February 6, 2026

The Secretary
BSE Limited
Pheeroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai - 400 001
Scrip Code: 531595

The Secretary
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No- 'C' Block, G Block
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051
Scrip Code: CGCL

Sub: Transcript of the earnings conference call for the third quarter and nine months ended December 31, 2025 – Regulation 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Dear Sir /Madam,

In terms of Regulations 30 and 46 read with clause 15 of Para A of Part A of Schedule III of the SEBI Listing Regulations and further to our letter dated January 20, 2026, January 29, 2026 and February 2, 2026 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), please find enclosed herewith the transcript of Earnings Conference Call for the quarter and nine months ended December 31, 2025, held on Monday, February 2, 2026, which concluded at 1:02 p.m.(IST).

The said intimations was received by the Company on February 06, 2026 at 04.09 p.m. (IST).

Further, please note that this intimation is also available on the website of the Company at www.capriloans.in.

The above is for your information and dissemination to all the stakeholders.

Thanking you,

Yours faithfully,
for Capri Global Capital Limited

Yashesh Bhatt
Company Secretary & Compliance Officer
Membership No.: ACS 20491

Encl.: As above

Capri Global Capital Limited
(CIN: L65921MH1994PLC173469)
502, Tower - A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra - 400013
+9122 4088 8100/4354 8200 | contact@capriglobal.in | www.capriloans.in

Capri Global Capital Limited

Q3FY26 Earnings Conference Call

February 02, 2026

MANAGEMENT

MR. RAJESH SHARMA – MANAGING DIRECTOR
MS, DIVYA, DIRECTOR BUSINESS STRATEGY
MR. KISHORE LODHA, CFO
MR. SANJEEV SRIVASTAVA, CRO
MR. HARDIK DOSHI – HEAD, CORPORATE FINANCE & INVESTOR RELATIONS

Indian Numbering System Legend

₹ 10 Lakhs	= ₹ 1Mn
₹ 1 Crore	= ₹ 10Mn
₹ 100 Crores	= ₹ 1Bn
₹ 1 Lakh Crore	= ₹ 1Tn

Moderator: Ladies and gentlemen, good day, and welcome to Capri Global Capital Limited Q3 FY '26 Earnings Conference Call hosted by Go India Advisors. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes.

Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Hardik Doshi from Capri Global Capital Limited. Thank you, and over to you, sir.

Hardik Doshi: Thank you. Good afternoon, everyone, and warm welcome to Q3 FY '26 Earnings Call for Capri Global Capital Limited. This is Hardik Doshi, Head, Corporate Finance & Investor Relations. Before we begin, as a brief disclaimer, the discussion on today's call regarding Capri Global Capital Limited's earnings performance is based on judgments derived from the declared results and information on business opportunities available to the company at this time.

The company's performance is subject to risks, uncertainties and assumptions that could cause results to differ materially in the future. In that context, participants on today's call are advised to consider the same while interpreting the results. The full disclaimer is available on Slide 63 of the earnings presentation. Participants are requested to kindly take note of the same. Format of today's call would be opening remarks by the management team, followed by Q&A.

Let me now introduce the management team from Capri Global Capital present on the call today. With us today, we have Mr. Rajesh Sharma, Managing Director and Promoter; Ms. Divya Sutar, Executive Director, Strategy; Mr. Kishore Lodha, Chief Financial Officer; and Mr. Sanjeev Srivastava, Chief Risk Officer. I would now request our Managing Director, Mr. Rajesh Sharma, to present his opening remarks on the results. Over to you, sir.

Rajesh Sharma: Yes. Thank you. Good afternoon, everyone. I hope you all are doing well and had a good New Year break. We announced our unaudited financial results for the third quarter of FY 2026 on 29th January. I trust you have had the opportunity to go through our earnings presentation, which is also available on our website.

Before I move on to the financial and operational highlights, I would like to touch upon the broader operating environment during the quarter. India's economy continues to demonstrate resilience amid a mixed and uncertain global backdrop. Domestic demand remains steady, financial conditions and government schemes are supportive and budgetary push for infrastructure spending, indigenous manufacturing and service sector will drive the consumption and credit growth.

India is expected to be among the fastest-growing major economies in FY '26, underpinned by a stable inflation trajectory and strong structural fundamentals. At the same time, the macro environment continues to be affected by external headwinds, including geopolitical issues, global market volatility and currency movements, underscoring the need for disciplined execution and prudent risk management for financial institutions.

Against this backdrop, I'm pleased to say that Capri Global delivered a strong quarterly performance in Q3 FY '26, continuing its growth momentum and maintaining asset quality, while delivering highest ever quarterly profit of INR255 crores, a 99% increase year-on-year. This performance reflects our strong execution capability and resilient business model even during the uncertain macro conditions.

Now coming to our detailed business and earnings performance during the quarter. The strong momentum we saw in the first half of FY '26 continued through the third quarter across all our lending businesses. As of December 31, 2025, our consolidated AUM stood at INR30,406 crores, reflecting a robust 47% year-on-year growth and 12% quarter-on-quarter growth.

