Date: December 31, 2024

To,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400001

Scrip Code: 544296
ISIN: INE0DQN01013

Dear Sir/Madam,

Subject: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of Earnings call with analysts and investors

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings call on the Un-Audited (Standalone & Consolidated) Financial Results for the Half Year ended September 30, 2024 held with analysts and investors on December 27, 2024, has been uploaded on the Company's website at the link:

Link: https://cms.nisusfin.com/wp-content/uploads/2024/12/Nisus-Finance-Services-Co-Limited-H1-FY25-Concall-Transcript.pdf

Kindly take the above information on record.

Thanking You.

Yours faithfully
For Nisus Finance Services Co Limited

RUKSANA ISTAK KHAN
Digitally signed by RUKSANA ISTAK KHAN
Date: 2024.12.31 11:04:44 +05'30'

NISUS FINANCE SERVICES CO LIMITED MUMBAI

Ruksana Khan
Company Secretary & Compliance Officer
Membership No.: A57960

Enclosed: As above

Nisus Finance Services Co Limited
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"Nisus Finance Services Co Limited
H1 FY '25 Conference Call"
December 27, 2024

MANAGEMENT: **MR. AMIT GOENKA – CHAIRMAN AND MANAGING DIRECTOR – NISUS FINANCE SERVICES CO LIMITED**
MRS. MRIDULA GOENKA – EXECUTIVE DIRECTOR – NISUS FINANCE SERVICES CO LIMITED
MR. SUNIL MAHESHWARI – CHIEF FINANCIAL OFFICER – NISUS FINANCE SERVICES CO LIMITED

MODERATOR: **MS. SAKHI PANJIYARA – KIRIN ADVISORS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Nisus Finance Services Co Limited H1 FY '25 Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sakhi Panjiyara from Kirin Advisors. Thank you and over to you, ma'am.

Sakhi Panjiyara: Thank you. On the behalf of Kirin Advisors, I welcome you all to the conference call of Nisus Finance Services Co Limited. From management team, we have Mr. Amit Goenka, Chairman and Managing Director, Mrs. Mridula Goenka, Executive Director and Mr. Sunil Maheshwari, Chief Financial Officer.

Now, I hand over the call to Mr. Amit Goenka. Over to you, sir.

Amit Goenka: Thank you very much, Sakhi. A very warm good afternoon and namaskar to everyone who has taken the time to join us on this call today. We are very thankful for your time. I express my heartfelt gratitude and thanks post our listing on 11th of December to all our shareholders who reposed their unwavering support and trust in us during our IPO journey. It is because of this that we were able to see a nearly 192 times subscription.

We are very, very grateful for that trust and we are deeply committed to upholding the faith placed in us, upholding the highest standards of transparency, corporate governance and investor communications.

With your valuable insights and feedback, we believe we can do better. We have a singular mission of Viksit Bharat with our multiple AI funds in India aimed at urban infrastructure. With this, I'd like to introduce Nisus Finance in a very brief way to those who have not completely understood the business model.

Nisus Finance, set up over 10.5 -11 years ago, has been at the forefront of urban infrastructure financing, that is financing the completion of various projects across India, including residential, commercial, hospitality, retail, etcetera.

Moderator: Amit, sorry to interrupt. Sir, there is an airy sound which is coming when you're speaking.

Amit Goenka: Is this better?

Moderator: This is much better, sir, yes. Please go ahead.

Amit Goenka: Okay. Sure. Just to lay the context, Nisus Finance has been at the forefront of urban infrastructure financing, that is helping finish projects which are in various parts of the country in key locations of Tier 1 and Tier 2 locations of India for the purpose of completing residential, commercial, hospitality, retail, and other key urban infrastructure assets.

We are also involved in private capital market transactions, which means we are helping our investee companies or other players in the space to obtain capital through syndication, debt restructuring, equity syndication, and other private capital sources. We are operating, therefore, in one of the most fundamental sectors of India, which is urban infrastructure and urban development. We are led by multiple funds, two of them being operating as RESO-1 and RECOF-1.

Both have combined AUM value of roughly about INR2,200 crores, which need to be deployed over a period of time. We are led by, of course, the growth in AIFs. AIFs have been growing rapidly, with over 20% being deployed in real estate. We've seen over 25% year-on-year growth within AIFs, with AIFs having garnered almost about INR13.5 lakh crores last year, and looking to effectively reach the mutual fund size of INR40 lakh crores in the near future.

We're also buoyed by the demand for capital, which as per World Bank estimates say that India is underfunded by almost $300 billion for the purpose of development of asset classes, which are under construction in the Indian real estate space. So that's the target size that we wish to address through the various funds that we're operating.

