Choice
Institutional Equities

Capri Global Capital Limited (CGCL)

Broad-based AUM Powering Scale and Efficiency

September 15, 2025

institutional.equities@choiceindia.com

Capri Global Capital Limited (CGCL)

September 15, 2025 | CMP: INR 187 | Target Price: INR 230

Expected Share Price Return: 23.2% I Dividend Yield: 0.1% I Expected Total Return: 23.3%

Choice Institutional Equities

Sector View: Neutral | **BUY**

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CGCL is a non-deposit taking, diversified, retail-focused, secured & tech enabled non banking financial company. The company's products are Gold Loans, MSME Loans, Construction Finance & Micro LAP. Additionally, the company also undertakes distribution of Insurance products and car loan sourcing. CGCL has a total branch network of 1,138 branches across 10 states.

Company Information

BB Code	CGCL: IN
ISIN	INE180C01042
Face Value (INR)	1.00
52 Week High (INR)	232
52 Week Low (INR)	151
Mkt Cap (INR Bn)	179
Mkt Cap (USD Bn)	2.0
Shares O/s (Mn)	961.6
Free Float (%)	40.05

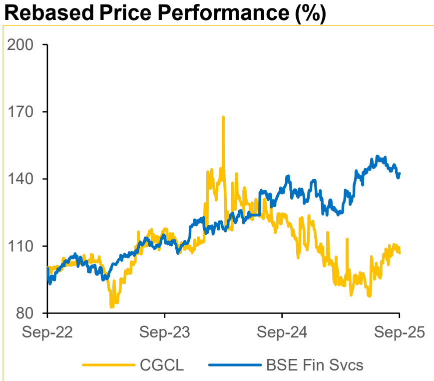
Shareholding Pattern (%)

	Dec-24	Mar-25	Jun-25
Promoters	69.8	69.8	59.95
FIIs	1.0	0.9	4.7
DIIs	14.5	14.5	20.5
Public	14.5	14.6	14.6

Relative Performance (%)

Return %	1Y	2Y	3Y
BSE Fin Svcs	5.0%	28.3%	45.2%
CGCL	(14.1%)	(9.3%)	7.1%

Rebased Price Performance (%)



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Higher Yields and Lower Costs will Lead to Margin Expansion

CGCL has undergone a transformation from a single product, geographically concentrated Loan Book to a geographically & portfolio diverse AUM. This diversification was achieved via high growth in existing products like Construction Finance & Housing Finance growing at a CAGR of ~44% and ~48% respectively over FY22 to FY25. Further, the successful launch of Gold Loans via **an addition of 562 branches in FY23,** growing the branch base significantly led to consolidated **3 year AUM CAGR of ~51%** over the same period. Gold Loans are the highest yielding product, improving portfolio yields by ~155 bps over FY23 to FY25. We forecast CGCL will be able to sustain these higher yields as **Gold Loans now form a significant ~36% of the total AUM**. Further, a rating upgrade is likely to improve Cost of Funds; whereas more efficient branch unit-economics & operational leverage will **expand NIMs & improve the cost to income ratio.**

Enhanced Retail Credit Push through Technology & QIP

A 100% digital onboarding process for most of its products offers **opportunities for meaningful scale**. Over the last 3 years, CGCL has invested **~INR 3000 – 4500 Mn for implementing a technology platform** that now forms a core part of their operations, the platform covers the entire suite of customer engagement, from Onboarding to Collections. With integration of AI, Analytics the platform is future ready. It has stream-lined the operating processes, with benefits such as significant **TAT reduction**, **increased customer engagement, higher cross-selling opportunities** and better collections. CGCL completed **its QIP of INR 20 Bn in June 2025**, at INR 146.50/share offering shares to key marquee investors and charting a runway for **non-dilutive medium-term growth.**

RoA Uptick Powered by Diversified Revenue Streams

Car Loan Originations, Insurance Distribution and Co-Lending Income form a main part of Non Interest Income. With total **Non Interest Income coming in at an average of ~37% of Net Interest Income(NII)**. CGCL has been able to successfully scale these smaller streams of Income into RoA drivers. For FY25, CGCL had **partnerships with 12 banks** for its car loan origination platform, generating a Net Fee Income of INR 0.9 Bn, 7.2% of NII. Co-Lending model generates a 4% yield on off book AUM generating an income of INR 1.65 Bn in FY25, 12.5% of NII. Similarly, Insurance Distribution nets the company 5.5% of NII. We expect **RoA to improve by 158bps over FY25—FY28E** with NII adding 114bps and 12 bps incrementally contributed by Non Interest Income.

Valuation & View

We value CGCL using the Residual Income Approach. We calculate Cost of Equity to be at 11.3% with ROEs projected to reach 18.3% by FY28E supported by Income Growth & softening costs. We initiate coverage with a **"BUY"** rating and upside of 22%, implying P/ABV of 2.9x / 2.5x of FY27E/FY28E.

Key Risks

Co-Lending Policy Changes, Possible downturn in economic conditions leading to higher MSME delinquencies, slower-than-expected loan growth, fluctuations in gold prices.

Key Financials

INR Mn	FY24	FY25	FY26E	FY27E	FY28E
AUM (INR Bn)	156.5	228.6	296.5	387.2	505.3
AUM Growth %	51.7%	46.0%	29.7%	30.6%	30.5%
Interest Income	18,228	26,056	34,647	44,849	57,520
Yield %	15.9%	16.5%	16.6%	16.7%	16.8%
NIMs (%)	7.7%	7.8%	8.3%	9.0%	9.1%
Non Interest Income	3,821	5,008	6,260	7,825	9,781
Operating Exp.	9,120	10,987	13,129	15,821	18,985
PPoP	4,569	7,341	11,722	17,571	23,305
Profit After Tax	2,793	4,785	7,336	11,733	15,641
RoA(%)	2.1%	2.7%	3.1%	4.0%	4.2%
RoE(%)	7.5%	11.8%	13.1%	15.9%	18.5%
NNPA %	1.1%	0.9%	1.1%	1.1%	1.1%
Adj. BVPS (INR)	44.8	50.1	69.6	78.8	91.1
P/Adj. Book Value	2.6	3.7	2.7	2.4	2.0

Source: CGCL, Choice Institutional Equities

Report Structure

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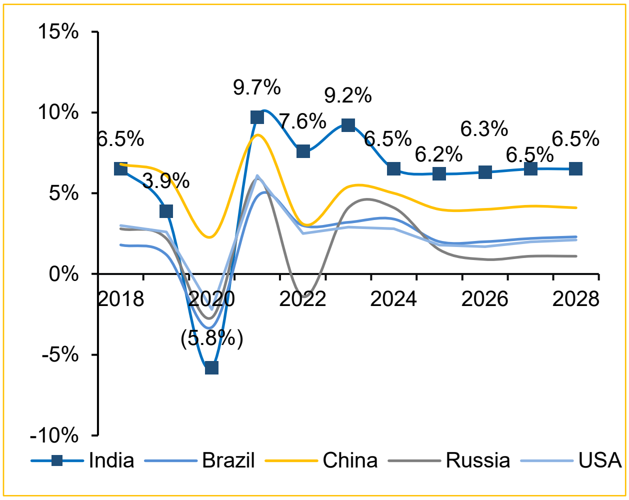
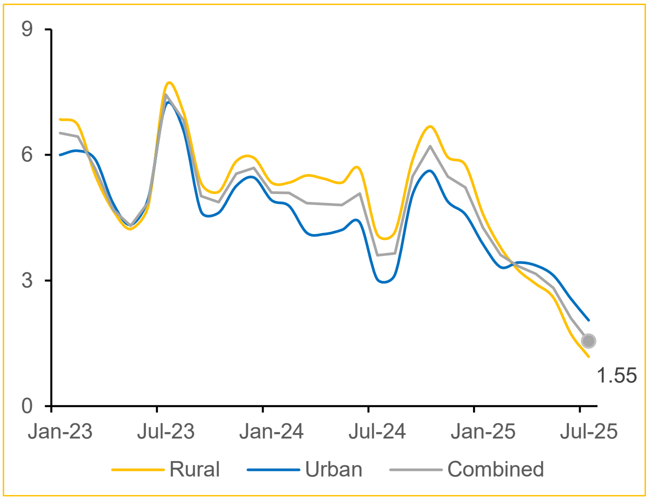
1.1 NBFC Credit Growth Outpaces Traditional Banks

India to be the fastest-growing large economy



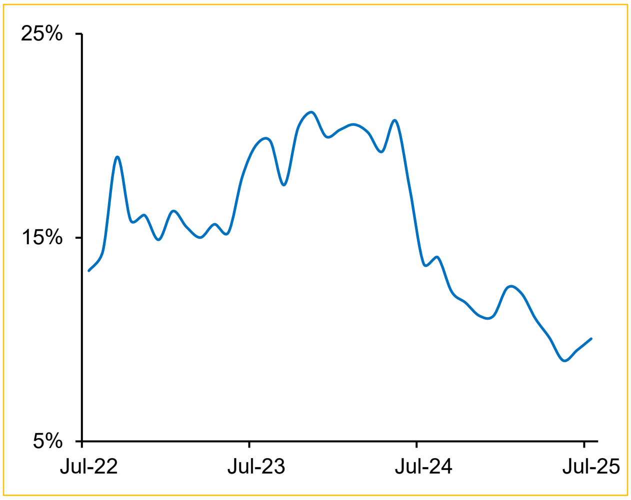
Source: IMF, Choice Institutional Equities

While, CPI Inflation cools driven by lower demand



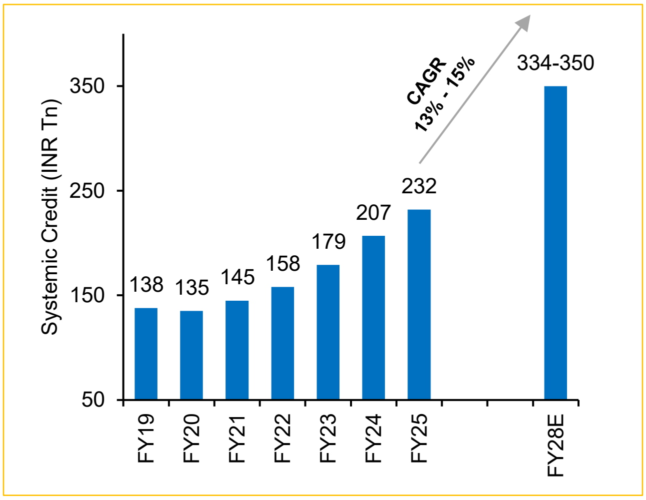
Source: MOSPI, Choice Institutional Equities

Systemic credit growth slows down to ~10% YoY



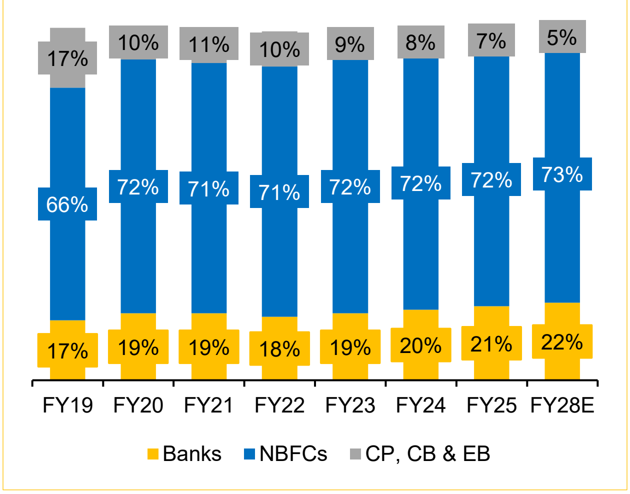
Source: RBI, Choice Institutional Equities

Credit Growth is projected to grow by 13%—15%



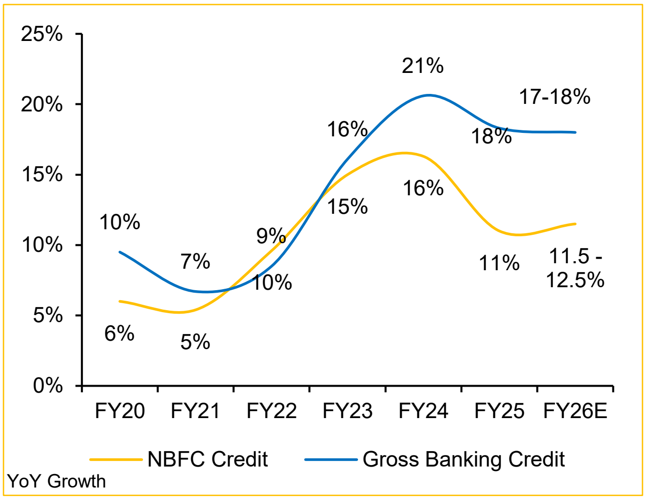
Source: CRISIL, Choice Institutional Equities

With NBFC share in Credit expected to rise by FY28E



Source: CRISIL, Choice Institutional Equities

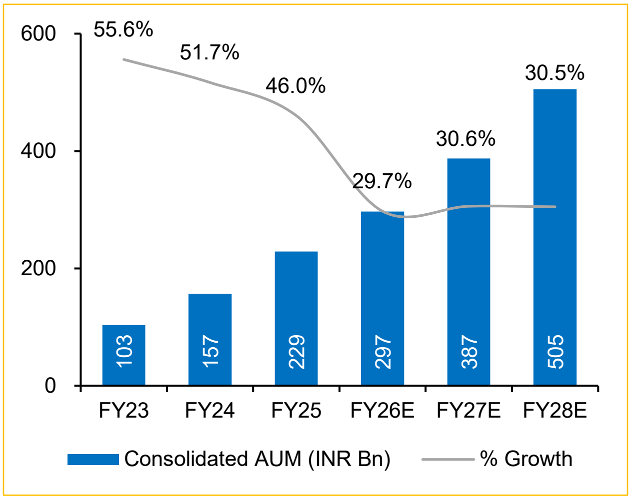
…Leading to faster credit growth for NBFCs



Source: CRISIL, Choice Institutional Equities

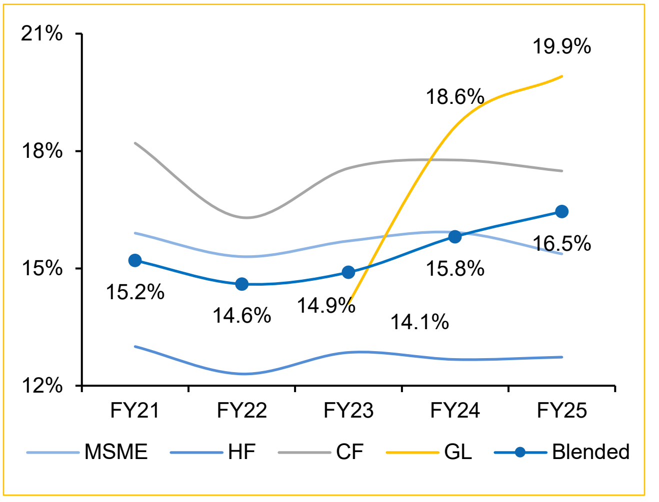
1.2 Investment Thesis in Charts

AUM to grow at 30% CAGR over FY25—FY28E



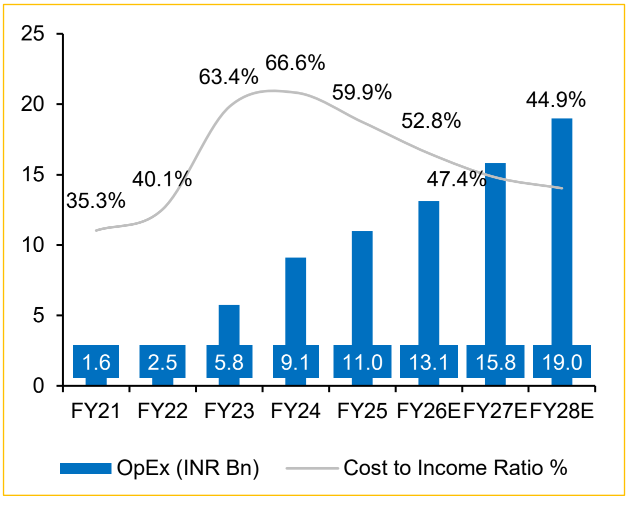
Source: CGCL, Choice Institutional Equities

Gold Loans push blended yields upwards



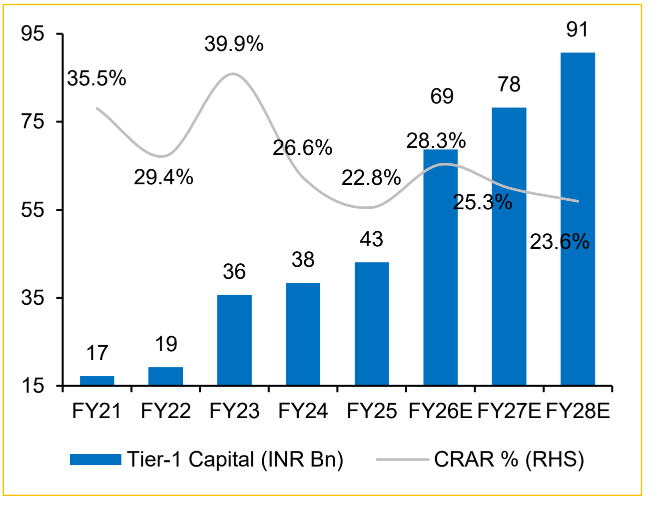
Source: CGCL, Choice Institutional Equities

