**Date: May 20, 2025**

**Scrip Code – 535789, 890192**
**BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001

**SAMMAANCAP/EQ, SCLPP**
**National Stock Exchange of India Limited**
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (E).
MUMBAI – 400 051

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended – transcript of conference call – financial results for the quarter and financial year ended March 31, 2025**

Dear Sirs,

We refer to our intimation dated May 16, 2025, informing that the Company has uploaded the audio recording of the conference call hosted by it on May 16, 2025, to discuss the financial results of the Company for the quarter and financial year ended March 31, 2025, on its website.

In this connection, pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 notified by SEBI on May 5, 2021, please find enclosed the transcript of the said conference call. The said transcript is also being uploaded on the website of the Company.

Please take the aforesaid intimation on record.

Thanking you,

Yours truly,
For **Sammaan Capital Limited**
*(formerly known as Indiabulls Housing Finance Limited)*

AMIT KUMAR JAIN
Digitally signed by AMIT KUMAR JAIN
Date: 2025.05.20 17:49:44 +05'30'

**Amit Jain**
**Company Secretary**

**CC:**
**Singapore Exchange Securities Trading Limited, Singapore ("SGX")**
**India International Exchange IFSC Limited ("India INX")**

"Sammaan Capital Limited Q4 FY '25 Earnings Conference Call"

**May 16, 2025**

| | |
|---|---|
| **MANAGEMENT:** | **MR. GAGAN BANGA – VICE CHAIRMAN AND MANAGING DIRECTOR, SAMMAAN CAPITAL LIMITED** |
| **MODERATOR:** | **MR. KAMAL MULCHANDANI – INVESTEC CAPITAL SERVICES** |

**Moderator:** Ladies and gentlemen, good day and welcome to the Sammaan Capital Limited Q4 FY '25 Earnings Conference Call hosted by Investec Capital Services.

As a reminder, all participant line will be in listen only mode and there will be an opportunity for you to ask question 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 Mr. Kamal Mulchandani from Investec Capital Services. Thank you and over to you, sir.

**Kamal Mulchandani:** Good evening. Welcome to the Earnings Conference Call of Sammaan Capital Limited. We have with us on the call today, Mr. Gagan Banga - Vice Chairman and Managing Director, joined by other senior management of Sammaan Capital and Sammaan Finserve Limited.

I would now like to hand over the call to Gagan sir for his opening comments, after which we will take the question-and-answer round. Over to you, sir.

**Gagan Banga:** Thank you, Kamal. Good afternoon and thank you everyone for joining this call. We are mindful of the fact that it is Friday and so we didn't want to push it to the evening where we usually do a call at 5:30 PM here, so we preponed it to 4:00 PM. I hope it makes it more convenient for everyone.

We have announced our results earlier today. Fiscal '25, if we put it in perspective, was a transformational year for us both at an operating level as well as at a big picture shareholding governance and the overall business structure itself. We successfully concluded two equity raise transactions, one Rs. 3,700 crores equity rights issue and then QIP earlier in January of 2025. That strengthened the capital base of the company. It also strengthened the CAP table of the company at the top. Now our top 5 large shareholders own approximately 25% of the company. As we went through the process of de-promoterization over the last 3-4 years, the erstwhile promoter used to own about 21% of the company, so there is that solidity now there in the shareholder base.

We also went through a transformation of our license itself and the brand. Now, we are slowly settling into the brand Sammaan, and we hope that as the months passed by, the brand recognition of Sammaan improves over a period of time and it becomes solid brand standing for all the virtues that we would like it to be standing for customer service, quick solutions, etc., in due course of time.

The other emphasis has been on building up of what we call the growth AUM, which is the business that we would like to do going forward, home loans, loan against property and selecting type of wholesale transactions. That growth AUM has now reached as much as Rs. 37,000 plus crores, rising from approximately Rs. 26,000 crores last year and now stands at about 60% of the total AUM. Within this AUM, a very important element of success was to firstly establish and then to scale up our asset light model. That is moving along well. There is a high rate of acceptance close to about 95%-96% of the loans that we do are being partnered with banks in a variety of structures and this is providing us with the most stable form of ALM, the most durable form of ALM, and hopefully this will also provide a very solid base for growth in the years to come.