Our funds continue to get managed and deployed across Tier 1, Tier 2, and Tier 3 cities, therefore getting to the Bharat story, not just the four or five metro locations of India, and we're buoyed by the strong regulatory landscape available in our favor. We're also buoyed by the great amount of global interest we are seeing through various global investors and funds, both investing with us and looking to further participate with us across our investment strategies. We further diversified this year into Dubai Real Estate and GCC, covering not just GCC and UAE, but also potentially the EMEA region.

We've seen that GCC region, and especially UAE Real Estate, has seen a significant growth of nearly 2x in the last two years, with the real estate sales being about $72 billion in UAE alone, which is almost equal to the amount of sales that we see Pan India. There's been a significant amount of government reform, which is bringing in global capital, necessitating emerging market managers like ourselves to be at the forefront of this opportunity set. We're very uniquely positioned to capitalize on this great opportunity within India and within the GCC region.

Our deep industry experience, expertise, cutting-edge innovation, our unique products, highly experienced team are very, very quick to seize the opportunities that lay ahead of us. With this IPO, we're well-poised and garnered to grow at a hectic pace, well-demonstrated by our financial results. We continue to work towards our vision of becoming the most admired alternate asset manager from India for the world.

With this, it is important that we maintain transparency and open communication, and build trust and collaboration with all our stakeholders. I would like to encourage all possible questions that can be had at the end of this presentation. I'm pleased to hand over the next delivery of results to our CFO, Mr. Sunil Maheshwari, who will quickly take you through the key financial highlights of H1 FY '25.

Sunil Maheshwari: Hi, this is Sunil. About the key highlights of H1, I'm starting with the revenue analysis, which is from H1 financial year '25 versus H1 '24. So, our revenue has increased 2.8x from INR12.09 crores to INR34.63 crores, which is resulting in an increase of 186% Y-o-Y growth. The company has identified two segments. Segment 1 has generated INR27.1 crores of revenue versus INR9.44 crores of revenue in last H1. In Segment 2, we have generated INR7.5 crores of revenue against INR2.64 crores in H1 financial year '24.

Now, I'm coming to the profitability analysis, which is also comparing from H1 '25 versus H1 '24. So, H1 FY '25, the EBITDA and PAT stands at INR24.1 crores and INR18.84 crores, resulting in 184% and 269% Y-o-Y growth, respectively. The PAT margins have increased from 42.2% in H1 '24 to 57.2% in H1 '25. The growth in profit has boosted the EPS from INR 2.82 per share to INR 10.35 per share. Now, I'm moving to balance sheet analysis, which is in H1 '25 versus audited financial year '24. The balance sheet has grown from INR49.19 crores from financial year '24 to INR67.29 crores in H1 '25.

The company has reduced the long-term liabilities from INR6.17 crores to INR4.5 crores. The trade receivables have increased from INR10.52 crores in financial year '24 to INR30.82 crores in H1 financial year '25. This increase is on account of large advisory services done in quarter 2. So, these are related to the special situation advisory business and the payment will happen as per the payment terms.

Now, moving to cash flow analysis, this is H1 '25 versus H1 '24. The company has a cash reserve of 5.46 at H1 '25 versus 4.86 in H1 '24. With a net decrease in cash and cash equivalent of about INR2 crores versus an increase of INR1.19 crores in H1 '24. This is also because of the increase in the receivables in quarter 2 in financial year '25. These all comparisons were based on the consolidated figures.

Now, Mridula ma'am will tell us about the key highlights of Nisus Finance.

Mridula Goenka: A warm welcome to one and all. Welcome to the earnings conference call of Nisus Finance. I will be covering the key milestones achieved by Nisus Finance. In the India fund segment, we completed transactions worth INR290 crores with an additional INR700 crores under term sheet stage. Internationally, we have made remarkable strides through our Nisus High Yield Growth Fund with a USD of 250 million corpus focused on real estate opportunities in the GCC and EMEA regions.

Our operations in Dubai are gaining significant momentum supported by the maiden investment of INR455 crores in advanced stages of conclusion and a robust pipeline of high growth projects. As we look ahead, we remain steadfast in our vision of sustainable growth driven by strategic investment, operational efficiency and a deep understanding of the markets we serve. We are expanding our footprint in high potential regions and strengthening our portfolio to deliver value to our stakeholders.

We have signed LOI worth INR200 crores showcasing strategic execution in high value projects. We are managing assets worth approximately INR1,000 crores as of financial year '24 through subsidiaries and associates like Nisus BCD Advisors LLP and Dalmia Nisus Finance Investment Managers LLP. Once again, I extend my heartfelt thanks to each one of you for your support, trust and partnership. Together, we are poised to unlock immense potential and make the next chapter of Nisus Finance Services Co Limited even more rewarding.

Thank you, and I look forward to an engaging discussion ahead.

Moderator: Thank you very much. We will now begin the question-and-answer session.

Mridula Goenka: Could I request you to be a little louder?

Moderator: We will move to the first question. The first question comes from Vaibhav Jain from Nucleus Capital. Please go ahead.

