Sammaan Capital Ltd — Nov 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Beat (Operational & Strategic) **One-line:** The long-term thesis has fundamentally upgraded from a "survival/recovery" story to a "global growth platform" following the ₹8,850 Cr IHC investment, which effectively removes the liability-side risk and funding cost overhang.

Dimension	This Quarter	Signal / Evidence
Beat/Miss vs Guidance / Prior Quarter	Beat	PAT of ₹308 Cr vs massive loss YoY; funding cost reduction already visible in $450M bond.
Earnings Quality	Moderate	Profitability still supported by ₹468 Cr derecognition gains, but core credit metrics are stabilizing.
Guidance Confidence	Strong	Management has pivoted from "survive" to "capacitize" for ₹35,000 Cr of annual disbursals by FY27.
Management Credibility	Strong	Successfully secured a world-class strategic parent (IHC); delivered on de-promoterization and de-leveraging.
Business Quality Signal	Improving	Transformation to a general-purpose NBFC with a tech-heavy IHC ecosystem partner.
Key Q&A Exchange	Q2 + Strategy	Mgmt confirmed mortgage focus remains core (80%) but IHC's tech will drive product expansion.
The Street's Primary Anxiety	Execution on Growth	Concern shifted from "liquidity" to "can they actually scale to ₹35k Cr disbursals?"
Capital Cycle Stage	Growth Pivot	Transitioning from high-leverage wholesale legacy to equity-rich, asset-light retail growth.
Margin / Return Ratio Trajectory	Improving	Cost of funds set to drop ~200 bps post-deal, which mgmt claims is a 50% impact on PAT.
Pricing Power	Stable	Competitive in mid-to-low income retail; co-lending tech provides a friction-less moat.
FCF Conversion & Quality	Strong	Legacy collections of ₹9,000 Cr-₹10,000 Cr annually provide significant internal liquidity.
Competitive Moat Signals	Widening	Exclusive access to IHC's tech/AI ecosystem and a massive equity cushion vs peers.
Balance Sheet Strength	Strong	Gearing at 2x; set to drop further post-₹8,850 Cr capital infusion.
Working Capital Efficiency	Improving	Asset-light strategy (co-lending) reduces capital lock-up; parallel decisioning with banks starts in Dec.
Mgmt Guidance Track Record	Reliable	Legacy rundown of ₹9,000 Cr YoY is exactly on pace with long-term targets.
Key Vulnerability / Red Flag	Product Transition	Risk in pivoting from a mortgage-only shop to a "general purpose NBFC" during a credit cycle.

Overall Thesis Verdict: The thesis is no longer about Indiabulls Housing's legacy; it is about Sammaan Capital's future as a well-capitalized, IHC-backed retail powerhouse. The ₹8,850 Cr investment at ₹139/share provides a valuation floor and a 200 bps cost-of-funds tailwind that structurally improves ROA potential. We are watching the FY27 guidance refresh (expected in 2 quarters) for the new "steady-state" ROE target.

2. BUSINESS PERFORMANCE

2A. KEY METRICS DATA SOURCE: PPT not available — numbers from concall.

Metric	Current Qtr (Q2FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
NII Growth (%)	Not in document	-	-	→	Mgmt focused on NII compression as a natural outcome of retailization/legacy exit.
NIM (AUM basis %)	5.5%	-	-	→	Reflects increasing retailization of the AUM.
Cost of Funds %	9.0% - 9.5%	↓	↓	↑	Incremental borrowings at 8.5%-9.0% now; post-IHC target is 7.5% handle.
Loans Growth (% YoY)	2.4%	(AUM basis)	0.0%	→	Total AUM ~□42,000 Cr. Growth AUM offsetting legacy rundown.
GNPA %	Not stated	Benign	Benign	→	Mgmt states asset quality across stages is "fairly stable."
NNPA %	Not stated	Benign	Benign	→	Maintained at benign levels through legacy rundown.
Credit Cost (% funded assets)	Not stated	-	-	→	Mgmt targeting 100 bps steady-state post-transformation.
Capital Adequacy / CET1 %	Not stated	-	-	↑	Net worth at □22,373 Cr; Tier-1 set to spike post-IHC infusion.
PAT (□Cr)	308	Turned Profitable	-7.8%	↑	YoY comparison vs □2,761 Cr loss. QoQ vs □334 Cr (Q1).
Fee Income Growth %	Not stated	-	-	↑	Linked to co-lending model; □468 Cr derecognition gain in Q2.
Derecognition Gain (□Cr)	468	-	-36.1%	↓	Catch-up gain was □732 Cr in Q1; Q2 reflects normalizing flow.