Another strategic initiative which we took through the course of the year was to recreate our subsidiary into affordable mortgage focused subsidiary, Sammaan Finserve. That initiative is chugging along well. The company is slightly ahead of the full-year projections that we had made for Fiscal '25 and I hope the same trend would continue through Fiscal '26 as well. A very key element for the success of any non-bank lender is a solid debt program of its own, where there is free flow of capital. Through Fiscal '25, we have established free flow of capital. We have borrowed about 2.3x of what we did in the previous Financial Year, and this should then bring in the next level of competitive advantage driver, which is lowering of cost of funds. The cost of funds can't effectively reduce till the time that you are forced to borrow at any cost in every structure that is behind us. Through Fiscal '25, I think the quantum of borrowings that we have done on balance sheet well establishes that and Fiscal '26 should see us being able to reduce our cost of funds slightly ahead of the reduction which should anyways in normal course come to us with a reducing repo rate.

In terms of specific numbers, as I said, we did an equity raise, the net worth climbs to Rs. 21,822 crores. The AUM stands at Rs. 62,346 crores. The growth AUM is Rs. 37,000. The legacy is just under Rs. 25,000 crores. Net interest income is stable at about Rs. 1,082 crores. PPOP was also stable at Rs. 744 crores. Profit last year same quarter was Rs. 320 crores, this year is Rs. 324 crores. The net interest margin has improved to 6.2%. The gearing has reduced to 1.9x. Gross NPA is down to half at about 1.3%. Net NPA is at 0.8% and the credit rating is stable from both CRISIL and ICRA at AA stable.

We did see an upgrade in our international credit rating and now with the full year results out along with the annual report, we hope to have an engagement with our domestic rating agencies and we are hoping to be put on a positive trajectory over the course of the next few quarters. The numbers essentially witnessed and accelerated the transition of the business model. Our focus was to ensure that even though we are moving from a wholesale focused model to an incrementally more retail focused model, there is steady profitability, and the asset quality should be steady to improving, which is something that we have been able to achieve in the second half of the financial year.

The growth AUM now stands at 60% and it will keep climbing up. What is most comforting is that the collection from the legacy book in FY '25 was at its highest ever point at Rs. 12,834 crores with Rs. 2,978 crores collected in quarter 4 itself, well in line with the projections that we have done. As I mentioned, a key competitive advantage driver is eventually the cost of funds for any non-bank, but before that there has to be free flow of capital. The other significant achievement so to say was a 2.3x growth on balance sheet borrowings from a variety of banks and also the enhancement of our retail bond issuance program. Now, we have over 88,000 investors who directly invest into our bonds.

We provided a road map to Fiscal '27 and within that we have been highlighting now for the last 4 quarters that we would keep certain disclosures very standard such that the whole business model is very comparable for those who are interested. In that context, on a goal of reaching a Fiscal '27 growth AUM of Rs. 1 lakh crore, we are at Rs. 37,452 crores, still a long way to go. But quite hopeful that as we scale up disbursals at both Sammaan Capital and Sammaan Finserve and the AIF platform starts firing, we should be in a position to hit this number.

The annual disbursals are trending along well. With nominal growth 20%-30% every year, we should be able to achieve our target out there. The incremental ROA is also trending and now with a renewed focus on improving our cost-to-income ratio in the short term, I believe we should be quickly hitting the 3.2% mark. We are currently at 3%. From our organizational ROE perspective, the idea is to transition the company back to being a mid to high team type of ROE company. Our new business is already getting us those kind of ROEs. As the entire balance sheet transforms to what is the growth AUM, the ROEs will eventually appear. We are well ahead of our net NPA goals, but we would still like to stick to the 120-basis points type of range and not over commit ourselves and a clear area of focus for Fiscal '26 is to start driving the cost to income ratio.

The rundown of the legacy AUM continues to remain an area of emphasis for the management. It takes up significant time of the management. Fortunately, the portfolio has been organically run down by over Rs. 1,70,000 crores since in the last 7 years. There is no reason why the tail that we are left with now should also not continue to run down organically and we will achieve a single digit percentage of AUM by Fiscal '27.

