

February 24, 2026

Gold-led growth & operating leverage drives valuation...

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

- Diversified AUM mix – ~42% Gold, ~19% MSME, ~21% Home, ~17% Construction finance & others
- Immersed in high potential products as micro-LAP, rooftop solar, car loan origination, insurance distribution, etc

Investment Rationale:

Diversification across product + geography to sustain business momentum:

Capri Global continues its retail-led growth playbook anchored around gold, housing, micro-LAP/MSME and co-lending, with distribution expansion and new geography entry (South India) driving incremental volumes. Management has maintained medium-term AUM target of ₹50,000-55,000 crore by FY28 and guided for ₹33,000–34,000 crore AUM in FY26 and ₹43,000–44,000 crore in FY27, indicating visibility of sustained growth momentum beyond near-term. During Q3FY26, the company added 68 gold branches and entered new high-potential geographies (Odisha, Andhra Pradesh, Telangana, Karnataka). Housing also expanded in Andhra Pradesh/Karnataka, while MSME started operations in Mumbai/Pune/Delhi to improve portfolio diversification.

Levers available to sustain RoA: The earnings profile is increasingly supported by (a) higher-yield segments (Gold + Micro LAP), (b) rising fee pools (insurance + co-lending + distribution), and (c) operating leverage as branches mature. In Q3FY26, AUM rose to ₹30,406 crore (47% YoY / 12% QoQ) and disbursements at ₹10,879 crore (+87% YoY), supported by non-interest income which rose to ₹240 crore (+124% YoY) and formed ~32% of total income, aided by co-lending fee income (₹116 crore vs ₹29 crore in Q3FY25) and scaling insurance distribution (Capri Care digital ecosystem rollout). Cost-to-income improved to 51.6% (vs 58.2% in Q3FY25). PAT stood at ₹255 crore (99% YoY).

Stable asset quality trajectory amid rapid growth: Asset quality remains a key strength for Capri Global, supported by its predominantly secured portfolio, disciplined underwriting and analytics-led collection framework. In Q3FY26, impairment cost declined to ₹23 crore (~0.4% of gross loan book) while provision coverage on Stage 3 improved to 43.6% (39.4% in Q3FY25). Segmentally, Stage 3 ratios improved across gold, housing and construction finance portfolios and remained largely stable in MSME, while Stage 2 assets stood at ~4% of gross loans, suggesting contained early stress levels. Additionally, a potential credit rating upgrade, post recent equity infusion (₹2000 crore QIP) could drive funding cost efficiency aiding RoA.

Rating and Target Price

- We believe Capri Global is well-positioned to compound earnings over the medium term on (i) sustained AUM growth visibility with FY28 AUM target of ₹50-55k crore, (ii) mix-led margin support from gold + Micro LAP, (iii) fee income scale-up (insurance + co-lending), and (iv) operating leverage with improving cost-to-income ratio. Factoring in FY28E, we assign a **BUY** rating on the stock, with target price of ₹220, valuing the stock at 2.1x FY28E BV.

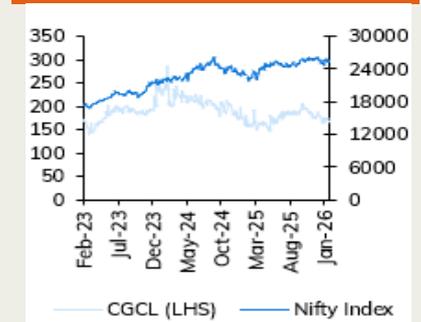
Particulars

Particulars	Amount
Market Capitalisation	₹ 16,116 crore
52 week H/L	232 / 151
Net worth	₹ 6,673 Crore
Face Value	1
DII Holding (%)	20.1
FII Holding (%)	4.5

