Sammaan Capital Limited

October 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term / Short Term Bank Facilities	8,219.98 (Reduced from 19,500.00)	CARE AA- (RWP) / CARE A1+	LT rating Placed on Rating Watch with Positive Implications and ST rating reaffirmed
Perpetual Debt	100.00	CARE A+ (RWP)	Placed on Rating Watch with Positive Implications
Subordinate Debt	1,801.98 (Reduced from 2,140.00)	CARE AA- (RWP)	Placed on Rating Watch with Positive Implications
Public Issue of Subordinate Debt	198.86	CARE AA- (RWP)	Placed on Rating Watch with Positive Implications
Non-Convertible Debentures	3,042.00 (Reduced from 5,150.00)	CARE AA- (RWP)	Placed on Rating Watch with Positive Implications
Public issue of Non-Convertible Debentures	1,433.29	CARE AA- (RWP)	Placed on Rating Watch with Positive Implications

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has placed the long term rating to debt instruments of Sammaan Capital Limited (SCL - formerly Indiabulls Housing Finance Limited [IBHFL]) on 'Rating Watch with Positive Implications (RWP)' following the proposed acquisition of 41.2% stake in SCL on fully diluted basis by Avenir Investment RSC Ltd (affiliate of International Holding Company [IHC]) by way of preferential issue on a private placement basis, for cash consideration aggregating to ₹8,850 crore (US$1 Billion). CareEdge Ratings expects that the acquisition, once successfully consummated, would benefit SCL in the form of better access to capital, while the fresh infusion of ₹8,850 crore is expected to support the company's business growth in the medium term. This transaction is subject to approvals from applicable statutory authorities including the Reserve Bank of India, Securities and Exchange Board of India and Competition Commission of India. CareEdge Ratings will continue to monitor developments in this regard and take appropriate rating action once the transaction is completed and there is greater clarity on the impact of this acquisition on the company's business and financial risk profile. CareEdge Ratings has reaffirmed the short-term rating to bank facilities of SCL.

Ratings of SCL continues to consider its comfortable capital structure supported by recent equity raise in January 2025, and adequate liquidity buffers. Ratings continue to factor in the group's established track record in mortgage finance business, and its experienced Board and management team.

However, rating strengths are partially offset by delays in scaling up of business as envisaged and moderate profitability metrics. Ratings also reflect challenges in resource mobilisation leading to constrained financial flexibility and delayed resolution/recoveries from its sticky wholesale book, resulting in stress on the asset quality.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Improvement in resource mobilisation from diversified sources at competitive costs in line with peers in the similar rated categories.
- Sustained improvement in disbursements levels leading to consistent growth.
- Improvement in consolidated earnings profile with return on managed assets (ROMA) above 2% and improvement in the share of retail mortgage assets on a sustained basis.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Negative factors: Factors that could, individually or collectively lead to negative rating action/downgrade:

- Incremental cost of borrowing remaining at a higher level compared to peers in similar rated category.
- Persistent challenges in resource raising ability from diversified sources compared to peers in similar rated category
- Deteriorating consolidated asset quality parameters with gross non-performing asset (GNPA) ratio of above 3% and decline in consolidated profitability with ROMA below 1% on a sustained basis.
- Inability to scale up asset light business model consistent with current business levels.
- Deteriorating consolidated liquidity position with diminishing coverage of cash and equivalent to next one year debt servicing.

Analytical approach:

Consolidated; CareEdge Ratings has analysed SCL's consolidated financial statements, owing to financial and operational linkages with subsidiaries and common management.

Refer annexure 6 for list of entities consolidated

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Established track record, experienced management team

SCL is a premier upper-layer non-banking financial company (NBFC) with a establish track record in housing finance business, managing a consolidated assets under management (AUM) of ₹62,378 crore as of June 30, 2025 (March 2025: ₹62,346 crore). In June 2024, the company transitioned to an NBFC after surrendering its Housing Finance Company (HFC) license, in line with its strategy to have more business flexibility. In accordance with the Reserve Bank of India (RBI) condition, no two entities within a single group may hold NBFC/HFC licenses within a 12-month period following the grant of the second license. Consequently, SCL has acquired a legacy portfolio at its fair market value of ₹5,298 crore, after allowing for a provision of 32% at SFL's standalone level in November 2024. Currently, the company is in process of taking RBI approval for extension. Going forward, the company intends to convert SFL into an affordable housing finance company (AHFC) and subsequently divest its stake.

