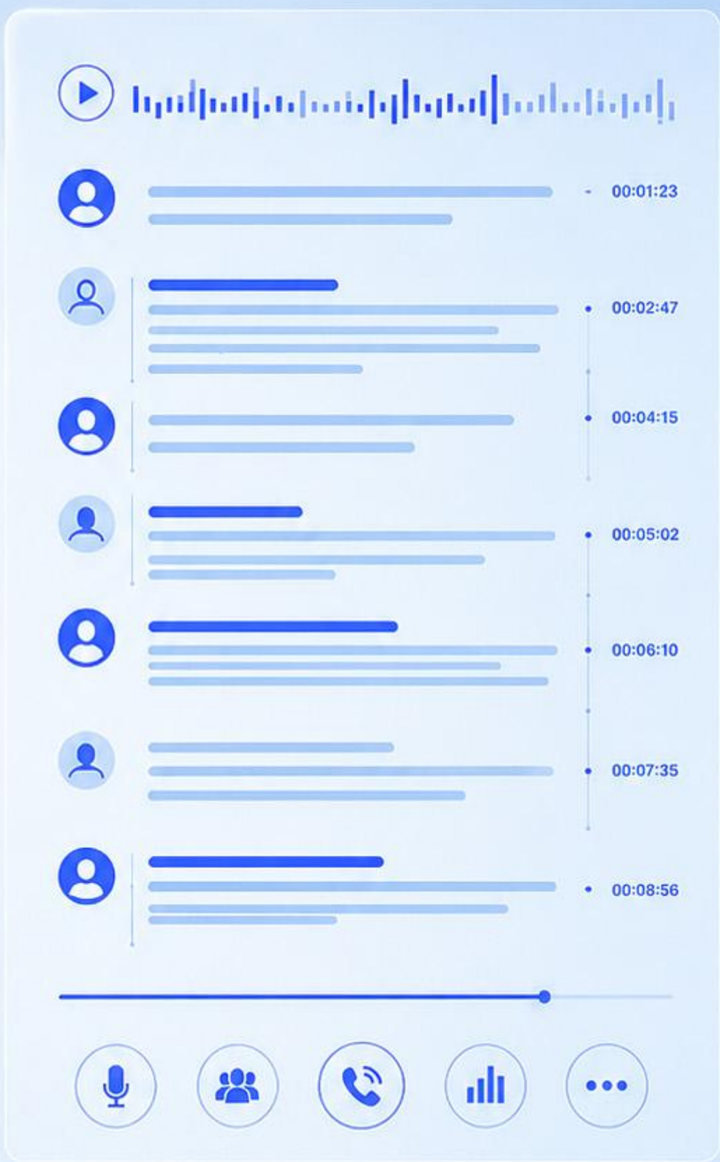
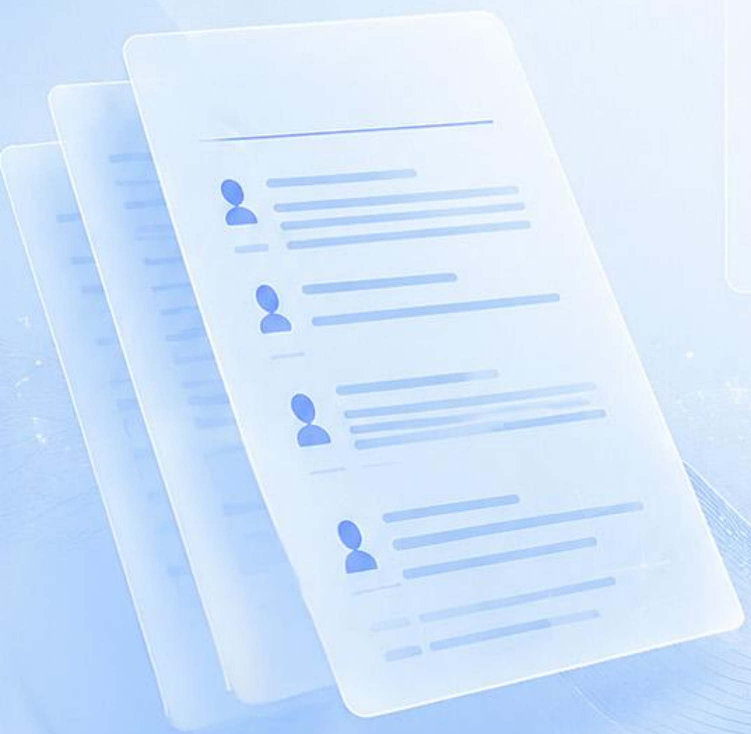
Choice
Institutional Equities