Shareholding pattern

Holding (%)	Mar-25	Jun-25	Sep-25	Dec-25
Promoter	69.9	60.0	60.0	60.0
FII	1.0	4.7	4.8	4.5
DII	14.5	20.5	20.3	20.1
Public	14.6	14.8	14.9	15.5

Price Chart



Key risks

- (i) Fluctuation in gold prices could keep business growth volatile
- (ii) Anticipated asset quality stress in micro-LAP segment

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Key Financial Summary

₹ crore	FY24	FY25	2 year CAGR (FY23-FY25)	FY26E	FY27E	FY28E	3 year CAGR (FY25-28E)
NII	985.7	1,332.9	45%	1,930.6	2,476.6	2,987.2	31%
PPP	457.1	735.1	49%	1,469.2	1,999.8	2,499.3	50%
PAT	279.7	479.5	53%	953.0	1,317.2	1,654.6	51%
ABV (₹)	44.7	50.1	8%	73.2	86.3	103.0	27%
P/E	50.1	29.3		9.9	12.4	12.8	
P/ABV	3.8	3.4		2.3	2.0	1.7	
RoA	2.1	2.7		3.8	4.1	4.2	
RoE	7.6	11.8		16.5	16.6	17.6	

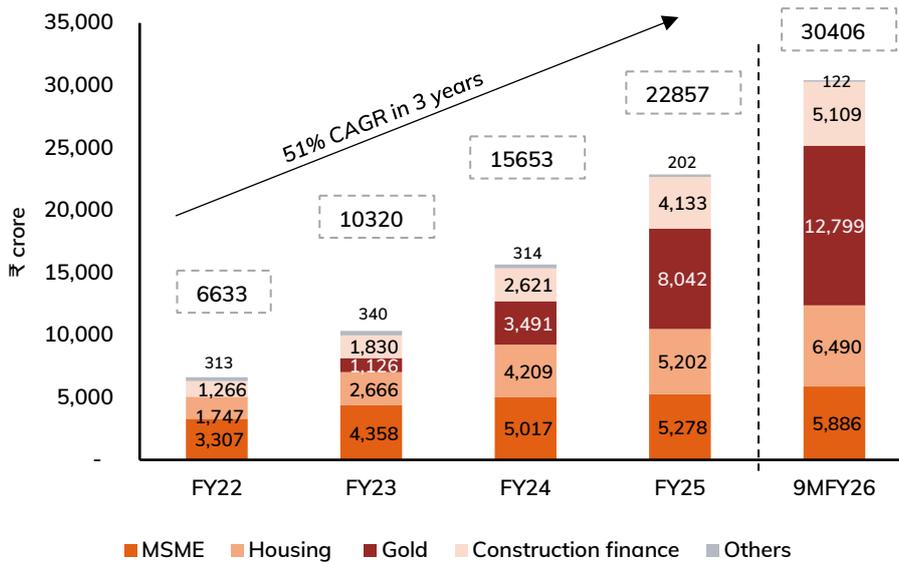
Story in Charts

Exhibit 1: Product profile

Particulars	MSME loans	Housing loans	Gold loans	Construction Finance loans
Product portfolio	Business loans against residential or commercial properties	Purchase of residential unit, construction, renovation and plot purchase	Loan against gold jewelry	Loans to small and mid sized real estate developers
Tenor of loans	upto 15 years	upto 25 years	upto 1 year	Less than 7 years
Portfolio ATS	₹15 lakh	₹14.6 lakh	₹1.4 lakh	₹18.2 Crore
Avg LTV	~51.8%	~57.5%	~60.5%	~80%

Source: Company, ICICI Direct Research

Exhibit 2: AUM growth remains healthy aided by high-yielding gold loans



AUM target maintained at ₹50,000-55,000 crore by FY28.

Medium term guidance on AUM mix towards gold loan (currently at 42%) is expected to rise to 45-46%, affordable housing/ MSME/ construction finance each at 18-20% range.

