



SMC GLOBAL SECURITIES LIMITED

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Subject:- Earnings Call Transcript – Q2 and H1 FY26

Dear Sir/ Ma'am,

In compliance with Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part A (15) of Schedule III, please find attached herewith the transcript of Earnings Call held on Friday, 31st October, 2025 at 05:00 P.M for Q2 and H1 FY26 (FY-2025-26).

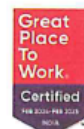
The above intimation is also being made available on the Company's website at www.smcindiaonline.com.

This is for your information and records.

Thanking you,

For SMC Global Securities Limited

Suman Kumar
E.V.P. (Corporate Affairs)
Company Secretary & General Counsel
(Membership No. F5824)



SMC Global Securities Limited
Q2 and H1 FY26 Earnings Conference Call
October 31st, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY'26 Earnings Conference Call of SMC Global Securities Limited, hosted by X-B4 Advisory.

As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask a question after the presentation concludes. Should you need assistance during the conference, please signal an operator by "*" and "0" on your touchtone phone. Please note that this conference has been recorded.

I will now hand the conference over to Mr. Gautam Kothari from X-B4 Advisory. Thank you, and over to you, sir.

Gautam Kothari: Thank you. Good evening, everyone. Thank you for joining us on the Q2 and H1 FY26 Earnings Conference Call of SMC Global Securities Limited.

Joining us on today's call are Mr. Subhash Chand Aggarwal – Chairman and Managing Director, SMC Group. Mr. Mahesh C. Gupta – Vice Chairman and Managing Director, SMC Group. Dr. D.K Aggarwal – Chairman and Managing Director, SMC Capitals Limited, Mr. Ajay Garg – Director and CEO, SMC Global Securities, Mr. Anurag Bansal – Whole-time Director, SMC Global Securities Limited, Mr. Himanshu Gupta – Director and CEO, Moneywise Financial Services Private Limited, Ms. Shruti Aggarwal – Whole-time Director, SMC Global Securities Limited, Mr. Pranay Aggarwal – Director and CEO, Stoxkart, Moneywise Finvest Limited, and Mr. Vinod Kumar Jamar – President and Group CFO.

Before we proceed, please note that some of the statements made during this discussion may be forward-looking in nature and are subject to certain risks and uncertainties. The actual results may differ materially from those expressed or implied. A detailed safe harbor statement is available on the second-last page of our earnings presentation, which can be accessed on the stock exchanges and the company's website.

With that, I would now like to invite Mr. Subhash Chand Aggarwal to share his opening remarks. Over to you, sir.

Subhash Chand Aggarwal: Thank you, Gautam Kothari. Good evening, everyone, and a warm welcome to all participants on this call. I trust you have had the opportunity to review our Q2 & H1 Financial Year 2026

Financial Results and Earnings Presentation, which are available on both the Stock Exchanges and our website.

Before discussing our financial performance, I would like to provide some context on the broader industry landscape and recent developments that have shaped the business environment.

The broking and capital market industry witnessed a phase of consolidation during Q2 FY26, as tighter F&O margin norms, revised expiry cycles, and heightened global uncertainty continue to weigh on trading sentiment. The average daily turnover in the derivative segment declined sequentially, with cash market participation also moderating as retail investors adopted a cautious stance. Several state intermediaries have reported sequential pressure on their broking income for the quarter. Nonetheless, underlying investor engagement remains healthy, reflected in continued growth in active demat accounts and strong SIP inflows in the lucrative mutual fund. Over the medium term, the industry remains well-positioned to benefit from expanding retail penetration, improving financial literacy, and SEBI initiative to enhance transparency and reachability, all of which are expected to support a more resilient market structure.

India's non-banking financial services sector continues to demonstrate resilience amid evolving macroeconomic and regulatory dynamics. Industry credit growth is expected to moderate to around 13%-15% in FY25-26, compared with the strong 17% pace seen over the last two years. As per ICRA. The moderation is largely attributed to a calibrated approach towards MSME and unsecured retail lending, following the Reserve Bank's tighter oversight and higher risk-weight norms. However, asset quality across large and mid-sized NBFCs has remained stable, supported by prudent provisioning and diversified portfolios. Meanwhile, funding conditions remain uneven, with only marginal easing in borrowing costs offering limited relief. Overall sector growth has clearly shifted from a high-growth phase to a consolidation phase, indicating a more subdued near-term outlook for NBFCs.