TRANSCRIPT PULSE

Financials – NBFCs

August 11, 2026





CAPRI LOANS

MAS FINANCIAL

CGCL: AUM-led Growth Drives Earnings Beat

BUY

Sector View: Positive

August 11, 2026 | CMP: INR 232 | Target Price: INR 280 | Upside: 20.7%

CAPRI LOANS

Q1FY27 Conference Call Transcript

Actual vs CIE Estimates			
INR Mn	**Q1FY27A**	**CIE Est.**	**Dev.%**
AUM	401,116	391,824	2.4%
NII	7,364	6,879	7.1%
PAT	3,534	3,432	3.0%

Key Financials					
INR Bn	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
AUM	228.6	366.2	505.4	648.7	836.9
NII	13.3	20.0	32.1	41.4	50.3
NIM (%)	7.8%	7.8%	8.4%	8.1%	7.7%
Other Income	5.0	10.1	12.3	16.2	21.2
Operating Exp	11.0	15.7	21.5	27.4	32.2
PPoP	7.3	14.5	22.9	30.1	39.3
PAT	4.8	9.5	15.4	20.1	26.3
RoAA (%)	2.7%	3.5%	3.9%	3.8%	3.9%
RoAE (%)	11.8%	16.5%	19.3%	20.6%	21.8%
GNPA (%)	1.5%	0.9%	1.5%	2.1%	2.5%
NNPA (%)	0.9%	0.5%	0.8%	0.9%	0.9%
Adj. BVPS (INR)	50.1	73.3	87.9	107.3	132.8
Price/ABV	3.4	3.1	2.6	2.1	1.7

Source: CGCL, Choice Institutional Equities

Shareholding Pattern (%)			
	Jun-26	**Mar-26**	**Dec-25**
Promoters	59.9	59.9	59.9
FIIs	8.2	5.6	4.5
DIIs	18.4	20.1	20.1
Public	13.5	14.4	15.5

Relative Performance (%)			
YTD	**3Y**	**2Y**	**1Y**
BSE Fin. Services	31.5	12.6	2.3
CGCL	20.5	13.1	27.6

Source: BSE, Choice Institutional Equities

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Click here to read Q1FY27 Result Update

Key Conference Call Highlights

Guidance and Targets

- **AUM**
  - FY27E guidance maintained at INR 500.0 Bn
  - FY28E guidance raised from INR 570.0 Bn to INR 650.0 Bn
- **Medium-term AUM Mix**: ~55% Gold Loans; ~15% for MSME, Housing and Construction Finance each
- **Co-lending and DA:** ~20% of AUM
- **CoF:** To remain stable for the rest of FY27
- **Profitability:** RoA at ~4.20–4.70%, RoE at 19.0%–21.0% by FY28E
- To scale up its physical network by opening 700–800 branches in the next two years, a majority of which would be Gold Loan branches
- To open ~400 Gold Loan branches in the next two quarters, largely across South and East India. Despite rapid expansion, the management forecast the cost-to-income to remain ~44.0%–45.0%

Segmental Performance

Gold Loans

- AUM crossed INR 190.0 Bn milestone (+110.6% YoY); Branch productivity improved to INR 190 Mn/branch (vs. 170 Mn/branch QoQ). Incremental Segment LTV for the portfolio stood at 70.5%
- Gold Loan yields improved by 170 bps sequentially driven by higher focus on lending small-ticket loans. The management expects Gold Loan yields to further improve by 50–75 bps in next few quarters

MSME

- AUM grew by 23.8% YoY to INR 67.8 Bn
- Micro-LAP: INR 8,760 Mn AUM; to focus on sales productivity and operating efficiency

Housing Finance

- AUM increased by 42.3% YoY to INR 78.2 Bn
- The management is optimistic on Affordable Housing demand led by rising income level and lower interest rates

Construction Finance

- AUM expanded by 40.1% YoY to INR 63.3 Bn; 291 active projects; average sanction stood at INR 408 Mn, average outstanding INR 213 Mn. It maintained three dedicated branches at Ahmedabad, Bengaluru and Hyderabad

Asset Quality

- Provision Coverage Ratio stood at 43.3% as of Q1FY27 vs. 41.2% as of Q4FY26
- Credit cost for Q1FY27 stood at ~0.8%. Increase in Stage-2 assets was largely due to temporary impact of lower gold prices
- Increase in Construction Finance GNPA was caused by one account turning NPA. The management remains confident of recovery within 6–9 months through project resolution
- Gold price correction may affect growth marginally but not the asset quality