Cost to Income Ratio to decline significantly



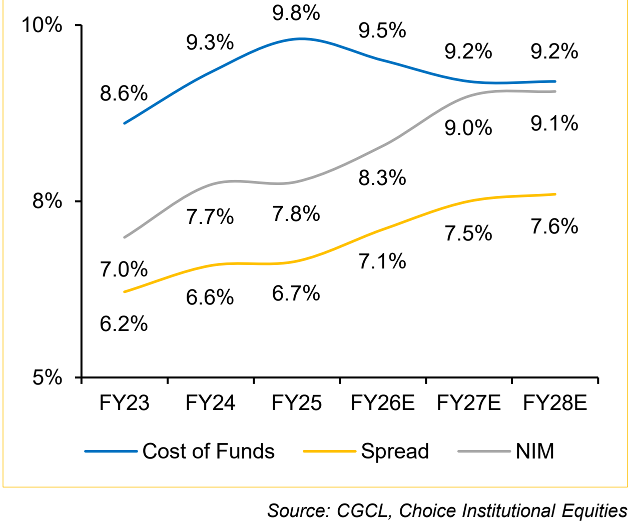
Source: CGCL, Choice Institutional Equities

Strong CRAR post QIP: runway for 3 years of growth



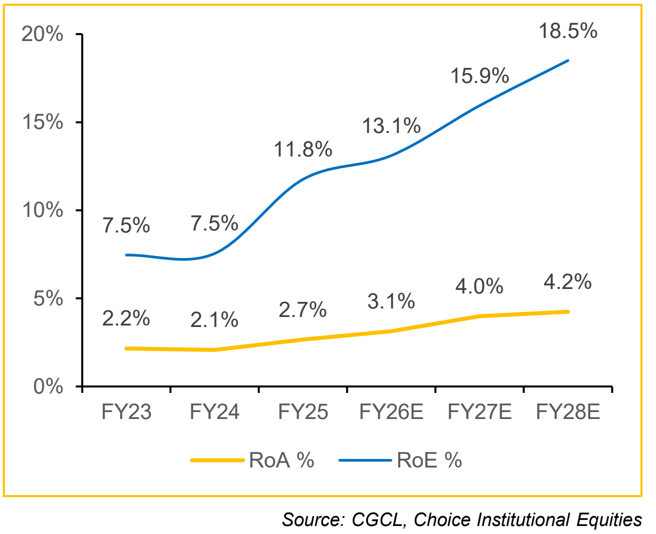
Source: CGCL, Choice Institutional Equities

Cost of Funds to drop to 9.2% by FY28E



Source: CGCL, Choice Institutional Equities

Leading to a strong uptick in RoA



Source: CGCL, Choice Institutional Equities

2.1 Higher Yields and Lower Costs, Leading to Margin Expansion

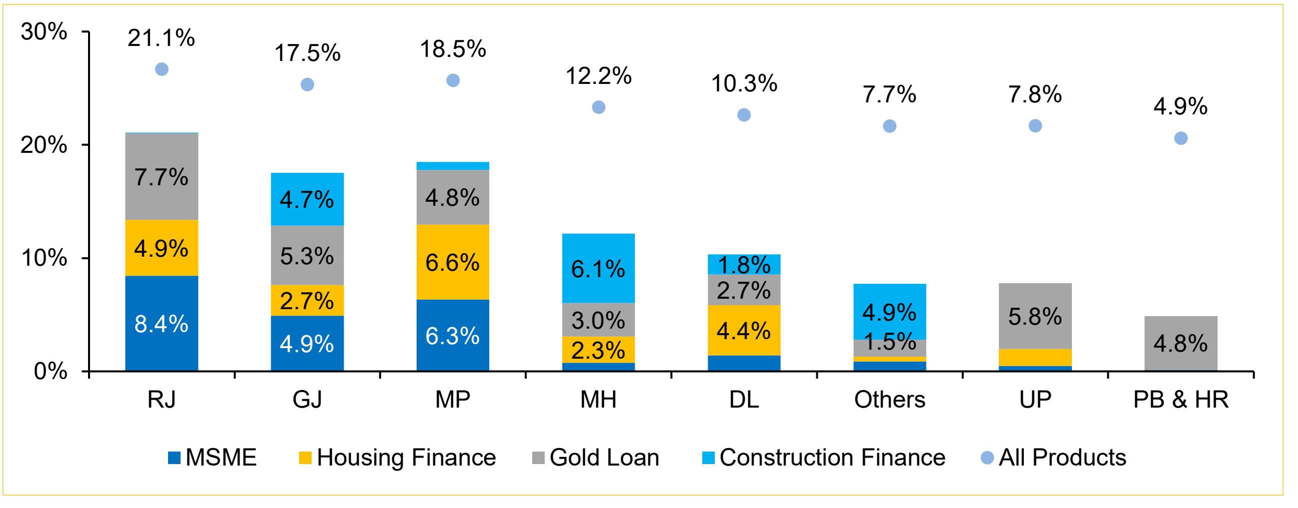
CGCL has undergone a transformation from a single product, geographically concentrated Loan Book to a geographically & portfolio diverse AUM. This diversification was achieved via high growth in existing products like Construction Finance & Housing Finance growing at a CAGR of ~44% and ~48% respectively over FY22 to FY25. Further, the successful launch of Gold Loans via **an addition of 562 branches in FY23,** growing the branch base significantly led to consolidated **3 year AUM CAGR of ~51%** over the same period. Gold Loans are the highest yielding product, improving portfolio yields by ~155 bps over FY23 to FY25. We forecast CGCL will be able to sustain these higher yields as **Gold Loans now form a significant ~36% of the total AUM**. Further, a rating upgrade is likely to improve Cost of Funds; whereas more efficient branch unit-economics & operational leverage will **expand NIMs & improve the cost to income ratio.**

2.1.1 AUM Growth Driven by Portfolio and State Diversification

Well diversified AUM reduces concentration risk

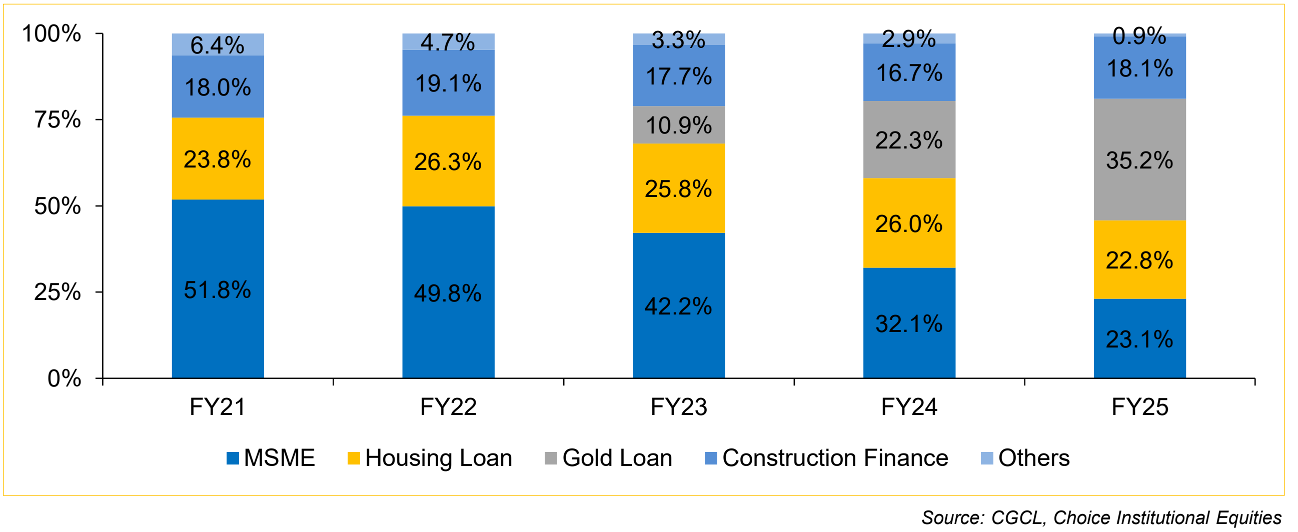
In 2011, CGCL had a single product — Construction Finance, over the years, CGCL launched and successfully scaled up 3 other products: MSME Lending (2013), Housing Finance (2017) and Gold Loans (August 2022). Micro LAP launched in FY25 is the newest product, currently included under MSME Lending with an AUM of INR 4.5 Bn, ~2% of Consolidated AUM.

No single state-product combination exceeds 10%, reducing risks substantially



Source: CGCL, Choice Institutional Equities

We expect FY25 portfolio mix to continue as diversification reaches maximum potential



Source: CGCL, Choice Institutional Equities

2.1 Higher Yields and Lower Costs Leading to Margin Expansion

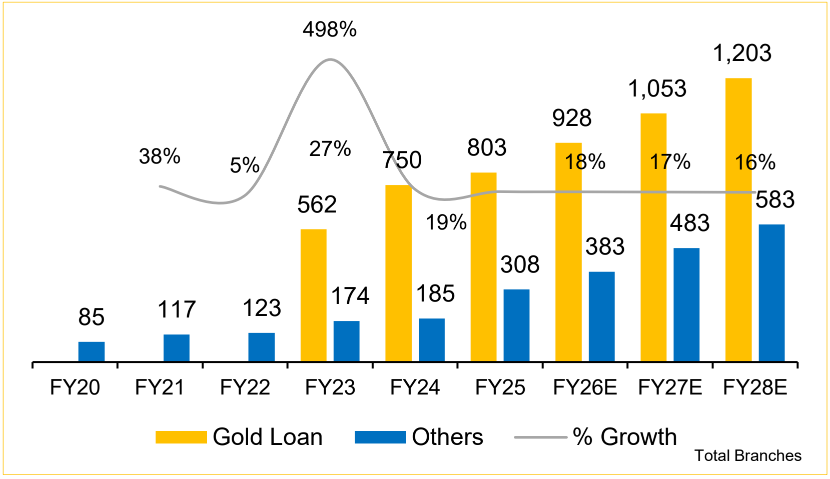
2.1.2 Slower Pace of Branch Expansion to Reduce Opex

Gold Loan launch entailed heightened costs

Gold Loan is a walk-in product. While, CGCL has a digital on-boarding process for Gold Loans, loans are disbursed for walk-in customers after assessment of collateral by experienced valuers. As a part of a strategic move, CGCL expanded its branch network by ~6x, from 123 in FY22 to over 730 in FY23. With 562 new Gold Loan branches in a year, this move required a significant uptick in Opex costs, significantly distorting the cost-to-income ratio. We expect the branch additions to normalise over the next few years to a total of 200—250 new branches every year, with a majority of new branches, 150—175, for Gold Loans.

613 branches added in FY23, 562 just for Gold Loans

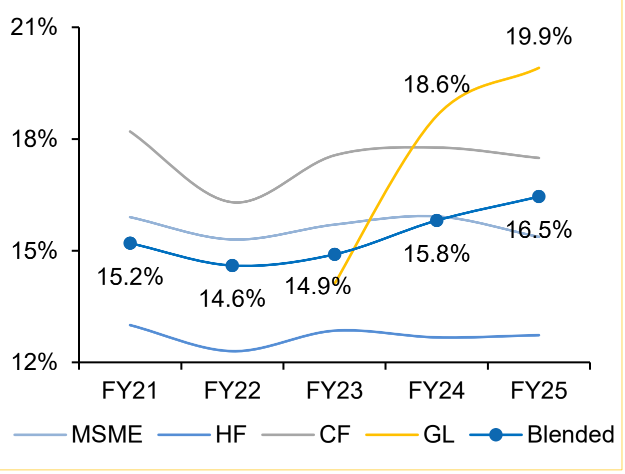
Branch additions would normalize to 200—250 through FY26E–FY28E



Source: CGCL, Choice Institutional Equities

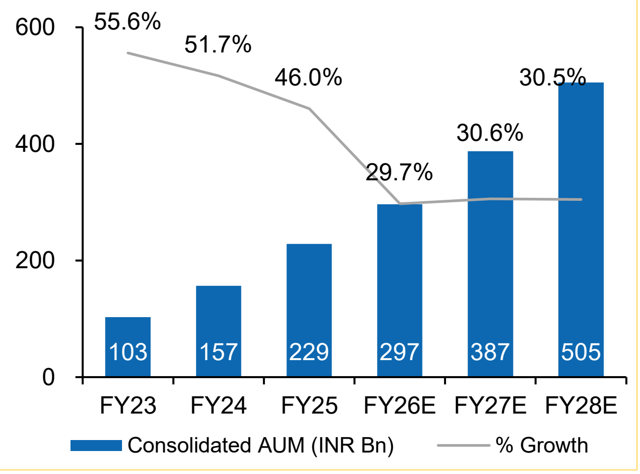
Growing branch network and new product launches helped CGCL to expand its consolidated loan book with a 3-year CAGR of 51% over FY22—FY25. Ex-Gold Loans the CAGR for other products also came in sharply higher at 32.2%, with Housing Finance & Construction Finance expanding at a 3-year CAGR of ~44% and ~48% respectively.

Gold Loans yield pushing blended yields upwards



Source: CGCL, Choice Institutional Equities

AUM to grow at ~30% CAGR over FY25–FY28E



Source: CGCL, Choice Institutional Equities

Yield on advances to move higher as portfolio matures

This growth in AUM led by Gold Loans has led to rising Yields, increasing by 155bps over the same period. Gold Loan yields have improved by an even more impressive 580bps over FY23—FY25 attributable to product stabilisation, increasing market share and growing branch vintage.

2.1 Higher Yields and Lower Costs Leading to Margin Expansion

2.1.3 Lower Cost of Funds and Opex to Boost PPOP Margins

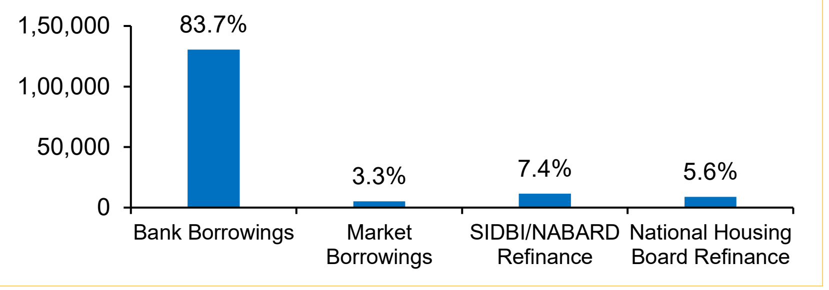
Increasing likelihood of a rating upgrade

Rating Upgrade and Fund Infusion to reduce Cost of Funds

CGCL's enjoys the highest ratings across its borrowings. Further, in FY25, CGCL received two upgrades:

1. Infomerics Valuation & Rating Limited upgraded the outlook to Positive from Stable.
2. Acuité Ratings & Research Limited upgraded the Non-Convertible Debentures from AA- to AA.

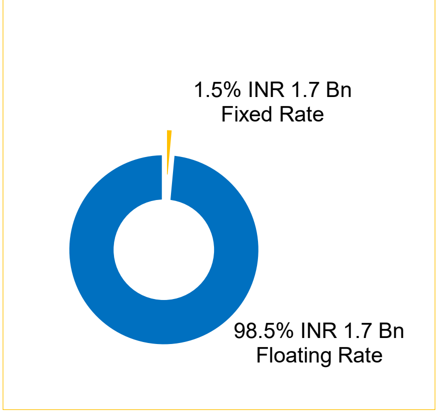
84% of Borrowings are financed via Bank and are rating sensitive



Source: CGCL, Choice Institutional Equities

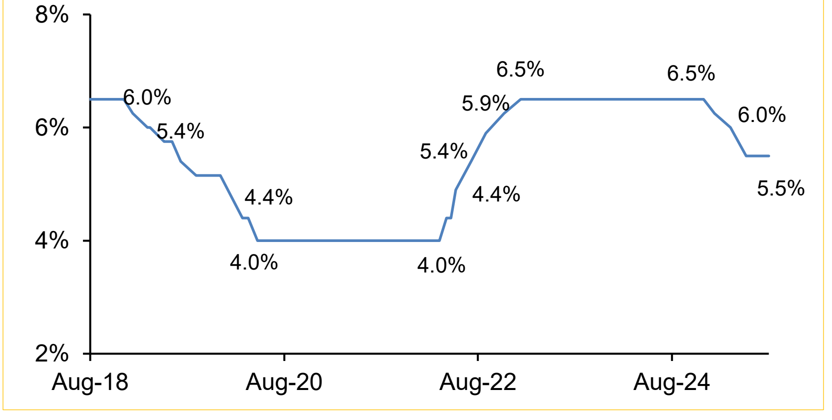
Borrowing costs to be cushioned further with expected rate cuts

Further, RBI has decreased repo rates by a full percentage point to 5.5% over the first half of CY26. With inflation coming in below RBI expectations and growth stalling, another rate cut in H2FY26E is very probable. RBI had reduced rates from 6.5% in January 2019 to 4% by March 2020. Such an elongated rate cut cycle is more likely to play out and push Cost of Funds lower over the next 2–3 years as CGCL's major source of borrowings are floating rate term loans.



Source: CGCL, Choice Institutional Equities

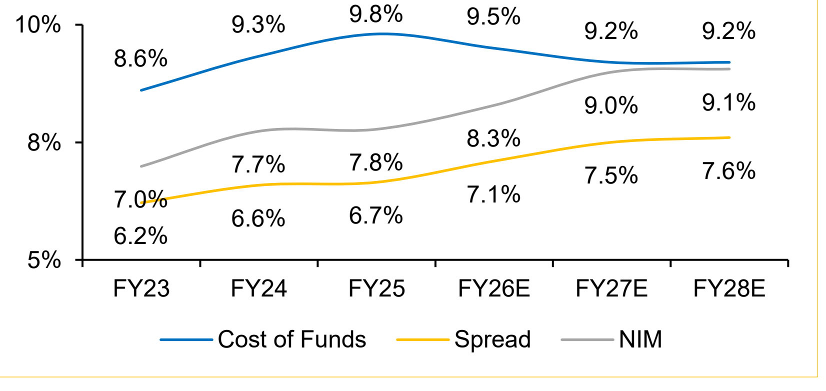
RBI cut repo rates by a full percentage point, from 6.5% in Dec'24



Source: RBI, Choice Institutional Equities

Cost of Funds to improve by 60bps over FY25—FY28E

With a robust balance sheet leading to upgraded credit ratings, we expect Cost of Funds to ease from 9.8% in FY25 to 9.2% by FY28E.



