

May 08, 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 quarter and year ended March 31, 2026 – 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 April 24, 2026, April 30, 2026 and May 04, 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 year ended March 31, 2026, held on Monday, May 04, 2026, which concluded at 04:58 P.M.(IST).

The said intimations was received by the Company on May 08, 2026 at 12:30 P.M. (IST).

Further, please note that this intimation is also available on the website of the Company at www.capri loans.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
Q4 FY '26 Earnings Conference Call
May 04, 2026**

MANAGEMENT

MR. RAJESH SHARMA – MANAGING DIRECTOR
MS, DIVYA, EXECUTIVE DIRECTOR BUSINESS STRATEGY
MR. KISHORE LODHA, CHIEF FINANCIAL OFFICER
MR. SANJEEV SRIVASTAVA, CHIEF RISK OFFICER
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 the Capri Global Capital Limited Q4 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in a listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the 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. Thank you, and over to you, sir.

Hardik Doshi: Good afternoon, everyone, and warm welcome to Q4 FY '26 Earnings Call for Capri Global Capital Limited. This is Hardik Doshi, Head, Corporate Finance and Investor Relations. Before we begin, let me read out a brief disclaimer. The discussion on today's call regarding Capri Global Capital Limited's earnings performance is based on judgments derived from the results declared 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 in 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, which is available on our website. Participants are requested to kindly take a 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. With us today, we have Mr. Rajesh Sharma, Managing Director and Promoter; Ms. Divya Sutar, Executive Director, Business 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, Hardik. Good afternoon, everyone. I hope you all are doing well. We announced our audited financial results for the fourth quarter of FY '26 on 30th April. 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 and the key developments during the quarter. Recent geopolitical situation triggered demand upheavals due to supply chain disruptions and higher fuel and energy costs. However, India's economy continues to demonstrate resilience amid a mixed and uncertain global macroeconomic backdrop with domestic

high-frequency indicator for March not reflecting much adverse impact. Amidst this soft macro environment, I'm delighted to share a key development in the history of Capri Global.

The company has secured credit rating from 2 leading global rating agencies, long-term issuer default rating of BB- with a stable outlook by Fitch Ratings and Ba3 Corporate Family Ratings with a stable outlook by Moody's Ratings, marking a significant milestone in our growth journey and offering a strong validation of our business model, governance standards and risk management practices.

These ratings reflect company's diversified and 100% secured lending portfolio, with strong asset quality, robust capitalization and focus on prudent lending and risk management processes. The stable outlook from both agencies underscore confidence in the company's ability to sustain its growth momentum while maintaining financial discipline.

With this backdrop, I am pleased to say that Capri Global has delivered strong quarterly performance in Q4 FY '26, continuing its growth momentum and maintaining asset quality while delivering highest ever quarterly profit of INR283 crores, a 59% increase year-on-year and full year profit of INR949 crores, almost double from the last year. Also, we delivered marked improvement in asset quality this quarter with gross NPA declining to 0.9%.

Now coming to our detailed business and earnings performance during the quarter. We continued our strong momentum across all lending businesses in fourth quarter FY '26. Our consolidated AUM stood at INR36,623 crores, reflecting a robust 60% year-on-year growth and 20% quarter-on-quarter growth.

Gold loans grew an impressive 111% year-on-year and MSME grew at healthy 23% year-on-year, while housing loans rose 43% year-on-year. Disbursements for the quarter rose 116% year-on-year to INR18,145 crores on account of growing customer base and widening distribution network. Our growth remains granular, diversified and retail led with our customer base now exceeding 6.9 lakhs.

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. During the quarter, we further expanded our presence in high potential Southern and Eastern regions of India with the net addition of 89 new branches, mainly 36 in Telangana, 18 in Andhra Pradesh, 8 in Karnataka and 20 in Odisha to support the next phase of growth.