Due to a challenging operating environment, funding constraints, and the downsizing of both retail and developer-finance portfolios, the company's assets have steadily declined — from a peak of ₹1,39,320 crore as of September 30, 2018, to ₹70,052 crore as of June 30, 2025. While the company continues to maintain a sizeable AUM, slower-than-expected growth in its co-lending business, and repayments and reductions in its on-book portfolio, have driven the overall decline in recent years. Currently, the company intends to scale up an asset-light business model in retail and wholesale lending, which is a key monitorable.

SCL's Board comprises seven members including five Independent Directors and one Nominee Director. At the helm of affairs is Gagan Banga (MD and CEO) who has been associated with the company for over two decades. The company's senior management team has been stable and has been associated with the company for over a decade.

Comfortable capital structure

SCL maintains a comfortable capital structure, supported by recent equity raise and a steady decline in gearing. The company raised ₹3,693 crore in FY24 via a rights issue (fully converted by September 2024), and ₹1,300 crore via QIP in FY25. SCL reported a consolidated capital adequacy ratio (CAR) of 35.8% as on June 30, 2025 (March 2025: 29.52%). Reflecting a shrinking scale of operations and strategic shift toward an asset-light lending model, consolidated borrowings fell from ₹1,20,310 crore as on September 2018 to ₹42,726 crore as on March 31, 2025 (PY: ₹48,493 crore), rising slightly to ₹43,090 crore as on June 30, 2025, due to increase in securitisation. Over the years, the share of securitisation has substantially increased in total borrowings.

Consequentially, consolidated gearing (including securitisation) has improved to 2.01 x as on June 30, 2025 (March 2024: 2.48x, March 2025: 2.03x) while net gearing (excluding securitisation) improved to1.75x as of June 30, 2025 (March 2024: 1.96x, March 2025: 1.82x). AUM to net worth too has been, decreasing from 8.86x as on March 31, 2018, to 2.91 x as on June 30, 2025.

Key weaknesses

Ability to profitability scale-up co-lending business to be monitored

The company has been focusing on growing its co-lending business since March 2019, with a view to augment the asset-light business model, which is yet to materialise as envisaged. Though disbursements have picked up in last three-years (grown from ₹11,091 crore for FY22 to ₹15,807 crore for FY25), it has not led to a growth in its consolidated AUM (it continued to de-grow by 5% y-o-y as on March 31, 2025).

SCL's retail AUM has been declining in absolute terms due to repayments or foreclosures and slower-than-anticipated growth in co-lending business. While the on-book portfolio continues to decline in line with company's asset-light model, the growth for off-book portfolio has not picked-up (compounded annual growth rate [CAGR] between March 2022 to March 2025 of 1.2%). This is partly led by legacy book, which is book originated before FY22, which is ineligible for portfolio sell downs. Legacy book stands at ₹24,894 crore as of March 31, 2025 (40% of the total AUM), which the company plans to bring down to ₹15,500 as of March 31, 2026.

Lower-than-envisaged AUM and earnings growth, relatively high opex and borrowing costs compared to peers collectively continues to impact the company's overall profitability. Fee and other income as a percentage of average total assets (ATA) stood at 1.36% in FY25 (PY: 0.53%). Led by SCL acquiring SFL's legacy book (comprising of wholesale and retail) in Q2FY25 as part of corporate restructuring exercise, the credit cost was elevated at 5.9% for FY25 (PY: 0.9%). The company made a one-time provision of ₹1,700 crore before transferring SFL's legacy book to SCL. Due to this company reported a consolidated loss of ₹1,807 crore for FY25 against profit of ₹1,217 crore for FY24. Consolidated ROMA in FY25 stood at -2.10% (PY: 1.41%). In Q1FY26, consolidated return on total assets (ROTA) and ROMA in Q1FY26 stood at 1.93% and 1.59% respectively.

While the company developed a sizeable franchise and distribution business for lending in past; sustained scaling up of co-lending model, fee arrangement with institutions and its, impact on earnings profile needs to be monitored.

Challenges in resources mobilisation

Given modest financial flexibility and company's strategy to adopt asset-light model, the share of consolidated funding raised through securitisation in overall incremental funding sources continuous be in increasing trend (10% in FY18 vs 14% in FY25). However, the share of securitisation in incremental funding for FY25 decreased to 14% (PY: 22%) as company slowed down its securitisation in FY25.