Vaibhav Jain: Good afternoon, ma'am and sir. My first question is as per the RHP, the company is planning to raise funds from India, Dubai and GIFT City to support its subsidiary named Nisus Fincorp Private Limited, which is a RBI-registered NBFC. What is the target size of the loan book of the company for the next one and two years? Additionally, which kind of profitability and margin does the company expect from the NBFC operation?

Amit Goenka: Vaibhavji, thank you very much for your question. This is Amit Goenka. Sunil Maheshwari, CFO, will also answer but what we have mentioned is that the company is raising funds from multiple sources for our AIF business, not for the NBFC. As you rightly said, the NBFC is called Nisus Fincorp Private Limited. The NBFC acts as a very special vehicle for the purpose of investing as a sponsor into our various funds. It also acts as a lender and as a co-investor with our various investee companies or as a co-lender with our various investee companies.

Vaibhav Jain: Okay. So, sir, what is our current AUM and what is the target for next one and two years? Additionally, could you provide detail on the fund management fee structure for AUM, including the percentage of AUM typically charged as a management fee?

Amit Goenka: Right. Now, different funds have different fee structures. We currently run about three funds. As far as the AUM is concerned, as we mentioned, we had about INR1,000-plus crores as of FY 2024. We have concluded additional transactions, as you were told, of INR290-odd crores in this first half plus another INR455 crores worth of transactions under closure in Dubai. Plus there is a certain amount of term sheets, which are under closure, as well as an LOI of INR200 crores, which was signed in Dubai. So, the actual AUM will be actually known more clearly by the end of the financial year, since we still have a very strong WIP. As far as the fee structure is concerned, it could range from between 1.5% to 2%, depending on each investor and each opportunity.

Vaibhav Jain: Okay. And Sir in our transaction advisory business is concerned, which kind of growth we can expect? Because in this, we are providing advisory, so our margin, I mean, it is just a consultancy kind of thing. So, which kind of growth we can expect in this segment?

Amit Goenka: We have always maintained that there has been a very strong correlation between our investment and advisory business, because we tend to work with the potential borrowers or investee companies that come to us. We have had over 400 opportunities that we evaluated last year, almost about 180 opportunities that we have evaluated more or less in this period, year-to-date. And we are not able to obviously invest in all, so several of them become potential candidates for advisory.

We do maintain that we have roughly about one-third of our revenues coming from asset management and related businesses, and two-thirds of our revenue coming from advisory. So, we think that will get maintained. So, because of that correlation, as the AUM grows, we will continue to show robust growth across both the segments.

Vaibhav Jain: Okay. Thank you, sir.

Moderator: Thank you. The next question comes from Sampath Nayak, an individual investor. Please go ahead.

Sampath Nayak: Hello Amit Sir. Congratulations on a good set of numbers. This is Sampath Nayak. So, my question is regarding GCC investment. So, are we targeting Ras Al Khaimah by any chance, real estate opportunity in Ras Al Khaimah?

Amit Goenka: No, currently we are not. Our focus is not so much on greenfield developments. Our focus is more on ready-completed assets or nearly-completed assets, which is not present in Ras Al Khaimah. So, currently our focus continues to be on the Emirates of Dubai, potentially expanding to Sharjah and Abu Dhabi.

Sampath Nayak: Okay, because I've been hearing that there could be opening of a new casino in Ras Al Khaimah.

Amit Goenka: That is correct. It will open in 2027. That's the anticipated date, but it has no bearing on our business because that's a developer's business of development of high-end real estate for potentially people who would like to come and stay or invest there, but it's not a developed city yet.

Sampath Nayak: Right, right. Okay, I understand. Thank you and all the best.

Moderator: Thank you. The next question comes from Shruti Malpani from Aarth AIF. Please go ahead.

Shruti Malpani: Hi, good afternoon. So, could you provide an update on the utilization of the funds raised through IPO? Like, you had some planned licenses for Dubai Gift City. So, are they in action?

Amit Goenka: Very much. Sunil, maybe you can provide some clarification. Yes, of course, Shruti. All the plans are exactly as per the RHP. We have raised money for the purpose of accelerating our AIF business, including raising money and getting licenses. We've already started that process. So, we're certainly on mark as far as our plans are concerned.

Shruti Malpani: And how are they expected to contribute to the company's growth in the current year?

Amit Goenka: As I mentioned, it may not necessarily have an immediate impact in this financial year because it's a long-term growth capital. It's not something which is going to provide an immediate plug, right? What it is expected to do, obviously, is help us accelerate our AUM multi-fold times since we're raising a large amount of global funds.

Plus, it will help us get licenses which are necessary for these global funds to participate with our existing funds, which is why all of this will pan out over a period of next few quarters. So, we'll start seeing that impact over a period of time.

Shruti Malpani: Okay. So, earlier, like in the DIFC fund, out of the USD250 million, only USD50 million were deployed. So, what's the plan on investing the USD200 million?