Source: Company, ICICI Direct Research

Exhibit 3: Catering to wide base of underserved and unserved customers

WHO WE CATER TO

MSMEs



Traders



Small manufacturing units



Private schools



Restaurants



Other businesses

Individuals



First-generation business owners



Independent non-professionals

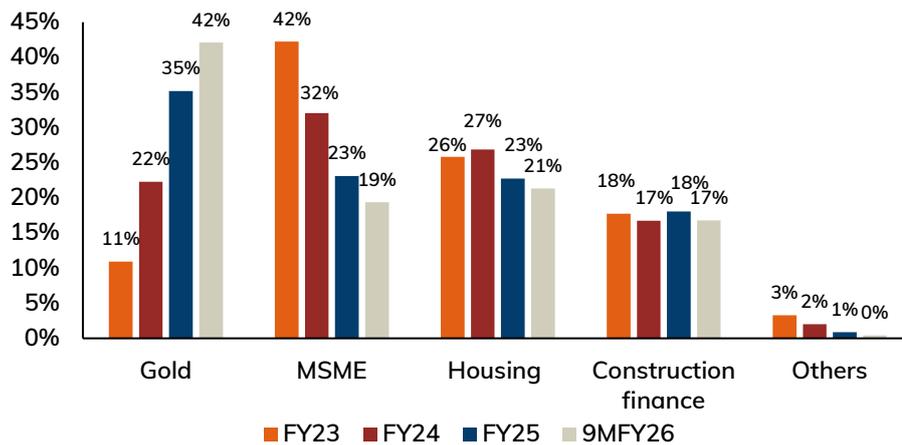


Underprivileged female borrowers

Extensively caters to tier 3 and tier 4 cities, offering loans with minimal paperwork and no prior financial history requirements, thus empowering underserved regions.

Source: Company, ICICI Direct Research

Exhibit 4: Acceleration in gold loan led to deceleration in MSME contribution



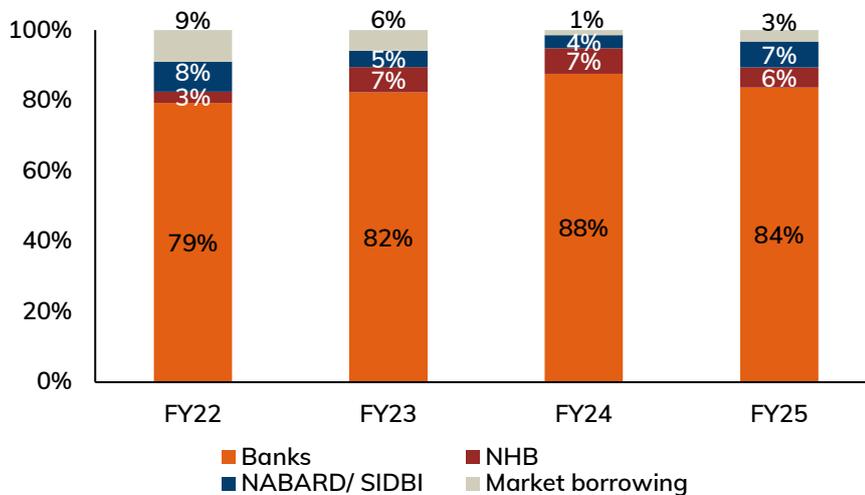
Company forayed into gold loan financing, which is a high yield business (at ~19% yields) compared to other products (MSME: ~16%, CF: ~17%, housing finance: 12-13%).

MSME slowdown was conscious stance by management for capital optimisation purpose and cautious stance over recent delinquencies in the system.