2B. SEGMENT BREAKDOWN

Segment	AUM (□ Cr)	YoY Growth	Margin / Yield	Trend	vs Company Avg	Key Development
Retail (Growth)	~42,000	↑	Lower Yield	↑	High Quality	Core of asset-light strategy; parallel bank decisioning starts Dec.
Legacy Book	~23,000	↓ 28%	High Spread	↓	High Risk	Reduced □9,000 Cr YoY; target □15,500 Cr by end of FY26.
Sammaan Finserv	~6,200	↑	High (Micro)	↑	Yield Accretive	Subsidiary strategy under review with IHC; targeting □10,000 Cr AUM.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Disbursals	₹35,000 Cr in FY27.	Current run-rate ₹15,000 Cr; needs 133% growth in 18 months.	Recovering	Execution/Hiring risk.
Guidance	Legacy Rundown	Reach ₹15,500 Cr by March 2026.	Needs ~₹7,500 Cr reduction in 2 quarters; ₹9k Cr reduced in last 4.	On Track	Back-ended recoveries.
Guidance	Branch Expansion	500 branches (4x growth).	Aggressive hiring and infrastructure rollout required.	New Target	Cost-to-Income spike.
Strategy	Liability	Blended cost reduction of 200 bps.	Immediate dollar bond yields already 150 bps lower post-deal news.	Strong	RBI approval timeline.
Strategy	Product Mix	General Purpose NBFC.	Expansion beyond mortgages into low-to-mid income retail.	New Pivot	Credit underwriting in new silos.
Balance	Capital	₹8,850 Cr preferential issue.	Shareholder approval received; RBI/CCI pending (~4 months).	Improving	Regulatory delays.

4. ANALYST Q&A

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Credibility	Verdict
1	4.0	Anil Sarin / K16 Advisors	Growth Strategy	Management Commentary	"Should one assume... other products would be additive to take care of the extra capital?"	Management confirmed that while mortgages remain the core, the product suite will expand to absorb the ₹8,850 Cr capital and normalize growth at 20-25% post-catch-up. This signals a more aggressive AUM growth phase starting FY27 to protect ROE.	None	4.0	Directional with evidence
2	4.5	S. Alluri / Individual	Liability Cost	Financials	"What is the current borrowing rate? What will be nearby?"	Management reported current rates at 9.0-9.5%, but expects a drop to a 7.5% blended handle once the IHC transaction is formal. A 170-200 bps reduction in cost of funds would structurally re-rate the bottom line by 50%+.	None	4.5	Specific and quantified
3	4.0	Rucheeta Kadge / I-Wealth	Subsidiary AUM	Business Overview	"What was the AUM for us during the quarter in Sammaan Finserv?"	AUM is ~₹6,200 Cr, flattish QoQ, but management retains the FY26 target of ₹10,000 Cr. The	None	4.0	Specific figure given