Gold loan AUM saw robust growth to INR16,965 crores, a sequential increase of 33% quarter-on-quarter, led by healthy customer demand and trust. Our aggregate branch productivity continues to see strong gains and has improved now from INR14 crores per branch in previous quarter to INR17 crores per branch. Our gold loan employee base increased only by 10% year-on-year, resulting in significant improvement in our employee productivity from INR1.6 crores AUM per employee earlier to INR3.1 crores now.

Considering the volatility in gold loan prices, we maintained conservative loan-to-value ratios on new disbursements while ensuring strong collection practices across the portfolio. Our efforts in controlling asset quality proved effective with gross NPA in gold loan standing amongst the best in the industry at 0.3%, underscoring our focus on risk management and portfolio quality. Overall, Q4 marked strong performance for the gold loan business, combining growth through geographical diversification alongside risk discipline and operational execution with 90% branches now operating above the breakeven threshold of INR5 crores AUM per branch.

Our MSME AUM grew to INR6,465 crores, up 23% on year-on-year and disbursement stood at INR2,550 crores for FY '26, up 65% year-on-year, led by steady execution and network expansion. Within MSME, our micro-LAP business continues to gain traction with AUM rising to INR824 crores as at the end of Q4 FY '26. This vertical enables us to serve emerging self-employed borrowers with smaller ticket size requirements. In this segment, our immediate priority is to leverage robust technological interventions to boost sales productivity and enhance operating efficiency across the expanded network before moving into the next phase of branch expansion.

Our housing AUM stood at INR7,447 crores, delivering a year-on-year growth of 43%. We continue to see resilient demand across the affordable housing segments, where rising income levels and a stable interest rate regime are driving demand for housing loans. With foray into high potential Southern India market by entering states such as Andhra Pradesh in the previous quarter, we now have strengthened our presence in Southern India with 25 branches. The strategic expansion is step towards geographical diversification, increasing portfolio granularity and supporting yield expansion over time. Further, our yields in housing finance segment have increased consistently; a result of our efforts to pivot the mix towards self-employed customer segment, which now comprises 74% of AUM.

Our construction finance AUM saw healthy growth of 38% year-on-year to INR5,708 crores, spread across 282 active projects with an average sanction ticket size of INR48 crores and outstanding portfolio ticket size of INR20 crores. The book remains granular and well diversified by geography, reflecting our focus on working with mid-sized developers 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 containment approach.

Our total branch network expanded to 1,429 locations in Q4 FY '26 with a net addition of 98 branches during the quarter and 318 branches during the year. We continue to invest in expanding our network and geographical footprint in line with our goal of becoming a large-scale pan-India retail lender.

Let me now provide an update on our core earnings. Our blended yields and spreads on net advances remained healthy in the quarter at 16.3% and 7.1%, respectively, driven by increasing share of high-yield products and decline in cost of funds. Our net interest income for Q4 FY '26 stood at INR596 crores, up 56% year-on-year and FY '26 stood at INR1,998 crores, up 50% year-on-year, driven by strong loan book expansion.

In line with our focus on building a diversified and resilient earnings profile, we continued to strengthen our non-interest income stream in Q4 FY '26, reinforcing our strategy of generating recurring quality fee income. Non-interest income grew 36% year-on-year to INR247 crores, contributing 29% of our net total income for the quarter. This strong increase was largely driven by growth in commission on insurance distribution and co-lending fee income.

In our insurance distribution business, we generated net fee income of INR65 crores during the quarter and INR153 crores for the full year. With the help of our upgraded fully digital end-to-end platform, Capri Care launch in Q3 (third quarter), we can now issue policy real time with speed and convenience, thus significantly easing insurance adoption across our retail customer base and scale our insurance distribution segment.

While our loan protection insurance has addressed life-related risk, we have embedded preventive health care and wellness solutions such as annual health screening and cashless consultation into the Capri Care ecosystem, evolving it from a claim-driven product offering into a proactive health and protection partner for our customers.