Sammaan Finserve, which is a very strategic subsidiary, continues to move forward on its goals towards Fiscal '27. Fiscal '27 goal for balance sheet is Rs. 10,000 crores. We are at Rs. 7,121 crores. The net worth goal is Rs. 3,400 crores. We are at Rs. 3,071 crores. Disbursals annually should be at about Rs. 9,000 crores. We should be looking to get to a run rate of Rs. 500 crores per month within Fiscal '26 itself. So then to be able to get to a goal of about Rs. 750 crores, a month of disbursals from there should not be too much of a stretch.

On AUM, we are slightly ahead, then we are projected at Rs. 6,017 crores. This mathematically with just the disbursals and the run-offs will get us to Rs. 15,000 crores. The ROA will significantly increase as the disbursements increase, and we are targeting 5% plus ROA and a 14% ROE. Our disbursals as we speak are on track and we should be able to get to Rs. 500 crore a month sort of a number in Fiscal '26. And what is also very importantly being done right now is the redistribution of the branch and the people transfer. It is an ongoing exercise, and that exercise is fully underway. It will take us another about 2-3 months. Hopefully, by the end of this quarter, we should be in a position to have Sammaan Finservee operating with an independent distribution, independent leadership team and independent execution team itself.

It brings me to another important update. The company has been focusing on strengthening its leadership program. In that context, we are undergoing a full leadership review. We are looking at allocating senior resources to Sammaan Finserve, beefing up Sammaan Capital's leadership as well. That program in terms of its results has already started showing some initial results. So we just a few months ago hired a new Chief Technology Officer, Dharmvir, who comes with a long financial services experience and has served in mortgage companies like Home First, NBFCs like Hero FinCorp and a small bank like Spandana. So he has the relevant experience of new age as well as a well-rounded experience of financial services, and he has already started to make his mark internally in terms of the technology transformation that we are doing.

We have retained, I would say, globally, one of the largest human consultancy firms to help us do this reorganization and the NRC is deeply involved in that process. I am quite hopeful that towards the end of this quarter, early next quarter, the results of this reorganization and all the efforts that are being put in place to have a very solid succession plan, additions to leadership, etc., all of that from an implementation point of view would also be happening.

Coming back to business:

There has been significant improvement in asset quality. Year-on-year, our Stage-3 assets have dropped from 2.7%-1.3% on a gross basis, on a net basis from 1.5%-0.8%. We continue to use asset recovery reconstruction companies for facilitating the recovery process. That is working along well for us. The credit costs have been guided at about 100 basis points. In the second half of the year after the large provisioning exercise that we did in September, the credit costs have come in at 95 basis points. So we are fairly confident that going forward as well, we should be able to manage credit costs at about 100 basis points. Our total imputed provisions stand at about 33% of the legacy book of Rs. 8,335 crores.

We have introduced the line, a slide. This is Slide #9 where since the business is transforming and the business is moving from balance sheet loans to incrementally, there would be a bump up of loans being assigned in one structure or the other. We have tried to explain the various lines, so those of you interested in building models etc., are guided by this. A primary revenue line is going to be interest income, in which we see income from loans. This should be for Fiscal '26, coming in at an approximate 11.5% of the average loan book for the year. The processing fee that we get on the loans that we disburse is approximately 1.25% of the retail disbursals. Currently, that is running at about Rs. 5,000 odd crores per quarter, so that into 4 with some growth is the estimated processing fees. As the AIF scales up, we expect for that AUM a processing fee of approximately 200 basis points. This is then netted for expenses and amortized. We also get income from loans that we sell of our balance sheet. So we continue to get about 50 basis points to 70 basis points of fee in management fee. Then, there is investment income in the nature of interest that we get which is roughly approximately 7% odd blended for fixed deposits, bonds, etc., that we would be holding.

And as we move forward in the process of recovery, there would be overdue interest amounts which will be sporadic, may come in one quarter or may not come in the other quarter. They would be chunky in nature, and we would continue to use all such overdue interest, write-backs or recoveries largely towards continuing to create provisions. We expect this to be about Rs. 200-Rs. 300 crores for Financial Year '26. There is the fee and commission income that we get, which is linked to disbursals which is around 2% of disbursals. We get net gain on fair value changes. This is again approximately 7% of the investment book for the year. This is largely investment income other than those in the nature of interest. So dividends or something like that we may receive from time to time and then there is the net gain on de-recognition, which is effectively when we do an assignment under Ind AS are required to upfront the prospective income. That turns out to be approximately 4.5% of the value of the loan sold. These are our lines of income. Often during analyst conversations, we were asked these questions, so we thought that it is best that we put this down on a piece of paper. These numbers between Fiscal '26 and '27 would undergo a further change as the business model evolves, certain instruments become more favorable than the other, but this would be broadly the line of revenue streams that we will have going forward.