This performance was underpinned by broad-based expansion across segments. Gold Loan grew an impressive 80% year-on-year, while housing loan rose 40% year-on-year. Our co-lending AUM surged 93% year-on-year to INR7,138 crores, now accounting for almost 23.5% of total AUM, up from 21% in Q2 FY '26, highlighting our strategic focus on capital-efficient growth. Disbursements for the quarter rose 87% year-on-year to INR10,879 crores, supported by a widening distribution network and growing customer base.

Our growth remains granular, diversified and retail-led with our customer base now exceeding 6.3 lakhs, reaffirming the scalability and resilience of our business model. For our Gold Loan business, we delivered a strong and well-balanced performance in line with our strategic objective of growth driven by branch expansion while maintaining focus on effective risk management.

We successfully met our branch expansion target with the net addition of 68 new branches across South India. While last quarter, we focused on deepening our presence in existing geographies, this quarter, we marked our entry in high potential new geographies of Orissa, Andhra Pradesh, Telangana and Karnataka to support the next phase of growth.

Gold Loan AUM saw robust growth, increasing from INR10,170 crores at the end of September to INR12,799 crores by December, a sequential increase of 26%, led by healthy customer demand and improving branch productivity. In the context of rising gold prices, we maintained conservative loan-to-value ratios while ensuring strong collection practices across the portfolio. Asset quality remained a key focus.

Our Gold Loan gross NPA stood at 0.39% as of December, underscoring our focus on risk management and portfolio quality even amid rapid growth. Overall, Q3 marked an all-round performance for the Gold Loan business, combining scale alongside strong credit discipline and operational execution with branch productivity increasing to INR14.1 crores AUM per branch.

Our MSME AUM grew to INR5,886 crores, up by 19% year-on-year, supported by steady execution and network expansion. In the MSME business, all 16 branches in Uttar Pradesh, we opened in Q2 FY '26 are now fully operational. And by December end, these branches have achieved monthly disbursement run rate of INR9.5 crores, and we expect this to cross INR20 crores per month by March.

During the quarter, we also commenced MSME operation in prime urban markets such as Mumbai, Pune and Delhi which will help diversify and strengthen our overall customer risk profile. Within MSME, our Micro LAP business continues to gain strong traction with AUM rising to INR650 crores. This vertical enables us to serve emerging self-employed borrowers with a smaller ticket size requirement. In Micro LAP, we added 14 branches during Q3, taking the total branch network to 151 branches as of December end.

Our immediate focus now in this segment will be on improving sales productivity and operating efficiency across the expanded network before undertaking the next phase of branch expansion. Housing AUM stood at INR6,490 crores, delivering a year-on-year growth of 40%. We continue to see resilient demand across the affordable housing segment where rising income level and lower interest rate regime are driving demand for housing loans.

With net addition of 18 branches, we further expanded our presence in high potential South India market by entering the state of Andhra Pradesh and Karnataka. This strategic expansion is step towards becoming a national player in housing finance, increasing portfolio granularity and support yield expansion over time.

Our construction finance AUM saw steady growth of 37% year-on-year to INR5,109 crores, now funding over 279 active residential projects with an average ticket size of INR37 crores sanction-wise and outstanding portfolio ticket size of INR18 crores. The book remains granular and well diversified by geography, reflecting our focus on working with midsized and small developer in metro and Tier 1 cities.

We continue to emphasize disciplined underwriting through rigorous due diligence and escrow-based cash flow management, ensuring a risk-first approach. Our total branch network expanded to 1,331 locations in Q3 FY '26 with a new addition of 107 branches during the quarter, while our employee base increased to 13,066, up by 7% quarter-on-quarter.

Our entry in new geographies is a step towards our ambition of building a pan-India footprint, enhance customer reach and increase brand visibility, laying the foundation for the next phase of growth. Let me now provide an update on our core earnings. Our yields and spread on net advances remained healthy in the quarter at the 16.4% and 7%, respectively, driven by continued loan book expansion, decline in cost of funds and enhanced margin.

Our net interest income for Q3 FY '26 stood at INR510 crores, representing a strong 48% increase year-on-year. We continue to strengthen our noninterest income stream in Q3 FY '26, reinforcing our strategy of building a diversified and resilient earnings profile. Non-interest income grew 124% year-on-year and 18% quarter-on-quarter to INR240 crores, contributing 32% of our net total income for the quarter.

This strong increase was largely driven by growth in commission of insurance distribution and co-lending fee income. In our insurance distribution business, we generated fee income of INR34 crores during the quarter. Q3 marked an important strategic milestone with the deployment of the upgraded Capri Care insurance ecosystem. During the quarter, we unveiled a refreshed brand identity and fully digital end-to-end platform that enables instant real-time policy issuance, significantly easing insurance adoption across our retail customer base.

More importantly, we have expanded our product portfolio beyond traditional financial indemnity product to a holistic wellness-led offering. By embedding preventive health care solutions such as annual health screening and cashless consultation into the ecosystem, Capri Care is evolving from a claims-product offering into a proactive health and protection partner for our customers. This digital-first and integrated approach is expected to drive higher insurance penetration, improve customer engagement and meaningfully enhance fee income contribution over time.

Our co-lending income stood at INR116 crores, driven by higher disbursal volumes and deeper engagement with partner banks. This capital-efficient model continues to enhance ROE, diversify funding sources and scale fee-led income without incremental balance sheet strain. Our car loan distribution business maintained its steady momentum with origination of INR3,290 crores in Q3 FY '26, up 15% year-on-year.