In FY25, incremental borrowings from non-convertible debentures (NCDs) accounted for 24% (PY: 10%), largely reflecting retail bond issuances while share of Bank borrowings decreased to 63% (PY: 74%). In Q1FY26, incremental borrowing comprised bank borrowings (66%) and NCDs (7%) apart from securitisation (28%). The company's incremental cost of funds continues to be slightly elevated at 9.5% in FY25 and 9.2% in Q1FY26, despite rate cuts by the Reserve Bank of India (RBI). This is because a significant portion of its borrowings is linked to marginal cost of funds-based lending rate (MCLR), with the benefits of rate reductions expected to materialize in the near term.

CareEdge Ratings notes that while the company has consciously reduced its borrowing levels to ₹43,090 crore as on June 30, 2025, (March 2025: ₹42,726 crore), from peak levels of ₹1,20,312 crore as on September 30, 2018, its financial flexibility and ability to raise funds at competitive rates across diversified avenues continues to remain constrained.

Modest asset quality parameters and continued susceptibility to risks from corporate portfolio

While SCL has witnessed continued decline in it consolidated wholesale portfolio size, the company continues to face asset quality risks emanating from concentration towards sticky wholesale loans (accounting for 8% of total AUM as on June 30, 2025). On an absolute basis, consolidated stressed wholesale assets (NPAs + security receipts) has reduced to ₹570 crore as on March 31, 2025 (PY: ₹1,904 crore).

Top 10 exposure comprised for 70% as on June 30, 2025 (PY: 47%) of consolidated wholesale portfolio and 15% (PY: 17%) of net worth. While there has been conscious decline in the wholesale portfolio mix and gradual rise in provision cover, top wholesale exposure and NPA accounts continue to remain sticky. GNPA for consolidated wholesale portfolio stood at 5.81% as on June 30, 2025, ((March 2025: 5.88%).

Liquidity: Adequate

As on June 30, 2025, SCL's liquidity has remained adequate with positive cumulative mismatches across time buckets on standalone basis. For the next one year, on consolidated basis the company has debt obligations (including interest repayments) of ₹10,361 crore compared to the inflows from loan portfolio of ₹14,313 crore. SCL had cash and cash equivalents of ₹8,138 crore, which provides additional comfort.

Assumptions/Covenants
Not applicable

Environment, social, and governance (ESG) risks
Although SCL's service-oriented business model limits its direct exposure to environmental risks, credit risk may arise if operations of investment entity in its portfolio are adversely impacted by environmental factors. Social risks in the form of cybersecurity threat or customer data breach or mis-selling practices can affect SCL's regulatory compliance and reputation and hence remain a key monitorable. SCL's board comprises seven members including five Independent Directors and one Nominee Director.

Applicable criteria
Consolidation
Definition of Default
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Withdrawal Policy
Short Term Instruments
Non-Banking Financial Companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Finance	Non-Banking Financial Company (NBFC)

SCL (Formerly Indiabulls Housing Finance Limited) incorporated in 2005, rebranded in July 2024 after obtaining RBI registration as an NBFC–ICC, SCL is now classified as an Upper Layer NBFC. Its former promoter, Sameer Gehlaut, exited in 2021–22 and was declassified as promoter in 2023.

As on June 30, 2025, SCL's shareholding comprised 40.10% public, 23.11% bodies corporate, and 29.94% institutional investors (AIFs, insurers, NBFCs, FPIs). With 223 branches across India, it follows an asset-light, co-lending-led mortgage model, managing an AUM of ₹62,378 crore—73% in home loans, 18% in LAP, and 8% in wholesale real estate loans.

Consolidated - SCL

Brief Financials (₹ crore)	Mar-24 (A)	Mar-25 (A)	Jun-25 (UA)
Total Income	8,625	8,683	2,409
PAT	1,217	-1,807	334
Total Assets*	72,804	69,385	70,052
Tangible net worth*	19,529	21,026	21,414
Gearing (incl. securitisation)	2.48	2.03	2.01
Gearing (excl. securitisation)	1.96	1.82	1.75
AUM/ Net-worth	3.35	2.97	2.91
Net NPA (%)	1.50	0.80	0.83
ROTA (%)	1.65	-2.54	1.92
ROMA (%)	1.41	-2.10	1.61
Interest Coverage (Times)	1.31	0.50	1.39

