# Capri Global Capital Ltd (CAPGLO)

ICICI Direct

| CMP: ₹221 | Target ₹ 270 (22%) | Target Period: 12 months | BUY |
|---|---|---|---|

July 30, 2026

## Growth roadmap strengthened, return outlook improves ...

**About the stock**: Capri Global Capital Ltd is a well-diversified NBFC with presence in Gold, MSME, Housing loans and Construction finance.

- Diversified AUM mix – ~48% Gold, ~17% MSME, ~19% Home, ~16% Construction finance & others.
- Immersed in high potential products as micro-LAP, rooftop solar, car loan origination, insurance distribution, etc.

**Q1FY27 performance:** Capri Global Capital reported a strong Q1FY27 performance, with consolidated AUM growing 9.5% QoQ (62% YoY) to ₹40,112 crore, driven by robust traction across gold loans, MSME, housing and construction finance. NII increased 23.6% QoQ (78.5% YoY) to ₹736 crore, while PAT grew 25% QoQ (102% YoY) to ₹353 crore, supported by strong operating leverage and margin expansion. C/I ratio improved to 44.2% from 49.4% in Q4FY26, while return ratios strengthened with RoAA at 4.1% and RoAE at 19.1%.

### Investment Rationale:

- **Retail expansion driving business growth:** Capri Global continues to strengthen its retail-focused secured lending franchise, supported by strong execution across gold, MSME, housing and construction finance, with AUM rising to ₹40,112 crore (62% YoY, 10% QoQ). Management has raised its FY27 AUM guidance to ~₹50,000 crore and FY28 target to ₹65,000 crore, while outlining a roadmap to scale the franchise beyond ₹1.25 lakh crore by FY31. Increasing gold loans to ~55% of the portfolio, adding 750–800 branches, and boosting branch productivity through tech and co-lending is expected to drive sustainable growth.
- **Margin resilience and operating leverage to support returns:** Despite cost of funds seems to be bottomed out, levers including continued increase in proportion of high yielding gold loans and repricing of gold loans is seen to aid margin resilience. Operating leverage from maturing branches and technology-led productivity gains is expected to keep opex ratio steady. Further, diversified fee-based businesses and higher co-lending/securitisation mix are expected to enhance capital efficiency and support healthy earnings growth. Management has upgraded its profitability guidance to RoAE of 19–21% and RoAA of 4.2–4.7%, reflecting confidence in the sustainability of earnings.
- **Disciplined underwriting to support asset quality:** Secured and granular lending portfolio, backed by disciplined underwriting, technology-led credit assessment and robust collections framework, continues to maintain healthy asset quality despite rapid growth. Gross/Net Stage 3 stayed at 1.1%/0.6%, with impairment cost at 0.7%, indicating prudent risk management. Conservative underwriting standards and strong collections capabilities are expected to keep asset quality resilient.

### Rating and Target Price

- Strong execution in retail lending, especially gold loans, drives growth and profitability. Improved efficiency, resilient margins, and increased fee contributions support earnings sustainability amid ongoing growth investments. Factoring higher growth trajectory and revising our estimates by 10-15% for FY27-28, we revise our target price from ₹250 to ₹270, while keeping multiple steady at ~2.5x FY28E BV. Maintain our BUY rating.

### Key Financial Summary

| ₹ crore | FY24 | FY25 | FY26 | 3-year CAGR (FY23-FY26) | FY27E | FY28E | 2-year CAGR (FY26-28E) |
|---|---|---|---|---|---|---|---|
| NII | 985.7 | 1,331.9 | 1,997.9 | 46% | 3,022.3 | 3,898.1 | 40% |
| PPP | 457.1 | 734.1 | 1,446.4 | 63% | 2,228.5 | 2,906.2 | 42% |
| PAT | 279.7 | 478.5 | 948.5 | 67% | 1,453.2 | 1,895.1 | 41% |
| ABV (₹) | 44.7 | 50.1 | 73.3 | | 88.0 | 107.1 | |
| P/E | 65.2 | 38.2 | 9.9 | | 14.6 | 13.7 | |
| P/ABV | 4.9 | 4.4 | 3.0 | | 2.5 | 2.1 | |
| RoA | 2.1 | 2.7 | 3.5 | | 3.8 | 3.8 | |
| RoE | 7.6 | 11.8 | 16.5 | | 12.0 | 12.3 | |