With a growing footprint and deep relationship across 14 partner banks and financial institutions, we have built a scalable platform with pan-India network in this segment with potential to monetize further for distribution of other products. On the expenses front, our operating expenses increased 15% quarter-on-quarter. This was mainly driven by increase in the employee cost on account of net addition of 869 employees quarter-on-quarter and increase in employee incentive linked with higher disbursement.

Our continued focus on operating efficiency is visible with the cost-to-income ratio improving 51.6% in Q3 FY '26 compared with 58.2% in Q3 FY '25. This sharp improvement underscored the benefit of a maturing branch network, rising productivity and a strong operating leverage across our businesses.

As a result of margin expansion, improvement in operating efficiency and a strong traction in fee income, our pre-provision operating profit surged 92% year-on-year to INR363 crores for the quarter. Further, we continued our strong profitability momentum in Q3 FY '26, delivering a robust PAT of INR255 crores, up 99% year-on-year. Our return ratio considerably improved during the quarter with ROE of 15% and ROA of 4% for the quarter.

Coming to our asset quality, our impairment cost for the quarter stood at INR23 crores in Q3 FY '26, down from INR31 crores in Q2 FY '26 or 0.4% of the gross loan book and our provision coverage ratio on Stage 3 loans improved to 43.6%, demonstrating our prudent provisioning and conservative approach to risk management. Our Stage 2 assets increased by INR95 crores quarter-on-quarter and were 4% of gross loans.

However, our Stage 3 ratios improved quarter-on-quarter for Gold Loan, Housing Loan and Construction Finance and remained flat for MSME loan. At consolidated level, our Stage 3 assets remained flat at INR275 crores quarter-on-quarter, resulting in our gross Stage 3 ratio at 1.2%, down sequentially by 10 basis, while net Stage 3 ratio stood at 0.7%, down 7 bps sequentially.

Let me talk about liability side. Our borrowing increased by 38% year-on-year and incremental borrowing sanction limit year-to-date this fiscal was around INR6,860 crores. We added 11 new lender relationships year-to-date, taking the active relationship now to 30-plus. We also continue to diversify our borrowing mix by raising funds through other instruments such as NCDs and commercial paper. During the quarter, we raised INR635 crores from NCDs and commercial paper.

As a result of MCLR reduction and our effective effort on repricing existing liabilities, we are happy to share that we saw quarter-on-quarter reduction of 24 basis in our cost of funds. Following equity capital infusion of INR2,000 crores in Q1 FY '26, our balance sheet is now significantly stronger with a low leverage ratio of 2.8x, providing ample headroom to support accelerated growth across business segments.

Our stand-alone capital adequacy ratio of CGCL is at 30.3% and 24.8% for Capri Global Housing Finance Limited. Our liquidity remains comfortable with INR4,274 crores in cash and bank balances, investments and undrawn credit lines across CGCL and CGHFL. Our technology investments continue to deliver tangible outcomes and to understand the sustainability of these numbers, we need to look at the engine powering them. 4 years ago, we began rebuilding Capri as a platform-centric NBFC, and that decision is now generating exponential operating leverage. Our performance is not just the outcome of incremental manpower, it is also the product of scaling our systems. Our in-house technology stack delivers higher disbursement, sharper credit selection and shorter cycle times, all without a proportional rise in cost.

Our disbursements are up 87% year-on-year. However, manpower has increased by just 19% year-on-year, driven largely by the addition of 265 new branches year-on-year rather than rise in core operating load. This is the compounding effect of AI native operating model, one where productivity, speed and the risk discipline accelerate together and where growth is driven by architecture, not headcount.

We have built an AI-first lending platform from the ground up and embedded at the core of our credit architecture made around the critical element of clean, governed continuously in this data. The customer journey runs on a fully native, seamless flow from digital onboarding through our mobility app called SPARK into a centralized loan origination system called Orion that orchestrates complex workflows end-to-end.

This foundation delivers insight, speed and risk precision that legacy vendor-led ecosystem cannot match. This distinction is most visible in our proprietary intelligence model, for credit and for collections. Credit model acts as a vigilant guard, moving us from static scoreboard to dynamic risk compliance, while collections model drive time-driven escalation aligned to delinquency aging.

Our agentic communication stack across voice, WhatsApp, SMS and GenAI bots now manages customer engagement end-to-end. It sends nuggets automatically, analyze call transcripts, detects early risk signals and triggers the right action instantly, creating a real-time high accuracy feedback loop across the collections funnel.

On ground, our field collection executive operates on a specialized geotech mobility app called Pegasus, ensuring fast-moving wide coverage execution by optimizing routes and tracking widgets in real time. This structurally lowers the cost of collections and improve cure rates without expanding our feet on the street workforce.

Underpinning this capability is a robust hybrid multi-cloud strategy and unified data foundations that feeds our real-time executive dashboards ensuring that decisions regarding funnel visibility and asset quality are backed by live data. We have modernized the entire application development life cycle by embedding artificial intelligence at every stage, driving an 83% year-on-year improvement in employee to PR code productivity.