Capital

- Capital adequacy: CGCL 24.8%, Housing Finance subsidiary 27.8%

Technology & ESG

- The company collaborated with OpenAI to deploy enterprise AI across underwriting, collections, customer service and knowledge management

MASFIN: Stronger AUM Growth, NII Beat and Improved Operating Leverage

BUY

August 11, 2026 | CMP: INR 297 | Target Price: INR 405 | Upside: 36.4%

Sector View: Positive

Q1FY27 Conference Call Transcript

Actual vs CIE Estimates (Standalone)			
INR Mn	**Q1FY27A**	**CIE Est.**	**Dev.%**
AUM	151,467	150,327	0.8%
NII	2,338	2,089	12.0%
PAT	1,046	1,007	3.9%

Key Financials (Standalone)					
INR Bn	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
AUM	121.0	143.6	179.5	224.1	275.0
NII	5.7	7.0	9.6	11.9	15.1
NII Growth (%)	39.0%	23.3%	36.9%	24.7%	26.5%
Other Income	2.3	3.4	3.9	4.7	5.6
Operating Exp.	2.6	3.7	4.7	5.9	7.5
PPoP	5.4	6.7	8.8	10.7	13.1
PAT	3.1	3.7	4.8	6.1	7.6
ROAA (%)	2.9%	3.0%	3.3%	3.4%	3.4%
ROAE (%)	14.1%	13.3%	15.2%	16.5%	17.4%
GNPA %	2.5%	2.6%	2.7%	2.7%	2.8%
NNPA %	1.5%	1.5%	1.6%	1.7%	1.8%
Adj. BVPS (INR)	134.3	153.2	176.0	202.6	239.0
P/ABV	1.8	1.8	1.8	1.6	1.3

Source: MASFIN, Choice Institutional Equities

Shareholding Pattern (%)			
	Jun-26	**Mar-26**	**Dec-25**
Promoters	66.6	66.6	66.6
FIIs	3.7	3.5	3.1
DIIs	19.7	20.0	20.2
Public	10.0	9.9	10.0

Relative Performance (%)			
YTD	**3Y**	**2Y**	**1Y**
BSE Fin. Services	31.5	12.6	2.3
MASFin	8.5	5.3	(2.2)

Source: BSE, Choice Institutional Equities

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Click here to read Q1FY27 Result Update

Key Conference Call Highlights

Guidance and Targets

- To grow AUM at 20.0–25.0% CAGR over the medium term
- **Co-lending:** To remain in the range of 20–25% of AUM
- **CoF**: To remain stable in the the range of 9.20%–9.30% in the near term
- **Profitability:** RoA in the range of 2.75–3.25%, with aspiration to maintain above 3.00%
- To scale up growth in Housing Finance portfolio to ~35% in the medium term

Segmental Performance

- Standalone AUM grew by 21.1% YoY (+5.5% QoQ) to INR 151.5 Bn, whereas On-book AUM grew by 23.3% YoY (+8.5% QoQ) to INR 124.4 Bn
- Across products segments, Micro Enterprise Loans (MEL) portfolio expanded by 22.8% YoY to INR 61.5 Bn, SME grew by 21.2% YoY to INR 54.9 Bn, 2-Wheeler segment grew by 19.2% YoY to INR 10.4 Bn and SPL segment grew by 21.5% YoY to INR 13.7 Bn
- Growth in CV portfolio remained subdued at 13.3% YoY, as the management remains cautious in extending credit due to ongoing energy crisis
- Although there is demand in used CV segment, the eligible demand remains weaker. The company expects growth to recover with a lag of ~2 quarters
- Sequentially, AUM growth was led by SPL (+8.7% QoQ), MEL Loans (+7.2% QoQ) and SME Loans (+5.2% QoQ)

Net Interest Margin

- Average Yield on Loans (Calculated) improved sequentially by 17 bps to ~16.9% in Q1FY27, driven by a stronger growth observed across high-yielding products including SPL and MEL Loans
- The company aspires to maintain spreads in the range of 7.00%–7.50%

Asset Quality

- The company has tightened lending to restaurants, gas-dependent manufacturing units and export businesses as it remains cautious on account of West Asia conflict
- Annualised Credit Cost increased to 2.27% due to higher provisioning on standard assets led by increase in On-book AUM
- The management expects the Credit Cost to remain in the range of 1.25%–1.75%, which will be largely driven by change in AUM mix

Technology & ESG

- Technology investments are beginning to deliver operating leverage, with automation and AI enabling a 380-employee reduction while supporting business growth

Management

- The company promoted Nishant Jain from CRO to Director – Operations and appointed Darshil Thakkar, a decade-long company veteran, as the new CRO, reinforcing its leadership succession and strengthening management depth

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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 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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