In terms of the structure, we had shared this structure after our Q2 Earnings. Sammaan Capital is an upper layer NBFC which is mortgaged focused, completely focused on origination and co-lending or assignment of loans. It operates in prime space. On the next slide, in the earning update, we have detailed the home loan and the LAP product that this company focuses itself on as well as via its subsidiary which is Sammaan Finserve which is more focused on affordable home loans and semi-urban LAP loans. Sammaan Finserve is targeting a standalone growth AUM of Rs. 15,000 crores by Fiscal '27 and a steady state ROA of 4% plus by Fiscal '27.

What we have been working on and I am happy to announce that we have done one small transaction through the platform. Hopefully, we will conclude another transaction in the month of May, which is fairly material. This is a platform which will work with several of our partner funds more in our core investment format and this itself expects to be targeting AUM or getting to an AUM of Rs. 15,000 crores and in due course of time, of that Rs. 15,000 crores we expect about Rs. 1,500 crores to be our contribution, which is Sammaan Group contribution be it via the AIF or the NBFC, Rs. 1,500 crores. We have drawn an internal line that we would not want more than 10% of our net worth exposed in all of this, but we expect a 10% contribution to our profits coming from this vehicle.

All in all, between the AIF, Finserve and Sammaan Capital, we are continuing to focus on getting to a consolidated AUM of Rs. 1 lakh crore by Fiscal '27. We have given details about a variety of cuts around the retail business that we are building in terms of collateral, sourcing, income, occupation, CIBIL scores, loan to values, geographical distribution and stages. This is fairly typical of any home loan and LAP focused company. What is going to be of strategic focus through Fiscal '26 is the first reorganization and then the expansion of the branch network. On a consolidated basis, we should get to about 350 branches by Fiscal '27, which would then be further split between Sammaan Capital and Sammaan Finserve.

Our focus remains on continuing with the asset light strategy, which is working well for us. Mode of this asset light strategy is the quality of this portfolio. On slide 15, we have detailed the credit quality of the portfolio. We have also shared some of our partner's names and this would continue to remain an area of high focus, the core funding, requirement of the company would be coming through that and it would reflect in the AUM mix in due course of time.

An important discussion in most of our investor meetings as well as discussions with analysts, etc., continues to remain the pace of the rundown of the legacy book. Whatever we had targeted for Fiscal '25, we have very nicely achieved all of that. As I mentioned earlier, we have had cash collections of Rs. 12,834 crores in Fiscal '25. In this quarter, we have collected Rs. 2,978 crores. As more and more of the projects that we have financed reach a stage of occupancy certificate, then it becomes a process of selling. All of us are aware that there is significant sales momentum in residential real estate. We hope to continue to ride on that for the next year to year and a half and then take out the big risk out of this book.

The ALM continues to remain well managed. We continue to remain fairly liquid given the uncertainties that the world was facing. Entering into April, we had created additional buffers which we will start unwinding in due course of time. The overall buoyancy in the economy from a retail lending perspective continues. I believe there is more, I would say, a steady hand on the regulatory environment as far as NBFCs is concerned. So that is again something that one can now work with that this is the set of regulations and how do we navigate our business through this.

All in all, if I was to kind of summarize Fiscal '25, I would put it as it being a transformational year. As far as Fiscal '26 is concerned, our key areas of focus besides continuing to run down the legacy book and recovering moneys on what we have already provided for or written down or sold to ARCs is going to be to ramp up our disbursals around growth AUM. The 3 pieces of that we have shared with you. We continue to focus on reducing our cost of funds. I think the two key ingredients which were required to finally start playing into cost of funds which is demonstrating to the market, the ability to raise equity as well as getting a free flow of debt capital. Both have already been achieved, and one can now start focusing on reducing cost of funds. The per loan economics would start emerging by reducing cost of funds as well as having a key focus on our cost to income ratio. This I would say is amongst the most important agendas.