Source: Company, ICICI Direct Research

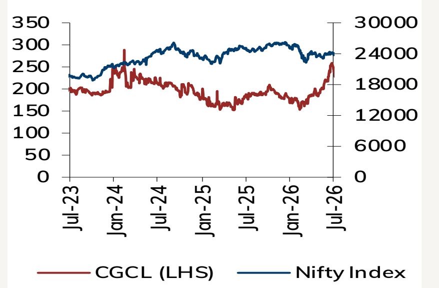
### Particulars

| Particulars | Amount |
|---|---|
| Market Capitalisation | ₹ 21,583 crore |
| Networth | ₹ 7,203 crore |
| 52-week H/L | 265 / 151 |
| Face Value | ₹ 1 |
| DII Holding (%) | 18.4 |
| FII Holding (%) | 8.2 |

### Shareholding pattern

| | Sept 25 | Dec 25 | Mar 26 | Jun 26 |
|---|---|---|---|---|
| Promoter | 60.0 | 60.0 | 59.9 | 59.9 |
| FII | 4.8 | 4.5 | 5.6 | 8.2 |
| DII | 20.3 | 20.1 | 20.1 | 18.4 |
| Others | 14.9 | 15.5 | 14.3 | 13.5 |

### Price Chart




### Key risks

(i) Competition and volatility in gold price could impact growth

(ii) Slower than expected branch productivity could impact operating leverage

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Result Update

ICICI Securities – Retail Equity Research

## Concall highlights and outlook

### Business Updates

- Q1FY27 delivered a strong quarter with consolidated AUM at ₹40,112 crore (62% YoY, 10% QoQ) and PAT of ₹353 crore (102% YoY); customer base crossed 97.6 lakh.
- Disbursements rose 31% YoY to ₹11,114 crore, supported by a growing customer base and widening distribution network.
- Growth remained broad-based and secured, led by gold loans (110.6% YoY, 13% QoQ to ₹19,179 crore despite correction in gold prices), MSME AUM at ₹6,779 crore (24% YoY) and housing AUM at ₹7,815 crore (42% YoY).
- Gold loan branch productivity improved to ₹19 crore/branch (vs ₹17 crore QoQ), with employee productivity at ₹3.4 crore AUM/employee (vs ₹1.8 crore a year earlier).
- Housing finance AUM grew 42% YoY to ₹7,815 crore. Management highlighted that the 30+ branches opened in Southern India are witnessing good traction, with disbursements scaling to ~₹65 crore per month, while rising income levels and the low-interest rate environment continue to support affordable housing demand.
- Construction finance AUM grew 40% YoY to ₹6,332 crore across 291 projects, average sanction ticket of ₹41 crore and outstanding portfolio ticket of ₹20 crore.
- Co-lending/DA AUM at ₹8,126 crore (~20% of AUM, 74% YoY) but QoQ growth moderated to 4% on transition to the CLM-1 model (6 of 11 partner banks migrated); co-lending/DA income was ₹65 crore, down 8% YoY on lower disbursal volumes.
- Car loan distribution origination rose 43% YoY to ₹3,282 crore across 13 partner banks; management maintained it will not chase volume "at the cost of profitability."
- Total branch network stood at 1,433; management revised FY27 branch addition guidance upward to ~400 (from 350 earlier), with 150+ branches to be added by end-Q2 and the remaining by December 2026.
- Management continued to invest in AI-led digital transformation, including an enterprise-wide generative AI partnership with OpenAI, with AI now embedded across origination, underwriting, collections and customer engagement to enhance productivity, risk management and decision-making.
- During the quarter, the company analyzed over 6.7 lakh customer interactions using AI and digitally tracked over 2.64 lakh geo-tagged field visits, strengthening fraud detection, underwriting, collections, process compliance and customer insights through a continuously expanding data ecosystem.
- Non-interest income grew 28% YoY to ₹217 crore (~23% of net total income), led by insurance and car loan distribution commissions; insurance net fee income was ₹42 crore.
- Cost-to-income ratio improved sharply to 44.2% (vs 49.4% in Q4FY26); management guided this to remain in the 44–45% range over the next 12–18 months as branch expansion continues.

### Margins

- Blended yield and spread improved to 17% and 7.8% respectively, aided by product mix and a higher gold loan yield; NII rose 79% YoY to ₹736 crore.
- Gold loan yield improved to ~18.5%, with management guiding another 50–75 bps improvement, driven by branch vintaging and a shift toward smaller ticket sizes.