Amit Goenka: Like we've disclosed, we've signed an LOI of another INR 200 crores or roughly another USD25 million. We've got an active pipeline of another INR 1,000 crores which is being actively pursued. So, yes, it is all being accelerated.

Shruti Malpani: Okay. And what are the projections for the coming years?

Amit Goenka: Unfortunately, SEBI regulations do not allow us to provide any forward-looking statements. But yes, we've seen the growth and we wish to maintain the same trajectory that you've seen the last few quarters or last few years. We're committed to that growth numbers that we've been showing you.

Shruti Malpani: Okay. And the plans for the wholly-owned NBFC, what about that?

Amit Goenka: Yes. So, as I mentioned in the previous response, the NBFC will be an essential part of our investment strategy since it co-lends along with us and it is important to have a NBFC co-lend along with an AIF in our India projects. It will also act as a sponsor to the various funds that we are raising. So, it's important to have some sponsor capital as well as co-lend with our projects which have a very high ROI. So, that's the strategy for the NBFC.

Shruti Malpani: Okay. I just have one last question. So, in your cash flows, you've shown sale of NCDs. Can you explain a little bit about that?

Amit Goenka: Yes, of course. It's a part of our business. As you know, every investment manager is required to invest into debentures or units of the fund as a co-investor or a sponsor capital. So, that's part of a sponsor capital. When we start exiting these funds or investments, we start seeing a significant amount of money come back and that's part of that sale. It's a natural course of business, as a co-investor or as a sponsor to each of the funds and each of the transactions. It's a sponsor investment as part of the fund operation.

Shruti Malpani: Okay. Thank you.

Moderator: Thank you. The next question comes from Prateek Chaudhary from Saamarthya Capital. Please go ahead.

Prateek Chaudhary: Sir, could you please give details on why the receivable days have increased so much? Because receivable bills we see are almost to the tune of INR 32 crores.

Sunil Maheshwari: So, as I already mentioned, these receivables have been increased because of our special situation fund. So, because these transactions are related to a very large number of amounts, that's why we have agreed upon some payment conditions.

Amit Goenka: So, Prateek, to answer you, we had about INR10.5 crores of receivables as of FY24 end. Yes. And we have about INR30 odd crores of receivables as of H1. We collected about INR15 crores already. So, we collected the INR10 crores that was due as of March plus another INR5 crores of this year, leaving us effectively about INR30 crores of receivables because a significant portion of this business got concluded within the end of Q2, which will obviously get collected. A significant portion is getting collected and got collected and will get collected and will get reflected as of FY25.

So, it's a very standard process and a standard cycle where you will see lumpy receivables, especially from transaction advisory, because when a very large deal closes, not so much so from the fund management business, but when a deal closes and a large invoice is raised in closure, there's usually a payment structure for how much money will be received in 30 days, 60 days, 90 days and 120 days. So, we're getting paid as per that.

Prateek Chaudhary: So, we're already end of December and whatever transactions you must have closed even in September, a bulk of those payments you might have already received. So, is that true? Have you already received bulk?

Amit Goenka: Absolutely. So, we have no concern in terms of receivables. All receivables are standard. All receivables are current. All receivables are being paid as per their payment schedule. And therefore, we have zero write-offs or zero concerns with receivables.

Prateek Chaudhary: And end of FY25, where do you see the receivable days to tend to?

Amit Goenka: Well, it's hard to say, but as the revenue is growing, at the speed at which it is growing, it's likely that some of the receivable numbers will be similar to what we see. So, we might end up collecting all of that, which we've seen as of H1. We will end up collecting all that you've seen as of H1. Because we'll end up also doing a significant large amount of business in H2, you might also see a very large amount of receivables. Like I mentioned that what we finished in H1, in FY24, we collected. What we'll finish in H1, we'll collect.

What we'll finish in H2, might stay outstanding to some extent.

Prateek Chaudhary: Okay. And this is in the normal course of business?

Amit Goenka: It is absolutely in the normal course. See, what happens is when you transact and when you're helping somebody sell an asset, the payment for that asset happens over a period of time. It doesn't happen entirely upfront. So, because of that, the payments are linked to some of those payments. Not entirely to that schedule, but some of it. Which is why it tends to go between 30 days to potentially 120 days.

Prateek Chaudhary: And this should not be a working capital challenge for you, right?

Amit Goenka: No, it's not. Because our working capital, as you see, our costs are very low. So, working capital does not get disrupted. Everything is going to PAT. It's not getting used in working capital or costs.

Prateek Chaudhary: Right. And, you know, alluding to one of the interviews where you spoke about a $1 billion AUM target. Is that a 3-year, 4-year vision that you have?