With AI-driven automated reviews and agentic testing framework, we have brought our error rate down to below 5%, supported by 4x increase in code coverage year-on-year. As a result, we are delivering new features faster with higher reliability and with leaner teams, giving us a sustained execution advantage. This velocity translates directly into business outcomes and customer experience.

Consequently, products like Gold Loan have a turnaround time of less than 30 minutes and our preapproved top-up loans are disbursed in 60 seconds. We are monetizing trust and leveraging the India Stack to acquire and verify customers at very low cost. Importantly, we have ensured that speed does not come at the expense of governance and is aligned with regulatory guidelines.

The technology foundation is in place. The systems are mature and are built to compound earnings at scale. On the ESG front, I am pleased to share that our ESG practices have been recognized by leading global independent rating agency, including S&P Global and Morningstar Sustainalytics.

Capri Global has achieved an S&P ESG score of 71, the highest among all NBFC peers and has been assessed as Low ESG Risk by Morningstar Sustainalytics. These ratings place us firmly among the leaders in ESG practices within the NBFC sector and reflect our adherence to globally benchmark standards.

Importantly, these assessments are based entirely on publicly available independently verified data, underscoring the strength, transparency and resilience of our governance and operating model. We shall now be happy to take your questions.

Moderator: The first question is from the line of Aman Baheti from InCred Capital.

Aman Bbaheti: So my first question is, with our ongoing investments in distribution, how should we think of the benchmarks like AUM per branch, per employee that signal our transition from build out to operating leverage in Gold and Micro LAP businesses?

Rajesh Sharma: Yes. Thank you. So as far as the AUM per branch is concerned, Gold Loan as we have narrated in our call also that it has already crossed INR14.1 crores per branch AUM. And we expect this Gold Loan AUM continued to grow in line with our -- there are many branches which are still less than INR10 crores, while the AUM is 14, where some of the branches are about 25, some of the branches are below 10.

So, there exists a good scope that these branches will continue to deliver a 30% plus growth. Plus, we intend to add more branches. So currently, if you talk about 910 branches, there are about 20% branches are more than INR20 crores per branch. Between INR5 crores to INR 20 crores per branch, almost there are about 67% branches. And there are some newly opened branches we opened in the last 2 quarters, less than INR5 crores. So those branches will continue to grow, plus we also intend to add the new branches.

So, the existing branches will also continue to grow with the addition of the opening of the new branches. So, per branch AUM, we can expect we are at INR 14.1 crs and these existing branches will continue to grow for 30%, and then there will be addition of the new branches.

If we talk about Micro LAP, which we are opening about 151 branches currently, the AUM is about INR650 crores, which is average about roughly -- about close to INR5 crore plus. These branches will deliver AUM about, say, INR10 crores by the next year. And we intend to achieve INR3,000 crores of AUM in about another 2.5 years from now. So that is the trajectory we are following.

Aman Bbaheti: So, second question is in line with our portfolio mix. So, as we are seeing a shift from traditional lending towards Gold loans and Co-lending. So -- but our NIMs have remained largely unchanged. I mean, so what's our outlook there on Gold Loan yields?

Rajesh Sharma: Gold Loan yields are currently in the range of about 17.8%. And overall -- if we talk about the overall yield of the company, it is about 16.4% at the portfolio level. With the increase slightly in the Gold Loan portfolio, the overall yield and spread will improve plus Micro LAP segment is also increasing, where the yield is also -- is going to be supportive. We expect the Gold Loan to remain in the range of about 18%.

Likely, there will be improvement about 20–25 basis going forward by various retail loan -- Gold Loan focus, we are bringing it now increasing the branches. So there, we should see some improvement in our yield plus certain other measures we are taking. So overall, Gold yield is likely to be 18% and our overall yield of the company, which is 16.4% should improve slightly. It should improve by 20 to 25 basis in next year.

Moderator: The next question is from the line of Sohail Kanalil from ULJK Financial Services.

Sohail Kanalil: Very good -- congratulations for the good performance in this quarter. I had a couple of questions to ask. So basically, we have seen Co-lending has been scaling faster from 20% to 22.5% in Q3. And how do we -- how do you see this shape up going ahead? Do we -- is this going to keep increasing further on?

Rajesh Sharma: I think Co-lending will remain largely in the current range of between 22% to 23%. We do not intend to grow it further from this level. And we are able to maintain, this is a very good level to have it. It's very, very highly ROE accretive. And there is a focus of regulators as well as the banks to partner in the Co-lending so that it is a collaboration between the low-cost fund and the low-cost collection efficiency of NBFC and low-cost fund of the banks. But we intend to maintain this level.

Sohail Kanalil: Got it, sir. And one more question I had regarding -- so how these gold loan prices have -- I mean, the gold prices itself has gone up significantly in the last few quarters. And right now it has peaked. So, if we see further downside in gold prices, what kind of scenarios have you embedded for your loss and provisioning have you done for that?

Rajesh Sharma: Yes. So, I think it's a very good question in the recent times of the volatility of the gold loan. But as a company, we follow the very conservative practice in terms of the way we decide the LTV. In the rising trend of the gold, we reduced our LTV. So during the January, whatever we disbursed, our loan disbursement was happening at the LTV about 64% against the 75% permitted. And the portfolio level, our LTV is 60% overall. So it means we have a portfolio level 40% margin in the current trend.