Gold Loan network increased to 910 branches across 15 states and UTs

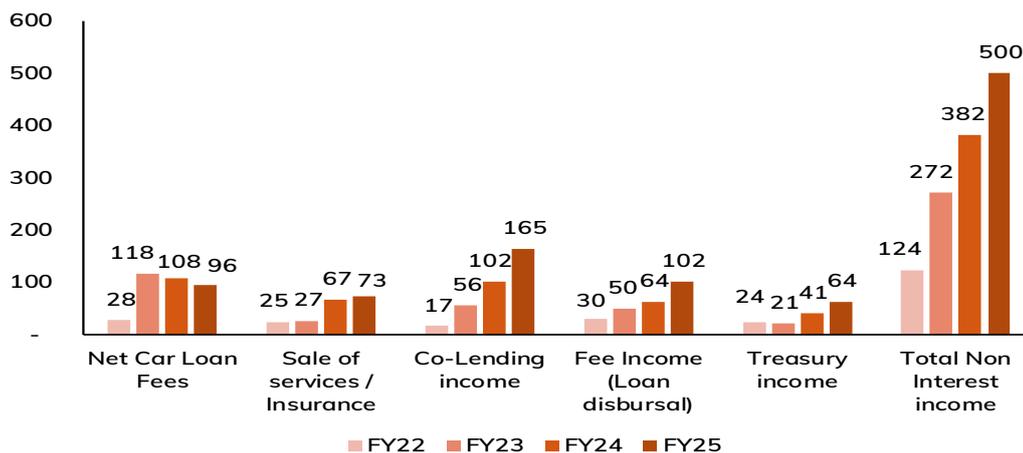
Source: Company, ICICI Direct Research

Exhibit 5: Liability profile inclined towards bank funding



Source: Company, ICICI Direct Research

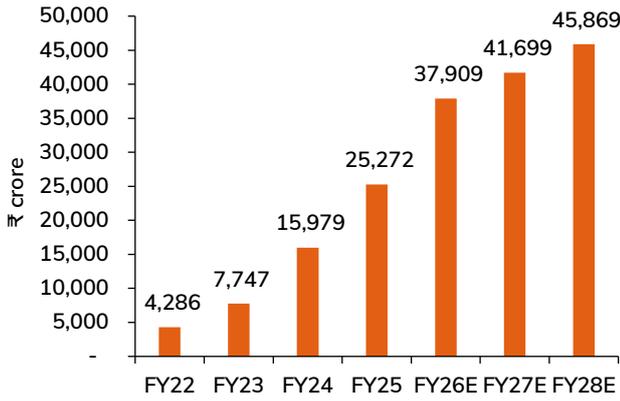
Exhibit 6: Diversified non-interest income share expanding...



Source: Company, ICICI Direct Research

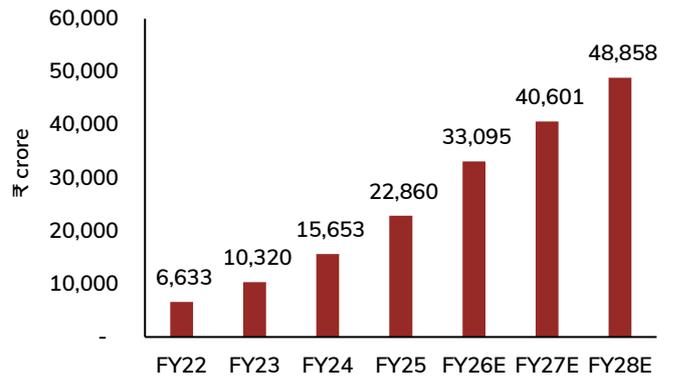
Financial Outlook

Continued healthy traction in disbursement.....