Source: CGCL, Choice Institutional Equities

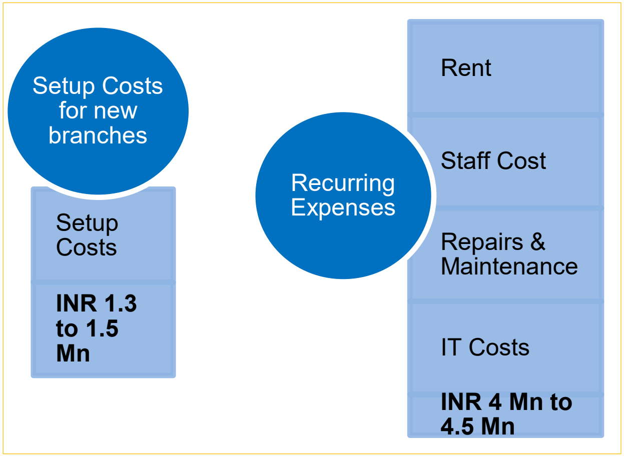
2.1 Higher Yields and Lower Costs Leading to Margin Expansion

Lower branch openings lead to savings on setup costs

Leveraging Scale & Improving Unit Economics via lower Branch Addition

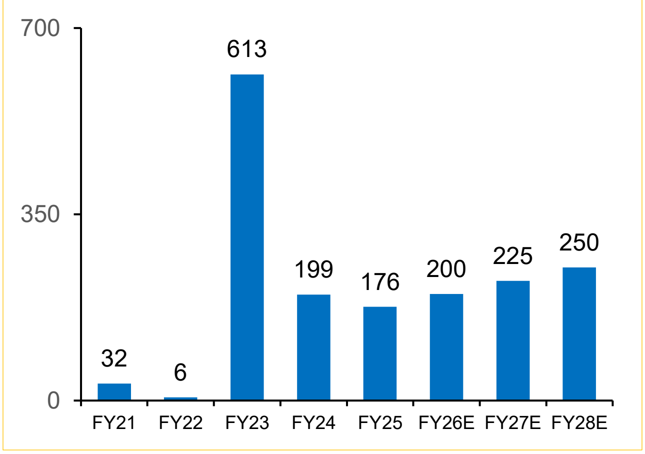
The rush for establishing Gold Loan branches led to the addition of 803 branch additions over FY23—FY25. Each branch requires an upfront one-time cost of ~1.31–1.5 Mn/branch. Additionally, branch Opex totals to around ~4 Mn to 4.5 Mn per branch per year. As branch vintage matures, efficiency per branch is likely to increase. CGCL is likely to open only 200-250 new branches each year. With only 600-750 new branches in the next 3 years versus 988 new branches over FY22 – FY25, we expect the costs to be much softer.

One time costs to reduce, as addition slows down



Source: CGCL, Choice Institutional Equities

New Branch Addition slows down after FY23 boom



Source: CGCL, Choice Institutional Equities

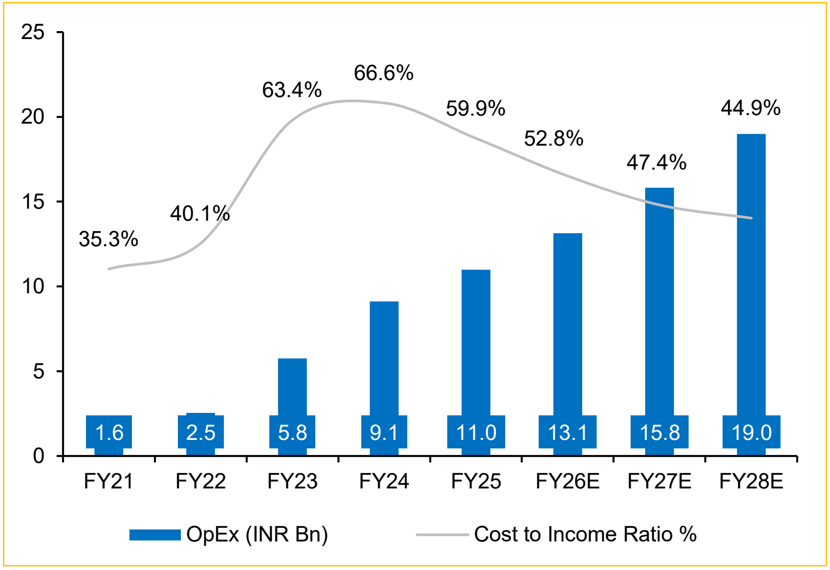
Cost to Income Ratio improves, as Fixed Costs are spread over a larger base

Rationalisation of Fixed Cost to further improve PPOP margin

CGCL has invested in Technology, Centralised Data Processing & other strategic investments to scale up its AUM and achieve growth. Going forward, as Fixed Costs are attributed to a rising AUM, operational leverage will kick in boosting PPOP margins.

Cost to Income ratio shows an improvement of 13%

Cost to Income Ratio is expected to decline drastically



Source: CGCL, Choice Institutional Equities

2.2 Enhanced Retail Credit Push through Technology & QIP

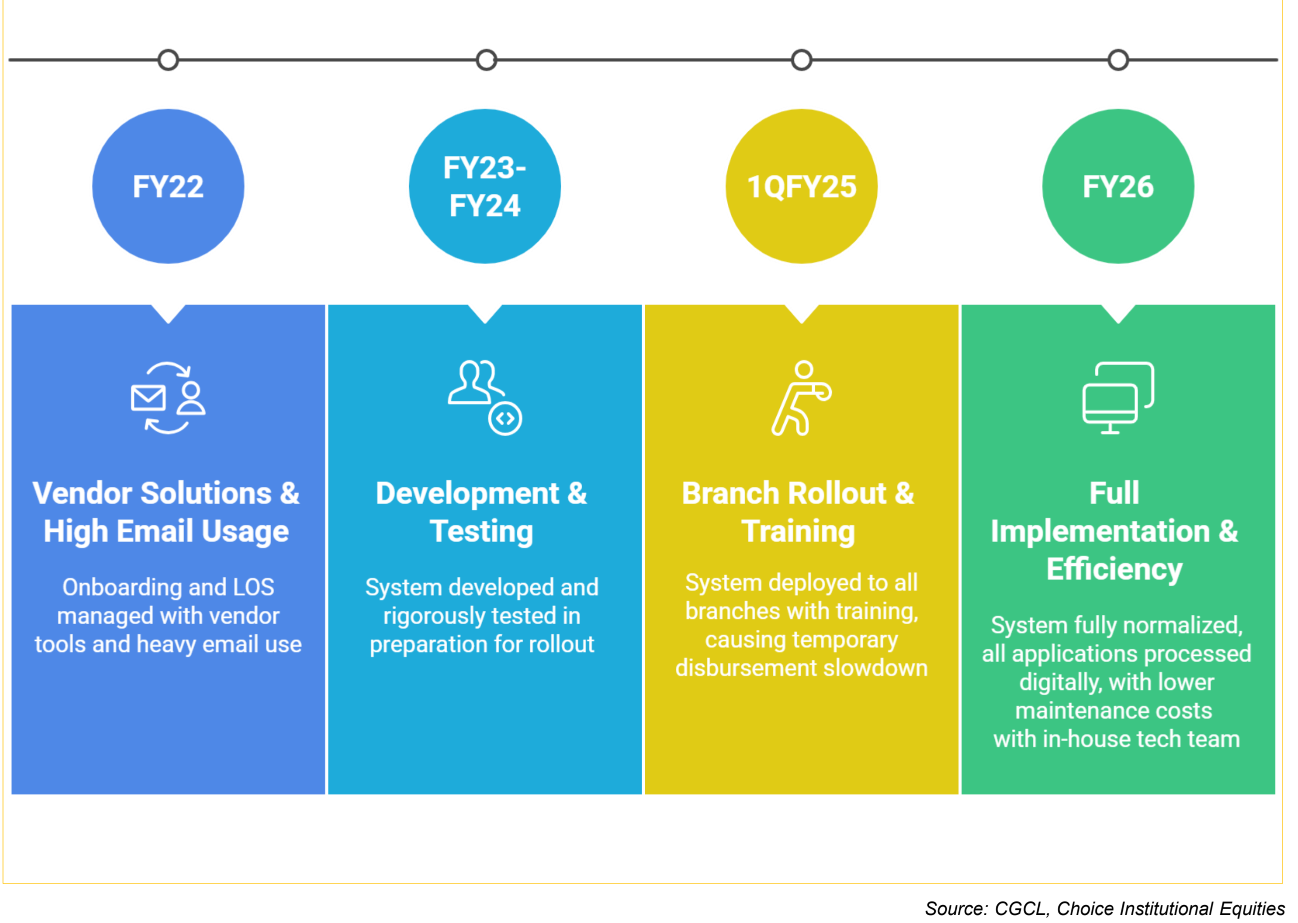
A 100% digital onboarding process for most of its products offers **opportunities for meaningful scale**. Over the last 3 years, CGCL has invested **~INR 3000 – 4500 Mn for implementing a technology platform** that now forms a core part of their operations, the platform covers the entire suite of customer engagement, from Onboarding to Collections. With integration of AI, Analytics the platform is future ready. It has stream-lined the operating processes, with benefits such as significant **TAT reduction**, **increased customer engagement, higher cross-selling opportunities** and better collections. CGCL completed **its QIP of INR 20 Bn in June 2025**, at INR 146.50/share offering shares to key marquee investors and charting a runway for **non-dilutive medium-term growth.**

2.2.1 Technology Investments Cement Foundation for Scaling

Scaling up with technology absorption

Over the last 3 years, CGCL has built home-grown custom made systems to aid scale and faster growth. CGCL invested about INR 3000–4000 Mn over the last 3 years to streamline and digitise the complete underwriting process. While the Loan Management System remains to be an off the shelf solution, the custom-made dashboards & monitoring tools have improved operational efficiencies enabling it to thus scale faster.

CGCL's Digital Journey has firmly taken shape through FY25, with 100% applications now digitally processed



Source: CGCL, Choice Institutional Equities

2.2 Enhanced Retail Credit Push through Technology & QIP

2.2.2 Upgrading MSME Lending with enhanced Technology

Digital processes for onboarding, underwriting and collection

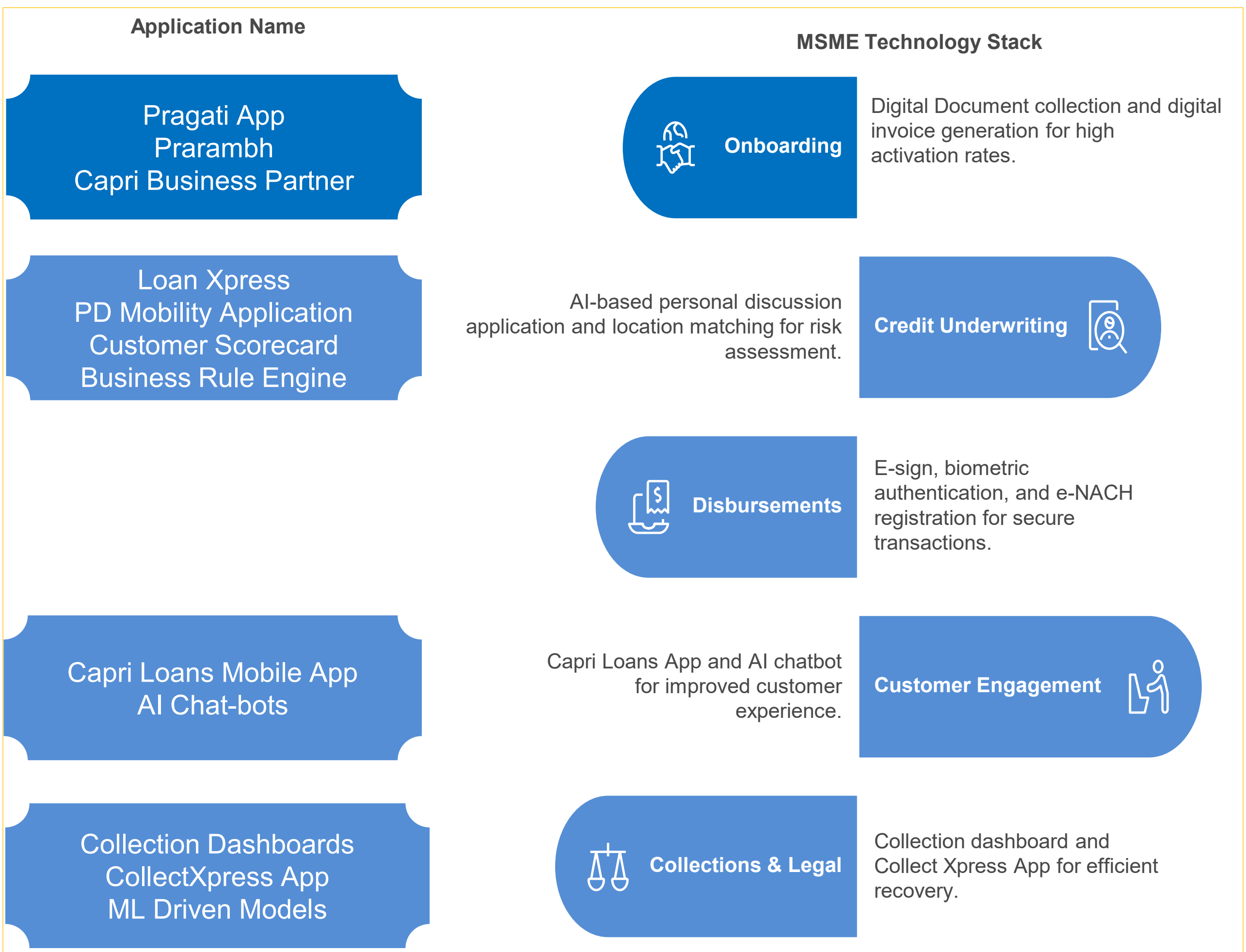
CGCL has integrated most of its MSME operation via custom made technology stack. Since Q2FY25 onwards, 100% on-boarding applications have been processed digitally.

Along with implementing a technology stack, CGCL's sharp focus on Turnaround Time (TAT) with dashboards and continuous also involves:

- Daily Morning Meetings for TAT monitoring
- Specifically for employees working in non-approval & sourcing roles: Negative Incentives for higher TAT
- Employees get a view on their tasks assigned & TAT every morning.

With these initiatives CGCL has managed to reduce TAT from 19 days in August 2024 to 10-11 days by March 2025.

MSME Loans are now 100% digitally on boarded and underwritten powering a significant TAT reduction



Source: CGCL, Choice Institutional Equities

2.2 Enhanced Retail Credit Push through Technology & QIP

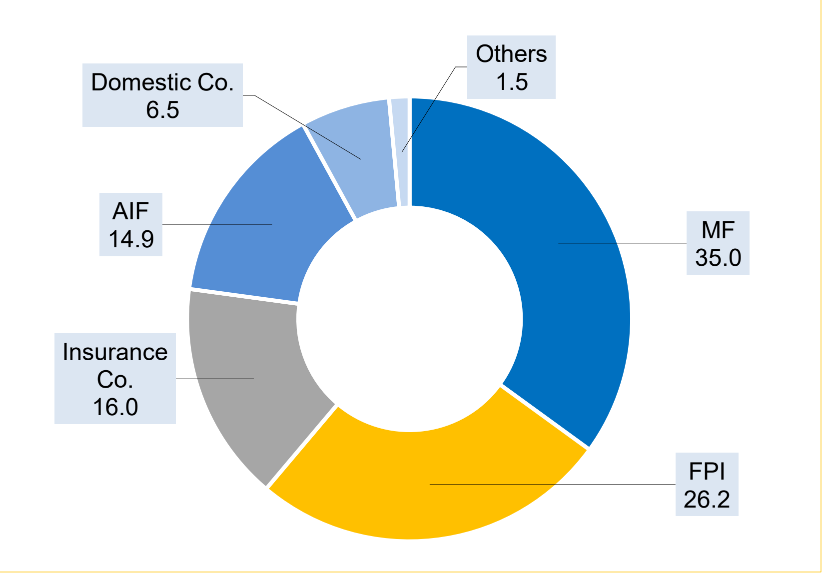
2.2.3 Fundraise paves three-year runway for growth

QIP of INR 20 Bn in June 2025

In March 2025, CGCL raised INR 2,000 Mn via a qualified institutional placement of its shares at INR 146.50 per share. The issue was subscribed by 58 investors, with Mutual Funds subscribing the highest at 35%. As on Q1FY26, the CRAR (Tier-1) for CGCL stands at ~34% on a standalone basis after the QIP. On the basis our projections of 30% CAGR AUM growth by FY28E, we believe another fund raise will not be necessary till at least FY28E offering growth without further dilution in capital. We expect the Risk Weighted Assets to end at INR 387 Bn on capital base of INR 90.0 Bn registering a CRAR (Tier-1) of 23.4%, this CRAR will be higher than the FY25 (pre-fundraise) CRAR (Tier-1) of 22.4%.