The Indian insurance sector has continued to exhibit strong growth momentum through Q2 FY26, outpacing most other segments in the financial services space. The life insurance industry's new business premium collection grew by over 10% Y-O-Y in the first half of FY26, driven by rising awareness, product diversification, and the continued shift towards protection-oriented and annuity plans. The general insurance segment, too, maintained healthy traction with growth led by health and motor portfolios and increased adoption of digital distribution platforms. Insurance broking and distribution chain intermediaries have particularly benefited from this expansion as corporate and retail demand for comprehensive risk coverage continues to rise. With deepening digital penetration, supportive regulatory reforms, and growing financial inclusion, the insurance industry remains on a strong multi-year growth trajectory. We believe the broking industry is currently undergoing an important

period of realignment, one that may appear challenging in the short term but holds significant promise for the future.

The regulatory changes reshaping the broking and financial services landscape are fostering strong market discipline and greater investor protection. Though these shifts have led to temporary moderation in trading volumes and earnings, they are setting the stage for a more stable and transparent capital market. For established players with strong governance, technology capabilities, and diversified business models, this transition phase offers an opportunity to consolidate and strengthen long-term positioning. As the environment stabilizes, we expect trading activity and investor participation to gradually recover, driven by continued retail engagement, growing SIP flows, and deepening digital adoption. Meanwhile, our insurance segment continues to benefit from favorable structural tailwinds such as rising financial awareness, broader product adoption, and expanding distribution channels. With our integrated financial services platform, we remain confident of navigating the current cycle effectively and building a stronger, more future-ready franchise.

Let me take you through some of the key performance highlights for the quarter:

In Q2 FY26, our consolidated revenue from operations stood at Rs. 440.3 crores, reflecting a 3.6% quarter-on-quarter growth, supported by steady performance in our insurance business. EBITDA for the quarter was Rs. 84.4 crores, and PAT stood at Rs. 21.0 crores, impacted sequentially by softer trading volumes and higher funding costs.

Our docking, trading, and distribution segments witnessed temporary moderation due to market-wide adjustments following regulatory changes in the derivative segments. Despite this, our client base and distribution network continued to expand. As of September 2025, we had 2,152 authorized persons spread across 412 cities and 6,573 financial distributors, reaffirming our strong pan-India presence. Our mutual fund AUM rose to Rs. 4,459 crores, reflecting continued investor trust and steady SIP inflows.

Our NBFC arm, operating through 38 branches across 7 states, maintained healthy asset quality with a collection efficiency of 98.47% and a net worth of Rs 485 crores. The overall AUM stood at Rs. 1,088 crores, supported by a well-diversified lending portfolio across SME-LAP, Gold, and Onward Lending.

Meanwhile, our insurance broking business continued its growth momentum, reporting a strong uptick in premium volumes and policy issuances. The division operates through 8 branches nationwide, supported by over 16,200 POS agents and 370 MISPs, leveraging digital channels to reach new customer segment.

The quarter witnessed slower growth and margin compression, largely influenced by regulatory changes and challenging market conditions. Nonetheless, our diversified business

model, wide geographic reach and continued investment in technology position us well to navigate the near-term headwinds and drive sustainable growth over the long term.

With that, I now hand over to Mr. Vinod Kumar Jamar, our President and Group CFO, for a detailed overview of our financial performance. Over to you, Vinod Ji.

Vinod Kumar Jamar:

Thank you Subhash Sir and good evening to everyone on the call.

Let me now take you through our financial and operational performance for quarter two FY26 on a consolidated basis. For the quarter ended September 2025, our operating income stood at Rs 440.3 crores, reflecting a 3.6% quarter-on-quarter growth. EBITDA came in at Rs 84.4 crores, with an EBITDA margin of 19.2%. Profit after tax stood at Rs 21.0 crores, translating to a PAT margin of 4.8%.

For The segment-wise performance:

In the broking, distribution and trading segment, revenue for Q2 FY26 was Rs 240.9 crores compared to Rs 276.2 crores in Q2 FY25, mainly due to softer trading volumes and regulatory changes in the derivatives market. Our distribution and client network continued to expand, with 2,152 authorized persons across 412 cities and 6,573 financial distributors pan-India. Our mutual fund AUM stood at Rs 4,459 crores while the broking DP AUA reached Rs 1,42,214 crores, demonstrating strong investor engagement. Online trading now contributes 67% of overall turnover, underscoring the success of our digital initiatives.

In the financing NBFC segment, revenue for Q2 FY26 stood at Rs 46.4 crores compared to Rs 50.4 crores in Q2 FY'25. The AUM stood at Rs 1,088 crores with a collection efficiency of 98.47%, secured AUM over 65%. The business continues to maintain healthy asset quality with GNPA at 3.6% and NNPA at 2.5%. Our NBFC operates through 38 branches across 7 states, serving diverse MSME and retail segments.

In the insurance Broking division, revenue grew by 21% YOY to Rs 162.5 crores, driven by robust growth in both life and general insurance. The total gross premium stood at Rs 1,364 crores for H1 FY26, and we sold 4.93 lakhs policies during H1, reflecting continued traction in retail and corporate segments. The business operates through 8 branches nationwide, supported by over 16,200 POS agents and 370 MISPs with strong digital adoption through smcinsurance.com.