A: Audited UA: Unaudited; Note: these are latest available financial results
*Net of deferred tax and intangibles assets

Status of non-cooperation with previous CRA:
Not applicable

Any other information:
Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Non-Convertible Debentures	INE148I07JQ6	15-Jan-2019	9%	15-Jan-2029	700.00	CARE AA- (RWP)
Non-Convertible Debentures	INE148I07HX6	08-Sep-2017	8%	08-Sep-2027	1450.00	CARE AA- (RWP)
Non-Convertible Debentures	INE148I07FJ9	22-Jul-2016	9%	22-Jul-2026	25.00	CARE AA- (RWP)
Non-Convertible Debentures	INE148I07FG5	30-Jun-2016	9%	30-Jun-2026	200.00	CARE AA- (RWP)
Non-Convertible Debentures	INE148I07EW5	07-Jun-2016	9%	05-Jun-2026	25.00	CARE AA- (RWP)
Non-Convertible Debentures	INE148I07ES3	30-May-2016	9%	29-May-2026	25.00	CARE AA- (RWP)
Non-Convertible Debentures	INE148I07EO2	10-May-2016	9%	08-May-2026	25.00	CARE AA- (RWP)
Non-Convertible Debentures	INE148I07EM6	29-Apr-2016	9%	29-Apr-2026	207.00	CARE AA- (RWP)
Non-Convertible Debentures	INE148I07EL8	12-Apr-2016	9%	11-Apr-2026	35.00	CARE AA- (RWP)
Non-Convertible Debentures	INE148I07EA1	14-Mar-2016	9%	13-Mar-2026	25.00	CARE AA- (RWP)
Non-Convertible Debentures	INE148I07DV9	08-Feb-2016	9%	07-Feb-2026	50.00	CARE AA- (RWP)
Non-Convertible Debentures	INE148I07DO4	30-Dec-2015	9%	31-Dec-2025	10.00	CARE AA- (RWP)

Non-Convertible Debentures	INE148I07DN6	30-Dec-2015	9%	30-Dec-2025	95.00	CARE AA- (RWP)
Non-Convertible Debentures	INE148I07DL0	20-Nov-2015	9%	20-Nov-2025	170.00	CARE AA- (RWP)
Non-Convertible Debentures*	INE148I07AV5	16-Dec-14	9%	16-Dec-24	-	Withdrawn
Non-Convertible Debentures*	INE148I07BA7	31-Dec-14	9%	31-Dec-24	-	Withdrawn
Non-Convertible Debentures*	INE148I07BV3	19-May-15	9%	19-May-25	-	Withdrawn
Non-Convertible Debentures*	INE148I07CN8	26-Jun-15	10%	26-Jun-25	-	Withdrawn
Non-Convertible Debentures	Proposed	-	-	-	-	Withdrawn
Public issue of Non-Convertible Debentures	INE148I07GN9	26-Sep-2016	ZCB	26-Sep-2026	24.34	CARE AA- (RWP)
Public issue of Non-Convertible Debentures	INE148I07GL3	26-Sep-2016	9%	26-Sep-2026	404.50	CARE AA- (RWP)
Public issue of Non-Convertible Debentures	INE148I07GK5	26-Sep-2016	9%	26-Sep-2026	990.76	CARE AA- (RWP)
Public issue of Non-Convertible Debentures	INE148I07GJ7	26-Sep-2016	9%	26-Sep-2026	13.69	CARE AA- (RWP)
Perpetual Debt	INE894F08095	28-Jun-2012	11%	01-Nov-3000	100.00	CARE A+ (RWP)
Subordinate Debt	INE894F08137	15-Nov-2012	11%	15-Nov-2027	32.60	CARE AA- (RWP)
Subordinate Debt	INE894F08111	30-Jun-2012	11%	30-Jun-2027	49.65	CARE AA- (RWP)
Subordinate Debt	INE894F08103	28-Jun-2012	10%	28-Jun-2027	100.00	CARE AA- (RWP)
Subordinate Debt	INE894F08087	05-Jun-2012	11%	05-Jun-2027	110.03	CARE AA- (RWP)
Subordinate Debt	INE148I08298	08-Sep-2017	8%	08-Sep-2027	900.00	CARE AA- (RWP)