- Borrowings rose 73% YoY, with ₹3,868 crore raised via bank borrowings and ₹1,271 crore via NCDs/CP during the quarter; capital market borrowings now account for ~10% of the mix.
- Capital adequacy remained healthy at 24.7% for the NBFC and 27.8% for the housing finance subsidiary. Leverage ratio stood at 3.7x, with a liquidity buffer of over ₹4,037 crore.
- Management does not expect further reduction in cost of funds during FY27 but expects gradual diversification of funding through USD 1 billion GMTN programme, NCDs, CPs and PTC transactions, reducing dependence on bank borrowing.

### Asset Quality

- Consolidated gross stage 3 ratio stood at 1.1% and net stage 3 at 0.6%; impairment cost was ₹62 crore (16% QoQ), at 0.7% of average total assets, in line with the historical 0.6–0.8% range.
- Gross stage 2 assets rose ₹385 crore QoQ, driving the stage 2 ratio up to 3.8% (from 2.8%); the increase was concentrated in gold loans (+₹373 crore), attributed to the gold price correction triggering LTV-driven margin calls, with MSME (+₹10 crore) and housing (+₹15 crore) modest and construction finance stage 2 down ₹13 crore.
- Consolidated PCR rose to 43.3%; PCR on the construction finance segment was raised to 17.5%.
- Construction finance GNPA rose to 0.7% (from 0.3% QoQ) on a single account slippage, against which 70% provision was taken; ₹30 crore was recovered from an older NPA account in the same quarter, and management characterised such slippage/recovery cycles as normal for the segment.
- A ₹125 crore DCCO-extension exposure in construction finance sits outside the NPA classification and remains standard.
- Stage 2 provision coverage fell to 9.4% (from 11.8%), which management attributed to gold loans now forming around 70% of stage 2 assets and carrying a lower loss-given default due to high recoverability, rather than any change in underlying loss estimates.

### Guidance

- FY27 AUM guidance raised to ~₹50,000 crore (from ₹47,000 crore earlier) and FY28 target raised to ₹65,000 crore, implying over 30% CAGR; quarterly AUM additions guided at ₹3,000–3,500 crore, back-ended toward H2.
- Management reiterated its medium-term target of sustaining RoAE at 19–21% and RoAA at 4.2–4.7% through FY28, supported by operating leverage, margin expansion and continued business growth.
- Gold loan mix is targeted to rise toward ~55% of AUM in the medium term (up from the ~50% guided previously), with spreads expected to stabilise near 7.8–8% once the mix crosses 50–53%.
- Capital allocation will continue to favour the higher-return gold loan business, while MSME growth will remain calibrated despite continued expansion into new geographies.
- Management characterised recent leadership moves—including internal transfers of the CCO, CFO and Head of Internal Audit to the housing finance subsidiary on it crossing ₹5,000 crore AUM—as routine organisational changes rather than indicative of any structural changes.

Exhibit 1: Variance Analysis

| | Q1FY27 | Q1FY26 | YoY (%) | Q4FY26 | QoQ (%) | Comments |
|---|---|---|---|---|---|---|
| NII | 736.4 | 415.6 | 77.2 | 595.6 | 23.6 | Driven by strong loan book expansion |
| Reported NIM (%) | 9.7 | 8.9 | 80 bps | 9.2 | 50 bps | Supported by improving funding cost and higher yields |
| Other Income | 258.3 | 195.4 | 32.2 | 293.4 | -12.0 | |
| | | | | | | |
| Net Total Income | 994.7 | 611.1 | 62.8 | 889.0 | 11.9 | |
| Staff cost | 301.4 | 182.7 | 64.9 | 319.3 | -5.6 | Led by branch expansion and hiring for growth |
| Other Operating Expenses | 161.2 | 116.9 | 38.0 | 142.9 | 12.8 | |
| | | | | | | |
| PPP | 532.1 | 311.5 | 70.8 | 426.8 | 24.7 | |
| Provision | 62.2 | 81.5 | -23.7 | 53.8 | 15.6 | Asset Quality under control with credit cost rangebound |
| PBT | 469.9 | 230.0 | 104.3 | 373.0 | 26.0 | |
| Tax Outgo | 116.6 | 55.1 | 111.6 | 90.2 | 29.3 | |
| PAT | 353.3 | 174.9 | 102.0 | 282.8 | 24.9 | Strong business growth aids earnings trajectory |

