“Sammaan Capital Limited

Q2 FY27 Earnings Conference Call”

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MODERATOR: **MR. ARYAN SUMRA – MUFG INTIME INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Sammaan Capital Limited's Q2 FY27 Earnings Conference Call hosted by MUFG Intime. 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.

I now hand the conference over to Mr. Aryan Sumra from MUFG Intime. Thank you, and over to you, Mr. Sumra.

Aryan Sumra: Thank you. Good afternoon, everyone. I welcome you all to the Q2 and H1 FY27 Earnings Conference Call for Sammaan Capital Limited. To discuss the company's performance, we have with us Her Excellency Dalia Khorshid, ; Mr. Gagan Banga, Managing Director and CEO; Mr. Himanshu Mody, Deputy CEO, along with other senior members of the management team.

Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking and may involve risk and uncertainties. For more details, kindly refer to the investor presentation and other filings that can be found on the company's website.

With that said, I would like to hand over the call to the management for the opening remarks. Thank you, and over to you, sir.

Gagan Banga: Good afternoon, everyone. I am Gagan Banga, MD and CEO of the company. Welcome to Sammaan Capital's earning call for the second quarter of fiscal 2027. Thank you for joining us. For the last two decades, quarter after quarter, mine has been the voice on this side of the call through every kind of cycle. I have valued every one of these conversations.

Today, that changes, and it changes by design. Last quarter, when I spoke with all of you, I had shared that I was asked a question by a very wise man, and the question was, "Gagan, how will you be a good general in peacetime?" Today's call is an attempt to make an answer to that. A good peacetime general builds a team that leads.

Sammaan today is a very different institution, with a committed strategic promoter in IHC, a reconstituted board, institutional governance, new technology, and a widening suite of products. A franchise of this ambition is built by a deep bench of leaders, and you will be hearing from them directly hereon.

Starting today, you will hear more voices on this call, beginning this quarter with two of my colleagues. As MD and CEO for several years, a large part of my time went into transactions, raising capital, restructuring the balance sheet, and finally bringing in IHC as a promoter. That work is done. My time now goes where it creates the most value, which is our strategy, our institutional growth, and Sammaan's long-term vision from new products and new markets to partnerships and the road to AAA.

The mandate to me is very clearly to focus on growth which is backed by good governance, where we are trying to continue to adopt global best practices on a continuing basis. The practice

that we've initiated with these results, which is to release results on Saturdays, in line with most other large banks and non-bank finance companies in India, and also a change in the realignment of the reporting of control functions to the various subcommittees of the board and to the domain experts of IHC Centre of Excellence created under Avalora.

These are two such examples of continuing improvement in governance. The other mandate very clearly is to strengthen the franchise of Sammaan by adoption of AI, which goes beyond just building use cases around our customer, which is what most of the industry is doing.

My mandate is to expand it to provide intelligent data and analytics to all stakeholders. To keep pushing this forward, I am focusing on setting up of a center of excellence being built separate to the IT function, which is within the company. This center of excellence operates outside of the line function, and this is another example of how we are strengthening the adoption of AI.

We are also trying to continue to focus on the liability franchise. I have often said that this is a liability management business, and very clearly, we have an opportunity in front of us to leverage on IHC's large balance sheet size and the related banking relationships which come with that to get to Sammaan efficient access to global pools of capital, cutting across banks, large global funds, and also sovereign funds.

A good example of this is the expanding relationship which we have witnessed with UAE-based banks over the last six months. As day-to-day execution is now being handled by a strong, seasoned senior management team, 25 senior leaders across our businesses and control functions, I, as MD and CEO, will continue to back them and will also join them for answering your questions.

Introducing today's speakers. First, Her Excellency Dalia Khorshid, CEO of Avalora Holdings, which is the financial services holding company under IHC. This is IHC's global platform for financial services. Her Excellency is also a member of our Board. She sets the high-level strategic vision for Sammaan, along with the corporate targets and the long-term aspirations that we as management work towards. Many of you have heard her on our last two calls.

Today, she will share how IHC sees the global environment and the framework guiding our transformation. Then Himanshu Mody, our Deputy CEO. Himanshu joined us in September 2025 and brings 27 years of leadership experience, including very valuable transformation experience. He will take you through our financial performance and our business.

Sachin, our Chief Operating Officer, will then present to you how the franchise is being built across a variety of retail products, the multiple strategies that we are following. Sachin has sat with me on these calls through all of the last two decades. Today, you will hear from him directly. I will join them for the Q&A.

Your Excellency, now it is over to you. Thank you.

Dalia Khorshid: Thank you, Gagan, and good morning, everyone. It is a pleasure to be here with all of you today. First of all, I would like to go back to what Gagan was saying and reiterating that we are undergoing a transformation in Sammaan.

We spoke briefly previously on these calls, and I was saying that you will start seeing a series of us and our conversations coming back again and again. Today, I have actually lost count of how many times I have been to India, both to Mumbai and to New Delhi. So, ever since we bought the company, we have been coming back again and again physically to meet with all stakeholders.

So today I will speak to you as a fellow shareholder representative, and I will leave the quarter numbers to Himanshu and Sachin, as Gagan said, and I will reiterate how IHC looks at India and Sammaan and what has been going from this horizon.

As you already know and you have heard this before, IHC operates in more than 100 countries, and through Avalora, we look at all the banking and non-banking financial services across Asia, Middle East, Africa, Central and Eastern Europe, and Latin America. Accordingly, from this perspective, India remains as a long-term investment country for us.

