

NBFCs – Q1FY27 Quarterly Results Preview

Sector View: Positive

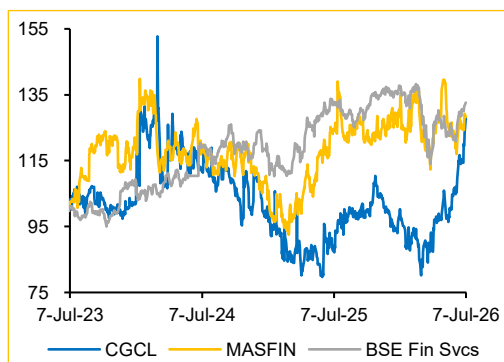
Healthy Credit Demand to Drive Nil Growth; Asset Quality Remains Key Monitorable

Recommendation			
Company (Ticker)	CMP* (INR)	TP (INR)	Rated
Capri Global Capital (CGCL)	238	250	BUY
MAS Financial Services (MASFIN)	325	405	BUY

*CMP as on July 07, 2026

Relative Performance (%)			
YTD	3Y	2Y	1Y
CGCL	28.1	13.6	45.8
MASFIN	28.3	9.8	4.2
BSE Fin Services	32.6	11.5	0.6

Source: Choice Institutional Equities, BSE



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Links to our Previous Reports:

[Click here to read CGCL's Q4FY26 Result Update](#)

[Click here to read MASFIN's Q4FY26 Result Update](#)

AUM Growth Momentum for NBFCs is Expected to Remain Resilient across Segments in Q1FY27E; Sector Outlook Remains Positive

We maintain a positive outlook on India's NBFC sector on account of sustained credit demand in Q1FY27E, which in turn is majorly driven by stronger momentum across Gold Financing, Housing Loans, SME Loans and Vehicle Financing (excluding CV segment).

Our Coverage Universe

Gold Loan AUM, driven by rapid expansion of branch network and maturation of existing branches, is anticipated to grow at 101.2% YoY. Housing Loan AUM is expected to grow at 45.8% YoY, led by stronger demand across borrower profile. 2-Wheeler Loan is forecast to increase at 26.9% YoY on account of buoyant auto demand across rural and urban India, whereas SME Loan AUM is anticipated to grow at 21.6% YoY, led by higher need for working capital loan due to West Asia conflict.

We believe the Cost of Funding (CoF) for our coverage universe is expected to remain range-bound, as 10-year G-sec yield advanced upwards, which impacted NBFCs' NCD borrowing programme. Moreover, bank borrowing rates for NBFCs are not projected to decline in Q1FY27E, as the latter were highly dependent on term loans.

We estimate overall credit cost for our coverage universe to remain stable largely on account of improved underwriting norms practiced by the companies.

Sector View

We anticipate credit offtake across NBFCs to expand at 16.0%–18.0% CAGR over FY26–FY28E. Led by stronger formal credit demand, we believe that NBFCs are projected to gain market share from banks, driven by stronger loan origination, shorter TAT and niche emphasis on product categories.

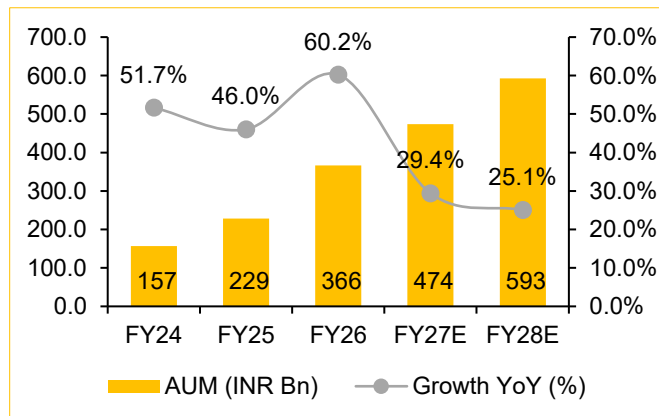
We forecast the CV Loan segment to underperform the overall credit growth in the short term, affected by the ongoing West Asia conflict, with inch-up in NPAs across CV financiers. Some stress is projected in the MSME segment in Q1FY27E affected by the conflict, which, we believe, would be transitory in nature.

Gold Loan Financers are anticipated to witness stronger credit growth on account of recent custom duty hike and expansion of physical branch network. Yields are forecast to witness compression due to intense competition, whereas the asset quality is anticipated to remain contained.