So second thing is that the moment we also have a system that early warning triggers we are able to send to the customers through SMS and WhatsApp messages in case anybody's LTV breaches. And at individual level where the loan amount is anything between INR 50,000 to INR 2 lakh, if the gold prices have fallen and the margin call trigger, we send the message.

And we manage the dynamic collateral monitoring where we monitor the portfolio and individual loan account system-wise and take the prompt corrective action. Borrowers are required to restore the margin within 14 days of intimation, limiting prolonged exposure during period of price correction. And then we retain the right through our agreement to initiate auction of gold, including prior to loan maturity if collateral coverage becomes inadequate or borrower risk increases materially.

So there are various safeguards inbuilt. If you talk about currently, as I said, in the January month, our all disbursements where we are taking the -- we have disbursed the loan where the AUM was only 64%. So 36% of the margin we have maintained during the time when the gold was going up one way. Between December and January, we were maintaining our fresh disbursement LTV not 75%, but between 65% to 70%.

So there also, we have taken a conservative approach. Also the gold loan lending happening on the 30-day -- last 30 days average price. Accordingly, rate per gram is decided. So basis all these frameworks, we are at quite comfortable position where the LTV just 60% at a portfolio level.

Sohail Kanalil: I think the book has been very well managed.

Moderator: The next question is from the line of Varun Dubey from Share India Securities.

Varun Dubey: First of all, sir, congratulations on your superb set of numbers. I mean the company has shown really good growth. If you can just throw some light on what was the reason for decline in the overall net interest margin to 9.1%. And also the company has said that the overall spread would reach to 7.2% going forward. So I mean, does the company stay with the same guidance for spreads we have said?

Rajesh Sharma: I think what is the relevant indicator to track is the spread and the spread has not come down. The spread has improved from 6.9% to 7%. So there's an improvement in the spread and our margin. As regards net interest margin is concerned, the more you leverage, net interest will fall. So I think right indicative spreads where we are showing an improvement of 10 basis from 6.9% to 7%.

Varun Dubey: Okay, sir, but you have guided for 7.2%, I remember in the second quarter. So do you stay with the guidance of 7.2%? I mean will we see more 20 basis point improvement in spread in the fourth quarter?

Rajesh Sharma: Yes, there will be improvement in the fourth quarter in the spread further. On the back of our AUM of the Gold Loans rising, some support will come from the scale benefit and also from the cost of fund is going down. So already, we reduced about 24 basis cost of fund now in the last quarter, some of the loan will get further reset and the mix of borrowing of the short-term commercial paper and other measures, our overall spread will continue to improve. And I think we've given a guidance of 7.2%, which we hope to deliver that.

Varun Dubey: Okay, one last question I just wanted to understand on your Gold Loan branches because I remember you're saying 995 branches was a target for FY '26. I mean what would be the addition for Gold Loan branches in FY '27? I think so there was a separate RBI approval that the company needed for additional branches. So what's the update on that, sir?

Rajesh Sharma: So I think the branches which we will add in the last quarter of the Gold Loan, we'll let them stabilize and achieve at least 6 months' time. We'll approach the RBI at appropriate time and RBI give their approval and decision within 45 days. So in the second half of FY '27, we'll announce the expansion of our Gold Loan branches based on what time we approach and subject to our approval and program. And accordingly, we'll announce at the right time how many branches we'll be adding in the second half.

Varun Dubey: Once again congratulations on the superb set of numbers.

Moderator: The next question is from the line of Ishank Gupta from Choice Institutional Equities.

Ishank Gupta: So my first question was for Gold Loan segment that we have already observed a sharp decline in yields. So what was the primary reason? Was it because of higher competition? Or -- and I couldn't hear properly, so could you reiterate what is the expansion we are seeing in the yields of Gold Loan?

Rajesh Sharma: As far as expansion is concerned, by current quarter, we will be ending up 999 branches of the Gold Loan. And last quarter, you have seen we have added about 68 branches in gold alone. As far as the yield is concerned, the decline in the yield in Q3 FY '26 compared to Q2 FY '26 is directly linked to our strategy of expanding the retail loan book with a particular focus on the smaller ticket size loan in rural markets.

This shift has been effective in driving customer acquisition and enhancing market reach, but it naturally result in lower average ticket size and a slight compression of the yield. Furthermore, the rural market has seen improved cash flow availability due to the harvesting cycle, allowing customers to make timely repayment, access rebate schemes and remain within the lowest ROI brackets. However, next quarter, we expect the yield to improve by 20 basis or so.

Ishank Gupta: And any further expansion in '27 and '28?

Rajesh Sharma: '27, '28, we will go to our regulator for the approval. And second half, we'll announce our phase of expansion in the Gold Loan branches. First half, we will try to make our existing branches which opened in last 3, 4 months to make them grow and achieve the breakeven. And thereafter, we'll go for the next expansion round.

Ishank Gupta: And sir, what about the expansion in other branches other than Gold Loan? What do you pencil in for FY '27 and '28 other than Gold Loan?

Rajesh Sharma: So in the MSME, Micro LAP and Home Loan, we are continuously adding. So next year, we can assume that between 100 and 125 branches across Micro LAP, MSME and Home Loan, we will add.