Participation of marquee investors drives confidence

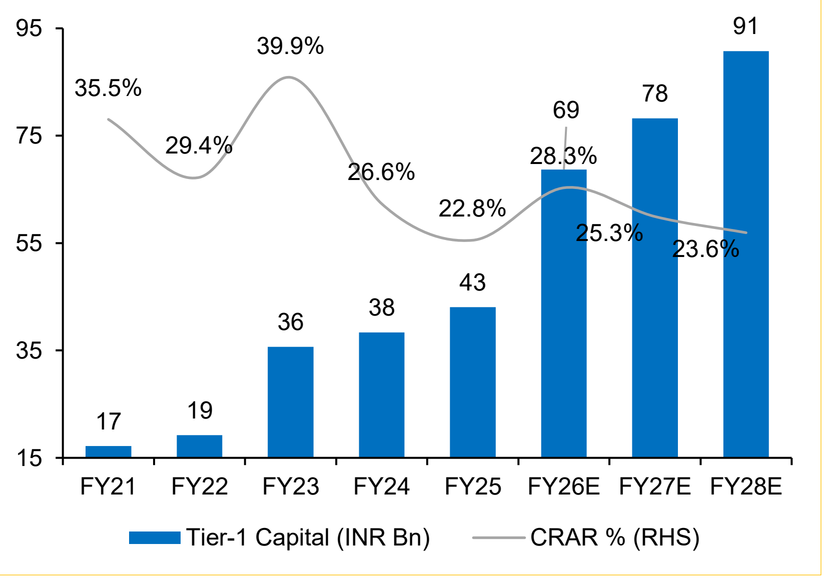
FPIs & Domestic Mutual Funds mopped up 61% of the QIP



Source: CGCL, Choice Institutional Equities

Fund Raise to delay further dilution for growth capital

CRAR strengthens post fund-raise: runway for 3 years of growth



Source: CGCL, Choice Institutional Equities

2.3 RoA Uptick Powered by Diversified Revenue Streams

Car Loan Originations, Insurance Distribution and Co-Lending Income form a main part of Non Interest Income. With total **Non Interest Income coming in at an average of ~37% of Net Interest Income(NII)**. CGCL has been able to successfully scale these smaller streams of Income into RoA drivers. For FY25, CGCL had **partnerships with 12 banks** for its car loan origination platform, generating a Net Fee Income of INR 0.9 Bn, 7.2% of NII. Co-Lending model generates a 4% yield on off book AUM generating an income of INR 1.65 Bn in FY25, 12.5% of NII. Similarly, Insurance Distribution nets the company 5.5% of NII. We expect **RoA to improve by 158bps over FY25—FY28E** with NII adding 114bps and 12 bps incrementally contributed by Non Interest Income.

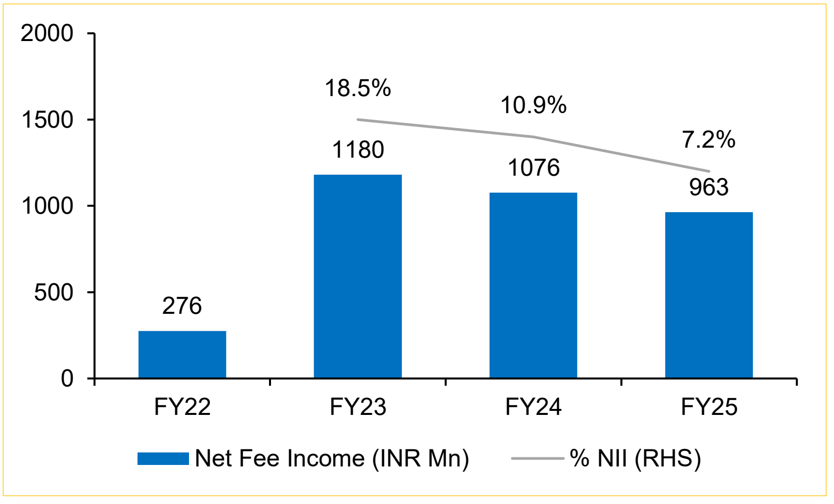
2.3.1 Car Loan Origination zooming ahead at full speed

Faster turnaround for incentive payouts gives a competitive edge

CGCL acts as a bulk loan originator for its 12 Banking Partners with its large presence in 814 locations. Various DSAs help source loan originations for CGCL, because of a faster turnaround for incentive pay-outs. CGCL has originated loans worth INR 105.51 Bn with a CAGR of ~36%.

With an application "Loans n Leads" for CGCL employees launched in FY25 providing paperless process for loan origination, sourcing, filing of loans with partner banks, lead creation, this business is expected to further scale up in coming years as Personal Vehicle Sales move out of the de-growth phase.

Stable Revenues from Car Loan Distribution

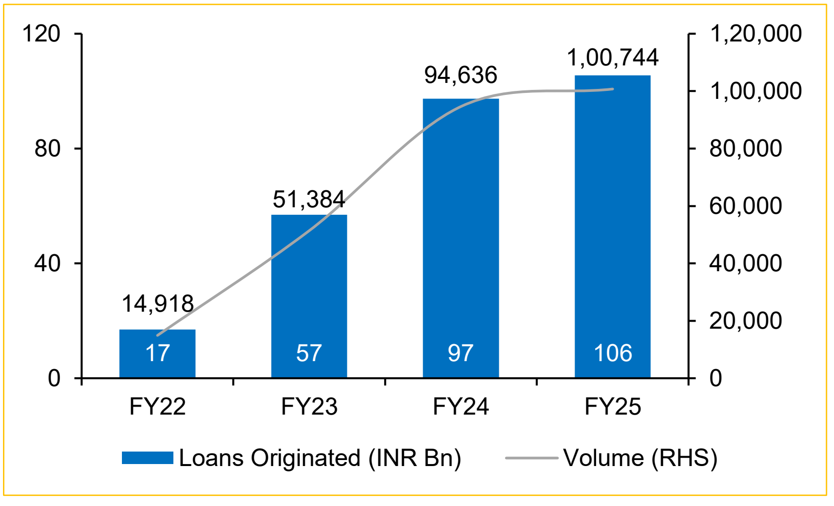


Source: CGCL, Choice Institutional Research

Scaled from 5 to 12 Car Loan Partnerships

Source: CGCL, Choice Institutional Research

Consistently growing Car Loan Distribution Volumes



Source: CGCL, Choice Institutional Research

2.3 RoA Uptick Powered by Diversified Revenue Streams

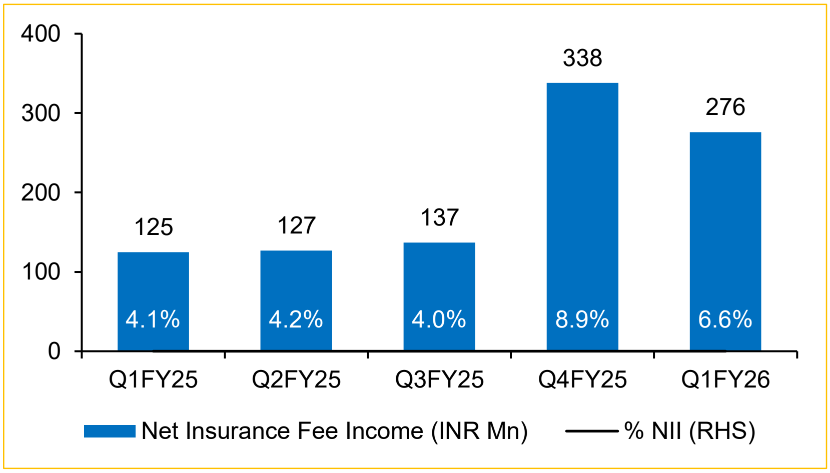
2.3.2 Cross-Selling Opportunities with Insurance Distribution

Cross-selling opportunities abound with Insurance Distribution

Across CGCL products, cross-sell opportunities are offered for Insurance Distribution. CGCL received its license for insurance distribution from IRDAI in December 2023. CGCL offers Health, Life & General Insurance for 18 Insurers. Real-time policy issuance, Buy & Compare portal, dedicated claims desk and TAT of 5 minutes make this segment attractive for the consumer. Existing customers purchased 84% of all policies sold, rising to 93% in Q1FY26. This additional opportunity averaged at 5.4% of Net Interest Income in FY25, further rising to 6.6% in Q1FY26. Health Insurance contributed to 90% of insurance products in FY25, with a cumulative policy count of 0.40 Mn.

Insurance Distribution growing from strength to strength

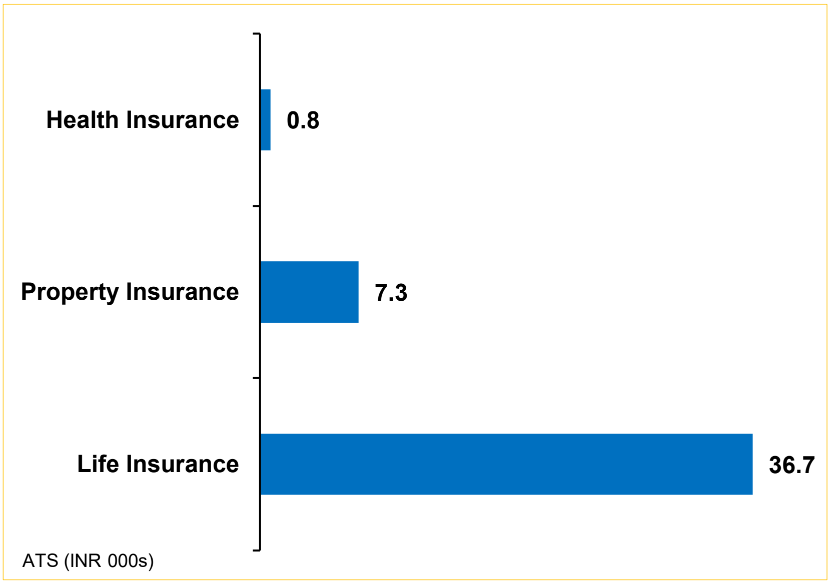
Stellar 120% YoY growth in Insurance Fee Collections for Q1FY26



Source: CGCL, Choice Institutional Research

Health Insurance is the best-selling policy but with a lower ticket size.

Life Insurance posted the highest Ticket Size in FY25



Source: CGCL, Choice Institutional Research

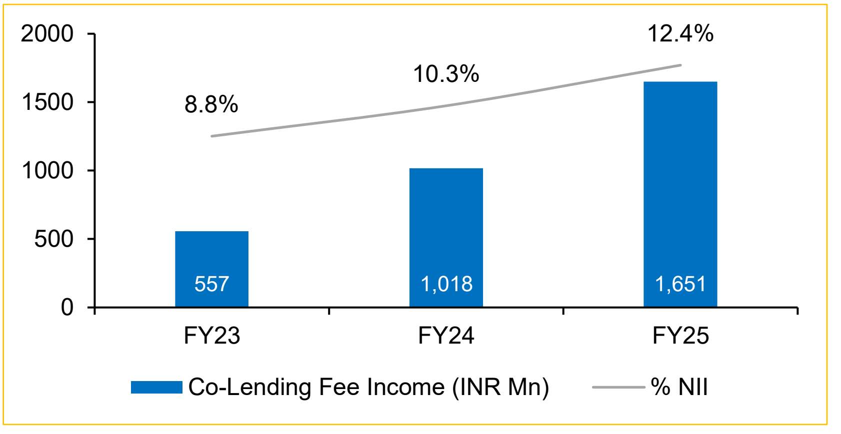
2.3 RoA Uptick Powered by Diversified Revenue Streams

2.3.3 Co-Lending Enhances Fee Income while Improving Capital Productivity

Co-Lending model has been largely successful

Co-Lending AUM was a meagre 1.7% of Consolidated AUM in FY22, this has risen to a sharp 17.85% by FY25. CGCL earns a mix of processing fees from the partner bank for co-lending AUM as well as interest on the book assigned to itself. Co-Lending yields have stabilised to 4% of Off-Book AUM as RBI has streamlined the process of co-lending and the interest charged to the borrowed is now an average of Interest Income of the Bank & NBFC. However, co-lending forms 12% of Net Interest Income as on FY25 offering a massive boost to RoE & RoA.

Co-Lending generated 12% of NII in FY25



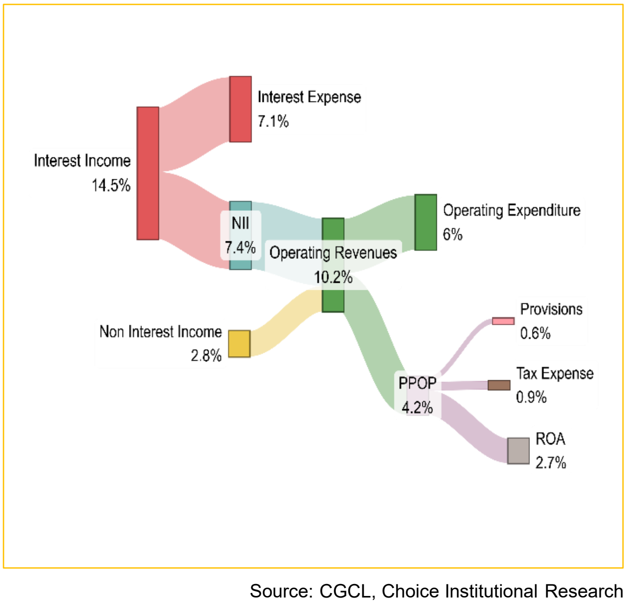
Source: CGCL, Choice Institutional Research

We project a jump in Return on Assets to 4.2% by FY28E

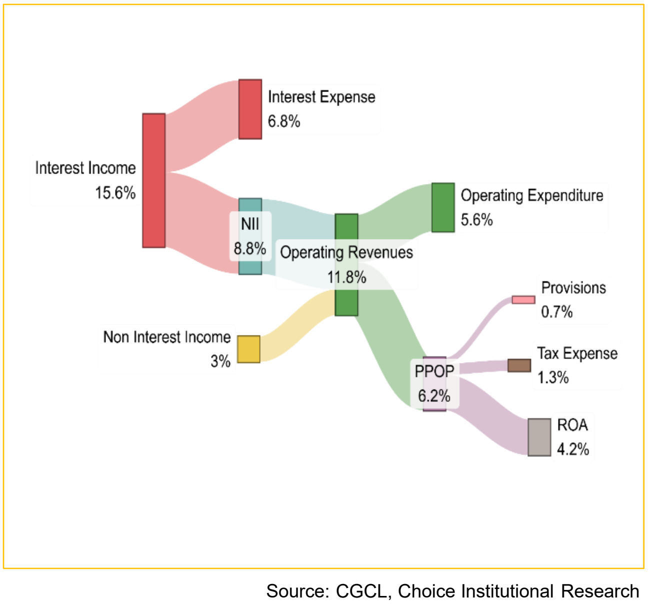
RoA to grow from 2.7% to 4.2% by 158bps

We therefore, expect Return On Average Total Assets (RoA) to improve by 157bps over FY25–FY28E supported by an 114bps expansion in Net Interest Income owing to lower Interest Expenses and improving yields. With an increasing leverage ratio to 4.0x by FY28E, total Return on Average Equity would , as a result, improve by a solid 669 bps.

RoAs to improve from 2.7% in FY25 to 4.2% in FY28E supported by lower costs and higher yields



Source: CGCL, Choice Institutional Research



Source: CGCL, Choice Institutional Research

3.1 Residual Income Valuation – Rated BUY

- ✓ CGCL has a well diversified AUM both, geographically as well as product wise. The company has delivered a 3-year AUM CAGR of 51% over FY21 – FY25.

30% AUM CAGR over FY25—FY28E

- ✓ We forecast a 3-year AUM CAGR of 30% over FY25—FY28E. While the growth in AUM is expected to be slower, Profitability is likely to see an uptick buoyed by operational leverage, lower interest costs & lower provisioning especially in FY27E & FY28E.
- ✓ Further, Non-Interest Income from Co-Lending, Car Loan Distribution & Insurance Distribution will increase RoEs by an average of ~3% over FY25–FY28E

PPOP to grow at a 3-yr CAGR of 46% over FY25—FY28E

- ✓ Thus, we expect Pre-Provisioning Operating Profit to grow at ~46% over FY25–FY28E much faster than the AUM growth.
- ✓ With a technological setup and fund raise, we believe CGCL is on a runway for growth over the next 3 years.
- ✓ **Hence, we initiate coverage on CGCL with a BUY recommendation and a Target Price of INR 230 by using the Residual Income Approach. Our Target Price implies an upside of 25%, and P/ABV of 2.8x / 2.4x based on FY27E / FY28E book values.**

Key inputs for Residual Income Valuation

Our Assumptions	
Rm	12%
Rf	6.4%
BBG Adj. Beta	0.89
Cost of Equity	11.4%
Terminal Growth Rate	4%

Source: CGCL, Choice Institutional Equities

Valuation Summary

DCF Calculation (INR Mn)	
FY25E Book Value (post-fund raise)	62,213
PV of Excess Returns	52,257
PV of Terminal Value	1,10,599
Equity Value	**2,24,933**
Number of Shares (Mn)	961.6
Target Price (INR/share)	**230**

Source: CGCL, Choice Institutional Equities

We recommend 'BUY' on CGCL with an upside of 25%

Sensitivity analysis – CoE & terminal growth rates

		Terminal Growth Rate %				
		3.0%	3.5%	4.0%	4.5%	5.0%
CoE	9.4%	340	350	370	400	420
	10.4%	270	280	290	300	320
	11.4%	220	230	230	240	250
	12.4%	180	190	190	200	200
	13.4%	150	160	160	160	170

Source: CGCL, Choice Institutional Equities

3.2 Risks to Our Investment Thesis

Co-Lending income model gets updated regulations

❖ **New Regulations in Co-Lending Space**

In August 2025, RBI issued new rules and regulations for Co-Lending affecting borrower's interest rates, stricter KYC and increased compliance. The new regulations mandate co-lending loans to be given out at the time of origination and a delayed model (CLM-2) has been shelved. While this regulations come into force 6 months down the line, volumes might dip as NBFCs modify their operations.

Gold Prices drive Loan-to-Value Ratios

❖ **Loan-To-Value Erosion in Gold Loans**

AUM from Gold Loans is expected to reach 38.6% of Total AUM by FY28E. Any significant fall in gold prices can put LTVs at stress. Any significant volatility or sharp decline in gold prices could erode collateral value, raising the loan-to-value (LTV) ratio and potentially prompting the need for additional collateral or partial repayments from borrowers.

