Operator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY27 earnings conference call of SMC Global Securities Limited, hosted by Xbillion Advisory. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Gautam Sipani from Xbillion Advisory. Thank you, and over to you, Gautam.

Operator: Thank you. Good evening, everyone, and thank you for joining us on the Q2 and H1 FY27 earnings conference call of SMC Global Securities Limited. Joining us today are Mr. Subhash Chand Aggarwal, Chairman and Managing Director of SMC Group; Mr. Mahesh Gupta, Vice Chairman and Managing Director of SMC Group; Dr. D. K. Aggarwal, Managing Director and Chairman of SMC Capitals Limited; Mr. Ajay Garg, Director and CEO of SMC Global Securities Limited; Mr. Anurag Bansal, Whole-Time Director of SMC Global Securities Limited; Mr. Himanshu Gupta, Director and CEO of Moneywise Financial Services Private Limited; Ms. Shruti Aggarwal, Whole-Time Director of SMC Global Securities Limited; Mr. Pranay Aggarwal, Director and CEO of Stoxkart; and Mr. Rohit Nayyar, Group CFO.

Before we begin, please note that today's discussion may include forward-looking statements, which reflect the company's current views and expectations. These statements are subject to risks and uncertainties, and actual results may differ materially. A detailed Safe Harbor statement is provided in our earnings presentation, available on the stock exchanges and the company's website. With that, I now invite Mr. Subhash Chand Aggarwal to share his opening remarks. Over to you, sir.

Subhash Chand Aggarwal – Chairman and Managing Director: Thank you, Gautam. Good evening, everyone, and a warm welcome to all participants. We hope you had the opportunity to review our Q2 and H1 FY27 financial results and the earnings presentation, both of which are available on the stock exchanges and on our website.

Before I discuss our performance during the quarter, I would like to share an important funding update. On September 28, 2026, we filed our prospectus for a public issue of secured, rated, listed, redeemable, non-convertible debentures of rupees 1,000 face value each, with a base size of rupees 75 crore and a greenshoe option of up to another rupees 75 crore, for a total of rupees 150 crore. The issue opened on October 5 and drew an excellent response, with subscriptions of rupees 166.49 crore, an oversubscription over the total issue size. We pre-closed the issue on October 9 and retained the full rupees 150 crore. The NCDs were allotted on October 13 and listed on BSE on October 14. This response reflects investor trust in our company, and it strengthens our liquidity and diversifies our borrowing mix. I thank all our investors and stakeholders for their continued support.

Now, before I take you through each business segment, let me set out the environment in which we operated during the quarter. The July-September quarter tested investor sentiment. The Nifty 50 ended the quarter about 5% lower, and September was a difficult month, with foreign investors turning net sellers after 2 months of buying. Yet the underlying engine of Indian markets, the

Report is AI-generated and may contain inaccuracies.

domestic investors, held firm. Three numbers capture this: close to 90 lakh demat accounts were opened during the quarter, the strongest quarterly addition since late 2024, taking the country's investor base past 24 crore accounts; 69 IPOs raised a record rupees 90,462 crore, the largest quarter ever for primary markets; and monthly SIP contributions reached an all-time high of rupees 32,490 crore in September, even as markets corrected. Indian households are investing through the cycle, not around it, and that is the structural opportunity our business is built on.

The quarter also brought one of the most significant changes to market structure in recent years. From August 3, the exchange introduced a closing auction session for F&O stocks, followed by a realigned pre-open session from September 7. These changes improve price discovery and market integrity. They also required every broker to re-engineer trading systems at short notice. I am pleased to say SMC and Stoxkart were fully live for all clients from day one.

On funding, the RBI's revised framework for bank lending to capital market intermediaries came into effect from July 1, requiring full collateralisation of bank facilities to brokers. This raises the bar on capital and compliance across the industry. We believe it favors well-capitalized, diversified intermediaries, and SMC entered this framework from a position of strength.

The insurance industry continued to grow at a healthy pace, led by health. Non-life premiums grew 9.6% in the April-August period, with health insurance now accounting for 44% of non-life premiums. On the regulatory side, IRDAI moved insurance intermediaries to continuous registration from July 30, and in September released a consultation paper on the economics of insurance distribution. We are engaging with the consultation and see the direction toward transparency and policyholder outcomes as positive for established, compliant intermediaries.

For the NBFC sector, the quarter was constructive. Credit growth was sustained, asset quality trends were healthy, and lenders continued to prefer secured, granular lending. The RBI kept the repo rate unchanged at 5.25% in August, which supported a moderation in funding costs during the quarter. Subsequent to quarter-end, on October 7, the RBI raised the repo rate by 25 basis points to 5.5%.

