Sammaan Capital Ltd — Feb 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Beat **One-line:** Sammaan Capital has successfully decoupled its future from its legacy through the impending IHC investment and the reorganization of its lending structure, turning a survival story into a well-capitalized growth play.

Dimension	This Quarter	Signal / Evidence
Beat/Miss vs Guidance / Prior Quarter	Beat	PAT of ₹314 Cr vs ₹302 Cr YoY; asset quality (GNPA 1.2%) outperformed steady-state expectations.
Earnings Quality	Moderate	Profitability supported by net gains on fair value changes (₹519 Cr) and derecognition (₹79 Cr).
Guidance Confidence	Strong	Management reiterated legacy book rundown targets and provided a specific 270 bps cost-of-fund reduction goal.
Management Credibility	Strong	Delivered on de-promoterization; transparent handling of the legacy PIL matter during the call.
Business Quality Signal	Improving	Transitioning to a tech-led, asset-light model with 75% CLM/25% DA mix.
Key Q&A Exchange	Q#1 Strategy / Q#5 Borrowing Cost	Management quantified the impact of IHC's entry on the liability side (270 bps saving target).
The Street's Primary Anxiety	Regulatory Approvals & PIL Overhang	Analysts focused on the timeline for RBI/SEBI approvals and the potential liability from the PIL.
Capital Cycle Stage	Growth Pivot	Exiting a multi-year consolidation/de-leveraging phase; preparing for massive capital infusion.
Margin / Return Ratio Trajectory	Improving	NIMs protected by CLM; ROE set to re-rate as gearing increases from 2.2x to 4.5x target.
Pricing Power	Stable	Yields at 9.4%–10.5% in retail mortgage remain competitive for the targeted self-employed segment.
FCF Conversion & Quality	Strong	Robust legacy book collections (₹5,000 Cr net YTD) providing liquidity buffer.
Competitive Moat Signals	Widening	Tech-led "eMortgage" platform and 24 active bank partnerships for sell-downs create a friction moat.
Balance Sheet Strength	Strong	Net worth at ₹22,423 Cr; gearing low at 2.2x; LCR at 211%.
Working Capital Efficiency	Improving	Move to CLM framework reduces the need to carry high-quality liquid assets on book long-term.
Mgmt Guidance Track Record	Reliable	Legacy book reduced from ₹120,525 Cr (FY19) to ₹20,162 Cr (Q3FY26), meeting rundown targets.
Key Vulnerability / Red Flag	Governance (Legacy PIL)	Ongoing Supreme Court PIL involving the former promoter remains a reputational risk, though financial risk is capped.

Overall Thesis Verdict: The thesis has fundamentally shifted from a "distressed legacy HFC" to an "IHC-backed retail NBFC platform." The ₹8,850 Cr capital infusion is the final clearing event that removes the liquidity/funding cost handicap that has suppressed ROE for six years. While the legacy PIL remains a headline risk, the

zero principal exposure to the disputed loans makes it a governance distraction rather than a balance sheet threat. Investors should look for the formal share allotment to IHC as the definitive re-rating trigger for the stock.

---

2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: PPT figures used as primary source. Concall used for Mgmt Commentary column and any number absent from PPT.

Metric	Current Qtr (Q3FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
NII Growth (%)	Not in document	-	-	→	Mgmt focused on shifting from spread-based to fee-based income via co-lending.
NIM (AUM basis %)	Not in document	-	-	→	Yields on HL (9.4%) and LAP (10.5%) suggest stable retail margins.
Cost of Funds %	~9.0%	↓	→	↑	Incremental borrowing at 9%; targeting 270 bps drop by March '27 post-IHC.
Loans Growth (% YoY)	~2.9% (AUM)	↑	↑	↑	Total AUM ~□64,162 Cr (Growth □44k Cr + Legacy □20.1k Cr). Volume is pivoting.
GNPA %	1.2%	↓	↓	↑	Asset quality remains benign; Stage 3 at 1.1% in legacy book.
NNPA %	0.7%	↓	↓	↑	Maintained via aggressive provisioning and recovery focus.
Slippage Ratio %	Not in document	-	-	→	Stage 2 transition remains low (8.4% of legacy book).
Credit Cost (% funded assets)	Not in document	-	-	→	Long-term target of 100 bps for core mortgage product.
Collection Efficiency %	Not in document	-	-	→	Bumper collections expected in Q4 per seasonal patterns.
Capital Adequacy / CET1 %	34.8% (FY25)	-	-	↑	Set to spike further post-□8,850 Cr equity infusion.
PAT (□Cr)	314.08	↑ 3.9%	↑ 1.8%	↑	Profitable turn maintained; 9M PAT at □957 Cr.
Fee Income Growth %	120.1%	↑	↑ 44.4%	↑	□59.41 Cr vs □26.99 Cr YoY; driven by higher co-lending disbursements.
Revenue (□Cr)	2,157.54	↑ 7.0%	↓ 4.1%	→	Growth driven by Fair Value gains (□518.7 Cr).
ROCE (%)	Not in document	-	-	→	ROE currently low due to over-capitalization; target to re-rate via leverage.
Cash Flow (OCF)	Not in document	-	-	→	Net recoveries of □5,000 Cr YTD provide strong liquidity.
Net Debt / (Cash)	42,430 (FY25)	↓	-	↑	Repaid ~□2,00,000 Cr gross debt since 2018; gearing 2.2x.
Working Capital	Not in document	-	-	→	LCR at 211% provides massive headroom vs regulatory 100%.