Source: Company, ICICI Direct Research

## Financial summary

Exhibit 2: Profit and loss statement (₹ crore)

| (Year-end March) | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Interest Earned | 2,606 | 3,728 | 5,426 | 6,989 |
| Interest Expended | 1,274 | 1,730 | 2,403 | 3,091 |
| Net Interest Income | 1,332 | 1,998 | 3,022 | 3,898 |
| Growth (%) | 35.1 | 50.0 | 51.3 | 29.0 |
| Non-Interest Income | 501 | 860 | 1,135 | 1,414 |
| Net Income | 1,833 | 2,858 | 4,157 | 5,312 |
| Employee cost | 743 | 1,009 | 1,353 | 1,665 |
| Other operating exp. | 356 | 403 | 576 | 741 |
| Operating expense | 1,099 | 1,411 | 1,929 | 2,406 |
| Operating Income | 734 | 1,446 | 2,229 | 2,906 |
| Provisions | 101 | 190 | 303 | 395 |
| PBT | 633 | 1,257 | 1,926 | 2,511 |
| Taxes | 155 | 308 | 472 | 616 |
| Net Profit | 479 | 949 | 1,453 | 1,895 |
| Growth (%) | 71.1 | 98.2 | 53.2 | 30.4 |
| EPS (₹) | 5.8 | 9.9 | 15.1 | 19.7 |

Source: Company, ICICI Research

Exhibit 3: Key Ratios

| (Year-end March) | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Valuation | | | | |
| No. of Shares (crore) | 82.7 | 96.2 | 96.2 | 96.2 |
| EPS (₹) | 5.8 | 9.9 | 15.1 | 19.7 |
| BVPS (₹) | 52.1 | 74.9 | 90.0 | 109.7 |
| ABVPS (₹) | 50.1 | 73.3 | 88.0 | 107.1 |
| P/E | 38.2 | 9.9 | 14.6 | 13.7 |
| P/BV | 4.2 | 3.0 | 2.5 | 2.0 |
| P/adj.BV | 4.4 | 3.0 | 2.5 | 2.1 |
| Yields & Margins (%) | | | | |
| Yield on avg assets | 16.3 | 15.6 | 15.9 | 15.7 |
| Avg. cost of funds | 9.8 | 8.7 | 8.5 | 8.2 |
| NIM | 8.3 | 8.4 | 8.9 | 8.8 |
| Quality and Efficiency (%) | | | | |
| C/I ratio | 59.9 | 49.4 | 46.4 | 45.3 |
| GNPA | 1.5 | 0.9 | 1.1 | 1.1 |
| NNPA | 0.9 | 0.5 | 0.5 | 0.5 |
| RoE | 11.8 | 16.5 | 18.3 | 19.7 |
| RoA | 2.7 | 3.5 | 3.8 | 3.9 |

*Source: Company, ICICI Direct Research*

Exhibit 4: Balance sheet (₹ crore)

| (Year-end March) | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Sources of Funds | | | | |
| Capital | 83 | 96 | 96 | 96 |
| Reserves and Surplus | 4,222 | 7,107 | 8,560 | 10,456 |
| Networth | 4,304 | 7,204 | 8,657 | 10,552 |
| Borrowings | 15,577 | 24,112 | 32,655 | 42,569 |
| Other Liabilities & Provisions | 950 | 1,360 | 1,564 | 1,799 |
| Total | 20,831 | 32,676 | 42,877 | 54,920 |
| | | | | |
| Applications of Funds | | | | |
| Cash and equivalents | 1,531 | 2,123 | 2,612 | 2,980 |
| Investments | 160 | 1,236 | 989 | 791 |
| Advances | 18,252 | 28,150 | 37,880 | 49,380 |
| Other Assets | 888 | 1,167 | 1,395 | 1,769 |
| Total | 20,831 | 32,676 | 42,877 | 54,920 |

Source: Company, ICICI Research

Exhibit 5: Growth ratios

| (% growth) | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Total assets | 37.5 | 56.9 | 31.2 | 28.1 |
| Advances | 36.0 | 54.2 | 34.6 | 30.4 |
| Borrowings | 49.7 | 54.8 | 35.4 | 30.4 |
| Total Income | 34.0 | 55.9 | 45.5 | 27.8 |
| Net interest income | 35.1 | 50.0 | 51.3 | 29.0 |
| Operating expenses | 20.6 | 28.4 | 36.7 | 24.7 |
| Operating profit | 60.6 | 97.0 | 54.1 | 30.4 |
| Net profit | 71.1 | 98.2 | 53.2 | 30.4 |

Source: Company, ICICI Research

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Sell: <-15%

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