Capri Global Capital Ltd (CAPGLO)

CMP: ₹231 | Target ₹ 270 (17%) | Target Period: 12 months | BUY

October 30, 2026

Strong execution reinforces growth outlook …

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, ~16% MSME, ~19% Home, ~17% Construction finance & others.

- Immersed in high potential products as micro-LAP, rooftop solar, car loan origination, insurance distribution, etc.

Q2FY27 performance: Capri Global Capital reported a strong Q2FY27 performance, with consolidated AUM growing 9.4% QoQ (62.3% YoY) to ₹43,878 crore, led by continued traction in gold loans, MSME, housing and construction finance. NII increased 10.3% QoQ (69.4% YoY) to ₹812 crore, while PAT grew 18.4% QoQ (77.3% YoY) to ₹418 crore, supported by margin expansion and operating leverage. C/I ratio improved to 41.4% from 44% in Q1FY27, while RoAA/RoAE strengthened to 4.4%/21.6%.

Investment Rationale:

- **Scaling retail franchise sustains momentum:** Capri Global continues to scale its secured retail franchise, with AUM rising to ₹43,878 crore (62.3% YoY). Gold loans remain the key growth engine, while expansion in housing, MSME and construction finance provides diversification and additional growth levers. Board approval for 600 branches in FY27, deeper penetration in southern markets and maturing of recently added branches are expected to drive sustained growth. Management has maintained its FY27 AUM guidance of ~₹50,000 crore and reiterated its target of ₹65,000 crore by FY28 and ₹1,25,000 crore+ by FY31, supporting healthy medium-term growth visibility.
- **Margin resilience and operating leverage to support returns:** A rising share of high-yielding gold loans and continued focus on smaller-ticket lending are expected to support margins. While MCLR-linked repricing may gradually raise funding cost, access to capital-market short term funding should provide cushion. Maturing branch network, rising employee productivity and technology-led efficiencies should support operating leverage, while insurance, co-lending and car distribution provide incremental traction in fee income. These levers should help support management's medium-term RoAE/RoAA guidance of 19–21%/4.2–4.7%.
- **Disciplined underwriting to support asset quality:** Rise in Stage 2 and gold GNPA in Q2FY27 was largely technical, linked to shorter-tenure repayment structures that have since been discontinued. With gold portfolio LTV at ~70% and asset quality in MSME/housing being stable, management expects delinquencies to improve by Q3FY27 end while sustaining credit cost at 0.6–0.9%. Conservative underwriting standards and strong collections are expected to keep asset quality resilient.

Rating and Target Price

- Continued strong execution on business growth, asset mix, fee income and operating leverage remain supportive of earnings momentum. While funding cost are expected to inch up and gold delinquencies witnessed a temporary rise, management remains confident of normalization. Factoring sustained performance, we maintain our target price at ₹270, keeping our multiple at ~2.4x FY28E BV. Maintain BUY rating.

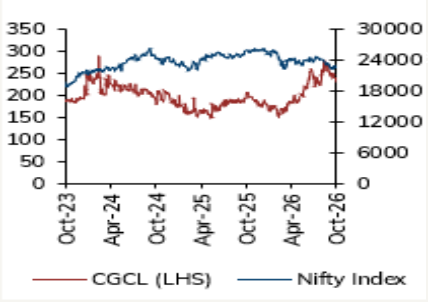
Particulars

Particulars	Amount
Market Capitalisation	₹ 22,289 crore
Networth	₹ 7,276 crore
52-week H/L	288 / 151
Face Value	₹ 1

Shareholding pattern

	Dec 25	Mar 26	Jun 26	Sep 26
Promoter	60.0	59.9	59.9	59.9
FII	4.5	5.6	8.2	13
DII	20.1	20.1	18.4	17.1
Others	15.5	14.3	13.5	10.0

Price Chart



Key risks

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

(ii) Slower than expected branch productivity could impact efficiency

Research Analyst

Vishal Narnolia
vishal.narnolia@icicisecurities.com

Nivedita Choudhary
nivedita.choudhary@icicisecurities.com

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%	3,214.4	4,261.7	46%
PPP	457.1	734.1	1,446.4	63%	2,475.2	3,201.5	49%
PAT	279.7	478.5	948.5	67%	1,588.5	2,056.1	47%
ABV (₹)	44.7	50.1	73.3		89.3	110.1	
P/E	65.2	38.2	9.9		14.0	12.6	
P/ABV	4.9	4.4	3.0		2.6	2.1	
RoA	2.1	2.7	3.5		4.1	4.1	
RoE	7.6	11.8	16.5		19.9	20.9	