2B. SEGMENT BREAKDOWN

Segment	AUM (□ Cr)	YoY Growth	Yield (%)	Trend	vs Avg	Key Development
Growth Book (Retail)	44,000	↑	9.4% - 10.5%	↑	Higher	75% of new growth book is residential property backed.
Legacy Book	20,162	↓ 50.8%	Not stated	↓	Lower Qual	Reduced from □38,807 Cr in FY24 to □20,162 Cr in 9M; Q4 bumper targets set.
Sammaan Finserve	~6,200	↑	High (Micro)	↑	Yield Acc.	Proposed merger into Sammaan Capital to unify mortgage distribution.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	AUM Growth	Steady state by May/ June 2026.	Needs monthly ramp-up post-CLM regulatory migration in Jan.	Consistent de-leveraging delivered over 5 years.	Tech integration delays.
Guidance	Cost of Funds	270 bps reduction by March 2027.	Blended cost must drop from ~9.5% to <7% via credit rating upgrades.	Achieved AA+ historically; currently rebounding.	Rating agency lag.
Guidance	Payout Ratio	30% - 40% Dividend Payout.	Sustainable once ROE exceeds cost of equity post-infusion.	Previously a high-dividend payer pre-crisis.	RBI regulatory caps.
Guidance	Capex / Branches	10 branches/quarter currently; ramp up post-investment.	Minimal capex impact; mainly OpEx (15-18% cost savings target via tech).	Reorganized network from 8,000+ branches (Legacy).	Hiring quality talent.
Strategy	Business Model	General purpose NBFC / Full suite.	Expanding from Mortgage-only to MSME/Mid-market.	Pivot from HFC to NBFC-ICC completed.	New product credit risk.
Balance	Leverage Target	4.0x - 4.5x Gearing by 2030.	Requires ~□80,000 Cr - □1,00,000 Cr incremental AUM on □22k Cr net worth.	Reduced from 8.2x (FY18) to 2.2x (Current).	Growth vs Asset Quality.
Strategy	Recoveries	□4,500 Cr cash recovery over next 3 years.	~□375 Cr per quarter; currently recovering □400-500 Cr gross/qtr.	On track; □5,000 Cr net YTD recoveries.	IBC litigation timelines.

4. ANALYST Q&A

Q#	Relevance (1–5)	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility (1–5)	Verdict
1	5.0	Amish Kanani / Knowise	Capital Allocation	Strategy	"How do we look at our leverage post the transaction... and how are we planning to use say profits?"	Management intends to increase leverage to 4x–4.5x by 2030 and adopt a 30-40% dividend payout ratio once IHC capital is deployed across a wider product suite. This signals a transition from capital conservation to an aggressive ROE-generation phase.	None	5.0	Clear and quantified
2	4.0	Amish Kanani / Knowise	Recoveries	Financials	"Should we assume that the targets... for the second half, should we be easily able to achieve that?"	CEO noted that while targets are aggressive, the team is on track to deliver, particularly with "bumper" Q4 collections. This ensures the legacy book continues to provide liquidity for the new growth book.	Specific □ value of Jan recoveries	4.0	Directional with evidence
3	4.5	Meet Nitin Mewada / Sunrise	Regulatory	Management Commentary	"Is there any specific condition payment pending as of February 2026 [for	Management clarified that the application is ~3 months old and they are in the final stages	Exact RBI timeline	3.0	Vague but consistent

Q#	Relevance (1–5)	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility (1–5)	Verdict
					RBI approval]?"	of the 6-9 month typical approval cycle. Any delay in this approval is the primary hurdle to the thesis re-rating.			
4	3.5	Meet Nitin Mewada / Sunrise	Operations	Business Overview	"In which new cities did the company has expanded... how many branches added?"	Company is adding ~10 branches per quarter, focusing on Tier 3/4 cities, with a plan to reach 400-500 cities post-investment. Scale-up is deliberately throttled until the IHC capital is in the bank.	Names of specific new cities	4.0	Logical strategy
5	5.0	Sambit Roy / Credit Analyst	Financials	Financials	"Could you give any projections... on the lines of the revenue and the cost of credit?"	Management guided for a 100 bps credit cost for the core mortgage product but deferred revenue guidance until the post-investment strategy is unveiled. This suggests a significant strategy shift is being kept "under wraps" until the IHC deal closes.	Revenue guidance	3.0	Deflected — key signal
6	4.0			Financials			None	5.0	