❖ **MSME Credit Risks**

The MSME segment, which represents 22% of AUM, has been under stress for the past two years. CGCL is not immune to this trend, with GNPA at around 4% for FY25. Prolonged stress could lead to a short-term uptick in credit cost.

❖ **Asset Quality Risks**

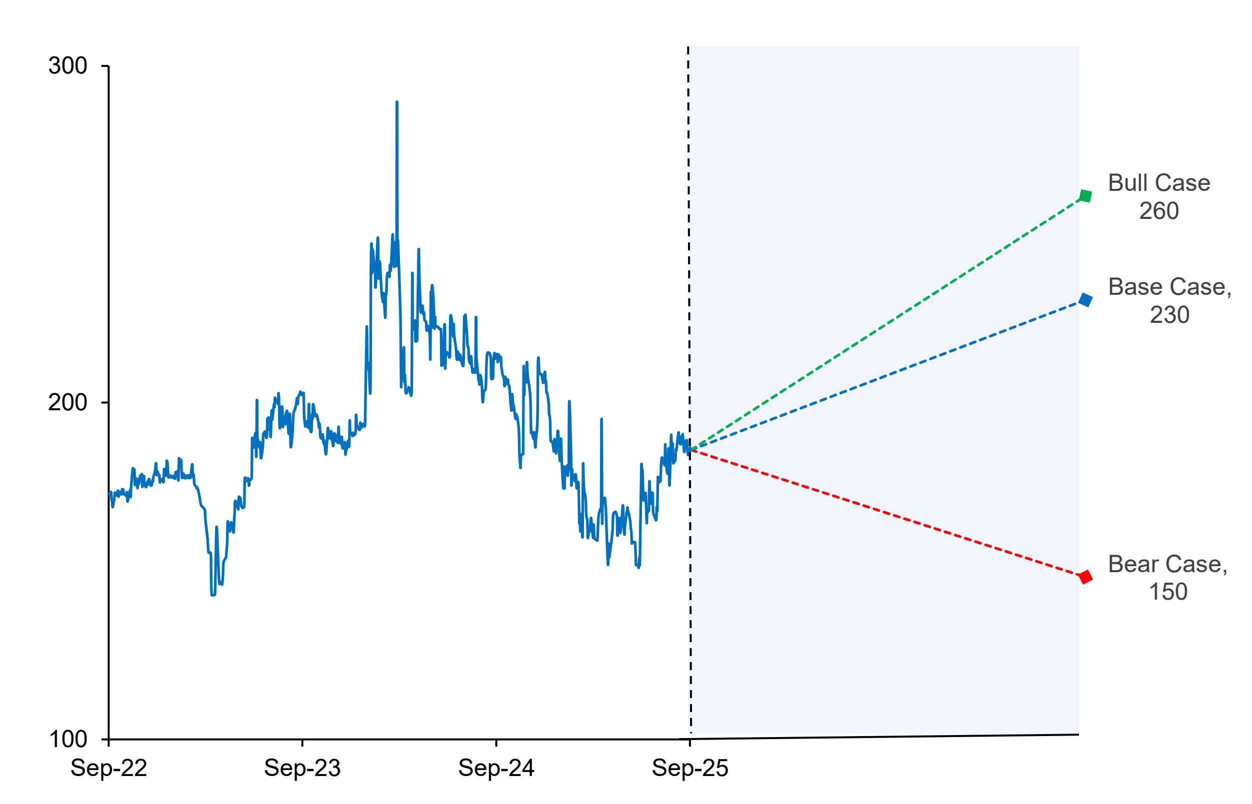
Majority of the customers come from a self-employed background, where any economic downturn, can significantly impact borrower cash flows hindering their ability to repay dues on time, leading to higher delinquencies.

Inability to grow can lead to lower operational leverage

❖ **Lower than expected Operational Leverage**

Intense competition across the product portfolio can lead to a reduction in Yields. Further, there could be a need for increased branding, advertising & promotion leading to operation leverage kicking in much slower than anticipated.

3.3 Bull and Bear Case Scenarios



INR 260
39.3% Upside

BULL Assumptions

- We assume a pickup in economic activity leads to faster AUM growth of 39.9%
- Non Interest Income similarly grows at 40% pace, with CGCL out growing the competition in Car Loan/Insurance Distribution
- Additionally, greater efficiencies are derived from Operational Leverage with Cost To Income Ratio declining to 40%

INR 230
23.2% Upside

BASE Assumptions

- AUM CAGR of 30% over FY25—FY28E
- Non Interest Income grows at a 3-year CAGR of 25%
- Cost To Income Ratio averages to 48.4% for FY25 – FY28E

INR 150
19.7% Downside

BEAR Assumptions

- AUM CAGR of 15%, with lower off take due to intense competition and macro downtrends
- Non Interest Income grows at a CAGR of 19.7% for FY25 – FY28E
- We also bake in a higher credit cost of 3%, assuming rising delinquencies in MSME book

4.1 Key Insights from Management Meeting

Future Outlook:

- CGCL has a strategic target of achieving INR 50 Bn AUM over the next 3 years, with plans to achieve this via a mix of initiatives both technology led as well as operationally.
- CGCL expects RoEs to be around 16%-18%, RoAs in the range of 4%-4.5%, with Co-Lending at 8-20% for the future.
- On the operational front, CGCL plans to further deepen its Data Science led initiatives with a focus on behavioral understanding to deepened its cross-selling initiatives
- Strategic Focus on High Yield Segments: Gold Loans, MicroLAP and Housing for self employed via in-house sourcing are expected to generate higher yields. Further, CGCL plans to augment fee income streams and deepen existing businesses.

Targeting RoEs of 16%—18% supported by a Cost to Income of 44%

Borrowing & Lending Rate Profile:

- Around 90% of CGCL's borrowings are on floating rates, with plans to raise to INR 10 Bn via commercial paper. NCDs and Commercial Paper are expected to bring in further borrowings.
- Gold Loans have a fixed interest rate model but due to shorter tenures interest rates are rest every 4 to 6 months, MSME loans are fixed for the first three years before turning floating, while Micro LAP loans remain fully fixed.

Floating borrowings with Fixed Lending to elevate NIMs

Gold Loan Business:

- The Gold Loan business has been expanding steadily and has reached break-even across most branches since FY25. By the end of FY25, more than 90% of branches had become profitable, supported by a consistent flow of walk-in customers.
- At the branch level the break-even AUM is INR 450 Mn, which is typically achieved within 10–15 months depending on the location.
- Current presence is 10 states, mostly southern and western India, with plans of expansion in South India. Looking ahead, the company plans to open around 150 branches by FY26.

Gold loans capped at 40% of AUM; stood at 37% in Q1FY26.

MSME Segment:

- Earlier limited by capital constraints, MSME growth is back in focus post the June 2025 capital raise. Micro LAP, which is part of the MSME segment is expected to show good growth growing forward. The average ticket size for MSME loans is INR 2.5 Mn and INR 0.5 Mn in Micro LAP

Around 6–8% of applications are rejected upfront, mostly due to low CIBIL, location, or industry.

Construction Finance:

- Lending is capped at 15–18% of AUM, limited to Tier-1 cities, and focused on mid-size developers.
- Loans at the time of sanction, are of INR 400 Mn (portfolio ticket size ~INR 160 Mn) secured by land or personal assets; these loans are typically repaid within 2 to 2.5 years (maximum tenure is 5 years).

Car Loan & Insurance Distribution Business :

- The Car Loan Distribution business has reached break-even, CGCL is currently focusing new car lending and may expand to used cars and other products to prime customer segments in the future.
- For their MSME, Housing Finance and MicroLAP customers products such as Credit Life, EMI Protect and Property Insurance are offered. Gold Loan customers are cross-sold Health insurance to gold loan customers. 18 insurers have tied up with CGCL for distribution. Origination is fully digital with no physical branches.

Growth has slowed recently due to competition, commission sharing, and cyclical auto sales.

Branch Network:

The company plans to add 200–250 branches each year both in existing states as well new markets like karnatka, Telanga and Tamil Nadu.

4.2 Gold Loan Branch Visit

Security is AI-driven via the Zygle system.

Branch Visits:

We visited a Gold Loan branch in Hinjewadi, Pune. In Pune lowest AUM is INR 50 Mn and the highest is INR 190 Mn. Currently, around 90% of the lockers are occupied, though capacity can be expanded as needed. Additionally, the branch promotes cross-selling by displaying advertisements for other products.

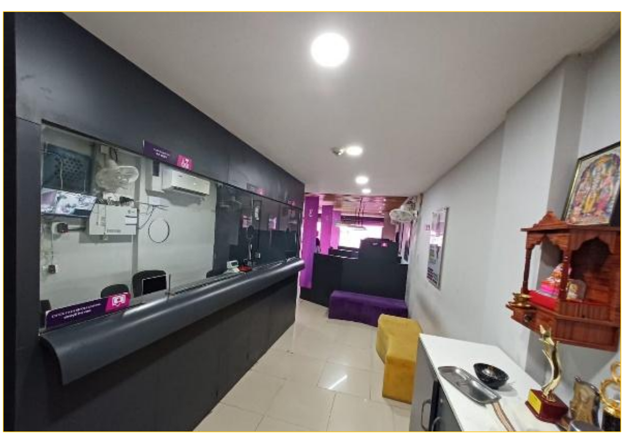
Branch Design:
Each branch is designed to operate efficiently within a minimum area of 600–700 sq. ft., staffed by 5–6 employees and open from 9:30 AM to 6:30 PM. Each branch is equipped with a cabinet containing 15–16 lockers, each supporting up to 30 kg.

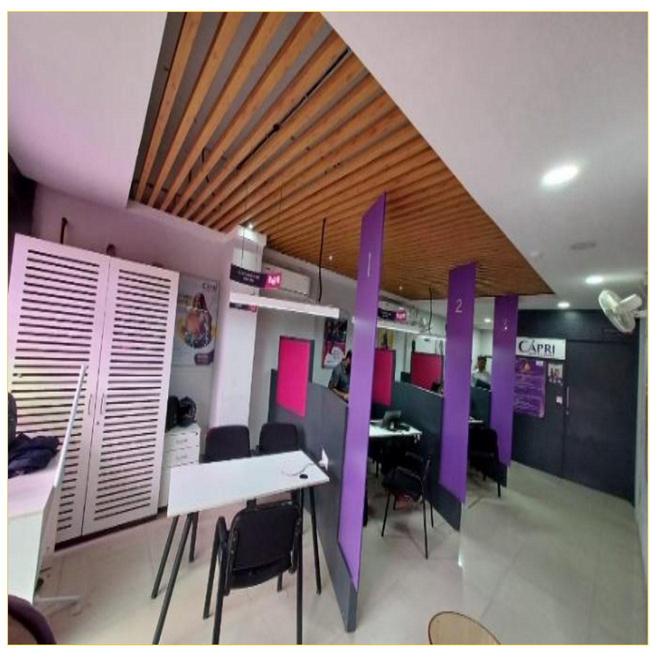
Security Measures :
Access to lockers requires a three-step process: Face ID recognition, Zygle approval, and a mobile tap.

The branch features a two-layer door system, combining an RCC manual key with an inner automatic AI-controlled door and a key custodian is mandatory to ensure none enters alone. Two cameras monitor the locker room—one visible at the branch and another monitored by the head office.

Zygle's AI continuously oversees both the cabinet and branch, entrances. In case of any unusual or unauthorised activity, the system triggers an alert, cross-checks footage with the cameras and promptly notifies the security team for immediate action.

Capri Global, Hinjewadi Gold Loan Branch, Pune





4.2 Gold Loan Branch Visit

Onboarding for Gold Loans is 100% digital, although assisted by a RM

Gold Loan Customer Journey

1. The process begins with a Sales Executive explaining available schemes to a walk-in customer.
2. A first-round gold quality check is performed by the valuation team.
3. Once the Customer ID (CUID) is created, a second valuation team reconfirms the analysis.
4. The loan amount is then approved by the Branch Manager (BM), and after an OTP based verification; the disbursement is completed at the cash counter.

Disbursal TAT of less than 30 minutes

Time Taken

- For new customers, the entire process: from CUID creation to disbursement, takes a maximum of 30 minutes.
- For existing customers, the journey is faster, typically completed within 15–20 minutes.
- During peak hours, valuation alone can take up to 45 minutes, compared to the usual 30 minutes.
- Valuation time varies depending on the number and complexity of ornaments presented

Approvals Based on Loan Size:

- High ticket loans (greater than INR 1.5 Mn) are given out sparingly. Large amounts may take up to 1 hour for approval.

Approvals based on ticket size of a Loan

Loan Amount	Authority for approval
Less Than INR 0.3 Mn	Assistant Manager
INR 0.3 to 0.5 Mn	Branch Manager (BM)
INR 0.5 to 0.7 Mn	Area Manager
INR 0.7 to 1.5 Mn	Regional Manager
INR 1.5 to 2.5 Mn	Zonal Manager
Above INR 2.5 Mn	Business Head

Multiple options and choices available for customers

Other Highlights

- Tenure Options: 12 & 24 months, renewal available.
- 15-16 different schemes available for customers
- Customer Profile:
    - ~60% loans have a tenure of 6 to 12 months
    - More than 60% customers are relationship-driven repeats.
- Fake and Low Purity Cases: ~1–2 cases per month.
- Interest Rates:
    - Small loans (< INR 0.1 Mn) – ~21%.
    - Less than INR 1 Mn the interest charges ~1.67% per month.
    - System declared and market driven interest rates and gold prices are adopted.
- LTV Ratios: Changed daily by Head Office as per gold price.

5.1 Relative Analysis

	CMP (INR)	Market Cap. (INR Bn)	P/BV		RoA %		RoE %	
			FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
CGCL	187	179.7	2.6	2.3	3.1	4.0	13.1	15.9
IIFL Finance*	435	189.9	1.4	1.2	2.1	2.5	10.0	12.9
MSME Financiers								
UGRO*	177	20.6	0.8	0.8	2.0	2.3	7.3	8.6
SBFC*	107	116.1	3.2	2.8	4.3	4.4	12.6	14.1
Gold Finance								
Manappuram Finance*	291	246.3	1.8	1.6	3.1	3.8	11.8	14.0
Muthoot Finance*	2926	1,181.1	3.5	2.9	5.4	5.3	23.2	22.2
Housing Finance								
Aptus*	332	174.7	3.5	3.0	7.3	7.1	19.6	20.2
Homefirst*	1303	129.7	3.1	2.7	3.6	3.6	14.9	14.3
Aavas*	1633	125.5	2.5	2.2	3.1	3.2	14.1	14.6
India Shelter*	875	95.9	3.1	2.6	5.6	5.2	17.0	17.4
Aadhar Housing Finance*	507	221.7	3.0	2.5	4.3	4.4	16.0	16.5

Source: Company, Bloomberg, Choice Institutional Research
Note: * denotes Bloomberg Consensus

Q1FY26	FY25 AUM (INR Bn)	Branches	AUM/Branch (INR Mn)	Employees	AUM/Employee (INR Mn)
CGCL	3.2	1,138	4.2	13.3	16.1
IIFL Finance	2.06	4872	2.6	9.98	12.9
SME Financiers					
UGRO	1.98	286	2.53	7.32	8.6
SBFC	4.32	215	4.39	12.6	14.1
Gold Finance					
Manappuram Finance	3.1	1785	3.96	11.8	14.0
Muthoot Finance	5.4	4,855	4.96	23.15	22.2
Housing Finance					
Aptus	7.3	301	6.8	19.6	20.2
Homefirst	3.6	158	3.6	14.9	14.3
Aavas	3.1	397	3.2	14.1	14.6
India Shelter	5.6	290	NA	17.0	17.4
Aadhar Housing Finance	4.3	591	4.5	16.0	16.5

Q1FY26	NIM %	Yield %	CoF %	Cost to Income %	CRAR %	GNPA % AAUM	NNPA % AAUM
CGCL	8.9	16.9	9.7	49.0	34.5	1.7	1.0
IIFL Finance	NA	16.1	9.5	48.0	28.4	2.2	1.0
SME Financiers							
UGRO	NA	17.5	10.6	55.7	22.4	2.3	1.6
SBFC	10.2	18.0	9.3	39.1	36.1	2.7	1.5
Gold Finance							
Manappuram Finance	11.3	20.5	9.4	45.7	28.7	3.0	2.6
Muthoot Finance	10.9	19.6	7.4	22.6	22.0	3.4	2.0
Housing Finance							
Aptus	13.4	17.4	8.6	19.9	70.0	1.2	0.9
Homefirst	6.1	13.4	8.4	34.0	49.6	1.7	1.3
Aavas	7.5	13.1	8.0	46.6	43.2	1.1	0.7
India Shelter	12.8	15.0	8.6	35.1	58.4	1.0	0.8
Aadhar Housing Finance	8.8	13.8	8.0	36.1	44.6	1.1	0.7

Source: Company, Bloomberg, Choice Institutional Research

5.2 SWOT Analysis

Strengths
- Strong technology-backed platform for retail-focused AUM growth
- Diversified Loan Book across states
- Product diversification offers further cushioning from delinquencies in one product

Weaknesses
- Focussed majorly on North & West India
- High dependence on bank borrowings (~80%+ of Borrowings)
- Scale is modest vs. large NBFCs

Opportunities
- Micro LAP Portfolio started recently is poised for growth
- Rising sales of Passenger Vehicles can lead to higher Insurance Distribution Income
- Operational Leverage kicking in as branch openings reduce

Threats
- Regulatory and compliance risk
- Rising delinquencies
- Slowing Economy
- Gold Loan price fluctuations

Source: CGCL, Choice Institutional Equities

5.3 Porter's Five Forces Analysis

Competition Intensity - High
- Significant competition for pricing, customer service & technology

Threat of New Entrants - Low
- Highly regulated by RBI
- New licenses are rarely issued for NBFCs

Bargaining Power of Buyers - Moderate
- Buyers with good credit score can shop around for loans and get pricing on their terms

Threat of Substitutes - Moderate
- Alternative financing arrangements such as banks, fintech lending & informal Sources

Bargaining Power of Suppliers - Moderate
- Well-financed capital base and good credit ratings for CGCL reduce the bargaining power

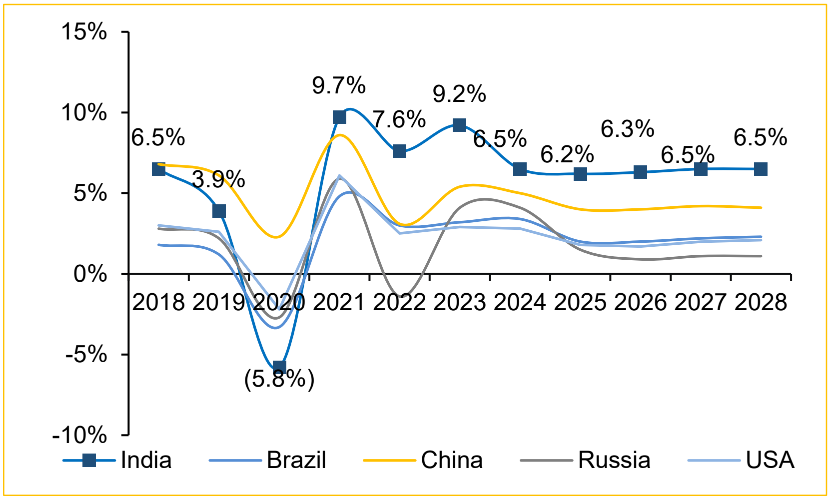
Source: CGCL, Choice Institutional Equities

6.1 Indian Macro and Overall Credit Markets

India expected to be the fastest growing large economy

As global growth slows due to geopolitical tensions, tariff wars leading to protectionism, India remains relatively sheltered. With ~60%+ of GDP contributed by domestic private consumption. India is expected to grow by 6.3% to 6.5% over 2026E to 2028E. GST rate rationalization, lower interest rates, income tax cuts for the masses are expected to boost consumption and increase economic throughput by H2FY26.