It is very strategic, and we are committed to our long-term investment in Sammaan. Sammaan is our first promoter-level investment in India, and the platform that we have said that we are going to be growing in and building our partnership between India and the financial services investments from where we are, and we are transforming Sammaan to become that platform of growth.

Our equity commitment has come in place, and we have ensured that on 30th of October, we converted the first tranche of our warrants ahead of schedule, infusing around equivalent to USD96 million into Sammaan. With that, our stake has gone up from 28.34% to 33.32%. We have maintained our warrants on time and maybe ahead of time, which shows our commitment in order for us to go through the platform growth the way that it is planned.

All our remaining commitments are on track, and therefore, hopefully, on or before September 2027, we will be converting the remaining portion of our warrants. As far as we are concerned, as Gagan said, and as you have heard us, and probably a lot has seen us during this past period, we have been undergoing a growth story with a transformation.

We are very close on the ground. We are working hand-in-hand with respect to the board level and at the executive level, with respect to a digital AI policy, with respect to a transformation, with respect to all our risk models, our new products that is being launched that the team are going to discuss, and our risk and governance procedures.

From this perspective, we are working with the team in order for us to ensure that this transformation is taken care of and the institutionalization of Sammaan is in place. As everybody is aware, once we have acquired the company back in March, we have focused first in order for us to ensure that we are able to upgrade our ratings.

We have met with all the rating agencies, and the journey has started there. We are further enhancing that in order for us to ensure that our liabilities are well-priced with respect to our cost of funding. What is happening as well that with IHC's international banking relationships and networks, we are also ensuring that there is a great wider access to liquidity across the banks and markets, and we are working on that.

We are working in order for us to ensure that all our borrowing costs are actually contained and are lower. From this perspective, Sammaan's cost of funds has come down every quarter, and it is now in a position where it is going to come even lower during this coming period, and Himanshu will take you through the numbers accordingly.

Now, when we are actually doing that, we also have looked at the institutional progress for the transformation. As Gagan said, now you are actually going to be hearing more from other members of the group, both Himanshu and Sachin, along with their respective teams as well.

We are working with them, and we are actually ensuring that Sammaan is building a full multi-product franchise step by step on the personal loans, the business instalment loans, the gold loans against securities, commercial real estate, with credit funds and portfolio buyouts are various stages of the launches. Also with our digital transformation, we are actually transforming that platform.

The launches are all worked backwards and to the front with their credits, with their scoring, with their digital, and their offering. All of this is being worked on, where Sachin is going to give a full introduction on our operations and where we are phase by phase, and where are we from this perspective. There is a whole schedule, product by product, timing accordingly, as well as all launches.

From a technology and digital perspective, we are actually working on that as well, as we have said. This is a clear entry point condition that we have put. There is a digital and AI policy. There is a digital risk governance platform that is all being worked on, and it is being empowered.

From this perspective, we also have a representation on Sammaan's Board subcommittees, such as the audit committee, the risk management committee, the asset liability committee, the IT strategy committee, where we have experts who sit as invitees on these committees and are actually also looking into that and having a clear oversight.

We are actually having a balance between the transformation, and we are ensuring that the teams are working closely hand-in-hand with our Centre of Excellence at Avalora, bringing in all the correct governance and the institutionalization into perspective. What we can give you assurances that governance is being worked on, digital AI, we have a clear foundation, and our growth is coming forward over the upcoming quarters.

As far as we are concerned, we are committed, we are there, we are working hand-in-hand, and quarter by quarter, the numbers will unfold, products will be launched, market is going to hear us more and more, and we are going to be coming back and unfolding all the transformation journey that we are working on.

Now, I will actually move on giving the floor to Himanshu, who will take you through our financial performance and execution, and then after that, we will have Sachin, who will give you a deeper dive with respect to our products, our operations, and our market presence. Thank you, everybody.

Himanshu Mody: Thank you, Your Excellency, and Gagan. Thank you for setting such a clear vision for Sammaan with clear targets and aspirations for all of us. Good afternoon, everyone. Thank you for joining us for today's Q2 FY27 earnings presentation. I will be using the earnings update that has been uploaded on the exchanges and our website, and also been emailed on the Sammaan Capital investor update to all of you.

Let me begin by thanking our shareholders, investors, and other stakeholders for their continued confidence in Sammaan Capital. Personally, it's a pleasure and privilege for me to present the Q2 FY27 financial results of Sammaan. On a personal note, it has been little over a year since I joined Sammaan. My initial six months were focused on closing the IHC acquisition transaction, which we did successfully on 30th March, 2026.

The next four to six months, we have worked as a team to map out our capital strategy and long-term plan. I am now starting to get involved in operations of the company step-by-step. This quarter is an important milestone in our journey. Over the last several quarters, we have been focused on strengthening the foundation of the organization, rebuilding institutional capabilities, enhancing governance, and creating a more diversified, scalable retail-leading franchise.

Since 2018, the company has repaid more than INR1.4 lakh crores of borrowings, which is one of the largest deleveraging journeys I have seen in corporate India. That chapter built our discipline, our resilience, and our credibility with lenders. Today, it becomes the foundation on which our growth journey begins. I believe we are now entering an important phase where the benefits of the work undertaken on the foundation are beginning to translate into business momentum.

Our message today is straightforward. Sammaan Capital is transitioning from stabilization to growth with stronger governance, a strengthened capital base, improving asset quality, and a multi-product retail lending strategy. Let me take you through the progress that we've made in the subsequent slides.

Let me begin with the key developments during the quarter 2. There are five important themes I would like to highlight. Number one, governance, which both Gagan and Her Excellency have spoken of. We have continued to strengthen the board and our control environment with greater institutional oversight and clearly defined accountability.