While this quarter reflected moderation in the Broking and financing businesses, our insurance vertical continues to be a key growth driver, supported by sustained demand and a rapidly expanding distribution network.

Our diversified business model, strong digital ecosystem, and nationwide reach position us well to capture opportunities as market activity normalizes and investor participation strengthens further.

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

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Dhruv Parav from DP Investments. Please go ahead.

Dhruv Parav: Thank you for the opportunity. So, sir, your EBITDA margins dropped from 19.2% to 26.4% year-on-year. What specific cost pressures or revenue mix changes contributed to this decline?

Vinod Kumar Jamar: Yes Dhruv, I am Vinod Jamar. Actually, EBITDA margins dropped because of two main reasons. I am talking about six-monthly numbers. So, one is that our exchange commission income reduced by Rs. 35 crores, which is in line with the exchange turnover also. And another contributing factor is our fair value gains on investments, which were around Rs. 25 crores in the last half year, whereas this year it is around Rs. 7 crores. So, these two factors reduced our profit before tax, and accordingly, EBITDA also reduced.

Dhruv Parav: Okay, so are these pressures expected to persist in H2?

Vinod Kumar Jamar: No, we expect the situation to improve because if you remember, last year in October, SEBI brought in certain changes in derivative segments, and all those activities hampered the business across the industry. So, for the first two quarters, the base was higher, and now we will be growing, and market conditions will improve. So, we expect the next two quarters to be better.

Dhruv Parav: Okay, sir. And your PAT also fell 54% year-on-year in Q2. So, could you elaborate on the key drivers behind the decline and when a rebound is expected?

Vinod Kumar Jamar: Same reasons which I narrated two main factors. We expect the next two quarters to be better.

Dhruv Parav: All right. And one more question. You are borrowing rose from Rs. 1500 crore in March' 25 to Rs. 1700 crore as of now. So, what portion of this relates to NBFC operations? And how is the cost of borrowing trending?

Vinod Kumar Jamar: NBFC, there is not much rise. Actually, we raised two series of NCDs. Around Rs. 220 crores of NCDs were raised and that is required for our working capital requirement for the better facilities to the customer and allowing them some credit.

Dhruv Parav: Okay. Thank you for the clarification. I will get back in the queue now.

Vinod Kumar Jamar: Sure. Thank you.

Moderator: Thank you. The next question is from the line of Subash B from Value Investment. Please go ahead.

Subhash B: Okay. Hi. I have been following you guys for over a year now, and I have been your investor. I think last year, Q4, you were guiding for 20% growth over FY25, right? But looking at the first half, I definitely do not think 20% growth would come either in the top or bottom line. Do you think H2 would be so great that you would achieve 20% or will this year be some views, or do you want to revise your guidance?

Subhash Chand Aggarwal: Definitely, Subhash, you are correct. We have said that this year should be better. But unfortunately, as you know, industry turnover has been reduced in F&O and cash market from 15% to 40%. And expenses remain the same or on the higher side. And revenue considering reduced, so PAT has been affected. And so I think but next two quarters, we are expecting these two quarters to be very good. And perhaps we can recover to the extent we have profits in last year. So we are expecting a better quarter, third and fourth.

Subhash B: Okay, so you are expecting a similar profit compared to FY25, or will it be less than last year?

Subhash Chand Aggarwal: Let us hope for the best. We should achieve with our good working and so many things we are putting in place. So I think we will be able to do that.

Subhash B: Okay, we will be able to achieve last year's profit. And also the other question that I had when I went to your investor presentation. I mean, I could see that due to the SEBI rules, the broking activity has come down, because of which the overall volume and your margin have come down. But what is happening in the insurance industry? Because I can see that EBITDA has come down even in insurance and also in NBFC. Even there, compared to last year, year-on-year, the margins have come down. Why is that? And do you expect that to be similar to last year in the second half of the year?

Vinod Kumar Jamar: Sir, in insurance the performance is almost at par with the previous year and, previous two quarters. So last year, September 24th half half-year, we had a PAT of Rs. 5.42 crores. And this year it is Rs. 5.57 crores. So slightly better than last year. And the next two quarters, obviously, insurance quarter 4 is always better. So we expect further improvement in this. Revenue is consistently increasing, but it is a low-margin business because of motor insurance premiums and payouts to the MISP dealer.

Subhash B: So compared to last year, the margins are definitely coming down, right?

Vinod Kumar Jamar: There is not much impact. It is just a few points here and there. And if you see, the GST was reduced on certain insurance products, which resulted into what insurance companies did,

they made the all commission slabs inclusive of GST. So, that also will impact slightly. The commission rates have come down slightly because of inclusion of GST rates.

Subhash B: Does GST affect your top line or EBITDA? I think it affects your top line, right?