Amit Goenka: Well, I mean, yes, we mentioned that that's our vision 2027 is to at least be a billion-dollar AUM. But more than that, to be the most admired asset manager in India. But yes, I mean, I think the idea is to accelerate the opportunities because both India and the UAE combined to have multiple of that. As I mentioned, the UAE is potentially a 70-billion-dollar opportunity and India is potentially a 300-billion-dollar opportunity. So, yes, we certainly want to try and reach that mark.

Prateek Chaudhary: By FY27?

Amit Goenka: Yes, hopefully in the next couple of years.

Prateek Chaudhary: Okay. And this, what would be the, in terms of whatever planning you're doing, in terms of raising of this capital, what would be the broader bifurcation between India and the other geographies?

Amit Goenka: So India numbers are very healthy. So, if you see the India fund, which is INR1,700 crores plus the Special Situations Fund and the INR500 crores is very largely based out of Indian families. As far as the UAE fund is concerned, which is a global fund, it's an equal mix right now between Indian investors and international investors.

When I say international investors, they also mean Indian diaspora and NRIs who are participating in the DIFC fund. But it's likely that the foreign investment, see, the whole purpose of this IPO was to be able to set up these structures so as to allow larger institutions, global capital to flow in and to pay for some of the larger global distributors who are picking up our products. So, we're likely to see a larger skew now with the larger global participation now joining us than the current ratio of Indian investors being larger.

Prateek Chaudhary: Right. And I just want to understand the numbers correctly. Like you said that the current AUM is INR1,000 crores. And then you also say that there was this Indian fund which was around INR1,700 crores and INR500 crores. So, where do the numbers mismatch?

Amit Goenka: No, there's no mismatch. I mean, we just said when we say AUM, it's about how much money has been deployed and is being managed, right? When we say a fund size of 1,700, it means how much a fund will likely invest. So, that's the peak or the high watermark. So, we're just giving you a high watermark saying that one fund has a high watermark of INR1,700 crores, the second fund has a high watermark of INR500 crores.

So, cumulatively INR2,200 crores is the high watermark. We have currently as on FY24 and out of that managed only INR1,000 crores.

Prateek Chaudhary: And the rest has to be raised and then deployed?

Amit Goenka: Bulk of it, yes. I mean, some of it has to be raised, some of it is already raised and has to be deployed.

Prateek Chaudhary: Okay. And you see this INR1,000 crores current AUM number say to an aspirational 1 billion target in a number of years.

Amit Goenka: Absolutely. That's the vision.

Prateek Chaudhary: And the advisory business, transaction advisory would move in similar proportion as you said earlier.

Amit Goenka: It has to, yes. That's the reason we do special situations, we don't do standard credit and we don't do simple stuff.

Prateek Chaudhary: Okay. Understood. Great, sir. All the best and thanks a lot. Thank you.

Moderator: Thank you. The next question comes from Gaurav Hatalkar from Shreeji Ventures. Please go ahead.

Gaurav Hatalkar: Congratulations on the great numbers. Most of the queries or numbers or information which I was seeking is answered. Just a couple of things I wanted to understand. So what is our average cost of, average rather rate of lending when we, for an NBFC business?

Amit Goenka: Well, NBFC tends to be in the mid-teens. Funds tend to be much higher. So each strategy and each, you know, there is no sort of single benchmark rate because these are all special situation opportunities, right? So it's not retail lending for a specific strategy.

Gaurav Hatalkar: Okay. Okay. And any particular sector we are more focusing or?

Amit Goenka: As you mentioned up front Gaurav, we are urban infrastructure focused. So all of our business will be focused on hard assets. You know, housing, commercial, data centers, warehousing, retail. All of those hard assets, hospitality, healthcare. So we're squarely focused on hard assets and urban infrastructure.

Gaurav Hatalkar: Understood. Understood. All the best. Thank you.

Moderator: Thank you. The next question comes from CA Vikash Vijayvargiya from Acorntree. Please go ahead.

Vikash Vijayvargiya: Yes. Thank you. Just Amit bhai one, what is covered in the urban infrastructure? I missed out something in there, actually.

Amit Goenka: I'm sorry?

Vikash Vijayvargiya: What is covered under the, because your company in the urban infrastructure and financial solutions company is there. What is covered in the urban infrastructure?

Amit Goenka: I just mentioned to the last query that urban infrastructure includes anything which is creating a social livable environment, which includes housing, commercial, retail, hospitality, healthcare, data centers, warehousing, etc. It's not core infrastructure. We don't do core infrastructure. We do urban infrastructure.

Vikash Vijayvargiya: Okay. Understood. It includes a hotel, hospitals, everything.

Amit Goenka: That's right. So we don't do roads, tolls, ports, all of that. That's core infrastructure. We do urban infrastructure.

Vikash Vijayvargiya: Okay. Understood. And apart from that, one thing, because right now you are present in the metros, in Bombay and the Pune kind of city. Whether you have some kind of the planning for the Tier 2 cities like…

Amit Goenka: We already mentioned sometime back, if you heard, we're already present in Tier 2 and Tier 3 cities and we're expanding our footprint. So we're already in Surat, we're in Indore, we're in multiple cities across the country and we're expanding our footprint. We're not just present.