Ishank Gupta: Understood. So sir, taking further on the point of MSME sector, the government has continued its stance of supporting the MSME sector. So based on that, can we assume our exposure towards MSME should also improve? So what would be the AUM mix within next 1 to 2 years?

Rajesh Sharma: So you have seen this quarter also, overall, we have shown the 19% growth in the MSME segment. So if you talk about the composition of AUM, currently, Gold is about 42%, and which will improve to about 45%–46%. As regards MSME and Construction Finance and Housing is concerned, they will largely remain in the range of about 18% to 20% each one.

Ishank Gupta: Understood. Understood. And sir, we have already reached our exposure to 40%. So we are currently penciling 45% is our exposure towards Gold Loan. So currently, the gold prices have already witnessed high volatility in January. So do you see a good growth based on it if the prices do fall further or has volatile in Feb and March?

Rajesh Sharma: So even though some price correction, which we've already seen happening, but on ground, there is still the larger market of the gold loan is still exist in the informal segment with the small money lender and the small jewellery shop who also do the lending activity. That market is continuing to shift to the organized sector because of the fair practice and the better interest rate. I believe that still a lot of market, which is going to shift from the informal to formal. And we'll see decent growth in the Gold Loan segment in the coming years.

Moderator: The next question is from the line of Prit Nagersheth from Wealth Finvisor.

Prit Nagersheth: Sir, my question is that given that the borrowings announced in the budget is going to be more and this will increase the -- this will result in higher yields for government finances. Do you see an increase on cost of funds for the company because of that for FY '27?

Rajesh Sharma: So I put it this way that across the level if the cost goes up, then by all the lenders, that is actually get passed on to the borrower. But any cost reduction happens because of a better credit rating or otherwise, that benefit accrue to us. So in case the cost goes up, we'll be able to pass on because that will happen for every lender.

And that cost will -- of course, will get passed on to customers. So that will not change our spread. However, any cost reduction which we achieve because of our mix of borrowing by using the short-term instrument like commercial paper or short-term NCD or by improvement in credit rating, these 2 factors, that benefit will directly accrue to the P&L.

Prit Nagersheth: So what happens in the case where banks who are competing with gold loans in companies like Capri Global, for them, their cost of funds do not increase as much as they will be for an NBFC, so because of heightened competition, could this result in the yields on gold loans coming down?

Rajesh Sharma: So in any case, banks are lending at less than 10%. And the gold loan NBFC are lending anything between 15% to 18% rate. So already that difference is there. So -- but the customer segment of the bank and NBFC will be entirely different. Second thing, focus of the gold loan NBFC is purely only on the gold loan customer where the banks do many other products also.

So attention to the customer, customer serving to the small borrower borrowing INR30,000, INR40,000, INR50,000 for a 6-month loan where banks margin may not be even INR500. The service and attention of the NBFC is going to be the key differentiating area. It is not that the banks are not lending today at low rate. So that 25 basis here is not, even the today difference is more than 500 basis points.

But still all the gold loan NBFCs are continuing to grow. So I think that is not the factor of rate of interest, what rate banks are lending, what rate we are lending they are entirely 2 different segment of customers.

Prit Nagersheth: Got you. The other question I had was regarding the gold LTV. So you explained right now regarding the prior participant. The question I wanted to ask was that till what price of gold are we comfortable, after which if it falls, we would have to start -- as you explained, you would have to start calling customers and managing that. So what kind of price fall would you still be okay with?

Rajesh Sharma: So you have to understand it is like this, that a customer whom we have given a INR1 lakh, say INR1 lakh against the gold of INR1 lakh, we have given a INR75,000 of loan. That is a regulatory limit. But our portfolio currently sitting at INR60,000. It means that our portfolio is already at INR60,000. Assuming that somebody we have given the loan in the month of January when the gold loan prices have gone up 10%, again then followed more than 10%.

That time, we were having margin on loan-to-value around 25%, but now we are following a loan-to-value of only 65%. So 35% margin we were taking. Even though gold loan prices fall 10%, still that -- till then, it will remain within 75% range. The moment LTV breaches, where the LTV exceeds 75% because of the reduction of the gold loan value, suppose some customers, LTV has begun 78% or 79% on a particular day, 4% breach in a INR75,000 loan, which means that INR3,000 we have to recover from him.

From the system, auto message will be sent to the customer that your LTV has been breached by this in this amount within 14 days if you don't restore the margin, we have the right to auction the gold plus it will also invite the penal charges and this and that. Customer is being called by the branch and SMS is already sent to him and recovery is done. So customer -- so it is not that in 1 day, 25% correction will happen and we are out of the money.

Correction will happen gradually and there is a automatic system-based alert and calls are triggered, and recovery is made from the customer. Individual customer, we have to INR3,000, INR4,000, INR5,000 only to make up that margin. In the worst scenario, we will end up in selling the gold and realizing our money.

Our ticket size being so granular and the risk is so diversified, this does not pose a real risk in terms of recovery, gold being so liquid and gold is the only asset class where customer part with the possession, it remains in our custody. So there is no process of taking the posession, something like that in property. Here, gold is in our possession, we can sell and realize dues. So there's no real risk against as such.

Prit Nagersheth: Got you. Got you. The other question I wanted to understand is that what kind of growth momentum do you foresee for quarter 4 and also for the next financial year, if you can give some guidelines?