And to take it slightly at a higher level, the next area of focus, which is more both execution as well as strategic is to get the AIF firmly off the ground, so that over the next 2 financial years we can build an AUM for around Rs. 15,000 crores there. And what I mentioned the internal reorganization, the senior level hiring, getting on the right talent, succession planning, all of that is again something which I would say is more H1 Fiscal '26 agenda rather than a full year agenda. We had already fairly progressed on this and every few weeks you will keep hearing some or the other announcement around this. That was the year for us and hopefully, fiscal year '26 would be even more constructed as far as we are concerned.

With this, my remarks are over and we are open to questions, now.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sarvesh Gupta from Maximal Capital. Please go ahead.

**Sarvesh Gupta:** Good afternoon, sir. Sir, on the legacy book, we have seen the provisions that you have made, but are you expecting any further losses which have to be routed via P&L on the legacy book?

**Gagan Banga:** So we have guided for an annualized credit cost of 100 basis points. What we have also guided is that the write-backs that we hopefully will get would be back as it in terms of release from the P&L would be back ended. So yes, the company would continue to incur credit costs, those credit costs are well within the budget of what our PPOP can handle. So if your question is do we expect in the near term, any near to medium term, any dip from capital, no, that is not the expectation. I think we are provided well enough. If the other question is do we expect any write-backs in the near to medium term, no, we would continue to carry those provisions as provisions and use them tactically for accelerating the pace, or at least making sure that the pace stays in line with what we have guided. In due course of time, as we come towards the end of Fiscal '27, based on the overall success we have achieved, we will take a call on if there are residual provisions, what to do with those residual provisions.

**Sarvesh Gupta:** So this 100 basis point is inclusive of legacy as well as the growth book. So it will be on the entire?

**Gagan Banga:** Yes, everything.

**Sarvesh Gupta:** And secondly, sir, in this quarter, I can see that versus the previous quarter, there is some 10-15 basis point spike in the GNPA as well as net NPA and last quarter, I think the impairments credit cost was also very low for only Rs. 6-Rs. 7 crores, this quarter, we are seeing Rs. 290 crores. So you can you throw some light on this?

**Gagan Banga:** Yes. So if you recollect in quarter 2, we had done a large provision. So we had done going forward 90 days sort of dive and as part of that exercise itself done whatever we could. Our more normalized net NPA number as I shared in my remarks is about 120 basis points. And that is what we will probably be averaging over the next few years. So unless we are significantly breaching that 120 basis points, I think it is all built into our business model.

**Sarvesh Gupta:** On the overall model, so we have around Rs. 20,000 crores plus of net worth, but if I look at your plans excluding the legacy book on the growth side, most of it is looking to be very asset lighted nature. AIA again would be very asset light, so for this Rs. 1 lakh crore book, how much would be the equity requirement? And once this legacy loans are sort of taken down, then won't we be very over capitalized in terms of equity if we are having this sort of an asset light model?

**Gagan Banga:** We are already barely geared, so we are already in a fairly well capitalized situation. In order to get free flow of capital, in order to get a reducing cost of debt funds, you need to remain in an over capitalized situation for an extended period of time for lenders, rating agencies and other debt side stakeholders to get increasingly comfortable till whatever is the business model that you are striving for, achieves maturity in terms of scale size, season cycle and all of that, so at least over the next 2-3 years, I expect that we would continue to stay in an over capitalized state.

**Sarvesh Gupta:** So then, sir, let us say in FY '27 exit, what could be the ROEs that we are looking at from the growth AUM and overall on the company conventions?

**Gagan Banga:** On the growth AUM, we are targeting high teens, on the overall book we should be hitting mid sort of teens.

**Sarvesh Gupta:** Thanks.

**Moderator:** Thank you. The next question is from the line of Niraj Chhajer from Pransh Capital Partners. Please go ahead.

**Niraj Chhajer:** Hi, Gagan. With regards to Sammaan Finserve, is there a requirement to dilute majority stake in the company under the RBI guideline? And if there is by when you have to get this thing by detail?