And that's one of our biggest strength compared to some of our peerswho are only there in five cities, but we're already looking at being in 20 cities potentially within the next 12 months.

Vikash Vijayvargiya: Next 12 months, is there 20 odd cities?

Amit Goenka: That's right. So that's the reason we talked about Viksit Bharat because we're looking at Bharat, not just Indian metros.

Vikash Vijayvargiya: Okay. Understood. Thank you.

Amit Goenka: Thank you.

Moderator: Thank you. The next question comes from Sivraj Sajela, Individual Investor. Please go ahead.

Sivraj Sajela: Yes. So my question is, I observed one thing in last year's financials. So since our business is, it's too heavy. So like what kind of mix we can expect in this year? Is it like 50-50 or something else?

Amit Goenka: Sorry, I didn't follow that. Sunil, did you follow the question or Mridula?

Mridula Goenka: No. Could you please repeat the question? The voice was quite low.

Sivraj Sajela: So what I'm saying is… Hello.

Moderator: Sir, please go ahead with your question.

Sivraj Sajela: Yes. So I'm saying in the last year financial, it seems our business is second half , It is like H2 heavy. So what is the general mix we can expect in this year also?

Amit Goenka: You're right. H2 has tended to be high. It's seasonality. There is seasonality in our business because real estate itself has seasonality. If you look at real estate sales, almost about 60%-65% of the revenues in real estate happen in the second half. Usually post-monsoon, post-Diwali, etc.

So we tend to see similar. In fact, not just us. Most of the other lenders or investors also tend to see similar patterns. If you see our historic numbers also, you will see that a significant revenue has actually come in the second half. So we expect the same trend to continue this year as well and going forward.

Sivraj Sajela: And in one of the notifications, Vivek Oberoi has joined us as a partner, right? So what is his role basically and how it will benefit?

Amit Goenka: He's coming in as a partner in the Dubai Fund. As you know, he's based in Dubai and has a significant amount of business presence there. Since we're still new to the Dubai market, we understand real estate, we understand investments, we understand structure.

But in terms of compliances, regulations, distribution, governance, bringing a lot of other supporting ecosystems for our funds, that's what he brings in at the table along with his capital. He's also invested. So he joins in as a partner with all of these things.

Moderator: Thank you. The next question comes from Ankur Gulati from ABC. Please go ahead.

Ankur Gulati: Hi, thanks. Can you give us more color on the Advisory side of the business? What kind of Advisories and how do you go about originating that side of business?

Amit Goenka: Sure, Ankur. The Advisory business largely consists of resolving assets or capital for our investing companies or for other clients which are in the built environment. We've really helped, for example, a company rescue its assets from an NCLT proceedings and restructure it and get it sold. We've helped people recapitalize their balance sheet with syndicated debt. We've also helped companies dispose off their assets by setting off land or developed assets, including hotels and other assets which are non-core to their business and recapitalizing their balance sheet.

We've helped companies also do strata sales of specific assets, including related to developed residential complexes or pre-leased retail assets, etcetera. So it's a very wide spectrum of things where we're able to work across the real estate and urban infrastructure value chain and help monetize assets or capitalize balance sheets. So that's what we've done.

Because people will typically come to us for capital, we realize that either our capital is not sufficient or not adequate or not the right capital for those borrowers or that they have surplus assets which can be sold and monetized and money brought back to the balance sheet, therefore reducing their need for external borrowing.

Ankur Gulati: And is there a syndication business there as well…

Amit Goenka: Yes, of course. We recently mentioned that we've tied up with a Grade A developer for one of the companies and we've also partnered with a very large financial institution for some of these transactions. So yes, the Advisory team continues to find partners in multiple institutions which we can then syndicate together into a larger trade.

Ankur Gulati: Understood. I'm just trying to figure out, let's say your AUM grows at hypothetically 20%. So is Advisory business linearly related or is it independent of it?

Amit Goenka: No, it is linear. It is very deeply correlated.

Ankur Gulati: So wherever you invest, you basically pay in these portfolios, right?

Amit Goenka: It's not just invest. I mean, it's not necessarily that we have to invest and therefore the advisory happens. It's also because the larger the AUM, the larger the number of deals flows and therefore the larger the number of deals that get locked in, either with the Advisory team or with the investment team or both. So it's really a function of how much capital is available and therefore how many deals we see which are meaningful.

Ankur Gulati: Okay. In the first half, was there any carried interest in the revenues or not?

Amit Goenka: There was not much. I mean, except for the Debentures which got sold and exited which was the end of one of the older investments and to that extent, it gave a certain amount of carry. But no, we haven't really booked any carry yet. We'll start seeing significant carry numbers coming out as the funds start winding up and these are two funds under operation. So no, there is no carried interest portion as of today which is part of the financials.