Speaking about the business, our diversified model spanning broking, distribution, insurance, and lending delivered consolidated revenue growth of 21% in the first half, with profit after tax up 28%.

Now, talking about our 3 main segments: our broking franchise runs on 2 engines—SMC, our full-service platform serving investors through advice and relationships, and Stoxkart, our digital-first platform for self-directed traders. This quarter, both engines widened what we offer our clients and how we earn from them. Our broking client base, including Stoxkart, grew to 14.2 lakh as of September 2026, and broking DP AUA rose to 166,737 crore, up about 17% from March 2026. Online penetration of our client base increased further to 75% from 72% at the end of FY26. Mutual fund AUM stood at rupees 4,711 crore, with 91,145 running SIPs. Our wealth AUM/AUA grew about 25% in the half year to rupees 1,464 crore. Stoxkart continued to build a subscription-led model that is distinctive in the industry. To sum up, SMC is broadening its product shelf, Stoxkart is building a recurring revenue base, and both are less dependent on derivative volumes than a year ago.

Over the last 2 years, we have told you that we were deliberately reshaping our NBFC lending book, moving away from large-ticket LAP and tightening unsecured business loans, while building a

Report is AI-generated and may contain inaccuracies.

granular, secured retail book in micro LAP, gold loans, and asset finance. This quarter, the results of that strategy are clearly visible in 4 metrics: yield, asset quality, portfolio mix, and cost of funds. Our AUM stood at rupees 1,031 crore as of September 2026, with disbursements of rupees 323 crore in the first half, through 41 branches across 7 states. Within this, our focus products are growing: Micro LAP AUM has risen to rupees 172 crore from rupees 121 crore in March 2026, and gold loans to rupees 74 crore from rupees 66 crore. NIM improved to 7.8% in H1 FY27 from 7.3% in FY26. The NBFC earned a profit after tax of rupees 23.3 crore in the first half, close to the rupees 24.6 crore it earned in the whole of FY26. Our capital adequacy ratio strengthened further [cut off]

Subhash Chand Aggarwal – Chairman and Managing Director: to 46.1%, giving us ample headroom to grow.

Looking ahead, we are mindful that the RBI's 25-basis-point repo rate hike in October may put some upward pressure on our borrowing cost, depending on the pace of transmission and liquidity tightening. Our diversified borrowing mix and strong capital base give us flexibility to manage this. With the run-down of our older products largely behind us, we expect growth from our focus products to show more clearly in the coming quarters.

In our insurance broking business and the investment we are making in technology across the group, our insurance broking delivered revenue growth of 19.3% year-over-year in Q2 FY27, and about 30% for the first half. Gross premium for H1 FY27 stood at rupees 1,598 crore, with 5.78 lakh policies issued through a network of 16,916 POS agents and 387 motor insurance service providers.

Going forward, our focus remains on 3 areas: growing our health portfolio, expanding our corporate portfolio, and scaling reinsurance. Each of these deepens our relationship with clients and broadens our revenue base beyond motor.

With that, I hand over to our Group CFO, Mr. Rohit Nayar, to take you through the financial performance.

Rohit Nayar – Group CFO: Thank you, Subhash, and good evening, everyone. Thank you for joining the call.

I will now take you through our consolidated performance for the quarter and the half year ended September 30, 2026. For the quarter ended September 2026, consolidated operational income stood at 532.5 crores, a growth of 20.9% year-over-year and 3.4% quarter-on-quarter. EBITDA was 101.6 crore, up 20.4% year-over-year, with an EBITDA margin of 19.1%, broadly stable compared with 19.2% in Q2 FY26. Profit after tax grew 34.4% to 28.2 crores, compared with 21 crore in Q2 FY26, and the PAT margin improved by 50 basis points to 5.3%.

For the first half, consolidated operational income stood at 1,047.5 crores, up 21.1% year-over-year. EBITDA was 208.4 crores, up 13%, with a margin of 19.9%, and profit after tax was 65 crores, up 27.6% year-over-year. The PAT margin improved by 30 basis points to 6.2%.

On a standalone basis, Q2 FY27 operational income stood at 256.7 crores, up 18.6% year-over-year, with EBITDA of 59.6 crores, up 25.5% year-over-year, at a margin of 23.2%. Standalone PAT was 9.5 crores, up 50.9% year-over-year.

Report is AI-generated and may contain inaccuracies.