Going forward, we will continue to strengthen our insurance offering for gold loans and MSME customers while expanding into cross-sell for retail health and motor insurance through digital channels. This digital-first integrated approach is expected to drive higher insurance penetration, improve customer engagement and meaningfully enhance fee income contribution over time.

Our co-lending AUM surged 91% year-on-year and 9% quarter-on-quarter to INR7,783 crores, now accounting for 21% of total AUM, reflecting our strategy of capital-efficient growth. As you may be aware, new co-lending guidelines have come into effect from 1st

Jan 2026 and as per that industry will start moving to new co-lending guidelines once existing contracts expire. Because of this, there could be a temporary slowdown in co-lending volume for a couple of quarters, but eventually, volume should come back. Going forward, we would also be exploring direct assignment route as there is a good demand for the same from partner banks considering the PSL nature of our loan book as well as gold portfolio.

Our co-lending and DA income for the quarter stood at INR97 crores, up 76% year-on-year and down 16% quarter-on-quarter, driven by higher disbursal volume and deeper engagement with partner banks.

Our car loan distribution business maintained its steady momentum with origination of INR3,492 crores in Q4 FY '26, up 18% year-on-year and INR11,910 crores in FY '26, up 13% 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 7% quarter-on-quarter. This was mainly driven by net addition of 692 employees, up 5% quarter-on-quarter on account of new branch additions.

Our continued focus on operational efficiency is visible with the cost-to-income ratio improving to 49.4% in Q4 FY '26 compared with 54.8% in Q4 FY '25. This sharp improvement signifies the benefit of investment in technology, a maturing branch network, rising productivity and improving operating leverage across our businesses.

As a result of margin expansion, operating efficiency improvement and a strong traction in fee income, our pre-provision operating profit rose 68% year-on-year to INR427 crores for the quarter and a robust 97% year-on-year to INR1,446 crores for the full year.

Further, we continued our strong profitability momentum in Q4 FY '26, delivering a robust PAT of INR283 crores, up 59% year-on-year and INR949 crores for FY '26 up strong 98% year-on-year. Our return ratios considerably improved during FY '26 with return on average equity at 16.5% versus 11.8% for previous year and return on average assets at 3.5% for the year versus 2.7% for the previous year.

Now coming to our asset quality. We saw marked improvement in our asset quality across each of our business segments. Our gross Stage 2 assets decreased by INR100 crores, driven by a reduction of INR22 crores in MSME, INR18 crores in gold, INR53 crores in construction finance. The decline in construction finance is on account of strong collection

efforts and rollback of 3 accounts. Our gross Stage 2 ratio for the quarter improved to 2.8% from 4% in previous quarter.

Our gross Stage 3 asset decreased by INR11 crores quarter-on-quarter, mainly driven by decrease in housing loan delinquencies. Our gross Stage 3 ratio improved quarter-on-quarter for gold loan to 0.3%, for housing loan 1% and remained flat at 3% for MSME and 0.3% for construction finance. At consolidated level, our gross Stage 3 ratio improved further to 0.9%, down sequentially by 61 bps, while net Stage 3 ratio stood at 0.5%, down 35 bps sequentially, which is amongst the top quartile in the industry.

Our impairment cost for the quarter stood at INR54 crores. This is largely attributed to Stage 1 provisions on account of increase in the loan book and management overlay of INR16 crores to account for evolving macroeconomic conditions as prudent practice. Historically, our credit cost has remained in the range of 0.6% to 0.7% of the average total assets. At consolidated level, our provision coverage ratio on Stage 3 assets remained steady at 41.2% and our segment-wise PCR also remained healthy and amongst the best in our peer group.

Let me now talk about our liability side. Our borrowings increased by 55% year-on-year and incremental borrowings sanction limits for the full year was around INR10,950 crores. We added 15 new lender relationships this year, taking the active relationship now to 35 plus.

We also continue to diversify our borrowing mix by raising funds through other instruments such as non-convertible debentures and commercial papers. During the year, we raised INR2,187 crores from non-convertible debentures and commercial papers. In addition, we also closed last week our second public NCD issuance for INR489 crores with average tenure of 4 years. As a result of MCLR reduction and our active effort on repricing existing borrowings, our cost of borrowings declined further by 18 bps quarter-on-quarter.

