you are connected on any Bluetooth, it is still muffled, sir. In case if you are connected on any kind of the Bluetooth device, can you connect, switch on the handset mode?

Rohit Parmanandka: Yes, now is it audible?

Moderator: Much better. Please.

Rohit Parmanandka: Yes, my question is that we have seen growth on the revenue front, but, like our EBITDA has fallen and there is a significant deterioration on the cash flow front. So, going forward, do you see the cash flow improving, or what steps are the management taking to improve the operating cash flow?

Management: Sure, sir, I'll answer that question. So, basically, the cash flow did not do well, as much as we would have liked it to, primarily because there was INR12 crores delay in collection in the month of August and September, which was on the backs of a lot of transfers in terms of the new government coming in and restructuring their department.

This led to the growth in the trade receivables beyond the growth in sales. We've also seen for the first time quite a bit of generation of RA bills, which we did not see in the earlier, let's say, quarter or the prior quarter. RA bills are essentially those bills that we submit for approval to the government department before we generate the final invoice.

There was a bit of a delay up to September in terms of collections. But that has been sorted out before Durga Puja, and we received a large chunk of collection. So going forward, in March, if I can just project a particular cash flow, then my sense would be that the trade receivables should reduce by INR10 to INR12 crores.

And with the operating cash flow double, then a reduction of INR12 crores in trade receivables, the TDS refund of around INR6.5 to INR7 crores, and INR30 to INR32 crores, it is just a mathematical projection of INR15 into 2, INR32 crores, then we would definitely turn positive operating cash flow by the end of the year.

Rohit Parmanandka: It's so far side edge, so we can expect a better reading cash flow, right?

Management: Yes, yes, absolutely.

Rohit Parmanandka: Yes, yes. Okay.

Moderator: Thank you. Next question is from the line of Tejal from Apex Capital. Please go ahead. You're sounding very low, Tejal.

Tejal: Hello?

Moderator: This is better. Please go ahead.

Management: Yes, please, please continue.

Tejal: When evaluating a new contract before bidding, how does the company determine its expected profitability? And does management follow a minimum operating margin threshold to ensure that the new contracts contribute positively to overall profitability?

Management: Yes, ma'am. So, we not only -- there is, of course, the 2 types of contracts. One is the contracts in the private sector and the other is the contracts in the government sector. Government sector, we try to take contracts at slightly higher margin. In the private sector and the government sectors margins are not very good right now.

In terms of that, we also adjust in terms of the longer receivable cycles. But typically, what we see is that once the site settles in 6 to 8 months, then the margins tend to improve because a lot of the operational expenses tend to stabilize. For example, when you are taking an IFM contract, in the initial stage's material cost will be more, your supervision costs will be more, and even absenteeism could be more.

You have to replace people, so that is a cost. But as the sites tend to stabilize within 6 to 8 months, you get a fair idea of how much material you should be using, and how much supervision is necessary for that cohort of employees. And so typically the margins tend to improve. We take that into consideration when we are taking on a contract.

We also take into consideration the FD that gets blocked due to the bank guarantees which we may have to give and the receivable cycle of around 3 months. And adjusted for that, we kind of arrive at a projection over the contract period and then we make a decision on how to -- and we also take into consideration the GeM restrictions wherever the contracts are taken over GeM, and then we arrive at a particular decision to take on a contract or not.

This obviously leads to quite a bit of times we can't bid for quite a few contracts. Let's say contracts which have very open-ended receivable cycles, those are a bit tricky in terms of collections. So, then we won't bid for that. So, these are certain housekeeping things that we do before we take on a contract.

Tejal: Yes, so could you please share the current value of orders awaiting mobilization and typical time taken from winning a contract to generating the revenue? And, are there any ongoing, mobilization or execution delays?

Management: Ma'am, can you just repeat the question? Sorry.

Tejal: Yes, so could you please share the current value of orders awaiting mobilization and typical time taken from winning a contract to generating the revenue? And, are there any ongoing, mobilization or execution delays?

Management: Okay, so, first I'll come to the point that, ma'am, mobilization, it can't take a lot of time, right? So, we, when we get the work order, be it private, be it government, I think government gives us around 10 days to 15 days to mobilize the contract. Private ask us to mobilize immediately. So, mobilization can't take a lot of time when you are taking over a site, because these are security guards and cleaners, and cleaning can't wait. Security is something that can't wait.

So, you have to take the recruitment part of it, has to happen in immediately. Then when it comes to government contracts, it does take a little bit of time to get the BGs in order and bank guarantees in order, collect the EMD which was submitted at the time of bidding, and, signing the agreement. So, the paperwork takes a bit of time, and the point is that you can't raise your invoices till the paperwork happens.

So, we typically expect, initial 2 months to 3 months, of this issue where we are not able to raise the invoice. And then once we are able to raise the invoice, then we raise for 2 months invoice we raise it together. So that typically happens. And then of course month on month it gets -- let's say the invoice for month 1 gets cleared in month 3 or month 4, invoice for month 2 gets cleared in month 5. So, it goes on and on that way. So, these are the first, these are the 2 answers to your 2 questions.

And your 3rd question is what are the current mobilizations that are taking place major mobilizations are not really at this point in time. I don't think there are any major mobilizations taking place, but definitely in the CCTV business, in the CCTV that the work order that we had got from CRM, we've already purchased the materials and we are awaiting delivery of the materials in North Bengal.

So, Yes, mobilization is happening there. The team has already moved to North Bengal; they are surveying the sites. And the third type of mobilization is the out-of-scope services that we do for quite a few of our clients, which is where we manage the entire retail store, or we manage the entire bank branch.

Their mobilization happens continuously because, you need an electrician, you need a plumber, you need a carpenter, you need a painter, you have to constantly supply these services. So, under out-of-scope, mobilization is happening all the time. So, I hope I've been able to answer the question.

Tejal: Given the manpower-intensive nature of the business, what revenues does management expect…

Management: Ms. Tejal, your voice is breaking, ma'am. We are unable to hear you.

Tejal: Am I audible? Is it clear now?

Management: Yes.

Tejal: Given the manpower-intensive nature of the business, what revenues does management expect to see meaningful operating leverage and an improvement in EBITDA margin?

Management: So, I think Mr. Choudhury will be able to answer that question.

Management: Ma'am, let me try and answer this in this way. You see, as you look at our manpower contracts, traditionally these contracts come in one of the three formats. The pure security guarding services, the pure housekeeping and manpower deployment services, and then there is this integrated facility management services. Now, it is always our intention to get a higher mix of the integrated facility management services.

Because in this, the margins become slightly higher. They become higher not only because of the manpower requirement, but also because usually they come with some mechanization requirement, especially in the cleaning area, giving cleaning equipments. And these are given on a basis of rental or subscription and because of consumable requirements. We usually have a higher margin on this.

So effectively, the more contracts we can shift from security, Vanilla Security and Guarding Services or Vanilla Housekeeping and Soft Services, into an integrated facility management services, our margins in this contract improve by a couple of percentages and which help in the margin growth. And we are working -- you would notice that in Bihar, we had taken up a contracts where we have a slightly more higher areas of margins, and similar such margins in the private sector also in facility management.

Tejal: Okay, thank you. Thank you, sir.

Management: You're welcome.

Moderator: Thank you, ladies and gentlemen. That was the last question for today. I now hand the conference over to Mr. Soumik Chatterjee for closing comments.

Soumik Chatterjee: Yes, thank you everyone for joining the conference call of NIS Management Limited. If you have any further queries, you can write to us research@kirinadvisors.com. Once again, thank you everyone for joining the conference.

Management: Thank you very much.

Management: Thank you.

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