We welcomed Her Excellency Dalia Khorshid as an IHC nominee on our board and appointed BDO as a co-sourcing partner for internal audit. Importantly, we've strengthened the independence of our control functions.

The CRO will now report to the risk management committee, while the Chief Compliance Officer and the head of internal audit will report directly to the audit committee. We believe that the strong governance must be embedded in operating structure of the organization rather than being limited to policies and processes.

Second pillar is the capital. Our parent, Avenir, through IHC, continues to be a significant pillar of our transformation. Avenir, the IHC entity, converted the first tranche of warrants by investing INR906 crores ahead of its time, taking its promoter shareholding from 28.34% to 33.32%. The

remaining warrants represent a further capital infusion of INR2,291 crores, which shall convert by September 2027 in one or multiple tranches, increasing the promoter holding to approximately 43.28%.

Our third pillar is the product and distribution expansion. We are moving beyond our traditional mortgage franchise and building capabilities across personal loans, business loans, loan against securities, and gold loans. Personal loans are moving from a pool purchase-led strategy towards our own origination through the existing branch network.

Our gold loan product policies have been approved with a soft launch planned in this quarter, Q3 FY27, and a commercial rollout in the fourth quarter of FY27. Our branch network has expanded from 217 to 245 branches across 20 states. In the subsequent slides later in the presentation, my colleague Sachin will talk in greater depth about this.

Number four, our business momentum continues. During the quarter, we disbursed INR6,278 crores, representing 62% growth over the previous quarter. Approximately 30,700 loans were disbursed in the Q2, taking our first half disbursements to approximately 42,600 loans. Finally, technology and AI, which both Her Excellency and Gagan have emphasized upon.

We are investing in platforms that will enable us to scale the business efficiency while strengthening risk management and operational controls. To use some examples, Salesforce loan origination system has been rolled out to over 20 branches, and a countrywide rollout is planned in Q3, which is this quarter.

We have implemented more than five IT projects during the quarter, which I will talk about in subsequent slides. These developments are interconnected. We are not simply looking to grow the balance sheet. We are building an institution capable of delivering sustainable and responsible growth. Overall, the quarter reflects progress across the key building blocks of our transformation.

Let me now take you through our operating and financial performance. Our assets under management stood at INR59,188 crores at the end of Q2 FY27, compared with INR56,239 crores in the previous quarter. Disbursements increased to INR6,278 crores, up by 62% quarter-on-quarter. On asset quality, we have continued to see significant improvement.

Our gross NPA declined to 0.15%, while the net NPA stood at 0.11%, compared to 0.21% and 0.15% respectively in Q1 FY27. Our profit before tax has increased to INR425 crores compared to INR326 crores in Q1 FY27, representing a growth of approximately 30%. Profit after tax has increased to INR312 crores from INR243 crores on a quarter-to-quarter improvement of approximately 28%.

Our net worth stood at INR19,445 crores, and this is before the receipt of INR906 crores, which was received from first tranche of warrants that was converted on 30th October 2026. Capital adequacy for the company remained at a comfortable level of 20%. Return on assets improved to 1.5%, while the return on managed assets have improved to 1.3% on a cumulative basis.

The broad message is that we are seeing growth in disbursements, improvement in asset quality, and stronger profitability alongside a continued focus on capital and liquidity. A part of our loan book is now carried as a fair value book, which means a portion of what we would otherwise be economically interest income is reflected under net gain on fair value changes rather than in the interest income line.

The headline interest line on its own understates the picture when you read it together with fair value and our assignment and sell-down income, the underlying earnings power of the book comes through more clearly. The gross margin computed as the sum of these elements, less the interest expense, is INR517 crores in this quarter, which represents 2.9% of our assets.

From here on, the direction of travel is positive as our cost of funds continue to decline, supported by our rating upgrades and the backing of our new promoter. As the fair value book is revalued and our loan book grows, we expect net interest income, and with it, our margins to expand steadily. We remain confident of progressing towards our guided margin of around 3.5%.

Let me now briefly discuss the industry opportunity that underpins our growth strategy. India's NBFC sector represents a significant opportunity with an overall credit market at INR63 trillion in FY26 and is expected to expand substantially over the next two years. With this, retail credit is an especially attractive opportunity. The NBFC retail credit market is expected to increase from INR26 trillion in FY26 to INR37 trillion by FY28.

More importantly, our core addressable segments within this, which is housing loan, personal loan, and gold loans, are expected to grow from INR17 trillion to INR24 trillion over this period. Our aspiration within that market is a mere 2% of market share. This represents an opportunity to participate in a market growing at approximately 19% CAGR.

We believe Sammaan is well-positioned to participate in this growth. We have an established mortgage franchise, a growing distribution network, and expanding leadership and opportunity to build additional product capabilities. Let me move to progress we have made in executing our transformation strategy, as mentioned by Her Excellency and Gagan.

Our transformation is built around two phases: stabilize the foundation and then scale the growth. The first phase has been about strengthening the foundation. The Board has been reconstituted with additional nominees from IHC and IHC oversight across key functions and strengthened independence of our risk, compliance, and audit functions. We have also enhanced our assurance framework through appointment of BDO as our sourcing partner.

More importantly, we are maintaining a meaningful level of provisioning with total provisions representing 10.2% of the loan book. Having established these foundations, we are now focused on scaling the business. Our growth strategy is centered on building a multi-product retail franchise.

During first half of FY27, we have initiated or expanded our personal loan against securities, commercial real estate lending through credit funds, and portfolio purchases. In the second half of this fiscal, we intend to expand further into retail and e-commerce lending, micro LAP, rural home loans, and gold loans in the second half.