Ankur Gulati: And when do you expect, sorry, again on carried interest, is it sometime end of next financial year?

Amit Goenka: Yes, so I mean, the Dalmia Nisus fund should exit potentially within the next 12 to 18 months so we'll see some carry at that point in time. The current fund will exit maybe about 2027 so we'll see some carry at that point in time.

Ankur Gulati: And do you mind clearing some headline based on whatever current yields are on the portfolio? What percentage in basis point of your AUM load carried interest looks like?

Amit Goenka: I can't give you any numbers to be honest, Ankur, in terms of what the carried interest should be but yes, the formula has been to earn about 15% carry over a hurdle rate of 12% and since the AUM is large, the IRR in also fairly large, I think we'll see a very healthy carry.

Ankur Gulati: Perfect. On the Dubai side, sorry, are you guys going into yield assets or are you still in residence?

Amit Goenka: No, we're into yield assets, yes.

Ankur Gulati: And you make money in Global currency, so the currency…

Amit Goenka: There is no currency play at all in Dubai. It's a dollar-denominated fund so there's no currency play. Yes, for Indian investors there will be some currency upside but that's not the function of the fund. It's not working for currency. The different investors from different parts of the world will see different currency outcomes.

Ankur Gulati: And last, any plans to go beyond real estate and broader infrastructure or broader institutions?

Amit Goenka: I haven't really, I mean that's something that the board will deliberate at the end of the financial year, whether there's enough opportunities and whether the current trajectory will maintain the current business pipeline and funds will maintain the trajectory or we need to do something separate but as of now there's no thought.

Ankur Gulati: Sorry, last one. I think you mentioned but no plans to use NBFC for direct lending, right? The investment…

Amit Goenka: Not really. It's not something that is of great value and interest to us is to build out a very large NBFC book for direct lending. We're just acting as a co-lender and as a sponsor. All the best.

Ankur Gulati: Thank you.

Moderator: Thank you. The next question comes from Pranav Shrimal from PINC Wealth Advisory. Please go ahead.

Pranav Shrimal: Hi, good evening, sir. I would like to congratulate you for the results and listing and the whole team. I just have one question, sir. In terms of revenue recognition, how do we recognize the revenue?

Amit Goenka: Sunil, you want to take that question?

Sunil Maheshwari: Yes, so this is revenue recognition based on the services being rendered. So whenever we render the services, we are supposed to issue the invoices.

Amit Goenka: That's a completely acceptance of service as per contract.

Pranav Shrimal: As per the contract. In terms of the AIF, that happens yearly. Do you have to take on the client that is yearly, monthly or at the time that we...

Amit Goenka: Yes, we have fees that are charged quarterly on the deployed AUMs.

Pranav Shrimal: Could you repeat your voice is not clear?

Amit Goenka: Answering on the AIF, fees are charged to the investors quarterly on deployed AUMs.

Pranav Shrimal: Okay, fees are charged quarterly. And it becomes due immediately, correct? There is no -- this the second…

Amit Goenka: It's charged and due and paid quarterly, yes.

Pranav Shrimal: And that is all received in INR or it depends on where it is in Dubai?

Amit Goenka: No, it's in -- right now, it's in INR because bulk of the funds are in India. Of course, now we started to receive funds in Dubai which are in dollar terms. That will all finally convert to rupees and get consolidated on our entire balance sheet.

Pranav Shrimal: And just one point on the taxation. So, when the AIF is matured in Dubai, whenever you start and it gets matured in Dubai, after the maturation, when we close the AIF, do we pay taxes in Dubai or do we pay taxes again in India?

Amit Goenka: No, because there's a 10-year tax holiday to GIFT City. All the investments and the managers to GIFT City. GIFT City acts as your sponsor. There's a 10-year tax holiday. So, whatever income is earned is earned in GIFT City from the Dubai funds. And therefore, 100% of that income gets added to the -- gets added to the profit of the India company without any further incidence of tax. Sunil, just correct me if I'm wrong. Sunil?

Sunil Maheshwari: Sorry, I didn't hear, sir.

Amit Goenka: No, he saying is there an incidence of tax on the income earned from the Dubai funds in India?

Sunil Maheshwari: No, because we have an IM entity in Dubai itself. So, any income generated from the fund in Dubai will be the income of the Dubai entity itself.

Amit Goenka: The income of the Dubai entity which becomes the income of the GIFT City entity which is called a 10-year tax holiday.

Sunil Maheshwari: So, that will be the profit share which the Dubai entity will receive.

Amit Goenka: That's what I'm saying. Absolutely.

Sunil Maheshwari: So, the tax incidence in Mumbai -- the India entity will not be -- will not occur because of the Dubai transaction.

Amit Goenka: That's right. That's what we understand.