Q#	Relevance (1–5)	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility (1–5)	Verdict
		Sambit Roy / Credit Analyst	Legacy Book		"Can you mention what is the sort of proportion of the legacy book to the growth book?"	Management referred to granular details in the PPT, noting the legacy book is now only ~30% of total AUM. The rapid shrinkage of this book reduces the "legacy drag" on the overall ROA.			Specific figure given
7	3.5	ASN Raju / Individual	Provisions	Financials	"What was the total provisions? And what is the estimated time to recollect all those?"	Management targets ₹4,500 Cr in net cash recoveries over 3 years, using recovered amounts to maintain a provision buffer until the legacy book drops below ₹10,000 Cr. This indicates a conservative "provision-release" strategy to protect future earnings.	Current provision stock	4.0	Directional with evidence
8	4.5	Faizaan Joad / Singularity	Borrowing Cost	Financials	"Clarify the incremental cost of borrowing... and color on the uptick in interest expense?"	Interest expense rose due to aggressive dollar and domestic bond issuances at ~9%, with a goal to drop the stock cost by 270	None	5.0	Specific and quantified

Q#	Relevance (1–5)	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility (1–5)	Verdict
						bps by March '27. The current high expense is a "liquidity premium" the company is paying to ensure stability during the transition.			

PATTERN FLAGS & SENTIMENT Analyst concern remains heavily anchored to the "Execution of Pivot." There is visible skepticism about whether an HFC can transition smoothly into a general NBFC without credit accidents. Management's posture was highly transparent, especially regarding the legacy PIL, which helped mitigate governance fears. The move to merge Sammaan Finserve was well-received as a simplification signal.

Analyst sentiment is "Cautiously Optimistic." The entry of IHC is viewed as a game-changer for the liability side, which has been the company's Achilles' heel since 2018. However, the lack of immediate revenue guidance suggests analysts will wait for the first post-infusion quarter to rebuild their valuation models. The greatest risk remains a potential regulatory snag or a "kitchen-sinking" of the legacy book in Q4.

GUIDANCE GAPS REVEALED IN Q&A | Topic | What Mgmt Claimed (Opening) | What Q&A Revealed | Gap / Walk-back | Risk to Thesis | |-------|----------------------------|-------------------|-----------------|----------------| | Branch Expansion | "Expanding coverage" | Only 10 branches per quarter currently. | Expansion is on hold until IHC money arrives; slower start than PPT might imply. | Moderate — delays 2027 volume targets. | | Cost Savings | "15-18% cost savings" | Savings will be reinvested into tech/people. | OpEx ratios might not drop as fast as expected because savings are being "sweated" back into growth. | Low — better for long-term moat. |

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter	This Quarter	Direction
Corporate Structure	Sammaan Finserve as separate subsidiary.	Proposed merger of Finserve into Sammaan Capital.	↑ Improving (Simplification)
Legacy Book Size	~₹24,894 Cr (FY25)	₹20,162 Cr (9MFY26)	↑ Improving (De-risking)
Gearing	1.9x	2.2x	↓ Deteriorating (Slightly)
Asset Quality (GNPA)	1.3%	1.2%	↑ Improving
Governance Clarity	Ambiguity over PIL impact on IHC deal.	Management confirmed IHC is "fully aware" and done legal DD; financial risk nil.	↑ Improving
Product Strategy	Mortgage Finance Focused.	Pivot to "Full Suite NBFC" / General Purpose.	↑ Improving (TAM Expansion)
Liability Strategy	Stabilizing.	Aggressive 270 bps reduction target set.	↑ Improving

INVESTOR NOTES: * **The IHC Infusion Floor:** The ₹8,850 Cr investment is priced at ₹139/share. This provides a hard valuation floor and effectively "buys" the company out of its liability crisis. * **Accounting Volatility:** Gains on fair value (₹518 Cr) and derecognition (₹79 Cr) are now major PAT drivers. Core NII is currently suppressed by the high "liquidity premium" in borrowing costs. * **The ROE Re-rating:** Management’s goal to move gearing from 2.2x to 4.5x implies they intend to double the balance sheet using IHC’s capital. At 2.5% ROA, this targets a 15-18% ROE profile by FY28-29. * **PIL Watch:** The CBI's affidavit stating the company is a "victim" and that no public money was lost is a massive legal de-risking event that the market hasn't fully priced in. * **CFO-to-PAT:** While quarterly CFO is not provided, the ₹5,000 Cr net recovery YTD vs ₹957 Cr PAT shows a high "cash to earnings" quality in the legacy wind-down phase.