Our FY27 growth roadmap envisages INR10,000 crores of disbursement in H1, which we met the target, slightly exceeded, and approximately INR20,000 crores in H2. We also expect to expand our branch network from the current 245 branches towards approximately 300 branches. The important point is that we are moving from a period of rebuilding to a period of execution. Governance being in place, the organization's foundation is stronger.

Let me now discuss the FY27 operating roadmap. Our full-year AUM target is approximately INR70,700 crores, compared with INR59,188 crores at the end of Q2. Our loan book stood at INR46,482 crores against a full-year target of INR53,000 crores. First half disbursements were INR10,123 crores, and a full-year disbursement ambition is INR30,100 crores. PAT for H1 stood at INR556 crores against a full-year target of INR1,400 crores.

Our cost of funds stood at 9.8%, and we are working towards our stated target of 9.3% while remaining mindful of the evolving interest rate environment. Back in the day, we had to pay higher one-time processing fees, which we no longer have to. Therefore, the cost of funds in coupon actually paid in on borrowings. It excludes one-time fees and charges, which are amortized over the tenure of the facility.

We are also investing significantly in manpower and frontline capacity to support the next phase of growth. We recognize the second half will require a substantial acceleration in business execution. The investments we have made in people, technology, distribution, and products are designed to support this acceleration. One of our important long-term objectives is to strengthen the institution's credit profile and progress towards a AAA rating.

Today, we have a AA+ rating, and our ambition is to build the financial and operating credentials required for AAA. There are five key pillars that support this journey. The first is strong capitalization. Our net worth stands at INR19,445 crores, with additional capital expected from remaining warrant conversion plus the retained earnings, or quarter-on-quarter.

The second is superior asset quality. Our gross NPA stood at 0.15%, reflecting the improvement in our portfolio quality. Thirdly, our parent and strategic support. IHC has committed investments of INR8,850 crores, and its involvement brings strategic oversight across critical functions.

Fourth is funding and liquidity. Our scale, more importantly, diversified funding relationships and repayments from the existing AUM are important elements of our liquidity framework. Fifth, and not the least, is the management and governance. We have strengthened our leadership team, enhanced the board, and established more robust control structures.

However, we recognize that achieving a AAA rating requires consistency over time. It will require sustained portfolio growth, diversified retail lending, superior asset quality, sustainable profitability, and a return on managed assets which is above 2%. Our focus is on building these credentials through execution rather than pursuing growth at the expense of quality.

If we look at our key financial trends, there are encouraging developments across several parameters. Our asset quality has improved significantly, with net NPA declining from 0.83%

in Q1 FY26 to 0.11% in Q2 FY27. The return on assets has improved from 1.3% in Q1 FY27 to 1.5% in Q2 FY27.

Return on managed assets has improved from 1.1% to 1.3% over the same period. We are also working towards improving operating efficiency as the business scales. The cost-to-income ratio remains an area of focus, and we expect the investments in technology, branch productivity, and manpower utilization to contribute to operating leverage over time.

We believe the next phase of our journey should be characterized by growth accompanied by improving profitability and efficiency. Let me now take you through the composition of our portfolio and how we intend to improve the quality and diversification of our business. Our portfolio strategy is based on four operating models. The first is originate-and-assign.

Here, we originate loans through our distribution network and subsequently assign them to banks and other financial institutions. This provides a capital-light business model, generating servicing income and excess spread. The second is originate-and-hold. This involves originating higher-yielding products and retaining them on our balance sheet, thereby building net interest income. Third is the pool purchases.

This allows us to acquire seasoned loan pools from partner lenders and accelerate the expansion of our portfolio while developing our own origination capabilities. Fourth is partnering with private credit funds. This provides us the opportunity to co-originate and participate in transactions alongside with institutional partners while sharing the risk on a pari passu basis.

Moving on to our current portfolio mix. Our current portfolio reflects the diversity of our lending franchise. The residential housing finance, including affordable housing and mortgages, represents approximately INR31,445 crores. Secured business loans and home loan equity represent approximately INR14,741 crores.

Commercial real estate, project loans, plot loans, and lease rental discounting represent approximately INR11,118 crores. Other loans, including unsecured business, working capital, and personal loans, account for approximately INR1,543 crores. Loan against securities represents approximately INR270 crores.

The total AUM of INR59,188 crores during FY27 Q2, where we disbursed INR6,278 crores across all of these products. An important aspect of our portfolio is the quality of our lending. Approximately 94% of our Q2 disbursements were secured loans. Our blended cumulative collection efficiency stood at 99.6%.

We believe that the diversified portfolio, a secured lending bias and strong collection efficiency provide a sound platform for sustainable growth. At the same time, as we introduce new products, we will remain disciplined on underwriting standards, customer selection, and portfolio monitoring. That is our scorecard for the half.

I will now hand over to my colleague, Sachin, for him to walk you all through the product and distribution strategy and the expansion and scale-up plans that he and his team are working towards. Sachin, over to you.

Sachin Chaudhary: Thank you, Himanshu, and good afternoon, everyone. Himanshu called the numbers, the scorecard, and the customer the game. So let me talk about the game. Behind every number you have heard today is a real person, a family buying its first home.

Gagan Banga: Sachin, can you be a bit louder, please?

Sachin Chaudhary: Okay. So is it better now?

Gagan Banga: A bit more louder.

Sachin Chaudhary: Yes. Is it better now?

Gagan Banga: Yes, it is better now.