For H1 FY27 on a standalone basis, operational income grew 14.6% to 530.1 crore, with EBITDA of 131.2 crores, which grew 19.6% year-over-year, with a margin of 24.8%, and PAT of 34.6 crores, which grew 19% year-over-year.

Now coming to our segment performance. The broking, distribution, and trading segment reported revenue of 288.3 crores, registering year-over-year growth of 19.7%, while segment EBIT increased 15% to 56.1 crores.

The insurance broking segment delivered revenue of 193.8 crores, up 19.3% year-over-year, with segment EBIT growing by 7.1% to 4.5 crores. The EBIT performance continues to reflect our investments in manpower, technology, and the reinsurance business.

The financing or NBFC segment recorded strong growth, with revenue increasing by 33.6% year-over-year to 62 crores, and segment EBIT rising by 43% to 37.6 crores, supported by higher portfolio yields and a lower cost of funds.

For the first half, broking revenue grew 17.2% to 604.6 crores, insurance broking revenue grew 29.8% to 361.1 crores, and NBFC revenue grew 11.5% to 108.5 crores.

Our balance sheet remains strong. Consolidated net worth stood at 1,358 crores as of September 2026, with a debt-equity ratio of 1.63. At the NBFC level, our capital adequacy ratio was 46.1%. Our ratings stand at ICRA A1+ for short-term borrowings, and ICRA A and CRISIL A with a stable outlook for long-term borrowings.

In summary, the first half of FY27 reflects healthy growth in our fee-based businesses, an NBFC book that is now higher yielding and of better quality, and a balance sheet positioned to fund the next phase of growth. We remain focused on financial discipline, operating leverage, and building sustainable returns for our shareholders.

With this, we conclude our opening remarks and open the floor for questions. Thank you.

Operator: Thank you so much, sir. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

Our first question comes from the line of Deval Shah, an individual investor. Please go ahead.

Deval Shah – Individual Investor: Hello. Hi, sir. Am I audible?

Ajay Garg – Director & CEO: Yes, you are.

Deval Shah – Individual Investor: Firstly, I wanted to ask how we are reducing our dependence on broking and trading revenue.

Ajay Garg – Director & CEO: This is Ajay Garg, Director and CEO of SMC Global. Actually, 60% to 70% of the revenue comes from broking, distribution, and trading.

Report is AI-generated and may contain inaccuracies.

Deval Shah – Individual Investor: Right. So how are we trying to reduce our dependence on this broking and trading revenue, since it is also a volatile component?

Ajay Garg – Director & CEO: SMC is a well-diversified group. The major segments are broking, NBFC financing, distribution, and insurance broking. We are working across 360 degrees and want to expand across 360 degrees.

Deval Shah – Individual Investor: So broking and trading will stay around 60% of the revenue, roughly around that number, sir?

Ajay Garg – Director & CEO: We have equal focus on all the segments, and we are a well-diversified group.

Deval Shah – Individual Investor: Got it, sir. Moving on to mutual fund AUM as well, in Q1 our mutual fund AUM was roughly 4,700 crores. In Q2, it was around 4,711 crores. Since the market has also corrected, I wanted some clarity on the trends that we are seeing on that front.

Anurag Bansal: Hi, Anurag Bansal here. Our mutual fund distribution business operates through 2 business verticals: the distribution division and the wealth division. During Q2, our mutual fund AUM, as you rightly said, moderated marginally by approximately 2% from 4,787 crores to 4,711 crores. But I believe this is a relatively resilient performance, considering that the broader equity market indices declined by more than 5% during this quarter.

I hope I answered the question.

Deval Shah – Individual Investor: Got it. Moving on to Stoxkart, we added around 26,000 subscriptions in Q1, and revenue had also grown 4 times in Q1. When do we expect it to break even? What should we expect in that regard?

Pranay Aggarwal: Hi, this is Pranay Aggarwal. We have adopted a strategy where we continue to invest in the growth of Stoxkart. We want to have a higher base before aiming for a profit or break-even. Currently, we have quarterly revenue of more than 20 crores. Based on the budgets we have set, we aim for revenue of more than 100 crores this year and a good increase next year as well.

To fund this high growth, we need to continue investing in technology and marketing. Hence, I do not see a break-even this year. However, we will maintain the same level of bottom line. We do not want to increase the loss or the burn rate that we are currently going through. Next year, we will have a higher base and can probably achieve good bottom-line numbers.

Deval Shah – Individual Investor: How much investment are we expecting in Stoxkart on a yearly basis?