Pranav Shrimal: But then, since it's a tax is, we also need to reinvest such funds into the business only, correct? That cannot be used as dividends or given back to the investors.

Amit Goenka: I'm sorry?

Pranav Shrimal: The profit that whatever we make from the Dubai entity and in the GIFT City as well, that has to be reinvested into the business only or can it be --

Amit Goenka: Of course, it can be distributed.

Pranav Shrimal: It can be distributed. Okay.

Amit Goenka: Of course. Why does it have to be?

Pranav Shrimal: Got it. That's it for my side. Thank you so much.

Amit Goenka: Thank you.

Moderator: Thank you. The next question comes from Deepak Mehta from Mehta Equities. Please go ahead.

Deepak Mehta: Yes, thanks for the opportunity, sir. Excellent set of numbers. Sir, I joined the call late so I'm not sure if this is a repetitive question. My question is around the Dubai business. So, primarily we are going to invest in new property or distressed property in the Dubai business?

Amit Goenka: We're investing into distressed completed rent-yielding assets. So, this is basically a yielding asset. We're only buying out ready-completed rent-earning assets in the UAE.

Deepak Mehta: And primarily, who will be the funding entities? It will be PE firms or some Indian family businesses such as Dalmia?

Amit Goenka: So, I was just mentioning that we've got money from Indian investors as well as from global investors. And both have contributed to the fund. We have also got leverage from local banks and which is why we're able to start these investments. So, it's a combination of bank loans plus global investors and domestic investors.

Deepak Mehta: Okay. And my last question is around, sir. So, you have invested the one AIF with Dalmia? So, I believe it's in maturity stage and you're selling that assets. So, and 10% would be the total fees for Nisus, sir?

Amit Goenka: Sorry, I'm not aware. What is this 10%?

Deepak Mehta: So, typically we have 10%, profit sharing for AIF business, right? So, we can assume...

Amit Goenka: Yes. I see what you're saying. Yes. It is part of the carry structure. Yes.

Deepak Mehta: So, suppose if AIF has gained, 2x or 3x of profit or gain. So, 10% is applied to our share, right?

Amit Goenka: It's a slightly different formula, but let's assume it's 10%. So, then what happens?

Deepak Mehta: Okay, sir. That's it, yes. Thank you for your time, sir.

Moderator: Thank you. The next follow-up question comes from Shruti Malpani from Aarth.AIF. Please go ahead.

Shruti Malpani: So, your company's PE is currently high compared to the industry's ratio. So, like what might be the reason behind that?

Amit Goenka: Sorry. Can you repeat that?

Shruti Malpani: Yes. So, your company's PE is currently high compared to the industry. So, like is there any specific reason behind that?

Amit Goenka: So, you know what our earnings of H1 are, right?

Shruti Malpani: Yes.

Amit Goenka: Okay, and so how will you take our PE? How do you assume the PE to be higher than industry?

Shruti Malpani: So, I got this figure from three years.

Amit Goenka: Yes, so, I mean see, I'm not certain how -- So, I'm not certain. I don't necessarily subscribe to some of the portal's calculation methods. Let's look at our own numbers because we've demonstrated what our earnings are. What our market cap is. So, you can do your own math and see what the actual PE is because different companies will look at, different portals will look at some historic numbers and not current numbers.

So, if you look at some historic numbers perspective, of course, they look high, but if you look at current numbers, which is really what the market is valuing, then it may not look as much.

We're not even doing forward-looking numbers. We're just simply looking at H1 numbers. Okay? Any other questions?

Moderator: We have the next follow-up question coming from the line of Prateek Chaudhary.

Amit Goenka: Hello?

Moderator: Just give me one moment.

Amit Goenka: No problem.

Moderator: Yes, Mr. Prateek Choudhury from Saamarthya Capital. Please go ahead with your question.

Pratik Choudhury: Sir, on the Dubai side, you mentioned that the funding would be from bank loans as well. Did I hear that correctly?

Amit Goenka: Yes. I mean, we're onboarding banks as well to fund the acquisitions, yes.

Pratik Choudhury: To fund acquisitions?

Amit Goenka: Yes, we're buying assets. These are pre-leased completed rent-earning assets, so it's a standard strategy to buy these on leverage like REITs do. REITs will always have a leverage to buy these assets, so it's very similar to that. But it's not a REIT.

Pratik Choudhury: Okay, understood. Thank you, sir. Great.

Moderator: Thank you. Ladies and gentlemen, we will take that as our last question for today. I will now hand the conference over to Ms. Sakhi Panjiyara from Kirin Advisors for closing comments.

Sakhi Panjiyara: Thank you, everyone for joining the conference call of Nisus Finance Services Co Limited. If you have any queries, you can write to us, at research@kirinadvisors.com once again. Thank you everyone for joining the conference.

Moderator: Thank you. On behalf of Nisus Finance Services Co Limited. That concludes this conference. Thank you all for joining us. You may now disconnect your lines.