India to be the fastest growing large economy

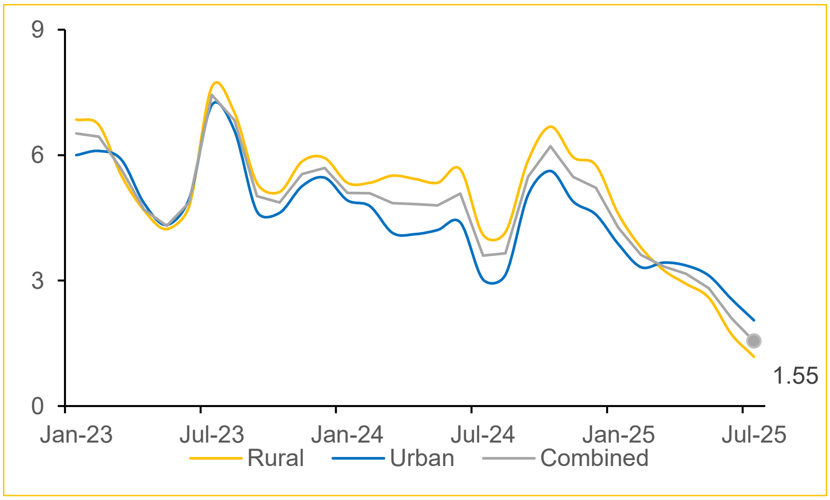


Source: IMF, Choice Institutional Equities

Inflation remains under a tight check

While growth is expected to remain slow in the H1FY26 for the Indian economy, Inflation has remained under a tight wrap. With July'25 numbers coming in at 1.55% YOY on a combined rural and urban basis. This low inflation gives room for further interest rate cuts, which can help the change the growth trajectory of the economy.

While, CPI Inflation slows driven by lower demand



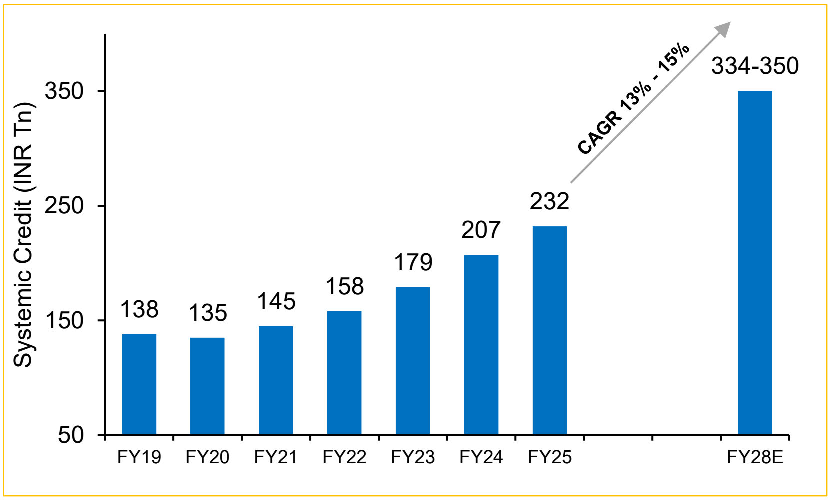
Source: MOSPI, Choice Institutional Equities

6.2 Banking and NBFC Landscape

Financial Inclusion and Formalisation driving Overall Credit

The percent of Indian adult population with a bank account has increased from 53% to 78% from 2014 to 2021. Financial inclusion has been a driving force for the economy over the last decade. Direct Benefit of Transfers (DBT), Jan Dhan Yojana, rising digital payments are some of the key Government initiatives that have led to a rise in formalisation of the economy.

Credit Growth is projected to grow by 13%-15%

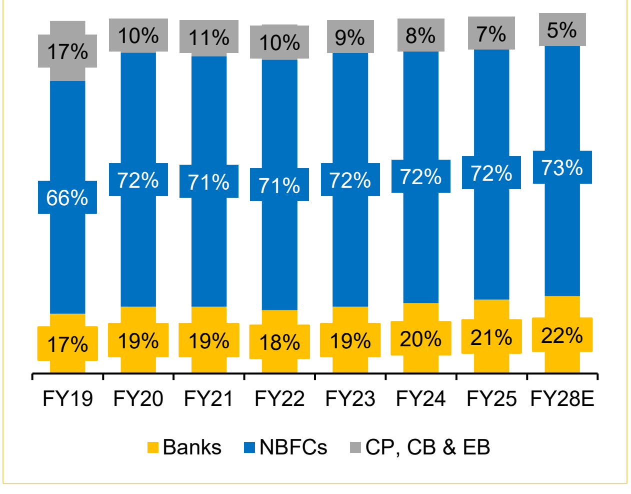


Source: CRISIL, Choice Institutional Equities

Credit Growth favours NBFCs over Banks

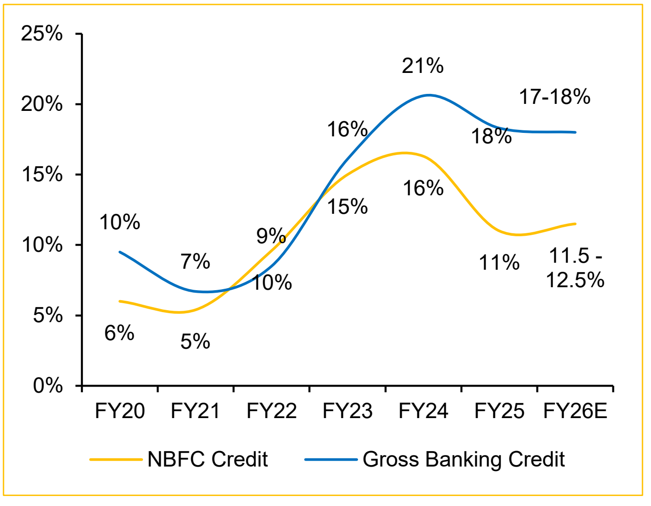
Bank credit has been growing slower than NBFC credit except FY22, where post pandemic NPAs led to Bank Credit outpacing NBFC Credit. NBFCs are favoured due to a relatively relaxed regulatory environment as compared to Banks. NBFCs thus gain an edge over traditional banks by being able to lend where banks would not be able to such as Microfinance, New to Credit cohorts etc.

With NBFC share in Credit expected to rise by FY28E



Source: CRISIL, Choice Institutional Equities

Leading to faster credit growth for NBFCs



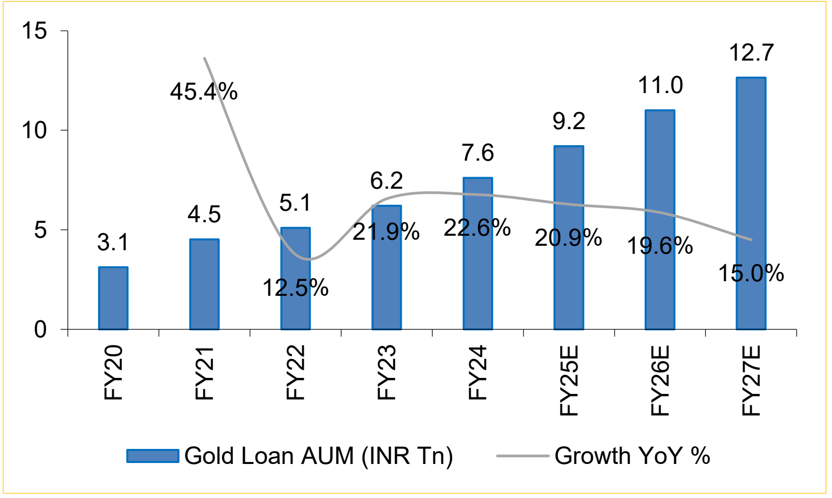
Source: CRISIL, Choice Institutional Equities

6.3 Credit Micro-Markets

Gold Loan AUM riding on gold prices

For H1CY25 gold has risen by ~25% driven by geopolitical uncertainty, increased buying by central banks across the world as well weak economic growth. With rising gold prices, Loan to Value ratio is expected to be comfortable. As per CRISIL, only 12% of gold held by Indian Households is currently pledged, leaving plenty of headroom for growth. Gold Loans are thus expected to grow at a CAGR of 12.5% over FY25 – FY27E.

Gold Loans expected to grow at a CAGR of 18.5% over FY25 – FY27E

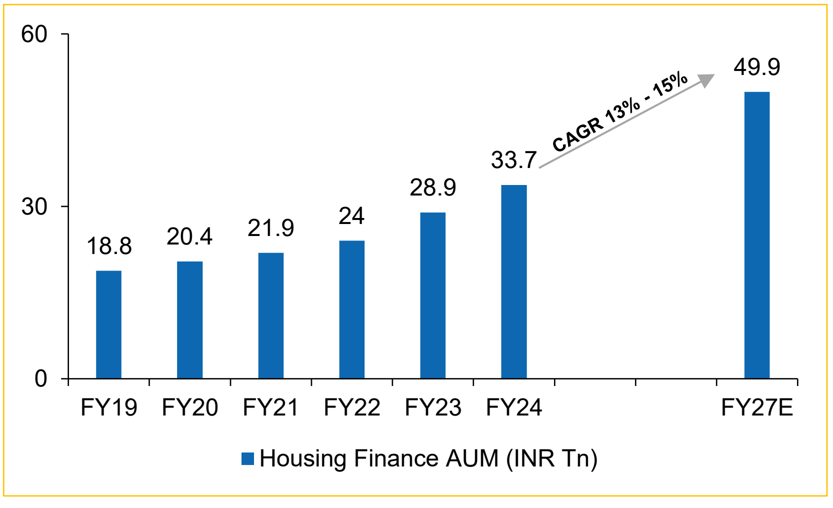


Source: CRISIL, Choice Institutional Equities

Aspirational home buying fuelling Housing Finance AUM

Affordable housing finance (INR <2.0 Mn), rising disposable income over the years has led to Housing Finance AUM growing by 12% CAGR over FY19 – FY24. An own home is an aspirational metric consumers strive for, with great economic mobility and rising trends of new construction in Tier-2/Tier-3 cities, housing finance is expected to clock a 3 year CAGR of 13%-15% over FY25 – FY27E.

Housing Finance expected to grow at a 3yr CAGR of 13%-15% by FY27E



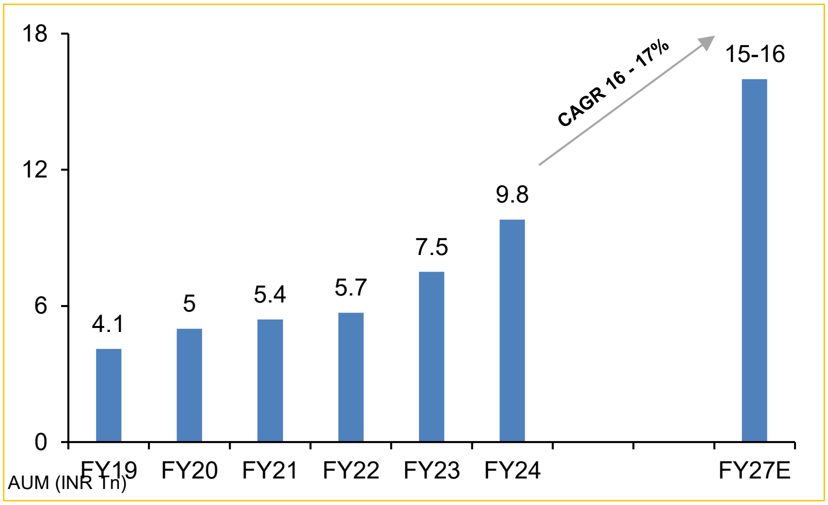
Source: CRISIL, Choice Institutional Equities

6.3 Credit Micro-Markets

Less Than 15% of MSMEs have access to credit

Out of an estimated 70 Mn MSMEs in India, only 15% have access to formal credit. As the economy gets formalized, and more MSMEs get access to data, with heightened transparency leading to higher penetration of MSME Credit.

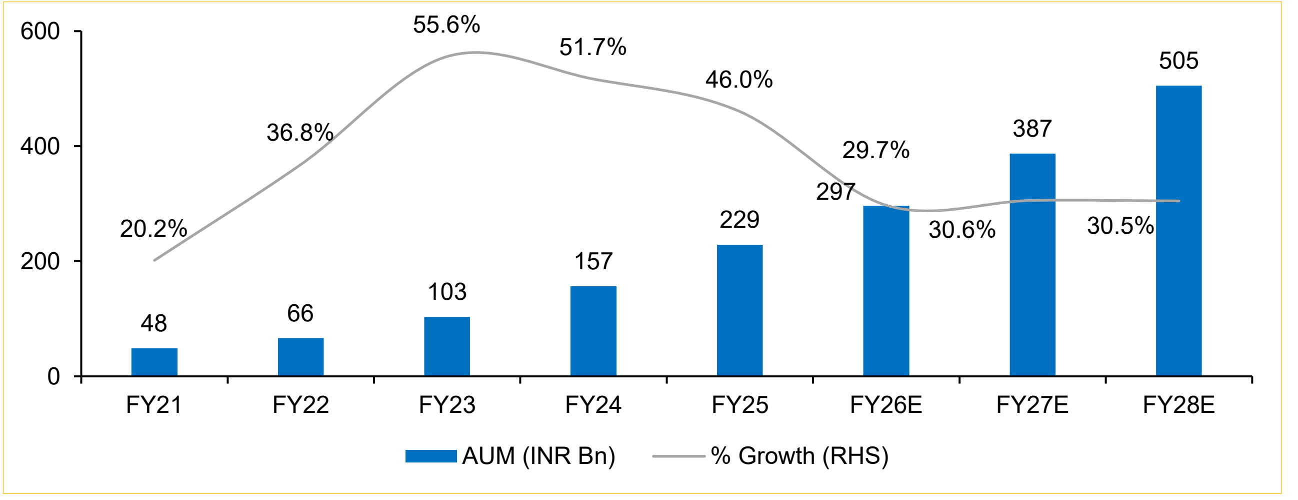
Secured MSME loans bridging the MSME Financing Gap



Source: CRISIL, Choice Institutional Equities

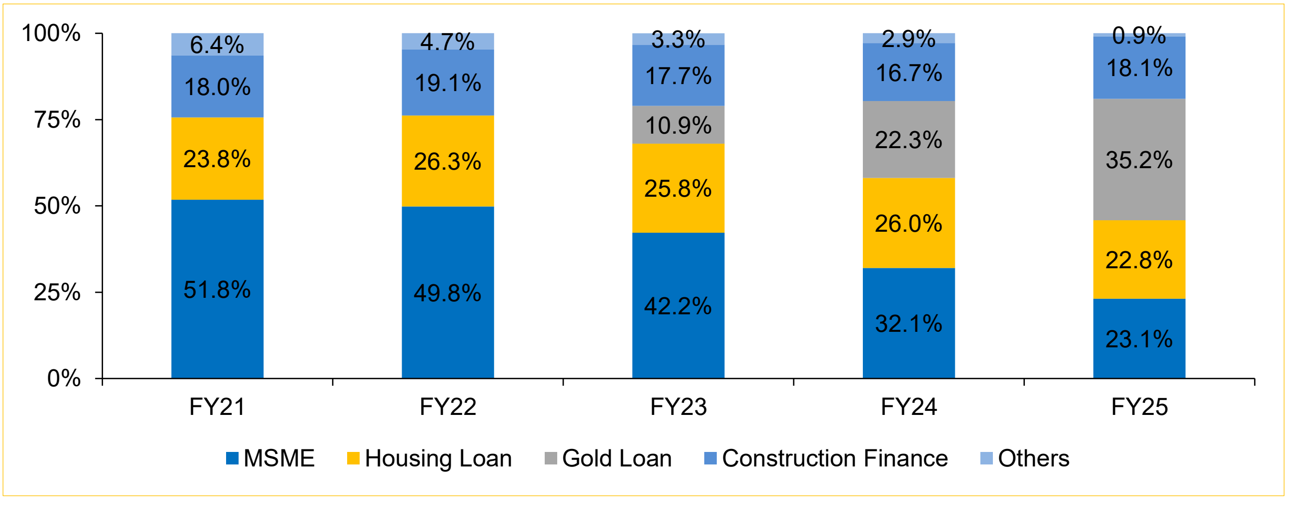
7.1 Trends and Forecasts

AUM is expected to growth with a CAGR of 30% over FY25–FY28E driven by increased vintage at branches