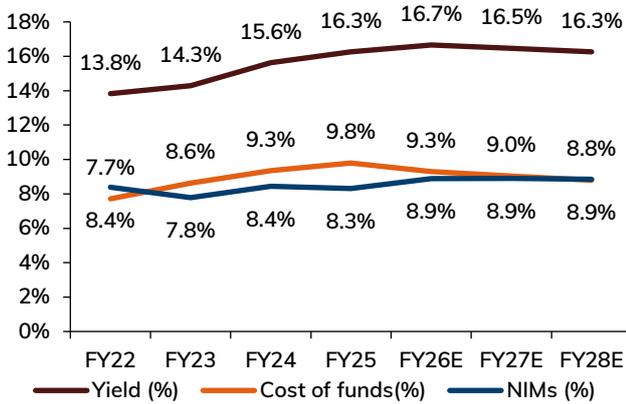
Source: Company, ICICI Direct Research

.....to keep AUM growth at 27%-30% CAGR



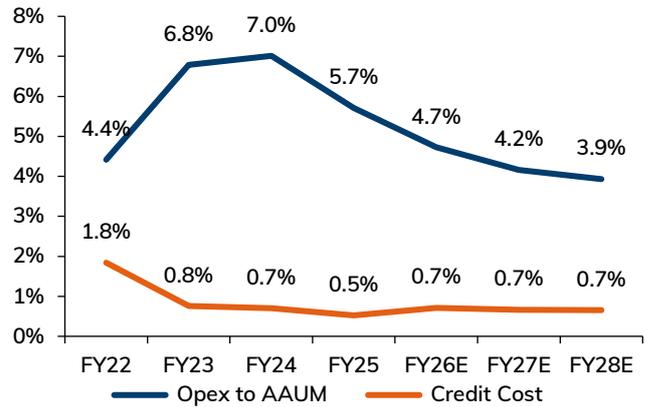
Source: Company, ICICI Direct Research

Steady margins amid change in asset mix.....



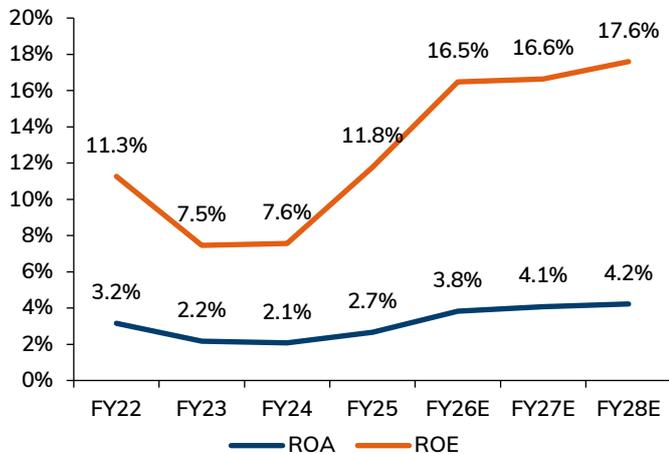
Source: Company, ICICI Direct Research

... improvement in efficiency & steady credit cost...