Source: Company, ICICI Direct Research

Result Update

ICICI Securities – Retail Equity Research

Concall highlights and outlook

Business Updates

- Q2FY27 consolidated AUM rose to ₹43,878 crore (62.3% YoY, 9.4% QoQ), and PAT reached a record ₹418 crore (77.3% YoY). H1FY27 PAT was ₹772 crore (87.8% YoY).
- Disbursement rose ~49% YoY to ₹13,309 crore, supported by a growing customer base and a wider distribution network.
- Growth was led by gold loans at ₹21,004 crore (101.8% YoY, 9.5% QoQ; 47.9% of AUM). MSME AUM was ₹7,016 crore (25.2% YoY), housing AUM ₹8,325 crore (39.4% YoY) and construction finance AUM ₹7,534 crore (48.9% YoY) across 304 projects.
- Gold loan AUM per branch fell to ₹18.2 crore (vs ₹19.2 crore QoQ) after 154 gold branches were added. Management said branches older than 18 months average ~₹20 crore and new branches ₹4–7 crore. Gold loan employee productivity rose to ₹3.4 crore AUM per employee (vs ₹1.8 crore YoY).
- Gold loan average ticket size rose to ₹2.14 lakh (vs ₹1.91 lakh QoQ) and incremental LTV to 74.3% (from 70.5%). Unique customers rose 8.2% QoQ to 7.13 lakh, while live accounts fell to 9.83 lakh as accounts per customer declined.
- Management remains focused on gold loan with ticket size below ₹3 lakh and is avoiding teaser rate competition in tickets above ₹5 lakh.
- MSME average sanctioned ticket size rose to ₹17 lakh (from ₹12 lakh YoY) and incremental LTV to 53.5%. Management attributed this to rising property prices, with LTV norms unchanged.
- Co-lending/DA AUM rose to ₹9,083 crore (60% YoY, 11.8% QoQ; 20.7% of AUM). More than half of partner banks have migrated to the new guidelines, and DA now forms 28% of co-lending AUM. Co-lending/DA income was ₹72 crore (10.6% QoQ); it is now recognised over the life of the loan rather than upfront, with no change in earnings potential per management.
- Car loan distribution origination rose 27.2% YoY to ₹3,601 crore across 13 partner banks.
- The branch network rose to 1,609 with a net addition of 176 (154 gold, 22 non-gold).
- Cost-to-income improved to 41.4% (vs 44% in Q1FY27 and 49.4% in Q2FY26), despite operating cost rising 7.4% QoQ on branch expansion.
- The OpenAI partnership has been rolled out across work streams. The Bureau Rule Engine evaluated 1.08 lakh applications (34% QoQ), tech-enabled MSME/housing collections reached 34% (vs 32%), and speech AI is being extended to ~8 lakh gold customers..

Margins

- RoAE improved to 21.6% (vs 19.1% in Q1FY27 and 14.4% in Q2FY26), and RoAA to 4.4% (vs 4.1% and 4%, respectively).
- Yield and spread improved to 17.5% and 8.3%, respectively (vs 17% and 7.9% QoQ), aided by a higher share of high-yield products. NII rose 69.4% YoY to ₹812 crore, and NIM stood at 9.6%.
- Cost of borrowing rose marginally to 9.2% (vs 9.1%). Management expects funding cost pressure as MCLR-linked borrowings reset, with MCLR potentially rising ~15–20 bps, partly offset by higher short-tenure CP/NCD funding.
- During H1FY27, the company raised USD 300 mn through a maiden GMTN senior secured bond and ₹500 crore via CP; market borrowings rose to 14% of the funding mix (vs 8% at FY26 end).

- Standalone CRAR was 22.7% (vs 24.7% QoQ) and the housing subsidiary's CRAR is at 27.8%. Leverage stood at 3.8x, and the liquidity buffer stood at ₹6,057 crore.

Asset Quality

- Consolidated GS3 rose to 1.2% (vs 1.1% QoQ) and NS3 to 0.8% (vs 0.6%), with gold Stage 3 increasing by ₹126 crore QoQ.
- Gross Stage 2 rose ₹1,266 crore QoQ to ₹2,472 crore (7.1% vs 3.8%), almost entirely in gold loans. Management attributed this to the monthly and bimonthly products introduced in Q1FY27 under RBI's revised gold loan norms, which led to technical delinquency. These schemes have since been discontinued, and management expects a significant decline by end Q3FY27.
- Gold loan GNPA rose to 1.2% (from 0.3% QoQ). MSME GNPA was stable at 3.1% and housing at 1.2%.
- Construction finance GNPA declined to 0.2% (from 0.7% QoQ) after a ₹45 crore write-off of the Q1FY27 slippage, with ~₹9 crore recovered during the quarter.
- Stage 3 PCR fell to 33.3% (vs 43.2%) and Stage 2 coverage to 5.4% (vs 9.4%), reflecting the higher share of gold in stressed assets. Gold PCR stood at 19.1% vs ~15% for peers.
- Total credit cost was ₹79 crore (0.8% of average asset), comprising write-offs of ₹58 crore and ECL provisions of ₹21 crore.
- Management noted early drought-related stress in rural gold branches and is tightening credit screens, including lower LTVs.