Pranay Aggarwal: We expect to invest 50 crores more in Stoxkart, which will primarily be used to increase our MTF business. We want to increase our book size in MTF.

Deval Shah – Individual Investor: Thank you. That was from my side. I will get in the queue.

Pranay Aggarwal: Right. Thank you.

Report is AI-generated and may contain inaccuracies.

Operator: Thank you. Ladies and gentlemen, if you would like to ask a question, you may press star and one on your touchtone telephone.

The next question comes from the line of Mayank Shah with ValueQuest. Please go ahead.

Mayank Shah – ValueQuest: Hi. Our NBFC AUM was approximately 1,000 crores in June, which was, I think, down from 1,100 crores in March. Against your FY27 target of 1,300 crores, what was the AUM in September?

Himanshu Gupta: Hi, this is Himanshu Gupta. Basically, during the half year, AUM reduced from 1,119 crores, as you rightly said, at the end of March, to 1,031 crore at the end of the September quarter. If you recollect, we have been consciously changing the portfolio mix. We have focused on lower-ticket-size secured products, which are micro LAP, gold loans, and other products, while we have discontinued large-ticket-size LAP and tightened unsecured loans.

As a result, during the half year, there was a run-down of around 253 crores from these 2 discontinued and tightened loan products, which were large-ticket LAP and unsecured loans, while there was growth in other products of 208 crores. As we are in a transition phase in terms of product mix, there is currently a rub-off effect on the total loan book. Once we are done with this transition, you will see growth in the AUM.

However, yields have been increasing as a result. During this half year, for the September quarter versus what it was around 6 months back, there has been an increase in yield, or blended yield, of 25 basis points. Fresh slippages have also gone down due to this tightening. Therefore, the quality of the portfolio has been increasing. But, as you rightly said, the portfolio is not increasing, which we will see reflected in the coming year. We are very confident about that.

However, with regard to the target that we had initially taken of about 1,300 crores for this year-end, we will not be reaching that level because the run-down in the discontinued products

Management: is happening at a faster pace, which is actually good for us in a way, because the portfolio mix is shifting faster than we had initially planned.

Mayank Shah – ValueQuest: What will be the expectation for the NBFC AUM for this year, sir?

Management: By the end of the year, we expect AUM to be around 1,125 to 1,150 crores. However, you need to understand that the run-down for the discontinued products would have been higher in the next year, and that has shifted to this year.

Mayank Shah – ValueQuest: As you said, the RBI raised the repo rate by 25 basis points to 5.5%. How do you expect borrowing costs and NIM to trend? What share of our borrowings is floating, and how much can be passed on to customers?

Management: The repo rate has increased by 25 basis points, and we have usually seen the transmission to be around 75% to 80% of what the RBI increases or decreases the repo rate. That is based on an RBI study. We expect a 20-basis-point increase in our cost gradually as and when the reset becomes due. More than 90% of our borrowings are at floating rates. Therefore, the borrowing cost will definitely go up by around 20 basis points.

Report is AI-generated and may contain inaccuracies.

However, as I said earlier, there has been an increase in the yield on our loan book as we are shifting the portfolio to a more retail, granular book. As we have seen in the last 6 months, our yields have gone up by around 45 basis points. With the further change in mix, we expect a further increase in our yield. Given the recent RBI rate increase, we expect there to be an almost negligible impact on our net interest margin.

Mayank Shah – ValueQuest: Got it. On the NBFC side, one last question: secured lending is stated at around 82.4% of the book, while SME WCTL is described as an unsecured loan book, at 22.3% of AUM. Could you clarify how the secured share is defined, and what is the long-term intent of the unsecured book?

Management: We plan to reduce the unsecured loan book further from the current level. We expect it to be below 15% in about a year or so, and we want to maintain it at the 10% to 15% level.

Mayank Shah – ValueQuest: On the insurance side, our IRDAI consultation paper was released recently. In recalibrating the economics of insurance distribution, it proposes commission caps across products and channels and tighter expense-of-management limits. Which of your products and channels are exposed to this, and is there any impact on revenue for the insurance segment?

Sakshi: Hi {? Mayank ?}, this is Sakshi from SMC Insurance. As far as the consultation paper is concerned, it is a draft consultation paper that has been opened to the public and stakeholders for their comments. Since it is only a draft consultation paper, at this point we will not be able to comment on the impact on revenue and products until the final proposal is released. However, we are hopeful that the regulator will consider comments from the different stakeholders before the final guidelines are released.