Vinod Kumar Jamar: GST, yes, it will affect top line as well.

Subhash B: Top line only, right? Yes. But I see that your EBITDA is down by 9.6%, like almost 10% compared to last year, right?

Vinod Kumar Jamar: No, EBITDA is not down.

Subhash B: Compared to H1'25, you can see the investor presentation, page number 6. So you mentioned 9.6% down. And NBFC is down by 25%.

Vinod Kumar Jamar: Yes. NBFC, if you look at the numbers, the major factor is fair value changes. So last year, we had a very good IPO. And since we get the allotment on a preferential basis as a financial institution. So last year, our income from IPO allotment was Rs. 23.31 crores.

Subhash B: Yes, but I think I got the answer from the previous investor question. Thank you for NBFC. But what about the insurance, like 10% down?

Vinod Kumar Jamar: Yes, down. Down a bit, 9.6%. Yes, our EBIT last year was 7.3%, now it is 6.6%. Marginally down.

Subhash B: Yes, the reason being

Vinod Kumar Jamar: But PAT is slightly higher.

Subhash B: PAT is higher. Okay, I think that is all. So maybe FY26, I mean, if the markets recover well, and there is more investor participation, we could see some growth, right? Because, I mean, from two years, we could see that definitely your share price is undervalued compared to last year. The valuation that you are getting is definitely lesser. But now that the growth is also less, I hope you get the right valuation, at least should be at the fair price. I can see that last year profit was Rs. 147 crores. And until now, sorry, how much is your PAT? Until H1?

Vinod Kumar Jamar: Consolidated PAT, you are talking about? Rs. 51 crores.

Subhash B: Rs. 51 crores, okay. So in the H2, do you think you would be able to achieve like Rs. 90 odd crores PAT?

Vinod Kumar Jamar: If market conditions support, we are hopeful to achieve that.

Subhash B: But that is your target, right? Rs. 90 odd crores?

Vinod Kumar Jamar: Rs. 90 to 100 crores.

Subhash B: Okay. That is great. That is all I have. Thank you so much for answering all the questions.

Vinod Kumar Jamar: Thank you.

Moderator: Thank you. The next question is from the line of Kritika Mehta from Mehta Investments. Please go ahead.

Kritika Mehta: Yes. So good evening. So thank you for the opportunity. Firstly, I just had a few questions from your business front. One is that your NBFC revenue declined and your EBITDA also declined. So what proved the compression and the decline in the AUM particularly?

Himanshu Gupta: Yes. Hi, Kritika. I am Himanshu Gupta. So the main reason for the decline in revenue are twofold. One is the dip in the net gain on the fair value changes and second is there is a slight dip in the AUM of the company and therefore, the interest income has gone down. So basically, the reason for the dip in AUM is that we have discontinued the prime LAP product where we were getting low spread and that we are shifting that prime LAP book to the Micro LAP book. So that is one reason and secondly, considering the market situation, we have tightened the underwriting policies for the unsecured product. So therefore, the disbursements have gone down in those products. So these are a couple of reasons for the dip in AUM and therefore, the interest income as well.

Kritika Mehta: Okay. And another would be the gross, and the net non-performing asset has also rose slightly to 3.6% and 2.5% respectively. So what would be the reason for the same?

Himanshu Gupta: So if you compare with the last quarter, so it is almost on the same line. The main contributors to the GNPA are few secured accounts wherein we have adequate collateral. But it is taking some time for recovery due to the legal and recovery process involved and we expect good recovery out of that GNPA and we have made adequate provisions on that portfolio.

Kritika Mehta: Okay. And also, the SME working capital term loans form 35% of the portfolio. So is your company planning to rebalance toward the secured or short tenure assets?

Himanshu Gupta: Not short tenure really. But this is the business loan that I was referring to. That we have tightened the underwriting policies for the unsecured product. So this is the unsecured business loan product that we offer to MSME customers. and this is a conscious call by us. Over the last couple of years, we have reduced this exposure from over 50% of AUM to 35% today and we plan to reduce it further to below 25% over next year or so.

Kritika Mehta: Okay. Yes. Thank you.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached to the end of the Q&A session. Now, I would like to hand over the conference to Mr. Mahesh C. Gupta for closing comments. Please go ahead.

Mahesh C. Gupta: Yes. Thank you all for taking the time to join us today. We hope we were able to address your queries and provide useful insights into our performance. For any further information or follow-up, please connect with our investor relations partners at X-B4 advisory. Stay safe, and we look forward to interacting with you again next quarter. So, thank you once again.

Vinod Kumar Jamar: Thank you.

Subhash Chandra Aggarwal: Thank you.

Moderator: Thank you. On behalf of SMC Global Securities Limited, I will conclude this conference. Thank you for joining us, and you may now disconnect your lines.