Guidance

- Management maintained FY27 AUM guidance at ~₹50,000 crore, with potential for a slight beat, and guided FY27 PAT at ~₹1,600 crore.
- Management reiterated its target of ₹65,000 crore AUM by FY28 and ₹1,25,000 crore+ by FY31, with RoAE of 19–21% and RoAA of 4.2–4.7%.
- Credit cost is guided at 0.6–0.9% on a sustainable basis.
- The board has approved 600 branches for FY27, of which ~500 is planned for gold loans.
- Management expects no material FY27 impact from the IRDAI draft insurance distribution guidelines and ~1 percentage point lower consolidated RoAE in FY28–29 if they are implemented.

Exhibit 1: Variance Analysis

	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	Comments
NII	812.5	479.5	69.4	736.4	10.3	Driven by strong loan book expansion
Reported NIM (%)	9.6	9.5	10 bps	9.7	-10 bps	Supported by improving funding cost and higher yields
Other Income	323.3	238.4	35.6	258.3	25.2	
Net Total Income	1,135.8	717.9	58.2	994.7	14.2	
Staff cost	309.5	228.3	35.6	301.4	2.7	Led by branch expansion and hiring for growth
Other Operating Expenses	190.1	144.5	31.5	161.2	17.9	
PPP	636.3	345.2	84.3	532.1	19.6	
Provision	79.3	31.2	154.5	62.2	27.5	Gold loans witnessed technical stress. Overall asset quality under control
PBT	557.0	314.0	77.4	469.9	18.5	
Tax Outgo	138.6	78.1	77.5	116.6	18.9	
PAT	418.4	235.9	77.3	353.3	18.4	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	5,856	7,880
Interest Expended	1,274	1,730	2,641	3,618
Net Interest Income	1,332	1,998	3,214	4,262
Growth (%)	35.1	50.0	60.9	32.6
Non-Interest Income	501	860	1,198	1,411
Net Income	1,833	2,858	4,413	5,673
Employee cost	743	1,009	1,320	1,658
Other operating exp.	356	403	617	813
Operating expense	1,099	1,411	1,937	2,471
Operating Income	734	1,446	2,475	3,201
Provisions	101	190	357	460
PBT	633	1,257	2,118	2,742
Taxes	155	308	529	685
Net Profit	479	949	1,588	2,056
Growth (%)	71.1	98.2	67.5	29.4
EPS (₹)	5.8	9.9	16.5	21.4

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	16.5	21.4
BVPS (₹)	52.1	74.9	91.4	112.8
ABVPS (₹)	50.1	73.3	89.3	110.1
P/E	38.2	9.9	14.0	12.6
P/BV	4.2	3.0	2.5	2.0
P/adj.BV	4.4	3.0	2.6	2.1
Yields & Margins (%)				
Yield on avg assets	16.3	15.6	16.6	16.9
Avg. cost of funds	9.8	8.7	9.0	9.3
NIM	8.3	8.4	9.1	9.1
Quality and Efficiency (%)				
C/I ratio	59.9	49.4	43.9	43.6
GNPA	1.5	0.9	1.1	1.1
NNPA	0.9	0.5	0.5	0.5
RoE	11.8	16.5	19.9	20.9
RoA	2.7	3.5	4.1	4.1

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	8,696	10,752
Networth	4,304	7,204	8,792	10,848
Borrowings	15,577	24,112	34,469	43,618
Other Liabilities & Provisions	950	1,360	1,632	1,877
Total	20,831	32,676	44,894	56,343
Applications of Funds				
Cash and equivalents	1,531	2,123	2,585	3,053
Investments	160	1,236	1,360	1,496
Advances	18,252	28,150	39,812	50,596
Other Assets	888	1,167	1,137	1,198
Total	20,831	32,676	44,894	56,343

Source: Company, ICICI Research

Exhibit 5: Growth ratios

(% growth)	FY25	FY26	FY27E	FY28E
Total assets	37.5	56.9	37.4	25.5
Advances	36.0	54.2	41.4	27.1
Borrowings	49.7	54.8	43.0	26.5
Total Income	34.0	55.9	54.4	28.6
Net interest income	35.1	50.0	60.9	32.6
Operating expenses	20.6	28.4	37.3	27.6
Operating profit	60.6	97.0	71.1	29.3
Net profit	71.1	98.2	67.5	29.4

Source: Company, ICICI Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey | Head – Research | pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Vishal Narnolia, MBA, Nivedita Choudhary, MBA, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions".