



August 12, 2024

To,
BSE Limited (“BSE”)
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai 400 001
BSE Script Code: 543712

To
National Stock Exchange of India Limited (“NSE”)
The Listing Department,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051
NSE Symbol: **AHL**

Subject: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’)

Pursuant to Regulation 30 of the Listing Regulations, we enclose herewith a copy of the transcript of the Company’s Q1 FY2024-25 earnings conference call held on Thursday, August 08, 2024. The transcript is also being uploaded on the Company’s website i.e. <https://abansholdings.com/Regulation-30.html>.

Kindly take the above information on your records.

Thanking you,

For Abans Holdings Limited

Sheela Gupta
Company Secretary & Compliance Officer

Encl.: a/a

Abans Holdings Limited

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Abans Holdings Limited
Q1 FY25 Earnings Conference Call
August 08, 2024

Moderator: Ladies and gentlemen! Good day and welcome to Q1 FY25 Earnings Conference Call of Abans Holdings Limited hosted by Valorem Advisors.

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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors.

Thank you, and over to you, ma'am.

Purvangi Jain: Good afternoon, everyone and a warm welcome to you all. My name is Purvangi Jain from Valorem advisors. We represent the Investor Relations of Abans Holdings Limited. On behalf of the Company, I would like to thank you all for participating in the Earnings Call for the 1st Quarter of the Financial Year 2025.

Before we begin, let me mention a short cautionary statement:

Some of the statements made in today's Earnings Call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management.

Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's call is purely to educate and bring awareness about the Company's fundamental business and financial quarter under review.

Let me now introduce you to the management participating with us in today's Earnings Call.

We have with us Mr. Nirbhay Vassa - Chief Financial Officer and Mr. Ketur Shah - Assistant Vice President.

I will now hand it over to Mr. Nirbhay Vassa for his opening remarks.

Thank you and over to you, Sir.

Nirbhay Vassa:

Thank you Purvangi for your introduction. Good afternoon everyone and thank you all for joining us for our Earnings Call.

Before we dive into the 1st Quarter's Performance, I would like to provide a Brief Overview of Abans Holdings Limited for those who may be joining us for the first time today.

Abans Holdings is a Premier Global Asset Management Company with a diversified portfolio of services that include institutional brokering, financial lending, treasury operations and remittance services. We have a strong global presence with established operations in India, the United Kingdom, Dubai and Mauritius. Our journey from a commodity trading company to a differential asset management powerhouse underscores our strategic vision and operational excellence. Our core strength lies in our asset management capabilities. Through our agency fee business, we offer multi-asset global institutional trading in equities, commodities and currencies. We also provide private client broking, asset management, investment advisory and wealth management services to corporate institutions and high net worth individuals. Our finance business complements our asset management services by providing secured and unsecured term financing to individuals, SMEs across India. Our capital business vertical manages our internal treasury operations, including physical commodities trade with exchange-based trading in equities and commodities.

I would now like to extend a warm welcome to all of you as we gather here to discuss and reflect on our companies Quarter 1 Performance:

I would like to provide a few highlights:

Our consolidated revenues grew by approximately 16% year-on-year. EBITDA for the Quarter stood at 44 crores with marking a 19% growth year-on-year with EBITDA margins at around 15%. Our net profit for the quarter was 24 crores, witnessing 14.31% growth. Our agency income surged by 57% from the previous quarter. EBITDA increased by 37% and Assets under management grew at 8% from the previous quarter, marking a 35% increase for the year.

Our agency income growth is particularly impressive, reflecting our ability to navigate market challenges and seize opportunities effectively. The expansion in our AUM underscores our commitment to provide valuable investment opportunities and maintaining the trust of our clients.

I would like to also tell you about some recent developments within Abans Holdings. We received approval from SEBI to operate as an investment manager for alternative investment funds, both domestically and in GIFT. This achievement elevates us from a holding entity to an operational entity, boosting our standalone revenues. Our subsidiary, Abans Finance Private

Limited, is setting up a wholly owned subsidiary in GIFT to carry out lending business. However, we are still awaiting regulatory approvals to begin operations.

Abans Global Limited, our step-down subsidiary in the UK, has established a Global Inhouse Center for its back-end operations in GIFT City, bringing cost benefits to the group.