High-conviction Investment Idea

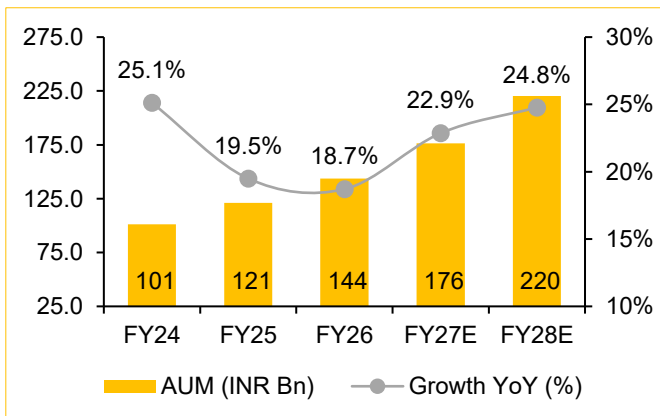
We maintain a positive stance on Capri Global, which is expected to deliver strong AUM growth in Q1FY27E.

CGCL's AUM Growth is expected to be driven by Gold Loan and Housing Finance Segment



Source: CGCL, Choice Institutional Research

MASFIN's AUM growth is anticipated to be supported by Wheels and SME Segment



Source: MASFIN, Choice Institutional Research

NBFCs Coverage Universe

Capri Global Capital (CGCL)						
INR Mn	Q1FY27E	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	Comments
AUM	391,824	247,537	58.3%	366,233	7.0%	<ul style="list-style-type: none"> We expect overall AUM to grow by 58.3% YoY, driven by stronger growth in Gold and Housing Finance AUM by 101.2% YoY and 45.8% YoY, respectively. NII is likely to grow by 65.5% YoY led by resilient AUM growth and improvement in NIM margin on account of decline in cost of funds. PPOP and PAT are forecast to increase by 63.5% YoY and 96.2% YoY to INR 5,093 Mn and INR 3,432 Mn, respectively, in Q1FY27E Key Monitorable: Growth resilience in the Gold Loan segment, rapid expansion in branch network and probable deterioration in asset quality
NII	6,879	4,156	65.5%	5,956	15.5%	
Total Income	9,821	6,111	60.7%	8,891	10.5%	
PPoP	5,093	3,115	63.5%	4,268	19.3%	
PAT	3,432	1,749	96.2%	2,828	21.3%	

MAS Financial Services (MASFIN)						
INR Mn	Q1FY27E	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	Comments
AUM	150,327	125,046	20.2%	143,637	4.7%	<ul style="list-style-type: none"> We anticipate overall AUM to grow by 20.2% YoY, driven by resilient demand across 2-Wheeler and SME segment. NII is expected to grow by 28.5% YoY, led by stronger AUM growth and improvement in NIM margin on account of decline in cost of funds. PPOP and PAT are forecast to increase by 18.2% YoY and 20.0% YoY to INR 1,831 Mn and INR 1,007 Mn, respectively, in Q1FY27E Key Monitorable: Demand across Wheels and SME segment, impact of West Asia crisis on asset quality across Micro Enterprise and SME segments
NII	2,089	1,625	28.5%	2,024	3.2%	
Total Income	2,989	2,376	25.8%	2,945	1.5%	
PPoP	1,831	1,549	18.2%	1,906	-3.9%	
PAT	1,007	839	20.0%	997	0.9%	

NBFCs Relative Valuation and Peer Analysis

Company	CMP (INR)	Target Price (INR)	Market Cap. (INR Bn)	P/BV (x)		RoAA		RoE	
				FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
MAS Financial	324.8	405.0	57.9	1.8	1.6	3.0%	3.3%	14.0%	16.1%
Capri Global	237.8	250.0	233.1	2.8	2.3	4.0%	4.0%	19.2%	20.0%

Source: Company, Choice Institutional Research

Company	AUM CAGR FY26-28E	ABVPS CAGR FY26-28E	Branches	AUM/Branch (INR Mn)	MSME Mix	Secured Book	AUM 30+ DPD
MAS Financial	23.8%	14.9%	208	691	~76%	51%	4.7%
Capri Global	27.2%	20.7%	1,429	256	~21%	100%	NA

Source: Company, Choice Institutional Research

Company	NIM (IEA - Calc.) Q4FY26	Yield (IEA- Calc.) Q4FY26	CoF (Reported) Q4FY26	Cost-to-Income Ratio Calculated	CRAR Q4FY26	Gross NPA Q4FY26	Net NPA Q4FY26
MAS Financial	6.4%	13.3%	9.4%	35.3%	22.8%	2.6%	1.5%
Capri Global	8.2%	15.1%	9.2%	52.0%	25.8%	0.9%	0.5%

Source: Company, Choice Institutional Research

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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 stasis 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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