Sachin Chaudhary: Right. So behind every number you have heard today is a real person, a young family buying its first home, a shop owner borrowing against property to expand his business, a salaried professional who is looking for a personal loan quickly and fairly. Our job is to say yes to the right customer quickly and say it safely. In May 2026, we told you that the first two years of growth would be led by mortgages, what we know best.

The business we know best is going to build our future, while we will be building the new engines alongside. That is exactly what you see this quarter. If you refer to the current slide 16, this is about scaling the mortgages. Our mortgage franchise continues to be the backbone of the organization. We have been in this business for more than 20 years now.

We are now scaling this business through three important investments: people, branches, and technology. On people, we have got more than 3,600 people dedicated only to mortgages, and out of this, almost 25% of the employees have a vintage of more than 15 years with us, having seen three to four economic cycles. These are the resources who have seen it all during the last two decades.

We added more than 1,000 employees during H1, and 95% of these hires are purely our retail franchise people, and 87% are deployed at the branches. We have also strengthened the senior leadership team with experienced professionals across critical functions. Our distribution, we have expanded to 245 branches, and now we are working towards approximately 300 branches by year-end. We may surprise you with a dozen more if all goes well from here in the economy and the markets.

Our focus is increasingly on Tier 2 and Tier 3 cities and underserved semi-urban markets. Our technology, Salesforce CRM, is already live. Salesforce LOS is being rolled out, while our core LMS, Loan Management System, is undergoing an upgrade. These investments are intended to improve sourcing, turnaround time, customer experience, and operating efficiencies.

We are also continuing to leverage our originate-and-assign model, the CLA model we expertised phase 2022-2025. Historically, we have sold down approximately INR108,000 crores of mortgage pools across 24 banks and financial institutions partners. Importantly, the 90 plus day delinquency on these sold-down pools has remained below 0.5%.

This demonstrates our experience in originating and distributing mortgage assets while maintaining disciplined underwriting and collection efficiencies. Going forward, we intend to combine capital-light prime mortgage origination with higher-yielding affordable mortgage growth on our own balance sheet.

Now we will refer to Slide number 17, which talks about the new products, the unsecured journey we have started on the personal loan and the business loan sides. Next slide, please. An important component of our diversification strategy is the expansion into personal loans and business instalment loans.

We are building these businesses on a shared leadership, technology, and distribution platform. In personal loans, we have already established a presence through portfolio purchase and tie-ups. Our target products have an average ticket size of approximately INR2 lakh, a tenure of around two years, and yield of approximately 16%-17% on a portfolio purchase book.

We are now moving towards our own origination through 20 identified branches, supported by assisted and digital journeys. The technology and credit decisioning platforms are being developed to support this transition. In business instalment loans, we are preparing to serve MSME customers with an indicative ticket size of approximately INR18 lakhs-INR20 lakhs and a yield band of around 14%-18%.

The product policies have been approved, and the operational and technology build-out is progressing. Our approach is deliberately phased. We will use seasoned pools to seed the portfolio, build the technology and credit infrastructure, conduct soft launches, and subsequently scale our own origination. We believe this approach allows us to enter new segments in a measured manner while leveraging the infrastructure and customer access we already possess.

Referring to another Slide on 18, which talks about another new product we are launching, which is gold loans. Gold loans represent another attractive opportunity for Sammaan Capital. The product policies have been approved, and we are working towards a soft launch in approximately 16 branches during this quarter, quarter 3.

The subsequent rollout is planned across 30 more branches in quarter 4, with a wider expansion during financial year '28. The product will be secured against gold jewelry, with an indicative ticket size of approximately INR2 lakhs and a yield range of 11%-13%, and opportunities for higher-yielding segments as well.

We are building the technology and operating infrastructure required to manage the complete customer journey as an independent platform. This includes gold valuations, collateral management, disbursements, repayments, closures, and branch-level vault controls. We have also brought in dedicated product leadership with specialist experience in gold loans business.

Our strategy is to leverage our existing branch network, introduce the product in a controlled manner, and gradually build scale. Gold loans are an important addition to our secured retail lending portfolio and provide another avenue for diversifying our revenue and customer franchise.

To do this, we require people, and please refer to slide number 19, our hiring engine. A transformation of this scale requires the right people and talent. During H1, we hired almost 1,123 employees, of whom 1,072 are dedicated in retail franchise only. We have made 20 senior hires at AVP level and above to strengthen our branch at the senior level. Our total on-roll manpower stood more than 4,500 now at the end of September.

In addition, about 250 offers are already been accepted, and people are serving the notices before joining. We are particularly focused on strengthening the front end of the business. Approximately 87% of our H1 hirings was deployed at branches only. We have also been consciously sourcing talent from leading private sector banks, small finance banks, and high-rated NBFCs.

As we launch gold loans and expand our retail products, our hiring will be aligned with actual business rollout requirements. The objective is to create a deeper institutional bench with strong capabilities across sales, credit, operation, collections, and control functions. We believe that people will be one of the most important differentiator as we scale the operations.

With that, I hand it back to Himanshu to take you through the technology and governance that powers all of this. Thank you. Himanshu?

Himanshu Mody: Thank you, Sachin, for that encouraging outlook on our growth strategy. As Sachin mentioned, technology is central to our transformation. And over the past few quarters, talking about certain specifics, we have moved from building the technology infrastructure to putting these platforms into live business usage. We now have 2,418 Salesforce users across sales, credit, and the contact center.