Our balance sheet remains robust with low leverage ratio of 3.3x, providing ample headroom to support growth across business segments. Our stand-alone capital adequacy ratio, Capri Global Capital (CGCL) is 25.8% and 27.7% for our housing finance subsidiary (CGHFL). Our liquidity remains comfortable with over INR3,964 crores in cash and bank balances, investments and undrawn credit lines across CGCL and CGHFL.

On the technology front, this year, our focus was something fundamental for building fast that is to build right. 4 years ago, we made a deliberate structural choice to move away from being a traditional NBFC that operates on technology to becoming a platform native AI-first financial institution. What we have built is not a static endpoint, it is a scalable



architecture that will continue to deepen operating leverage as we progressively embed AI across the technology stack. Let me anchor this in the numbers first.

As you all are aware, our AUM grew 60% year-on-year. Disbursement grew by 83%, while headcount grew just by 19%. The delta between disbursement growth and headcount growth is not incidental. It reflects technology and AI replacing linear growth with intelligent scale. And this is clearly visible in our financial outcomes. As mentioned, our cost-to-income ratio for the year has compressed to 49% from 60% a year earlier and return on average assets expanded to 3.5% and return on average equity expanded to 16.5%.

Capri today operates on real-time event-driven architecture where every customer interaction across sourcing, underwriting, servicing and collection is captured within our in-house lending ecosystem and instantly converted into decision-grade intelligence.

In Q4 alone, we processed over 115,000 customer interactions through speech-to-text pipeline and executed more than 40,000 multilingual AI voice interactions, entirely autonomous and without human intervention. The real value, however, is not in the volume, it is in the conversion of interaction into intelligence.

These interactions feed into a continuous learning feedback-driven system that generated over 285,000 structured intelligence output during the quarter, each and every tag scored and rooted into our credit risk and collection engine in real time.

We have fundamentally graduated from process-based lending to data empowered decisioning. Our bureau rule engine processed over 61,000 applications in Q4 alone. Our automated bank statement analysis pipeline completed over 29,000 assessments without human intervention. What this means in practice is that a growing share of our book is now witnessing reduced variability, compressed TATs and improved portfolio behavior, coupled with consistency.

During Q4 FY '26, our Capri loans customer app recorded over 31.5 lakh digital customer engagements. In terms of output, the app facilitated transactions of approximately INR784 crores during the quarter. For the full year FY '26, the app delivered over 85 lakhs customer engagements with an aggregate transaction value exceeding INR1,700 crores.

On the collections side, the system operates as a predictive closed-loop framework. We triggered approximately 145,000 automated nudges every month driven by AI-led action models. Our platform is built on an API-first micro services-driven architecture, which handled over 310 million actional API calls in a single month across our various applications.

Behind these external calls are billions of internal interactions that allow us to run the entire lending life cycle real time. At this scale, we are no longer operating applications. We are running a unified intelligence platform that empower fast, high-quality decisions at a scale.

Let me now come to what we believe is the most important strategic milestone in this transformation journey. While most institutions today are consumers of AI, they integrate third-party LLMs, layer workflows on top and position that as transformation. Capri has moved into a different category.

We have built and deployed our own specialized small language model, SSLM, that is domain trained model, purpose-built for financial services use cases in India and already operating in traction for collection communication across voice and messaging channels. Because it runs within a controlled closed-loop environment, it delivers our critical properties simultaneously, that is low latency, high domain accuracy, zero external data leakage and near-zero hallucination risk.

Equally important, every output is auditable, explainable and aligned with regulatory expectations. This is not an incremental layer on top of existing system. It is a fundamental shift in how intelligence is created, controlled and deployed within the organization. I can now say that Capri technology and AI has become a moat and not merely a tool.