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Credibility	Verdict
						strategic review with IHC may delay aggressive scaling in the very near term but the target is intact.			
4	5.0	Rucheeta Kadge / I-Wealth	Derecognition Income	Financials	"Net gain on derecognition... Kind of run rate we should look at?"	Management guided to a 4% steady-state income stream on co-lending flows, despite Q2 being higher due to rates and accounting shifts. This allows analysts to model sustainable fee income without the one-time volatility seen in Q1.	None	5.0	Clear and quantified
5	4.0	Vinayak Dujari / Vinayak Sec	Legacy Provisions	Financials	"What further provisions should we expect from the legacy book?"	Management declined to split legacy provisions, stating that in 2 quarters they will provide a single credit cost number for the entire AUM. This implies a transition toward "normal" reporting where the legacy book is no longer a	Specific legacy split	3.0	Deflected — key signal

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Credibility	Verdict
						distinct overhang.			
6	4.5	Amish Kanani / Knowise	Cost of Fund Savings	Strategy	"How do you think about building our product suites with a lower cost of funding?"	Savings will be split three ways: widening product suite, increasing ROA target to 2.5%, and funding heavy investments in tech/ branches. This suggests management will not compete on price alone but will invest to build a sustainable retail franchise.	Exact ROA per product	4.0	Logical strategy
7	4.0	Saumil Bhatia / Motilal Oswal	Mgmt Continuity	Governance	"Should we expect any major change in the senior leadership team?"	CEO confirmed this is an "acqui-hire" mindset where IHC values the core team that stayed through the last 7 years. Stability at the top during a massive capital infusion reduces execution risk.	None	5.0	High credibility

PATTERN FLAGS & SENTIMENT * **Strategic Pivot Support:** Analysts have largely accepted the de-promoterization phase and are now focused on the IHC synergy. The questions shifted from "will you repay debt" to "how will you use IHC's tech to grow." * **Margin Transition:** There is palpable interest in the 200 bps cost-of-fund tailwind. Management's confidence here is backed by the immediate 150 bps yield compression seen in their recent dollar bond issuance. * **Legacy Exit Fatigue:** Management is clearly trying to move the conversation away from "Legacy vs. Growth" into a unified company view. The refusal to provide split credit costs for the next two quarters indicates they want a "clean slate" once the IHC deal closes.

Analyst Sentiment Verdict: Optimistic. The entry of IHC as a 41-63% shareholder has fundamentally resolved the credibility and liability crises that plagued the company since 2018. Analysts are now underwriting a growth story, though they remain cautious about the "General Purpose NBFC" pivot until the new product ROAs are visible.

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5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter	This Quarter	Direction
Ownership Profile	Independent / De-promoterized	Strategic Parent (IHC) announced	↑ Improving
Funding Cost Signal	High/Stable	150-200 bps reduction post-IHC news	↑ Improving
Growth Guidance	Conservative / Asset-light	₹35,000 Cr disbursals target (FY27)	↑ Improving
Management Depth	Core Team	Added Deputy CEO (Himanshu)	↑ Improving
PAT Trend	₹334 Cr (High derecognition)	₹308 Cr (Normalizing)	→ Stable
Derecognition Gain	₹732 Cr (Catch-up)	₹468 Cr	↓ Normalizing
Rating Outlook	Stable	Moody's Review for Upgrade	↑ Improving

INVESTOR NOTES: * **The Re-rating Trigger:** The ₹8,850 Cr infusion at ₹139/share. This isn't just capital; it's a 200 bps reduction in cost of funds that theoretically doubles the company's earnings power once the book stabilizes. * **The Catch-up Phase:** FY27 is the "catch-up" year. Management is capacitizing (people/branches) now to handle a 130% jump in disbursal volume. * **Earnings Quality:** Strip out the ₹468 Cr derecognition gain to see the core. While the gain is "real," its magnitude is still volatile as they transition accounting models. * **Growth Attribution:** Q2 performance was driven by realization (cost of fund anticipation) rather than volume (Total AUM was flat). Real AUM growth is unlikely until FY27. * **The "Clean Slate":** Management's refusal to split legacy/growth credit costs next quarter is a sign they intend to use the IHC deal closure to "kitchen-sink" or re-base the entire book. Watch the March 2026 quarter for final legacy impairments.