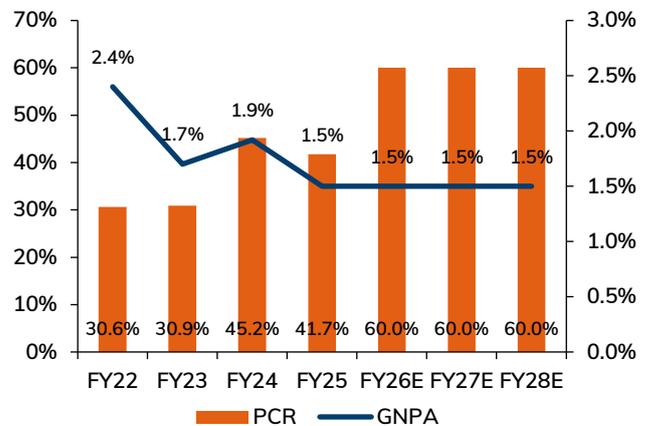
Source: Company, ICICI Direct Research

.....is seen to aid return ratios



Source: Company, ICICI Direct Research

Asset quality expected to remain stable



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 7: Profit and loss statement					₹ crore
(Year-end March)	FY25	FY26E	FY27E	FY28E	
Interest Earned	2,605.5	3,615.9	4,579.2	5,487.7	
Interest Expended	1,272.6	1,685.3	2,102.6	2,500.5	
Net Interest Income	1,332.9	1,930.6	2,476.6	2,987.2	
Growth (%)	35.2	44.8	28.3	20.6	
Non Interest Income	500.9	860.5	1,055.6	1,270.3	
Net Income	1,833.8	2,791.1	3,532.2	4,257.5	
Employee cost	743.0	893.7	1,045.8	1,210.8	
Other operating exp.	355.7	428.1	486.7	547.4	
Operating expense	1,098.7	1,321.8	1,532.4	1,758.1	
Operating Income	735.1	1,469.2	1,999.8	2,499.3	
Provisions	100.8	198.6	243.6	293.1	
PBT	634.3	1,270.7	1,756.2	2,206.2	
Taxes	154.8	317.7	439.1	551.5	
Net Profit	479.5	953.0	1,317.2	1,654.6	
Growth (%)	71.4	98.7	38.2	25.6	
EPS (₹)	5.8	9.9	13.7	17.2	

Source: Company, ICICI Direct Research

Exhibit 8: Key Ratios					₹ crore
(Year-end March)	FY25	FY26E	FY27E	FY28E	
<u>Valuation</u>					
No. of Shares (crore)	82.7	96.2	96.2	96.2	
EPS (₹)	5.8	9.9	13.7	17.2	
BVPS (₹)	52.1	75.5	89.2	106.4	
ABVPS (₹)	50.1	73.2	86.3	103.0	
P/E	29.0	9.9	12.3	12.8	
P/BV	3.2	2.2	1.9	1.6	
P/adj.BV	3.4	2.3	1.9	1.6	
<u>Yields & Margins (%)</u>					
Yield on avg assets	16.3	16.7	16.5	16.3	
Avg. cost on funds	9.8	9.3	9.0	8.8	
NIM	8.3	8.9	8.9	8.9	
<u>Quality and Efficiency (%)</u>					
C/I ratio	59.9	47.4	43.4	41.3	
GNPA	1.5	1.5	1.5	1.5	
NNPA	0.9	0.9	0.9	0.9	
RoE	11.8	16.5	16.6	17.6	
RoA	2.7	3.8	4.1	4.2	

Source: Company, ICICI Direct Research

Exhibit 9: Balance Sheet					₹ crore
(Year-end March)	FY25	FY26E	FY27E	FY28E	
<u>Sources of Funds</u>					
Capital	82.5	96.2	96.2	96.2	
Reserves and Surplus	4,221.6	7,162.3	8,479.5	10,134.1	
Networth	4,304.1	7,258.5	8,575.6	10,230.3	
Borrowings	15,576.8	20,684.6	25,805.9	31,053.6	
Other Liabilities & Prov	950.4	1,093.0	1,256.9	1,445.4	
Total	20,831.3	29,036.0	35,638.4	42,729.3	
<u>Applications of Funds</u>					
Cash and equivalents	1,531.2	2,068.5	2,580.6	3,105.4	
Investments	160.4	176.4	194.1	213.5	
Advances	18,251.5	24,821.5	30,450.9	36,643.3	
Other Assets	888.2	1,969.6	2,412.8	2,767.2	
Total	20,831.3	29,036.0	35,638.4	42,729.3	

Source: Company, ICICI Direct Research

Exhibit 10: Growth Ratios				
(% growth)	FY25	FY26E	FY27E	FY28E
Total assets	37.5	39.4	22.7	19.9
Advances	36.0	36.0	22.7	20.3
Borrowings	49.7	32.8	24.8	20.3
Total Income	34.1	52.2	26.6	20.5
Net interest income	35.2	44.8	28.3	20.6
Operating expenses	20.6	20.3	15.9	14.7
Operating profit	60.8	99.9	36.1	25.0
Net profit	71.4	98.7	38.2	25.6

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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