On the ESG front, I am pleased to share that our ESG practices have been recognized by leading global independent rating agencies, including S&P Global and Morningstar Sustainalytics.

Capri Global has achieved an S&P ESG score of 70, ranking 20th globally within its industry and seventh in the Asia Pacific region, the highest amongst our NBFC peers. We have also been recognized in the S&P Global Sustainability Yearbook as the highest scoring NBFC in its category, receiving the prestigious Industry Mover Award. Further, the company has established a sustainable financing framework independently validated by Sustainable Fitch through a second-party opinion and rated good 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 on publicly available independently verified data, reinforcing the strength, transparency and resilience of our operating model.

Before we open the floor for questions and answers, let me sum up. We delivered a strong performance in FY '26 with healthy AUM growth across our key lending segments, supported by a diversified and predominantly retail secured portfolio. Profitability

improved during the year, driven by changing mix tilting towards high-yield products, improving margins, strong growth in fee-based 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 achieving our AUM target of INR55,000 crores and sustainable return on average equity of 16% to 18% and return on average assets to 4% to 4.5% by FY '28.

We shall now be happy to take questions.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Ishank Gupta from Choice Institutional Equities.

Ishank Gupta: Sir, my first question is regarding our AUM mix -- gold loan AUM mix has already reached 46%. As of last quarter, we were targeting around 45% gold loan mix. So what would be our target for the gold loan mix?

Rajesh Sharma: Yes. Thank you. So gold loan mix looks like the way we are operating and opening more branches. Gold loan mix can reach to about 50%.

Ishank Gupta: Got it.. And as of last quarter, you mentioned that you were going to -- go to RBI to seek permission to open new gold loan branches. But in RBI and February policy have done away with the requirement to take the permission. So what is the target for new branch addition, gold loan branch addition over the next 2 years?

Rajesh Sharma: So next 2 years, we would like to add about 700 to 800 branches, including gold loan. Majority will be the gold loan branches. And now as you rightly said, we don't require any permission. So that will make us plan in a manner that we will be able to open those branches in a very time-frame manner. This year, we should be able to add about 350 branches in gold loan alone, and all these branches should be operational within this financial year.

Ishank Gupta: Got it. Our yields on gold loan have again dropped sequentially by 90 bps. Last quarter, we were targeting 18% gold loan yield. So what would be the sustainable yield for the gold loan segment and overall blended yield?

Rajesh Sharma: So if you look at the growth, it has happened largely because we followed a high co-lending in Gold Loan book. And in that, we have decided that to capture the market and also to open the new markets, we lowered the yield, but we are able to do down sell through the co-lending route.

So meeting those banks criteria and some of the customers whom we would not otherwise lend, we have decided to lend as part of the co-lending scheme. And overall, it is accretive to our overall profitability and contribution per branch. While the yields have gone down, that is compensated by much higher volume growth.

Ishank Gupta: Sir, but the co-lending AUM in the gold loan segment has reduced sequentially from 39-odd percent to 31%. So going forward for -- specifically for gold loan, what would be the target in terms of co-lending?

Rajesh Sharma: So I think as a company between the DA and co-lending, it will remain in the range of 20% which is the target.

Ishank Gupta: That is overall 20% to 25%?

Rajesh Sharma: Yes. 20%, not 25%. 20% of overall AUM will remain in the co-lending and DA across mix of all MSME, gold and housing loan products.

Ishank Gupta: Understood. And my last question was regarding the cost of funds. So last quarter, we said that we will be targeting a reduction of 20 to 25 basis over the next year. But in the quarter itself, we have witnessed a reduction of 18 to 20 bps. So is there a possibility of further reduction? And if yes, how much over the course of next 2 years?

Rajesh Sharma: So overall basis, cost of funds have come down because we also changed the mix of borrowings by including the debentures and commercial paper. And I think this year, looking at the interest rate hike that might happen post-elections and other things, I think we should be able to do about 10 to 20 bps reduction. This year, we are not expecting much cost of borrowing going down. But even though we reduce 20 bps, that will be very good from our perspective.