**Gagan Banga:** Yes, there is no RBI guideline on this. There is RBI dispensation that we currently enjoy as far as an NBFC owning an NBFC and that is not a structure which will be long term enabled. So during the course of this year, we will go back to RBI with a firm plan around how exactly do we want to run this business and build a distinct business model. As part of that process, we had created a distinct business model in the second half of Fiscal '25. So that is what we would be engaging with the Reserve Bank on and then seeking their guidance in terms of timelines, etc. So as and when there is any update on that, we will certainly inform you. Of this time, we are working on trying to get to Fiscal '26 and AUM of Rs. 10,000 crores and then once we get to that size, with just that size, a lot of optionality happens in terms of whether we want to de-subsidiarize it, whether we want to list it or do what with it. So at this point in time, the focus is more execution in terms of moving forward on a distinct business plan as well as creating the options which would facilitate the overall group.

**Niraj Chhajer:** So just a follow up on this one. The current dispensation given by RBI is for 12 months, which ends in June of 2025. So have you already made an application for extension of that?

**Gagan Banga:** I would not like to comment on whether we have made or not. All I am saying with a high degree of confidence is that as of right now, we are moving forward to be creating in an AUM of Rs.

10,000 crores in Sammaan Finserve as 100% subsidiary of Sammaan Capital and we will take it from there.

**Niraj Chhajer:** Thank you.

**Moderator:** Thank you. The next question is from the line of Nilesh Doshi from ProsperoTree Asset Management LLP. Please go ahead.

**Nilesh Doshi:** Yes. Hi. Just a small question from my side. In Q2, we did a provision of around Rs. 4,000 crores. So can we now assume that this current provision is sufficient enough to cover this current size of a loan book and that no additional provision will be made? And another question that what is the blended borrowing cost and lending cost in terms of percentage? That is all.

**Gagan Banga:** Yes. In terms of provisions, at that time, what I spoke about a few minutes back as a response to the first question as well as through the course of my presentation, we expect an annualized credit cost of about 100 basis points. And that is what we are fairly hopeful and confident that we would continue to run with and the business can get managed within a credit cost of 100 basis points. We currently are borrowing at about a little over 9% and the book is yielding something around with all fees etc., about 13% of which interest income would be coming at about 11%-12%.

**Nilesh Doshi:** And just another thing, out of the total, what is the total provision that we have made from our legacy book and how much of it have we already recovered?

**Gagan Banga:** The total provisions that we have made would be in the ballpark of, so we are carrying existing provisions plus fair value provisions of Rs. 3,710 crores. We expect from stuff that we have written-off which would be in the ballpark of Rs. 10,000 crores, recoveries of around Rs. 3,750 crores. And then there are other recoveries expected of about Rs. 875 crores. So our imputed provisions are at over Rs. 8,335 crores.

**Moderator:** Thank you. The next question is from the line of Asm Raju, who is an Individual Investor. Please go ahead.

**Asm Raju:** Good evening, Gaganji.

**Gagan Banga:** Good evening.

**Asm Raju:** I like to ask when does our AUM start growing as it is declining from last year? And when will our rating improve, overall rating?

**Gagan Banga:** Yes. So as I have been explaining on various calls, you have to look at the AUM in two parts, growth and legacy. There is net reduction in the legacy basis, a strategic decision taken. We have done cash collection with Rs. 12,834 crores. If we continue with these kind of collections, then I believe sometime in the second half of Fiscal ‘26, we should be in a position, on a net basis, grow the overall AUM. So the growth AUM will be growing faster than the reduction in the legacy AUM. As far as rating upgrade is concerned, it is not on me to be able to give guidance on that. We have had a long, good solid relationship with rating agencies. Most of the relationships are 15-20 years old. I think our financials reflect a very solid picture and we expect that through the course of this year, the ratings are put on a positive trajectory. Exactly which quarter, which month, that is very difficult to say.

**Nilesh Doshi:** Overall you are in growth path?

**Gagan Banga:** Yes.

**Nilesh Doshi:** All the best. Thank you.

**Gagan Banga:** I will take one last question, please.

**Nilesh Doshi:** What about the dividend, sir?

**Gagan Banga:** So dividend, we will discuss with the Board and propose a small dividend this year and hopefully a larger dividend next year.