Since its launch in June 2026, the platform has generated more than 2.09 lakh leads. We have implemented over 12 IT projects between June and October, with additional projects underway. Our focus is on four broad areas, which include risk and compliance, cost optimization, faster turnaround times, and productivity and growth. On the AI front, we have identified 53 specific AI use cases, of which 35 are targeted for implementation during this financial year '27.

All these applications will support areas such as early warning systems, underwriting, operational efficiency, compliance, and customer servicing. We are also establishing, as Gagan mentioned, a separate center of excellence for both AI and technology, data, and architecture standards.

Our objective is not to adopt to technology simply for the sake of digitization, but to build a more intelligent, scalable, and efficient lending institution where technology strengthens decision-making and enhances customer experience, at the same time improving risk controls. Bottom line, we are investing significantly in IT and AI capabilities, both on the software and manpower front.

Let me now move to the leadership and governance structure of the organization. We have made significant progress in strengthening our leadership team. Today, we have close to 25 senior leaders across business, finance, treasury, analytics, technology, HR, and control functions, and more on their way.

We have dedicated leadership across our retail franchise, with functional heads reporting into Sachin. We have also strengthened our risk compliance, information and security, and internal audit functions with an IHC Centre of Excellence oversight. The objective is to create clear accountability, professional management depth, and institution continuity.

We are building an organization that is less dependent on individual functions and more driven by strong processes, system, and leadership accountability. Our Board also has been strengthened with experienced professionals from banking, financial services, corporate finance, governance, and public administrations.

The participation of IHC nominees brings additional strategic and institutional oversight. Along this, our independent directors bring significant experience in financial services, audit, taxation, and governance. We believe a strong board supported by the independent control functions and experienced management is essential for building long-term stakeholder confidence.

Governance is not just a regulatory requirement for us; it is a fundamental component of our long-term business strategy. Let me also take this moment to thank our Interim Chairman, Mr. Dinabandhu Mohapatra, former MD and CEO of Bank of India, who completes his final term with us on 22nd November. His guidance through this defining period has been invaluable. We will continue to see further strengthening of the Board in the near future.

Let me now move to the capital support from our promoter, IHC. As we mentioned earlier, on October 30th, Avenir converted the first tranche of its warrants, taking its holding from 28.34% to 33.32%. The balance tranche comprises approximately 21.98 crores warrants, representing a further investment of INR2,291 crores. Upon full conversion by September 30, 2027, subject to terms of warrants, the promoter shareholding is expected to increase to approximately 43.28%.

The total potential capital infusion across both tranches is INR3,197 crores. We see this as an important demonstration of IHC's strategic commitment to Sammaan Capital. This capital strengthens our ability to fund growth, invest in distribution and technology, and build a more diversified lending franchise.

Equally important is the strategic oversight and institutional support that comes with this partnership. We believe the combination of a stronger capital base, professional governance, and growing retail franchise creates a compelling platform for the next phase of our journey. This would also take the book value of our company from INR162.6 per share currently to INR153.9 per share upon conversion of all the warrants, and this is without any retained earnings accounted for beyond 30th September, 2026.

With this, I now conclude my presentation, and now we can open the floor for question and answers. Moderator, over to you.

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

Himanshu Mody: We can start.

Moderator: Yes, sir. We take the first question from Aekansh Jain. Kindly unmute yourself and introduce yourself and proceed with the questions, please.

Aekansh Jain: Thank you. Hi, everyone. This is Aekansh from Barclays Bank. Thanks for the opportunity, and firstly, congrats on the results to the entire Sammaan team. So my question is, how is the team thinking about the impact of the rising interest rate environment on your margins as well as loan growth over the next 12-18 months, especially considering achieving the full-year targets that was mentioned in the presentation?

Gagan Banga: Yes. Hi, Aekansh. Thanks for the question, and thanks to Barclays for the support. We are in a rising interest rate environment, and as you may have noticed, over the last few days, finally banks have also started passing on the increased rates. The liquidity environment is tight. There was a phase of almost one and a half months where there was very limited transmission which was happening, especially in retail loans.

I believe the transmission has started. We cannot obviously avoid interest rates rising in the environment, and therefore, the percentage of the coupon that we will pay or we are targeting to pay will accordingly rise. But the good thing is that on a comparative basis, our cost of funds, even if hypothetically there was an immediate transmission of up to 100 basis points.

So let's say tomorrow morning, in a worst-case kind of a scenario, RBI is to increase repo rates by 100 basis points. Even in that type of a scenario, the absolute coupon that we pay would still be declining, which is a unique position to be in and a competitive advantage in the short to medium term. All of our peers, because their balance sheets are already much larger and they are operating at a significantly lower cost of funds, would see the percentage coupon rising on an absolute basis.

Our percentage coupon will be falling. If there is transmission, which one is witnessing in the marketplace, we are more focused on the spread that we earn per loan, and that I think sanity will continue to remain in the marketplace and the spreads will be maintained. I am not particularly worried about the spread management.

The company has just recently increased with effect from November, the whole book by 25 basis points, while our cost of funds are still declining, which is also evident in the interest expense line. So our spreads in the near term will actually possibly expand, which is always the case for an NBFC in the first phase of a rising interest rate environment. All in all, in the short to medium term, we are good.

Aekansh Jain: Okay. Thanks a lot. Understood.

Moderator: Thank you. The next question is from Varun. Please introduce yourself and proceed.

Varun: Yes. Hi, this is Varun from BlackRock. Three questions from me. First is, clearly there is exciting multiple growth themes ahead, but I also see that there is a push and pull factor, so to say, given that there will be increased costs from branches going from 270 to 800. There is a 50% increase in expected employee headcount.