Our vision is to be a beacon of excellence and innovation in the global financial landscape. We aim to create wealth with integrity guided by the principles of knowledge, humility and ethical conduct. Our core values of authenticity, trust, growth and ingenuity drive our efforts to provide superior value to our clients and stakeholders. Looking ahead, we are poised to capitalize on several promising opportunities that will drive our future growth. A few examples are: high frequency trading desk, we would want to invest in cutting-edge technology to enhance our high frequency trading capabilities, allowing us to execute trades with greater speed and precision for our asset management operations. We are in the process of securing a mutual fund license, enabling us to offer a broader range of investment products to our clients and expanding our asset management base. Our focus is on scaling our AUM by introducing innovative investment solutions and exploring new markets. We are also looking to register our global arbitrage fund with the SEC in the US, significantly boosting our AUMs.

Enhancing our technological infrastructure to support scalable growth by leveraging advanced analytics, artificial intelligence and machine learning, we will further optimize our operations, enhance client experiences and drive innovation across our service offerings. At the core of our success is a strong foundation of corporate governance. We adhere to the highest standards of transparency, accountability, and ethical conduct. Our commitment to environmental, social and governance principles is unwavering. We prioritize sustainable practices that reflect our dedication to environmental stewardship and social responsibility, ensuring our growth is both sustainable and responsible.

Thank you for your continued support and trust in our journey. We are excited about the future and remain committed to achieving new heights. We can now open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vidit Shah. Please go ahead.

Vidit Shah: The first question will be basically how the PMS segment is performing and what is the current AUM and how are you going to plan to grow the same?

Nirbhay Vassa: So, we acquired the PMS, I think August of 2023, if I am not mistaken and from there I think we acquired it at 66 crores of AUM and currently our AUM is 133 crores. So, our AUM has doubled in a year and that trajectory seems to be going on well through distributorship and through our own sales team because the markets are doing well and people are looking at differential

managers who are providing value. Our Growth and Momentum Fund is value oriented and I think the AUM will continue to grow at this trajectory for the foreseeable future. It has provided I think 24% CAGR returns for the last 11 years.

Vidit Shah: Okay and actually my second question is how much additional growth are we getting from this tie up with SMC and Taurus for distribution of our financial products. So, can you provide some numbers on that?

Nirbhay Vassa: Sorry I do not have the distribution data on me. I would have to reach out to the distribution team for that. So, is it okay if Ketur takes the question and replies to you offline because that would take some time to spool that data?

Vidit Shah: Okay, no worries. One more question I have. Can you talk about the performance of your Global Arbitrage Fund?

Nirbhay Vassa: Absolutely. So, I think we started the Global Arbitrage Fund in 2016. It has been 8 years, and it has been performing and giving 8% dollar-term returns on an average over the last eight years. The AUM has grown substantially, and it is currently at 70 million dollar. The Global Arbitrage Fund and it basically does the commodities arbitrage, so it is risk-neutral return. It has grown at a steady rate of 30% year-on-year in terms of AUM. Is there any other specific question do you have on any strategy or anything else? So, because we have two funds, we have a hedge fund there and an arbitrage fund. The hedge fund is a derivative fund. So, that is a directional play and this is a non-directional.

Moderator: Thank you. The next question is from the line of Aagam Shah, who is an individual investor. Please go ahead.

Aagam Shah: How is the remittance business performing, can you provide any data regarding trend in quantum and number of transactions or any KPI that you would like to share for this segment?

Nirbhay Vassa: Yes. So, your voice was cutting a little bit, but I got the question you asked how the remittance business is performing and what are the key performance indicators and how do you measure revenue. So, I will try to answer the question from an overall business perspective. So, the remittance license as such is not typically I want to repeat as I had said this on another, is not typically like a Western Union money transfer business. Okay, this is a B-to-B business. There are no retailers involved who want to send money from India to America. We are more so a remittance business for global-global transaction. So, let us say you have an office in Zimbabwe and you have an office in London, you can onboard yourself with us and have the ease of transferring money in different currencies and have a Ledger Account with us which facilitates that far easier than a bank. So, every transaction which moves within either your internal ledgers or externally is charged at 20 basis points, okay and that is obviously as the volume goes up, the charge will come down and the client will not have to spend time waiting for the

swift to arrive. Sometimes the swift takes 2 or 3 days, our money gets transferred real time. The only time that it takes is the onboarding time because of the stringent PMLA rules. That is the problem we are trying to solve. We are trying to solve a business money problem, not a retailer problem, which is a larger problem with bank accounts not being available in every part of the world. We can onboard them in the UK and then help them transact worldwide.