**Moderator:** Thank you. The next question is from the line of Sumit from MK Ventures. Please go ahead.

**Sumit:** Yes. Hi, Gagan. Thanks for taking this question. Just couple of questions. First on the funding side, so with the recent rate cut and our fundraising also behind us and the new governor being little supportive of the NBFC funding environment, we have seen a lot of changes on the liquidity front. So how has the liability side funding side eased up for us in terms of say, incremental borrowing rates as well as quantum? That is one? And secondly, on the co-lending, so the plan that we have for the next 2 years, we see now we are at a stage when look forward to scale up aggressively and co-lending of book is a vital part of our strategy. So what is your sense on the overall systems ability to absorb our volumes and if you can give some color on that, where do we stand on that, whether if we go to say Rs. 1 lakh crore in terms of overall book, including the Finserve, whether we would be able to do that kind of quantum in terms of book to the bankers?

**Gagan Banga:** Sure. Thanks, Sumit for the question. So our incremental rates that we are getting are about 35-ish basis points lower than what we were getting. The back book would get repriced as and when it is a cycle, so we typically would be running at MCLR plus 3-month MCLR or 6-month MCLR. So over the next 3 to 6 months, whatever is the reduction in MCLR so far would also get priced into the stock of bank borrowings. From a quantum perspective, last year as I mentioned we have done 2.3x. In the first 45 days of the quarter, we have probably done 5x of what we would have done in the first 45 days of last year. So very clearly, we are seeing the benefits of reducing rate environment, a steady hand in terms of regulations and so on, so all of that is clearly flowing in from a capital flow perspective. Your question on co-lending is very important. So as we mentioned in a couple of our earlier calls, co-lending is one of the 3 structures which exist, co-lending, direct assignment and pass through certificate. There is both macro and micro traction in all 3 and I will spend a minute on this. Co-lending is a business which has its advantage in terms of the capital circulating very fast. From return on asset, which is the residue left on our balance sheet, it is not as revenue rated as direct assignment. Direct assignment requires you to season the book for 6 months, but then on a longer-term basis, you only have to hold 10%, so you are able to work your capital that much harder. We were mindful of our own liquidity requirements and capital requirements and therefore were not wanting to commit that kind of capital where it is 6 months of money is locked in. Now, with all the positive developments of last year, I think we are in a position. So we are steadily working towards building a larger portion of our mix towards direct assignment versus the earlier years. And by Fiscal '27, I expect direct assignments to rise to 40%. Very interesting development, which also happening is I have been speaking for the last 2 years about the Government of India, focusing on setting up a residential mortgage-backed security issuance system in the country, that has finally taken off, the first transaction of our RMBS happened on the 6th of May. And soon all the other entities would also start working with this company, which has been promoted by the National Housing Bank. And so PTCs in due course of time would also emerge as a very interesting option because just because of the pricing advantage that instrument would have, the transactions would happen at a ballpark range of 7.5%. So asset light is Sumit where we will go, we will not get restricted with co-lending or direct assignment or PTC. We will tactically keep moving between these 2-3 options, depending on where are we getting the maximum return on asset for ourselves and where is the maximum scale that we are being able to build up on disbursals. Co-lending is also restricted to priority sector. There is a proposal to free that up. Let us see where that regulation eventually lands up. So at this point in time, just to sort of summarize, it is a asset light strategy, which is evolving and tapping into pass through certificates, direct assignment of co-lending tactically as and when whatever is best for us, we will use that and probably use each of them every month or every quarter and assign different proportions. As things are right now, it will probably be a 40% co-lending, 40% direct assignment, 20% pass through certificate. This will be the core funding structure which will emerge over the next 4-6 quarters. And if this is something that we are able to move forward on, then I think our desire to get to a 4% sort of ROA should get comfortably met.

**Sumit:** Thanks, Gagan. Very helpful.

**Gagan Banga:** Yes. Thank you, everyone for your questions, for your support and for patiently listening into us. As I said, Fiscal '25 was transformative, Fiscal '26 should be a year of improving returns, returns for all shareholders, returns on all metric, that is what the company is looking at and we finally should be in a position to get to a comfortable ROE, competitive ROE by Fiscal '27. That is the goal with which the management team is working on. So thank you again and look forward to speaking to you shortly.

**Moderator:** Thank you. On behalf of Sammaan Capital Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.