Rajesh Sharma: So I think we have said that this year, we will continue to deliver a growth AUM to be in the range of about INR33,000 crores to INR34,000 crores, and we are on that track. Already, we achieved INR30,400 crores this 9 months period. And we will continue to grow. Next year, we have revised our guidance to deliver anything between about INR43,000 crores to INR44,000 crores. Earlier, we said that we'll achieve INR50,000 crores AUM by FY '28. Now that guidance we revised to reach to INR55,000 crores by FY '28.

Prit Nagersheth: So alongside this growth, do you have any targets for your ROAs and ROEs. What you would think...

Rajesh Sharma: I think we are -- we have already delivered in this quarter, 4% ROA, and we continue to maintain that. Our aim will be to deliver ROE in the range of about 16% plus and ROA anything between 4% to 4.25%.

Moderator: The next question is from the line of Mr. Bansal from NBG Investments.

Bansal: My question is on this Gold Loan ratio, while answering the earlier participant questions, you said that you have a margin of around 35% to 40%. But I see your presentation where you said that your loan-to-value ratio is around 72%, which means that you have the margin of around 28% to 30%. So can you help me understand what is these 2 things?

Rajesh Sharma: So what I think you have seen the Slide number 8 is referring the incremental disbursal. So incremental disbursements all 3 months, if you have seen Q3 FY '26 showing is 72%. Now 72%, thereby, it would mean that on the day when we disburse, suppose we disburse in the month of November and gold prices have gone up, thereby it would mean that my LTV will keep coming down. So in the current trend where the gold was going up, our LTV started falling. We are able to clarify you?

Bansal: Yes, yes, yes. Understood. Understood.

Moderator: The next question is from the line of Vikrant Pankaj Shah from Choice Institutional Equities.

Vikrant Pankaj Shah: Could you share your perspective on the medium-term capital trajectory as growth continues, as capital adequacy converges towards target levels, how should investors think about trade-off between growth leverage and potential capital return?

Rajesh Sharma: We have adequate capital, as I explained, currently, it's about in the range of about 30%. We have adequate capital to support our growth for next 2 years. So till FY '28, the AUM, whatever we intend to reach of INR55,000 crores. Within that, as I said, 23% is off-balance sheet item, which is the co-lending. For that, there is no capital allocation required. So keeping that in mind, we are -- we currently only have about 2.8x leverage. We are quite comfortable to achieve our target AUM for FY '28 with the current capital.

Moderator: The next question is from the line of Vikramaditya Gajbar from Ventura Securities.

Vikramaditya Gajbar: My question is, given higher competition in secured MSME and LAP, are new loans coming at similar economics as before? If pricing is getting tighter, how are you compensating through underwriting discipline or risk controls?

Rajesh Sharma: So I think the biggest lever we are focusing, as you said, we are using technology platform across the way we onboard the customer, the way we process our loan, the way we do underwriting and later, how do we do collection of the loan. The entire focus is how do we improve our productivity by continuously improving. And these technological led initiative platform and AI -- agentic AI tools are making a sea change.

If we can say that our -- while number of branches have gone up significantly, AUM have been doubled, our manpower have -- headcount have increased only by a marginal 19% of that. So our focus is going to become how we become operationally very, very efficient by using all these tech and data science tools. So our focus is going to remain that same amount of disbursement we do with the less number of people with the less operating cost and our model has become very, very robust.

And that is driving our ROA and ROE. If you see quarter-on-quarter, the improvement have been seen despite we continue to remain in growth phase, while we continue to add on the branches, the new capital has been added and still we are able to deliver the ROA of 4% and ROE about 15% as a result of the focus on productivity, efficiency using the technology and data science tools.

Moderator: The next question is from the line of Sagar Shah from Spark Capital.

Sagar Shah: Congratulations, sir, for such excellent set of numbers. Majority of my questions are answered actually. I just had one question. We had -- we have been affirmed by CRISIL, the rating of A1+. And our cost -- average cost of borrowings, stands at 9.5%. And the lowering of cost of borrowings is one of the major things for us behind our ROA accretion.

So you guided around a few quarters before that our cost of borrowings is expected to come down once the rating gets upgraded. So any -- something like talks with the rating companies so that it's a big driver for us regarding our return ratio, sir?

Rajesh Sharma: So I would like to say that cost of funds have already been reduced by 24 basis on the back of a strong performance. The internal rating model, which banks follow, this is that they have reduced the rate of interest in risk spread. Further, we are diversifying the borrowing by mixing the short-term loans, which are available. It is shorter tenure, but at lower cost like commercial paper and short-term NCD. So 24 basis is already achieved. And we expect on the back of good performance, credit rating should happen.

Now not that credit rating agency tell that in advance, it will happen. But we believe it is a focus on continuous effort and better performance will yield to the rating upgrade. Whenever it happens, that they decide and they let everyone know in the public domain also. But without that also, by mix of borrowing and other measures, we see that continuously we will bring our cost of funds further down.

Whenever the credit rating happens, maybe after annual result or when, everybody will let you know. But there's a sharp focus on reducing the cost of fund by another 24–25 basis so that whatever 50 basis we expected that we bring it down in the next 3 to 6 months' time.