Aagam Shah: Okay, sir, my second question was what are our current NPA levels and net earnings in our lending business and what kind of customers do we lend to, sir?

Nirbhay Vassa: Yes. Okay. So, our NIM is 7.99%. This is a mix of our own funds and borrowed funds and hence the NIM continues to stay higher. We are very selective in terms of lending, so we do not have any kind of retail lending. We lend only to commodity players whose business we understand, SMEs and we do some sort of secured lending against assets. Okay, so our lending book is about 340 crores and it has grown I would not say fast-paced, but steadily, because we do not want to get into micro-lending or retail lending yet till such time we find a peak in business lending.

Moderator: Thank you. The next question is from the line of Tushar, who is an individual investor. Please go ahead.

Tushar: My question is regarding what additional potential fund inflow the Company is expecting from the American market to enhance the accidental management of the Arbitrage Fund.

Nirbhay Vassa: So, can I tell you a small joke? So, if you go to shop in let us say a large mall. Right, there is more variety of options available. So, the real mall of investment is in America. So, if you go to Mauritius or you go to Africa, you go to Dubai, you will have individual investors committing 100K or 200K. But even small fund managers in the US are able to commit 5 million or 10 million. So, I think the growth can be, if we get the right asset and if we have the right setup available, your AUM still grow 300-400% year-on-year, if we get access to that market and hence the US market is extremely important for any asset manager to show their real capabilities.

Tushar: Okay, sir and my second question is can you talk a bit more about the company's long term strategy as there are many things and products we are trying to do at single time.

Nirbhay Vassa: Okay so let us say you go to any large bank, can you give them your broking account? Yes. Can they manage assets for you? Yes. Can they sell you mutual funds? Yes. Can they do transaction banking? Yes. Can they give you a loan? Yes. So, we are trying to basically be a quasi-bank. We should be able to understand the entire banking ecosystem because we are trying to be a financial services company which can eventually convert themselves into a bank.

Tushar: Yes, right.

Nirbhay Vassa: So, that is the long-term strategy if we get a banking license in the near term, I mean obviously the goal is big. So, it will take time to achieve it. But for that we should be able to have the credibility of managing a certain level of assets and having a certain level of lending book only then we can display our ability to be a bank.

Moderator: Thank you. The next question is from the line of Danish, who is an individual investor. Please go ahead.

Danish: My question is what is the kind of growth you are expecting in FY25 and over the next couple of years what will be the expectation in the top line and bottom line of the company?

Nirbhay Vassa: So, what is the growth that I am expecting there will be here? So, see again, that is the question that depends on actuality. However, if you have seen that if our AUM has grown 8% quarter-on-quarter from CAGR perspective that grows 35%, you can imagine the fee income to grow by 35% as well. Okay, so we look at the trajectory of growing faster than that. So, our fee income grows faster if we are able to get more assets under management. So, it is like the car is ready, the engine is pumping, we just need the road to drive now and if that assets under management keep growing the way they are, our growth will keep coming through the percentage of growth in AUM will be more or less the percentage of growth in our revenues.

Danish: Can you provide some information regarding the average ticket size and the tenure for your lending business?

Nirbhay Vassa: Yes. So, the average ticket size is about Rs. 2.5 crores of our loans and our tenure are between 1 year for business loans, then structured loans which are based on an underlying or an EMI system are about 3 years and then there are long term loans which are secured against property which are 5 years so 1,3 and 5, you can say.

Moderator: Thank you. As there are no further questions, I now hand the conference over to the management of Abans Holding Limited for closing comments.

Nirbhay Vassa: Thank you all for participating and for your continued support and trust in our journey. We are excited about the future and remain committed to achieving new heights. I hope we were able to answer your questions satisfactorily and at the same time offer insights into our business. If you have any further questions or would like to know more about the Company, please reach out to our investor relations managers at Valorem Advisors. Thank you so much.

Moderator: Thank you. On behalf of Abans Holdings Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.