Mayank Shah – ValueQuest: Are there any targets for the insurance segment? How will it grow in the coming quarter?

Sakshi: We are hopeful that, if nothing changes or if there are no adverse impacts, we will be able to achieve our budgeted numbers.

Mayank Shah – ValueQuest: Thank you so much.

Sakshi: Thank you.

Management: Thank you.

Operator: Ladies and gentlemen, anyone who wishes to ask a question may press star and one. As a reminder, all participants may press star and one on their touchtone phone in order to ask a question. Thank you. Ladies and gentlemen, if you would like to ask a question, you may press star and one on your touchtone telephone. Our next question comes from the line of Sumit Shah with SN Investments. Please go ahead. Sumit, you may proceed with your question.

Management: Hi, Mr. Sumit Shah. Yes, you are through.

Sumit Shah – SN Investments: My question was that in Q1, management said that Q2 might be much better. Consolidated revenue rose around 21% year-over-year in Q2, but PAT fell 23% from Q1

Report is AI-generated and may contain inaccuracies.

to around 28.2 crores. Standalone profit also fell around 62% to 9.5 crores. What drove the sequential decline?

Management: [pause] Mr. Sumit Shah, in Q1, management said Q2 should be better, right? We expected it to be better. However, there were some regulatory changes by SEBI involving CAS, or the Call Auction System. It was introduced on August 3. This was a major change for options and F&O closing. Investors suffered losses. By the time this could be understood, there were many anomalies through which people could manipulate the closing price. People suffered losses, and in due course, they started doing fewer transactions. Turnover was reduced.

By that time, SEBI had modified and reviewed it, and they are going to introduce a modified version in December 2026. We were expecting Q2 to perform much better, but our brokerage reduced somewhat. Our treasury operations were also not profitable because of a deficiency in arbitrage strategies. The lack of arbitrage strategies and lower brokerage on the brokerage side reduced our revenue as well as our net profit. Because of that, our profit was reduced. That is why Q2 was lower than Q1.

Sumit Shah – SN Investments: Understood. What is the strategic priority for the remainder of FY27? Which verticals will be the primary growth drivers, including investment banking and GIFT City, given the strong IPO market this year?

Management: [pause] Mr. Sumit, we are doing well in every vertical. Our investment banking business has performed much better than in the previous period. Which other vertical did you ask about, besides investment banking?

Sumit Shah – SN Investments: GIFT City.

Management: GIFT City has 3 exchanges. One is promoted by BSE, one is promoted by NSE, and the third is the International Gold Exchange. The International Gold Exchange faced challenges earlier. It has now restarted. A quota system was introduced, and people approached the court. For a certain period, the stock exchange could not function because people obtained a stay. The other exchanges are doing reasonably well, but they have yet to gain momentum.

We have considerable strength in GIFT City and a very good position. You can say that our market share is more than 25% in GIFT City. Therefore, we are doing much better.

Sumit Shah – SN Investments: Understood. The group runs 11 business lines across 9 subsidiaries. How do you allocate capital and management bandwidth across them? Are any of those businesses under review for scaling up, partnership, or exit?

Management: [long pause] Mr. Sumit, there is no such plan as of now. We can always welcome some strategic equity investors if that is suitable for us, increases our credibility and capital, and is appropriate for us. Otherwise, we are fine. We are doing well in all our verticals. We are sufficiently capitalized, so we do not find any urgency to do that.

Sumit Shah – SN Investments: Understood. Thank you, sir. Thanks a lot.

Management: Thank you.

Report is AI-generated and may contain inaccuracies.

Operator: Thank you. Ladies and gentlemen, anyone who wishes to ask a question may press star and one. As there are no further questions from the participants, I now hand the conference over to the management for the closing remarks. Thank you, and over to you, team. As there are no further questions from the participants, I now hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

Management: [off-mic discussion] Let's do it, let's do it, it's okay. We will discuss it later. Hello? Hello?

Operator: Yes, sir. You are through, sir.

Management: Thank you, everyone, for joining us today and for your questions. This quarter, our fee-based businesses continued to grow, and our financing book became stronger and improved in quality. Despite a volatile market, we remain confident in the long-term opportunity ahead and committed to transparent communication with all our stakeholders. For any follow-up, please reach out to our investor relations partner at {? X P 4 Advisory ?}. We look forward to speaking with you again next quarter. Thank you, and good evening to all. Thank you.

Operator: Thank you so much, sir. Ladies and gentlemen, on behalf of SMC Global Securities Limited, that concludes today's call. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

Report is AI-generated and may contain inaccuracies.