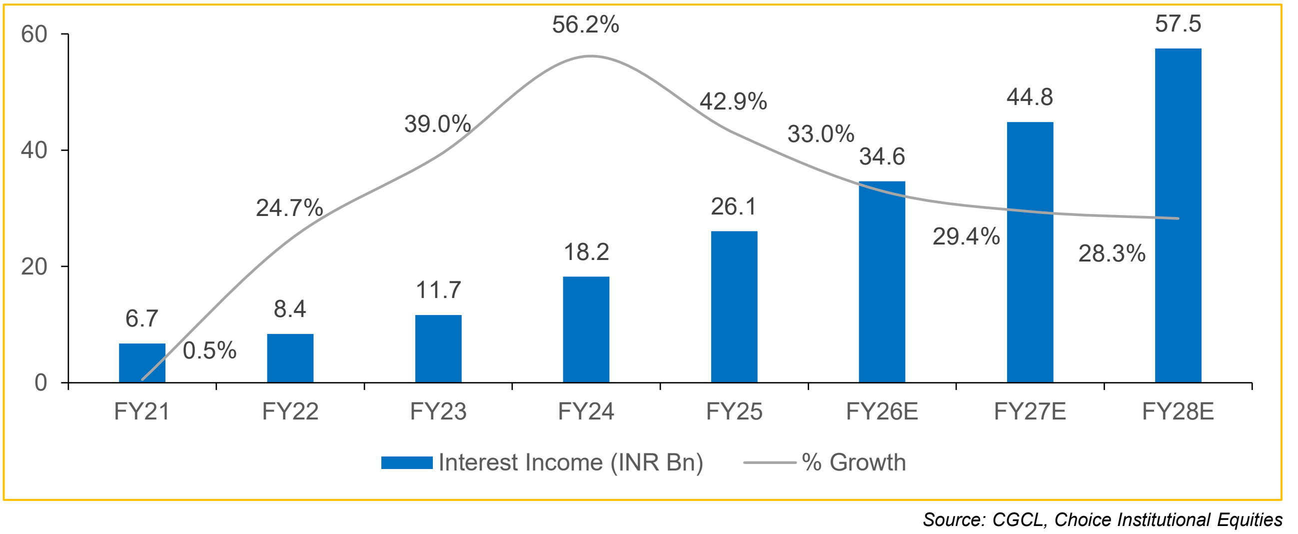
Source: CGCL, Choice Institutional Equities

CGCL has achieved a diversified portfolio in FY25, we expect this mix to remain stable over next 3 years



Source: CGCL, Choice Institutional Equities

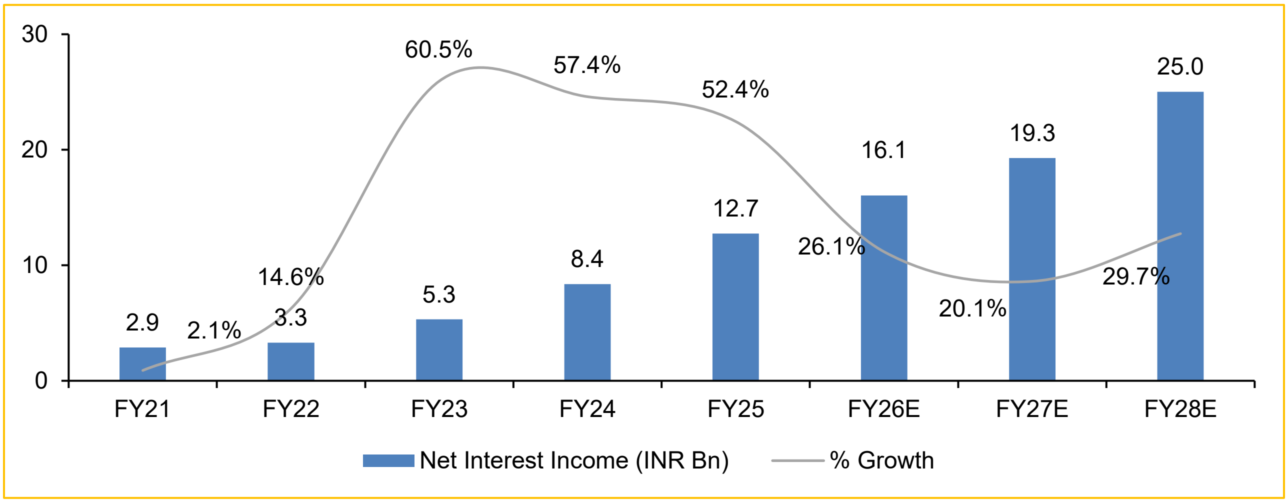
Interest Income grows in line with AUM growth



Source: CGCL, Choice Institutional Equities

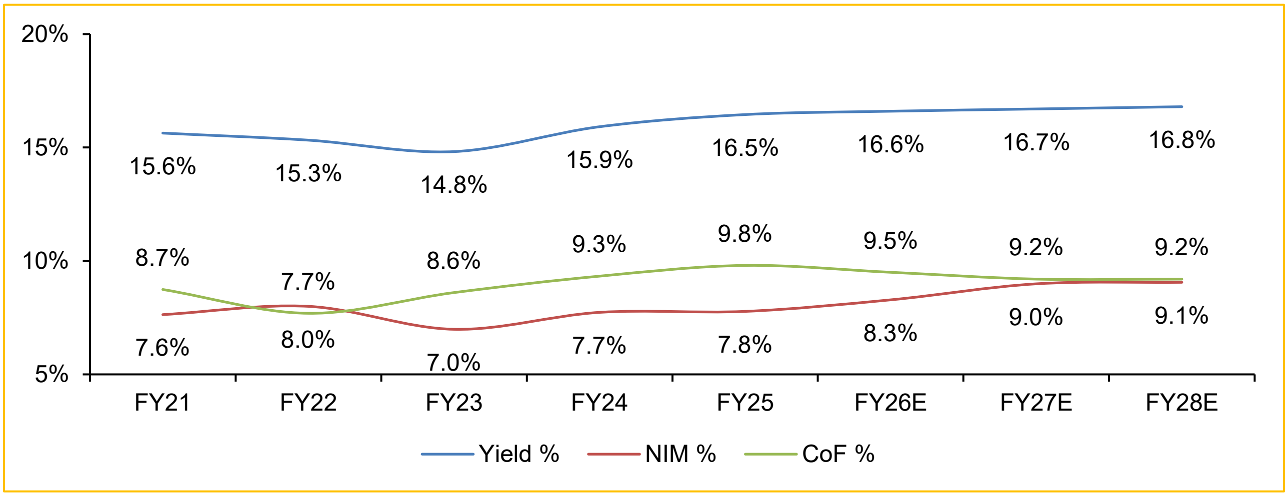
7.1 Trends and Forecasts

Net Interest Income boosted by lower Cost of Funds



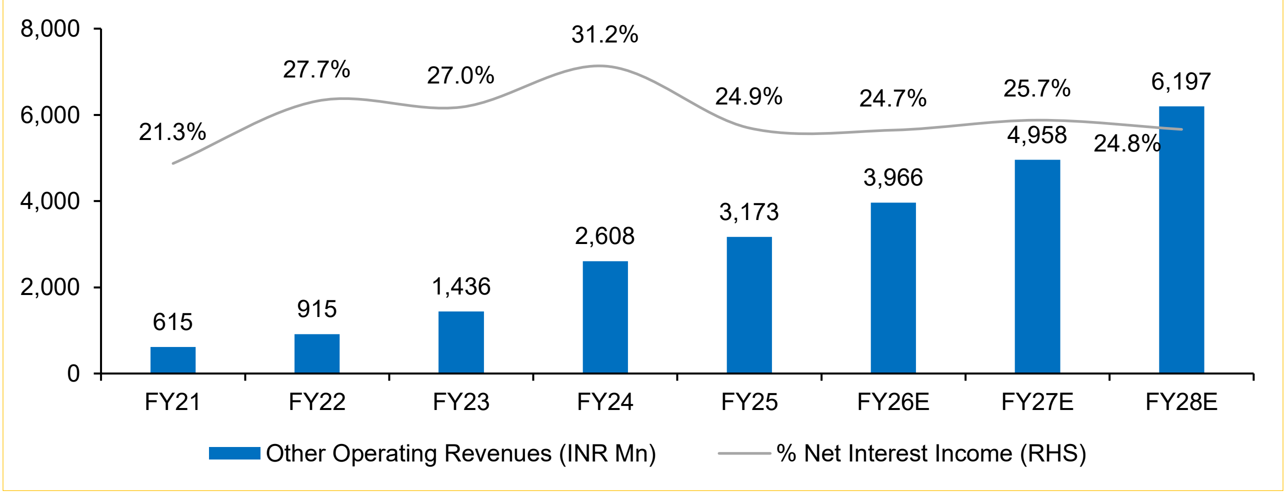
Source: CGCL, Choice Institutional Equities

We forecast NIMs to expand by 130 bps over FY25 – FY28E led by falling CoF & Higher Yields



Source: CGCL, Choice Institutional Equities

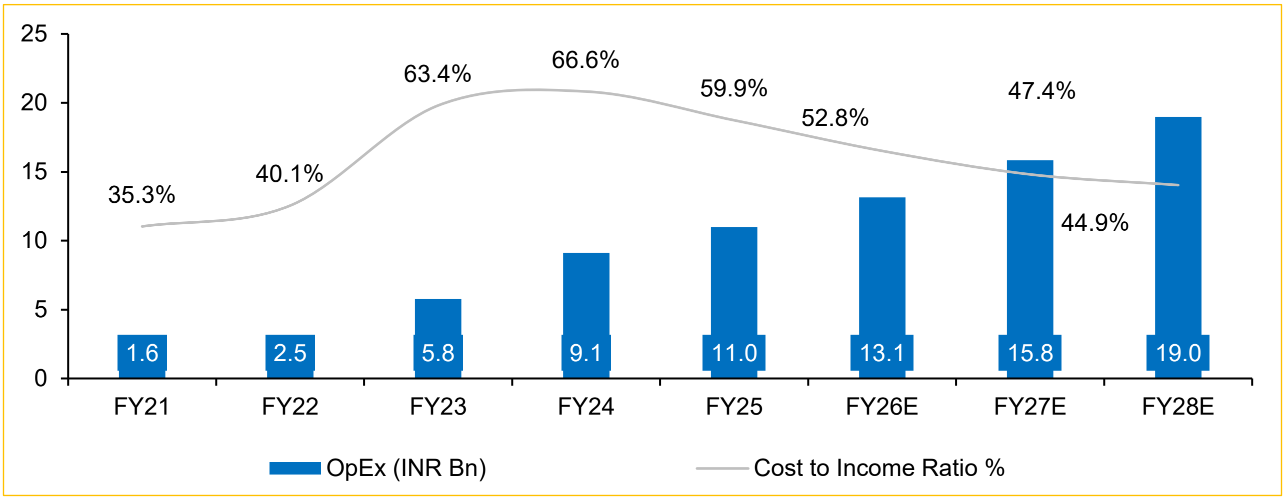
Other Operating Revenues to remain stable



Source: CGCL, Choice Institutional Equities

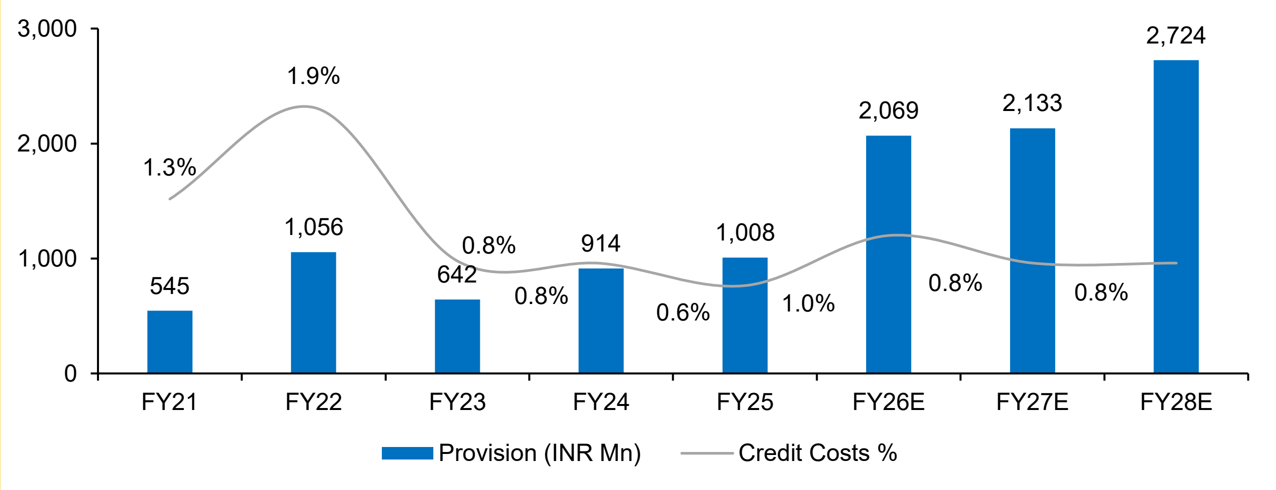
7.1 Trends and Forecasts

Cost to Income Ratio is expected to fall with rising branch efficiencies



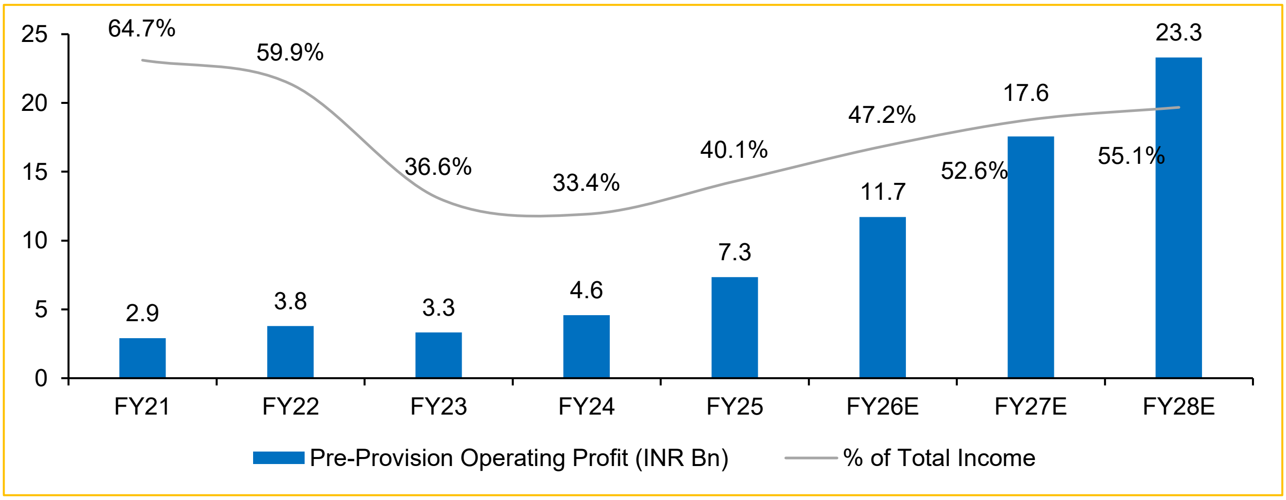
Source: CGCL, Choice Institutional Equities

Credit Costs expected to rise in FY26E due to higher delinquencies in the MSME segment