Sagar Shah: Okay. So basically, due to the RBI rate cuts and follow-through from the banking system, you are estimating around 25 to 50 bps, another one. But if the rating gets upgraded to more AA+ or anything like that, then what is the minimum expectation that the company has of lowering the cost of borrowings because that will be in line with the top A NBFCs, that is right, and that will be a big trigger for companies like Capri Global sir?

Rajesh Sharma: As we said, 24 basis is already achieved. Another 24, 25 basis, we intend to achieve in the next 3 to 6 months without accounting any rating upgrade. Whenever the rating upgrade happens, it is a gradual process that a lot of other avenues open up. And then banks also take the measure. And then another, it takes 6 to 9 months to actually effect to come in the P&L because the rating reset of the existing borrowing happened at the reset date. New borrowing immediately start happening at the lower rate.

So it is a process which happened by -- in a gradual manner, not that the moment rating upgrade happen, the entire borrowing cost comes down. But, yes, in 6 to 9 months, the effect can be seen. So again, 24 basis is already achieved, another 20 to 25 basis we'll achieve another between 3 to 6 months' time. And whenever the rating upgrade happens, that will happen, the cost advantage will accrue between 6 to 9 months from there on.

Sagar Shah: Again, congratulations for excellent set of numbers.

Moderator: The next question is from the line of Ninad Jadhav from LKP Securities.

Ninad Jadhav: Sir, my question is on Micro LAP. So you mentioned you are targeting a portfolio of INR3,000 crores in next 2 to 3 years. So if you could share some color on customer demographics like what is the yield you're targeting and the average ticket size of the portfolio? And also what are the driving factors you are seeing that you would be able to achieve this target in next 2 or 3 years?

Rajesh Sharma: Micro LAP average ticket size is about INR5 lakhs. It is collateralized by security. The yield is in the range of about 23% to 24%. And currently, AUM is about INR650 crores from the 151 branches. In next 3 years' time from now, we intend to have a loan book of about INR3,000 crores.

Ninad Jadhav: Any ground situation you're seeing, how is the customer behavior or how is the repayment ability? So the factors that would help in achieving your...

Rajesh Sharma: Currently, our collection efficiency in the range of a micro level is 99%, which is very, very good. And we -- not like other Micro LAP, we are using here technology and other tools to see that we are able to -- at the time of sourcing the customer, bad customers are rejected there itself. So GNPA at Micro LAP, GNPA at the end of third quarter is about 0.9%, which is very, very good.

Our P&L account for -- even the NPA -- GNPA happen in this range because we are making the yield about 23%, 24%, even 2%, 2.5% is reasonable. But since it's a new portfolio, and we are continuing to focus on our technological tool, I think the way we are sourcing customer, way we are underwriting the customer, we are going to create the new benchmark in the industry in the Micro LAP.

Moderator: The next question is from the line of Mokshang Sanghvi from BSC Advisors.

Mokshanki Sanghvi: So, I guess, majority of my questions have been answered. My specific query was on the resignation of the CEO. So the person was appointed and resigned within a period of less than 4 months. And I just -- and there were some rumors in the market as well. I just -- if the management could provide a little more clarification than the sentence that was provided in the press release that he is pursuing the personal entrepreneurial journey, it would be a little more better for us?

Rajesh Sharma: Yes. Thank you. So yes, Mr. Monu who was based through and throughout from Delhi, he was earlier in IIFL. We hired him. And within a -- before actually he gets settled down, I think rather than coming to Bombay and shifting his base here, he thought and reconsidered his decision in terms of that at this juncture of his 52 age, he would like to pursue some entrepreneurial opportunity. And he changed his mind, and he has gone back to Delhi, and he's told us that he's going to start something entrepreneurial in fin-tech space.

Having said that, not that he has built some businesses and involved. He just recently came And within a short span of time, less than a quarter, he made up his mind. So neither he brought any certain number of team members along with him. So there's an impact of team coming, team going.

And I don't think it has much impact. There's an adequate number of professionals in team in each vertical, be it MSME, be it Gold, Micro LAP, Housing Finance, Car Loan. There's a separate risk head, there's a group CRO. So all that is in place, and it is not going to have any adverse impact as such.

Mokshanki Sanghvi: Understood. My specific issue was on the front that if there's such a high-level KMP is entering the company and leaving in such a short span of time, it might have a signal that there are some type of underlying issues or something. But, I guess, your answer addresses my question.

Moderator: Ladies and gentlemen, due to time constraint, that was the last question. I would now like to hand the conference over to the management for closing comments.

Rajesh Sharma: Yes. Thank you. To conclude, we all know that we delivered a strong performance in Q3 FY '26 with a healthy AUM growth across our key lending segments, supported by a diversified and predominantly secured portfolio. Profitability improved during the quarter, driven by changing mix to high-yield products, improving margins, strong growth in fee income and operating leverage from our existing branch network, while asset quality remained resilient.

With a strong capital position and continued investment in technology and distribution, we are well positioned to scale efficiently and are confident of increasing our AUM target to INR55,000 crores by FY '28 and sustainable return on average equity of 16% to 18% and return on average asset in the range of about 4% to 4.25% by FY '28. Thank you.

Moderator: On behalf of Go India Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.