While on the other hand, business plans that you announced in the earlier quarters, it showed that PAT growth from FY28 itself, you expect a run rate growing to almost INR800 crores per quarter. I am trying to reconcile the two increased costs, the rising rate and run rate being talked about, but also the PAT expectations are expected to go up by three times. If you can help in understanding how these factors will coincide.

The second question is, Gagan, earlier you mentioned strong relationships with the UAE banks over the last six months. It would be helpful if you can elaborate on that relationship and how that has contributed so far, and obviously the expectations ahead. The third question is probably for both IHC representatives and the management. We still see the stock hovering around the price where IHC had come in.

While we see a strong growth momentum as far as management expectations are concerned, but it seems still that the market has not really appreciated it, with the price to book still hovering less than one time. If you can help understand, or your thoughts as to why the market has not appreciated all this outlook yet. Thank you.

Gagan Banga: Thanks, Varun. I will request Sachin to handle the first question, and I will handle the second and the third. Sachin, if you can just explain the pulls and the pushes of building the retail business.

Sachin Chaudhary: Sure, Gagan. Thanks, Varun. Varun, for us, we are already a mortgage player for more than 20 years now. As I shared in my presentation, we are playing out on two themes. One, that we are strengthening our mortgage franchise and penetrating more towards the Tier 2 and Tier 3 cities. At the same time, we are also working on the new product, which is primarily personal loan, business loan, and gold loans. While doing so, we are taking a very, very calibrated approach.

Yes, we are opening up the branches, and we are also expanding our manpower. But what we are doing, we are focused ourselves on the front end only, wherein the branch comes in, and a typical mortgage branch takes almost around six months to breakeven, and a personal loan and a business loan branch takes around four to six months, depending on the scale and ticket size of the market, to breakeven. Gold is typically a workout of around 12 to 18 months to break out.

We are making a calibrated approach. We are keeping an asset-light model where the margins are low. We are not keeping it on the balance sheet. We are keeping the high-margin books on the balance sheet. At the same time, we are also collaborating with the partners on buyout of pools, which leaves us a clean margin and gives us a learning.

The final, the foremost is the technology. We are using the technology, we are putting the latest, we are going to use the AI models and STP process so that our throughput in our products are going to be highly efficient and give us an edge in the market in the speed. At the same time, will also give us an edge on the cost of operations.

Gagan Banga: Yes. Thanks, Sachin. Varun, the second and the third question and part of the first are sort of interlinked, so I will give you a more holistic answer. Your question on UAE banks. There are a couple of large UAE banks, one of which is within the wider IHC family and has already

extended support of over USD150 million at fairly competitive rates, continues to work with us, has become one of our prime bankers.

The other one, I am quite sure, will be doing a similar size transaction over the next couple of months. The more important thing is directionally, and which will also support the P&L, which will give us the firepower to continue to invest in branches and people, is a lowering cost of funds. As a very, very large bondholder and one of our biggest supporters in the world, you would have noticed that our bonds have repriced, which is a reflection of how incremental cost of funds are moving.

With these funds coming in to support us, I think directionally the cost of funds are moving down, and that movement down will only get accelerated by banks which are in a position to better appreciate that we are part of the IHC group and therefore support us. As far as the stock price is concerned, while managing this business for the last two-plus decades, I have seen cycles where the stock trades below book, trades at par to book, and then trades at significant multiples to book.

The one strong correlation that I have over the years realized is that with a little bit of a lag, a declining cost of funds will typically result in the multiple, as in price to book, improving. If there is a material credit rating change, that just further increases the multiple. We saw some bit of re-rating from halftime book to wherever we are, as I would imagine the promoter coming in and consequentially the credit rating moving up.

As cost of funds decline, the competitiveness increases. To your point, we get more firepower for the franchise to grow, the multiple will improve, and subsequently, as we've detailed, the goal is to get to AAA. As we get to that level, the multiple will further improve. As management, we are more focused on achieving the milestones which will get us to that higher credit rating.

I believe that the price-to-book multiple and the re-rating which has to come will happen as an outcome of the operational performance and the moats that we are creating via our AI adoption, via building a franchise which is unique, that we are probably the only non-bank in the country which is originating and selling, and also acquiring loans via pools at the same time. We are doing the whole nine yards.

We are also partnering with banks, with non-banks, with credit funds to improve the yields by earning management fees. All types of revenue streams are kicking in. As this scales up, I think we have a good case for the re-rating to happen. Thanks. I hope I answered your question, Varun.

Moderator: Thank you, sir, for answering those questions. We'll take the next question from Nayantara Ghosh. Kindly introduce yourself and proceed.

Nayantara Ghosh: Hi, this is Nayantara from Deutsche Bank. Congratulations to the SCL team on the strong results. My question is if you could elaborate a bit on your funding plans going forward for the next 12 months or so, given I understand there should be some cash depletion due to the high growth of disbursements that's expected. As well as if you could comment a little bit on what you see as the optimal funding mix between bank loans and debt securities. Thank you.

Gagan Banga: Thanks, Nayantara, and thanks to Deutsche Bank as well for all the support that you guys have provided, especially in the international markets. Our ideal mix between term loans and bonds, which are rupee term loans and rupee bonds, they would typically be about 60% of our borrowing, half and half. So 30% rupee bonds, 30%.

Ultimately, 20% should be coming from assignments, pass-through certificates, and the variety of instruments which exist, co-lending, etcetera, which exist for us to build an AUM outside of the balance sheet loans. The balance 20% would be split roughly 10%-15% via dollar bonds and 5%-10% via dollar loans.