Subordinate Debt	INE148I08215	29-Jun-2016	9%	29-Jun-2026	609.70	CARE AA- (RWP)
Subordinate Debt*	INE148I08181	17-Mar-15	10%	17-Mar-25	-	Withdrawn
Subordinate Debt*	INE148I08199	21-Jul-15	10%	21-Jul-25	-	Withdrawn
Subordinate Debt*	INE148I08207	03-Aug-15	10%	03-Aug-25	-	Withdrawn
Subordinate Debt*	Proposed	-	-	-	-	Withdrawn
Public issue of Subordinate Debt	INE148I08272	26-Sep-2016	ZCB	26-Sep-2026	0.95	CARE AA- (RWP)
Public issue of Subordinate Debt	INE148I08256	26-Sep-2016	9%	26-Sep-2026	195.34	CARE AA- (RWP)
Public issue of Subordinate Debt	INE148I08249	26-Sep-2016	9%	26-Sep-2026	0.15	CARE AA- (RWP)
Public issue of Subordinate Debt	INE148I08231	26-Sep-2016	9%	26-Sep-2026	2.42	CARE AA- (RWP)
Fund-based - LT/ ST-Term loan	-	-	-	30-09-2029	8,219.98	CARE AA- (RWP) / CARE A1+

*Withdrawn/reduced on the maturity of instrument
ZCB: Zero coupon bond

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-Convertible Debentures	LT	3042.00	CARE AA- (RWP)	-	1)CARE AA-; Stable (08-Oct-24)	1)CARE AA-; Stable (09-Oct-23)	1)CARE AA; Negative (27-Dec-22)
2	Subordinate Debt	LT	1801.98	CARE AA- (RWP)	-	1)CARE AA-; Stable (08-Oct-24)	1)CARE AA-; Stable (09-Oct-23)	1)CARE AA; Negative (27-Dec-22)
3	Perpetual Debt	LT	100.00	CARE A+ (RWP)	-	1)CARE A+; Stable (08-Oct-24)	1)CARE A+; Stable (09-Oct-23)	1)CARE AA-; Negative (27-Dec-22)

4	Fund-based - LT/ ST-Term loan	LT/ST	8219.98	CARE AA- (RWP) / CARE A1+	-	1)CARE AA-; Stable / CARE A1+ (08-Oct-24)	1)CARE AA-; Stable / CARE A1+ (09-Oct-23)	1)CARE AA; Negative / CARE A1+ (27-Dec-22)
5	Public Issue of Non-Convertible Debentures	LT	1433.29	CARE AA- (RWP)	-	1)CARE AA-; Stable (08-Oct-24)	1)CARE AA-; Stable (09-Oct-23)	1)CARE AA; Negative (27-Dec-22)
6	Public issue of Subordinate Debt	LT	198.86	CARE AA- (RWP)	-	1)CARE AA-; Stable (08-Oct-24)	1)CARE AA-; Stable (09-Oct-23)	1)CARE AA; Negative (27-Dec-22)
7	Commercial Paper-Commercial Paper (Carved out)	ST	-	-	-	-	1)Withdrawn (09-Oct-23)	1)CARE A1+ (27-Dec-22)
8	Non-Convertible Debentures	LT	-	-	-	-	1)Withdrawn (09-Oct-23)	1)CARE AA; Negative (27-Dec-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Non-Convertible Debentures	Simple
2	Perpetual Debt	Highly Complex
3	Subordinate Debt	Complex
4	Public Issue of Non-Convertible Debentures	Simple
5	Public Issue of Subordinate Debt	Complex
6	Long Term / Short Term Bank Facilities	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Sammaan Finserve Limited	Full	Subsidiary
2	Sammaan Capital Services Limited	Full	Subsidiary
3	Sammaan Asset Holding Company Limited	Full	Subsidiary
4	Sammaan Investment Management Limited	Full	Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Sanjay Agarwal Senior Director **CARE Ratings Limited** Phone: 022-675543582 E-mail: Sanjay.agarwal@careedge.in
Relationship Contact Pradeep Kumar V Senior Director **CARE Ratings Limited** Phone: 044-28501001 E-mail: pradeep.kumar@careedge.in	Priyesh Ruparelia Director **CARE Ratings Limited** Phone: 022-67543593 E-mail: Priyesh.ruparelia@careedge.in Aditya R Acharekar Associate Director **CARE Ratings Limited** Phone: 912267543528 E-mail: aditya.acharekar@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information,
please visit www.careratings.com