Source: CGCL, Choice Institutional Equities

Higher NIMs, Lower Opex will lead to a rise in PPOP

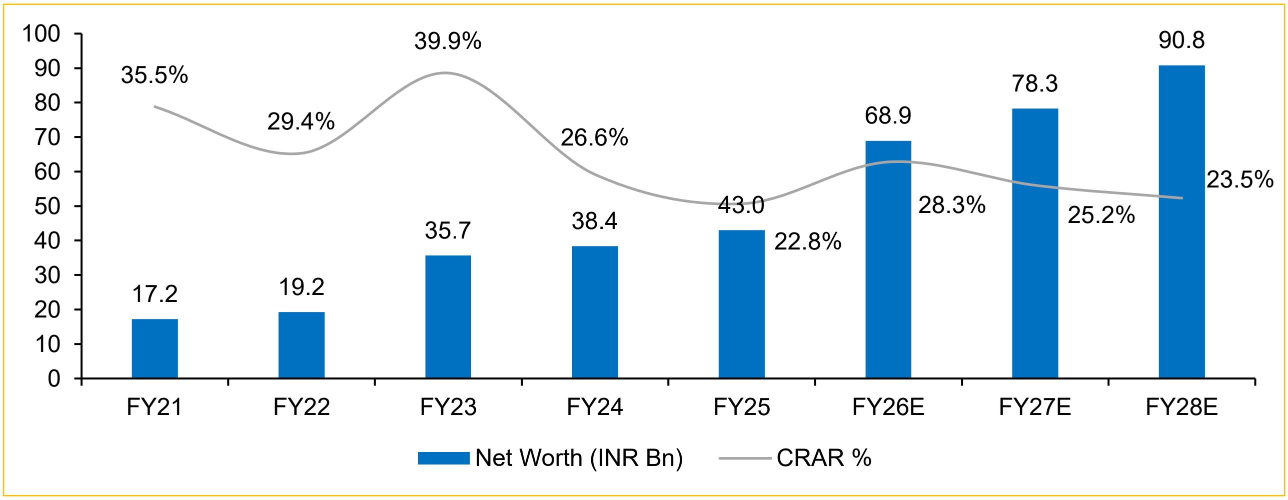


Source: CGCL, Choice Institutional Equities

Choice
Institutional Equities

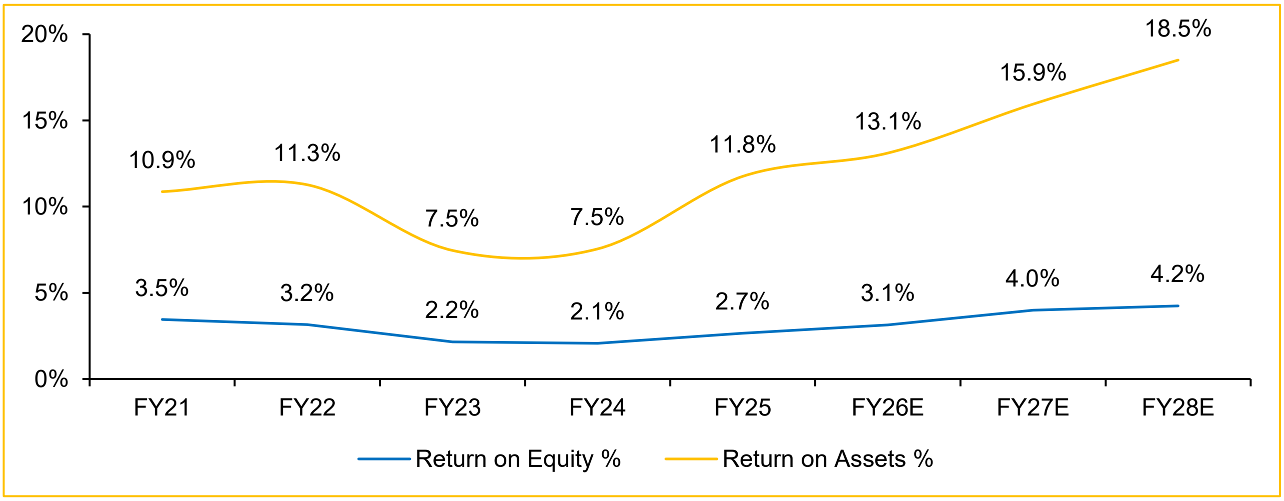
7.1 Trends and Forecasts

Post QIP, CRAR to remain comfortable over next 3 years



Source: CGCL, Choice Institutional Equities

Higher Operating Profits, AUM growth & normalization of fund raise to boost RoE to 18.5% by FY28E



Source: CGCL, Choice Institutional Equities

7.2 Financials

Income Statement (Consolidated)

INR Mn	FY24	FY25	FY26E	FY27E	FY28E
Interest income	18,228	26,056	34,647	44,849	57,520
Interest expense	8,359	12,736	16,056	19,282	25,012
Net interest income	9,869	13,320	18,591	25,567	32,508
Growth % (YoY)	55.1	35.0	39.6	37.5	27.1
Non-interest income	2,608	3,173	3,966	4,958	6,197
Total operating income	13,689	18,328	24,851	33,392	42,290
Growth % (YoY)	50.7	33.9	35.6	34.4	26.6
Operating expenses	9,120	10,987	13,129	15,821	18,985
Growth % (YoY)	58.4	20.5	19.5	20.5	20.0
Operating profit	4,569	7,341	11,722	17,571	23,305
Growth % (YoY)	37.4	60.7	59.7	49.9	32.6
Provisions	914	1,008	2,069	2,133	2,724
Credit cost (%)	0.8	0.6	1.0	0.8	0.8
Exceptional items	-	-	-	-	-
Profit before tax	3,656	6,333	9,653	15,438	20,581
Tax expense	862	1,548	2,317	3,705	4,939
Profit after tax	2,793	4,785	7,336	11,733	15,641
Growth % (YoY)	36.5	71.3	53.3	59.9	33.3
EPS (INR)	3.4	5.8	7.6	12.2	16.3

Key Ratios	FY24	FY25	FY26E	FY27E	FY28E
Profitability Ratios %					
Yield on Advances	15.9	16.5	16.6	16.7	16.8
Cost of Funds	9.3	9.8	9.5	9.2	9.2
Spread	6.6	6.7	7.1	7.5	7.6
RoE (%)	7.5	11.8	13.1	15.9	18.5
RoA (%)	2.1	2.7	3.1	4.0	4.2
NIM	7.7	7.8	8.3	9.0	9.1
Capital Adequacy					
Tier-I Capital	26.2	22.4	27.9	25.0	23.3
Tier-II Capital	0.5	0.4	0.3	0.2	0.2
CRAR	26.6	22.8	28.3	25.2	23.5
Asset Quality Ratios					
Gross Stage 3 (%)	1.9	1.5	1.4	1.4	1.4
Net Stage 3 (%)	1.1	0.9	1.1	1.1	1.1
Stage 3 ECL Provisions (%)	45.3	41.7	40.0	40.0	40.0
Credit costs (bps)	79.8	63.7	100.0	80.0	80.0
Valuation Ratios					
P/BV	3.7	3.5	2.6	2.3	2.0
P/E	50.2	31.9	24.2	15.2	11.5

Balance Sheet (Consolidated)

INR Mn	FY24	FY25	FY26E	FY27E	FY28E
Share capital	825	825	962	962	962
Reserves & surplus	37,541	42,216	67,945	77,332	89,845
Networth	38,366	43,041	68,907	78,293	90,806
Borrowings	1,04,069	1,55,768	1,82,249	2,36,923	3,06,815
Other liabilities and Provisions	9,062	9,504	7,385	13,794	10,780
Total Liabilities	**1,51,497**	**2,08,313**	**2,58,540**	**3,29,011**	**4,08,401**
Cash & Bank Balances	6,746	15,312	16,553	16,000	17,025
Investments	2,162	1,604	1,448	1,333	2,384
Loans	1,34,212	1,82,515	2,31,302	3,02,040	3,78,976
Fixed and other assets	8,377	8,882	9,237	9,607	9,991
Total Assets	1,51,497	2,08,313	2,58,540	3,29,011	4,08,401

RoAE Tree (%)	FY24	FY25	FY26E	FY27E	FY28E
Interest income	13.5	14.5	14.8	15.3	15.6
Interest expense	6.2	7.1	6.9	6.6	6.8
Net interest income	7.3	7.4	8.0	8.7	8.8
Non-interest income	2.8	2.8	2.7	2.7	2.7
Total operating income	10.2	10.2	10.6	11.4	11.5
Operating expenses	6.8	6.1	5.6	5.4	5.1
Operating profit	3.4	4.1	5.0	6.0	6.3
Provisions	0.7	0.6	0.9	0.7	0.7
Exceptional items	-	-	-	-	-
Profit before tax	2.7	3.5	4.1	5.3	5.6
Tax expense	0.6	0.9	1.0	1.3	1.3
RoA	2.1	2.7	3.1	4.0	4.2
Leverage	3.6	4.4	4.2	4.0	4.4
RoE	7.5	11.8	13.1	15.9	18.5

8.1 Introduction

Gold, Housing, MSME – Major products

Since 2011, Capri Global Capital Limited (CGCL) has played a pivotal role in advancing financial inclusion across India, with a primary focus on North, Central and West India. The company's diverse portfolio spans MSME, Affordable Housing, Gold Loans, Construction Finance, Indirect Lending, Digital Lending, Insurance and Car Loan Distribution.

CGCL focuses on underserved customers across MSME, affordable housing, and Gold Loans

CGCL is driving a digital transformation to boost efficiency, serve underserved markets and optimise its branch network. Strategic initiatives have built a strong NBFC brand equity, with plans to expand products, enhance digital capabilities, and deliver sustainable growth.

8.2 Product Portfolio

Q1FY26 : 1,138 branches, 11,546 Employees, presence in 19 States & UTs, 100% In-House collection

- **Gold Loan** - short-term financial needs: hospital bills, education, consumption, working capital
- **MSME Loans** – Business Loans
- **Micro LAP** – Low ticket size business loans
- **Housing Loans** - Loans for residential purchase, construction, home renovation, land purchase, and home equity
- **Construction Finance** - Loans to small/mid-sized developers for affordable housing in Tier 1 & Tier 2 cities
- **Car & Insurance Distribution –** Fee based Income

Particulars	Gold Loans	MSME Loans	Housing Loans	Construction Finance
Origination Year	2022	2013	2016	2011
AUM Q1 FY26 (INR Mn)	91,049	54,779	54,903	45,206
ATS (INR Mn)	0.14	1.48	1.44	-
Tenure of Loans	Up to 1 year	Up to 15 years	Up to 25 years	Less than 7 years
Loan to Value (Avg.)	65.0%	51.7%	58.0%	Average asset cover of 3.2 times

Source: CGCL, Choice Institutional Equities

Gold Loans

Enabled rapid <30-min disbursals via end-to-end digital journeys and AI-led security

CGCL offers Gold Loans to owners of gold ornaments, including individuals with limited credit history or without formal income documentation. To enhance accessibility, the company has implemented a simplified underwriting process requiring minimal documentation, enabling loan disbursal within an hour. Flexible repayment options are also provided.

Gold loans are considered highly secure, backed by liquid collateral, and offer attractive returns with minimal credit losses. In India, a significant portion of Gold Loans in the organised sector is disbursed by NBFCs, especially those specialising in gold lending, due to their rapid expansion into rural and semi-urban areas and faster loan processing.

Q1FY26 : Live Accounts 0.66 Mn, 465+ K No. of Customers

CGCL anticipates rising demand for Gold Loans driven by increasing gold prices amid geopolitical uncertainties, its widespread geographic reach, and quick loan turnaround. These factors are expected to support the needs of micro enterprises seeking working capital and individuals addressing personal financial requirements.

8.2 Product Portfolio

MSME Book

Login to Sanction Ratio ~ 31%

Presence in 10 States/UTs, 431k+ Customers

CGCL is expanding its reach by serving small business owners—ranging from provision store operators and retail traders to handicraft makers and service providers in key sectors like education, transport, and healthcare.

In Q2FY25, under the MSME loan segment, CGCL introduced Micro LAP, a small-ticket secured loan tailored for self-employed individuals, along with Rooftop Solar Loans to support clean energy adoption among MSMEs.

Micro LAP

Capri rolled out its Micro LAP segment in Q2 FY25 to support MSME customers needing loans below Rs.10 lakh. This initiative fills a vital credit gap, especially for first-time borrowers who are often overlooked by banks and bigger NBFCs. Aims to open branches in south.

Construction Finance

Tenure: Less than 7 years, Live Accounts 280

CGCL provides tailored financing solutions to small and mid-sized real estate developers, offering construction-linked loans supported by a rigorous project evaluation and credit appraisal process. With strong monitoring systems in place for end-use tracking and milestone checks, disbursements are aligned to the construction progress.

The Company primarily focuses on Tier 1 cities, maintaining a low-risk profile with an average ticket size of Rs.147 million. The company's strategy is centered on smaller residential projects.

The company focuses on high-quality, multi-family housing projects, offering competitive rates, faster turnaround times, and adherence to industry best practices—fostering long-term client relationships and repeat business.

Housing Loans

68.5% Salaried class & 31.5% Self employed

CGCL entered the housing finance segment through its wholly-owned subsidiary, CGCL Housing Finance Limited (CGHFL), provide loans for the purchase of residential units, the construction, extension, and renovation of homes, the purchase of land and home equity loans.

CGHFL is dedicated to promoting financial inclusion and self-reliance by facilitating home ownership among urban, informal, and lower-income segments. Company catering to the housing needs of middle- and lower-middle-income groups.

CGCL anticipates continued growth in the housing finance segment, driven by sustained government initiatives, evolving consumer behaviour, and favourable economic conditions. The company remains strategically focused on expanding its market presence, leveraging digital technologies, and maintaining strong risk management practices.

CGCL believes that the housing finance segment will continue to be a key contributor to its overall business performance, creating significant value for all stakeholders.

Car Loans Distribution

Expanding in South India and deepening reach in tier 3 & 4 towns

CGCL has established a strong foothold in the car loan market by expanding its reach, diversifying its product portfolio, and forging strategic partnerships.

The company primarily targets low-income and agriculture-based income segments. This is a low-risk, fee-based business model.

8.2 Product Portfolio

Insurance Distribution Business

Capri entered the insurance distribution space in December 2023 following the receipt of its corporate agency license from IRDAI, marking a strategic step into fee-based financial services.

As of 1QFY26, total premium generated through its distribution platform was Rs.472 Mn

Co-lending is 18.9% of AUM

Co-lending boosts RoE by optimizing capital use while eliminating balance sheet risk

CGCL has adopted a strategic co-lending model, introduced in 2021, to strengthen its indirect lending business. Through partnerships with leading banks such as SBI, Bank of India, Central Bank of India, UCO Bank, Union Bank, Indian Overseas Bank, and YES Bank, CGCL facilitates loan disbursements across key segments, including MSMEs, affordable housing, and Gold Loans.

CGCL is focused on expanding co-lending partnerships to reduce the cost of funds and strengthening fee-based businesses to achieve sustainable long-term growth and returns.

8.3 Key Milestones and Corporate Structure

2011
Raised INR 4.45 Bn equity capital, started Construction Finance

2013
Ventured into fully secured MSME Lending

2017
Forayed into Housing Finance Business

2020
Pandemic and NBFC Crisis

2021
Announced Co-Lending with banks; Launched new car loan distribution;

2022
Launched Gold Loans Business; Infused INR 1.5 Bn in Capri Global Housing

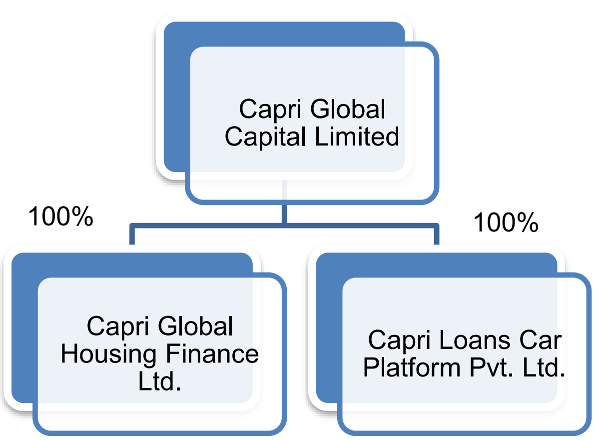
2023
Raised INR 14.4 Bn via Rights Issue

2024
IRDAI license for Insurance distribution; Infused INR 2.0 Bn in Capri Global Housing

2025
Launched Micro LAP

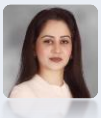
Source: CGCL, Choice Institutional Equities

Corporate Structure



Source: CGCL, Choice Institutional Equities

8.4 Board of Directors and KMP Profiles

Name	Designation	Qualification	Experience
 **Lingam Venkata Prabhakar**	Chairman & Independent Director	M.Sc. (Agri), CAIIB	Mr. Prabhakar has held senior roles including MD & CEO of Canara Bank, Chairman of Canara ROBECO AMC, and Director on multiple financial institution boards, and chaired the IBA Committee on Payment Systems and Banking Technology.
 **Rajesh Sharma**	Promoter & MD	CA	Mr. Sharma has over 25 years' leadership in capital markets and financial advisory, with expertise in corporate finance, investment banking, asset financing, and financial risk management.
 **Hardik Doshi**	Head – Corp. Fin. & Investor Relations	MBA - Finance	He was formerly with Kotak Investment Banking and Deutsche Bank. He holds a post graduate programme in management (Finance) from S.P. Jain Institute of Management and Research, Mumbai.
 **Ravish Gupta**	Business Head — Gold Loans	BCA	He brings over two decades of experience and was previously associated with India Infoline Finance Ltd. before joining CGCL.
 **Abhishek Sinha**	Chief Business Officer — MSME & ML		He as previously worked with Bajaj Housing Finance Ltd., Bajaj Finance Ltd., and Tata Capital Ltd.
 **Munish Jain**	Business Head — Home Loans	MBA	With over two decades of experience, he has worked with Shriram Housing, GE Money Housing Finance, and DHFL before joining CGCL, where he has served for over five years.
 **Vijay Kumar Gattani**	Director – Credit – CF	CA	He has over 13 years of experience in real estate investment, risk and portfolio management, and investment banking, and previously held multiple roles within the ICICI Group before joining Capri.
 **Sameer Juneja**	Head - Collections	B. Sc.	He has held leadership roles at Edelweiss ARC, Bajaj Housing, Indiabulls Housing, and ICICI Bank.
 **Divya Sutar**	Director — Business Strategy	GMP (Harvard), Master's Degree (USF)	With 23 years of experience, she joined CGCL in 2012 and, over the past 11 years, has led the addition of multiple retail business lines, including MSME and Gold Loans.
 **Tarun Aggarwal**	Group Chief Technology Officer	PGDBM (IMT)	He has over 20 years' experience in AI, analytics, cloud, and platform engineering, and was SVP of Engineering at Paytm before joining CGCL.
 **Kishore Lodha**	Chief Financial Officer	CA	He has held key roles at UGRO Finance, Hinduja Finance, and SREI Infrastructure Finance, demonstrating deep expertise across the financial services sector

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CHOICE RATING DISTRIBUTION & METHODOLOGY	
Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in statis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

***Large Cap: More Than INR 20,000 Cr Market Cap**
***Mid & Small Cap: Less Than INR 20,000 Cr Market Cap**

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