We are doing fairly well as far as the absolute value of dollar bonds are concerned. The costs are always a problem, but that is the cost that one is paying for diversification. So broadly, this would be the continuing trend as far as the borrowing mix is concerned. We have learned it the hard way, I would say, that there is no point of borrowing short, lending long. So, the ALM matching is extremely critical.

Thankfully, the asset maturity is roughly three to four years on an actuarial basis, and there is enough money via bank term loans, bonds, as well as overseas borrowings which are available in that type of a maturity. Assignment, co-lending, etcetera, is anyways perfectly matched. We are merely a pass-through. That should be typically the mix, and that is what we are putting down when we are projecting our costs and spreads and all of that.

Moderator: Thank you. We will take the next question from Sagar Pamnani. Please introduce yourself and proceed. Mr. Pamnani? Yes, please proceed.

Sagar Pamnani: Yes. Thank you for the opportunity. Sagar from Bajaj Alternative. So, my first question, and also congratulation on the quarter and achieving INR10,000 crores plus disbursement in H1 as guided. My first question is in terms of fee income and securitization. So quarter 1, we discussed that your assignment income would kick in by around October and would offset some of the cost.

So, just wanted to understand in this quarter we have seen derecognition was only INR7 crores, gain on derecognition was INR7 crores, and fee income fell from INR59 crores to INR33 crores. So, how much was sold down in the quarter and how much is expected in H2? And is the 30% securitized guidance intact for the full year?

Ramnath Shenoy: Yes. This is Ramnath Shenoy. I head analytics and FP&A. On the upfront fee income, so this is calculated at the end of every period based on the outstanding sold-down stock and the outstanding spread on the loans that we sold down. In this quarter, the banks increased their rates, so the spreads got squeezed.

What is going to happen next quarter is we would be increasing our rates as well with a lag, so you will see us making this up. So both our lending rates and the rates that the banks charge us on the portfolio that we sold down are on a floating rate basis. So from time to time, you will see this kind of fluctuation, but over a period of time, this will remain fairly steady.

Gagan Banga: Yes, we have increased rates from 1st November, so a two-month impact would be witnessed where we will catch up, and then if there is to be any further increase, we will pass that on as well. As a theme, the way that income derecognition is calculated under Ind AS, it is a fluctuating number. Ram has tried to explain some of the moving parts. All in all, I think this will be an expanding line over, let us say, a two to three quarter type of average.

Sagar Pamnani: Understood. Can I squeeze in one more question?

Gagan Banga: Yes, yes, Sagar. Please.

Sagar Pamnani: Yes. The Interim Chairman exits on November 22nd. Wanted to know who succeeds him and will an IHC nominee Chair the Board? Also, what's the status of the Big Four stat auditor?

Gagan Banga: Sagar, we are transforming the Board. The starting point that IHC had made was that their presence as a promoter is non-disruptive, be it at the board level or at the management level. As independent directors retire, there would be induction of new independent directors. IHC is seized with that, management is seized with that. You will hear of those announcements in good time, and you will hear of a strong Chairman -- Chairperson being appointed very shortly.

As far as the auditor rotation is concerned, that auditor rotation will be happening next year. We are engaged with all the large audit firms in the country, and you will be very comforted with the appointment as well. We've already appointed BDO as a part of the internal audit function, as a co-sourcing partner. Audit firms of that stature would be the stat auditor as well.

Sagar Pamnani: Thank you so much and all the best for future quarters.

Gagan Banga: We'll take the last question, please.

Moderator: Yes, sir. Sir, the last question for today is from the line of Abhishek Jain. Kindly introduce yourself and proceed.

Abhishek Jain: Thank you, sir, for taking my question. Just a question on the fundraising part, as the earlier participant has agreed. We have warrants which are going to be converted in September '27, which is going to lift our market holding to 43.28%. Is there any further plan to reach the majority stake?

Gagan Banga: At this time, I will speak more as management. Abhishek, I think we are extremely well capitalized.

Abhishek Jain: Okay.

Gagan Banga: Our focus is to walk in the direction of return on asset and return on managed assets to achieve their targeted goals. Eventually, that has to play out over the next four to six quarters on a competitive ROE. The business per se is not in need of capital.

So, I will speak from a business and balance sheet manager perspective. The business certainly does not need. IHC, as I understand, has an option to convert this anytime between now and September 2027. Let us first cross that bridge, and then we will see where to go from there.

Abhishek Jain: Thank you, sir. Just a last question. There are certain targets which are given by management on terms of disbursement and profitability. Are they intact for this year?

Gagan Banga: Yes, they are all intact. We have, as a matter of fact, detailed out that INR10,000 crores is what we have done, INR20,000 crores is what we intend to do. And how things are placed today, we are fairly confident that we should be able to meet targets around disbursals and profits and so on and so forth.

Abhishek Jain: Thank you. Thank you very much. Thank you.

Moderator: Thank you. Thank you, sir. That was the last question for today.

Gagan Banga: Thank you, everyone.

Moderator: Yes.

Gagan Banga: Thank you, everyone. Thank you, everyone, for joining this call. Thank you, Her Excellency, for your presence on the call.

Dalia Khorshid: Thank you. Thank you, Gagan. Thanks, everyone.

Gagan Banga: Yes. And on that note, I would like to conclude and looking forward to speak with all of you next quarter. Thank you.

Himanshu Mody: Thank you.

Moderator: Thank you, members of the management.

Dalia Khorshid: Thank you.

Moderator: Thank you, ma'am.

Dalia Khorshid: Thank you, everyone.

Moderator: On behalf of Sammaan Capital Limited, that concludes this conference. We thank you for joining us, and you may exit the meeting now. Thank you.