Ishank Gupta: So exit of around 9% to 9.1% for the year?

Rajesh Sharma: 9.1% is -- conservatively, you can consider 9%.

Ishank Gupta: And for '28, any further reduction?

Rajesh Sharma: '28, I think it will also as we expect at some point of time credit rating upgrade to happen. And that will be in addition to this rate reduction. If the credit rating happens in the next 6 to 9 months, which we expect to, in that case, the further cost of fund will go down by another 20 bps .

Ishank Gupta: I would like to add in one last question. So our sustainable credit cost could be 0.6% or 0.7% for the year because for the quarter, it came at 0.8%?

Rajesh Sharma: So sustainable basis, our credit costs will remain by and large, in the range of 0.7%. This quarter increase has happened because we have taken that management overlay as guided by the Board, and we are very conservative that way. So we've taken about INR16 crores additional management overlay due to macroeconomic environment.

And barring that, if you look at our asset quality, it has been best in the quarter and the year. So -- and almost majority of the provisions have also come because of the new loan book. So, there is no slippage.

Moderator: The next question is from the line of Siddesh from PL Capital.

Siddesh: So sir, just wanted to understand on the car loan front. So what is the strategy to monetize? And what are the plans for starting other products in that entity?

Rajesh Sharma: So currently, car loan is a completely distribution business model. We are currently distributing the leads generated by our team with about 12-plus institutions and partner banks. And in the times to come, we'll add more products like used cars, credit cards, personal loans and mortgages over the period of next 3 to 4 years.

This year, we'll be adding used cars. And the advantage will be the same supervisory team and team of 1,800 people will be able to drive the same business. So, that cost allocation will happen on the higher revenue. And next year, we will be able to see that about INR20 crores of profit is able to deliver by the car loan entity alone.

And idea is and target is that over the next 4 to 5 years, this INR20 crores has to become one significant amount of INR60 crores, INR70 crores income, which will be coming purely from the fee income. So, in that direction, this year, we're adding another product from used car loans distribution through our partner banks.

Siddesh: Understood. And how do you see AUM mix changing at the company level?

Rajesh Sharma: So as of now, AUM mix is about 46% gold. I think gold will become about close to 50% and rest of the 3 segments of MSME, housing finance, construction finance will range between 16% to 18% each.

Siddesh: Okay. And so -- lastly, can you help me with your AUM, ROA and ROE targets for FY '27 in terms of guidance?

Rajesh Sharma: So as I said in my opening remarks also, our guidance for the FY '27, our aim will be to achieve an ROA about 4% and ROE not less than 16%.

Moderator: The next question is from the line of Hardik Dara from Growmore Credit Advisor.

Hardik Dara: Am I audible? Just wanted to understand the strategy apart from gold loan on the other 3 verticals, MSME, HFC and construction finance, how aggressive are we planning to grow these other 3 verticals? And what can be the growth expectations? I agree that 16% to 18% is the tentative mix, but just wanted to understand as to how aggressively will these 3 grow over the next 2 years?

Rajesh Sharma: So individually, I think the segments will also grow; MSME will grow in the range of about 20% to 25%, construction finance will also grow in the range of about 25% to 30% and housing will also grow at 25% to 30%. So overall, if you look at our business mix is designed in a manner to grow in tandem with the overall growth.

Gold has done wonderfully well because gold price increase also helped in the faster growth. So we assume that price remaining stable, we should be able to grow all the segments together. Gold can still rise more because there are a lot of branch additions underway. But all other segments will grow in the range of about 25% to 30%.

Moderator: The next question is from the line of Suhani Singh from Seja Capital.

Suhani Singh: I wanted to understand how do you see origination growth trending in the car loan segment?

Rajesh Sharma: So car loan, if you see, we have seen about 18% growth. We expect our car loan origination will continue to grow in the range of 12% to 15% year-on-year. And next year, our more focus will be improving the margins rather than the volume growth alone. FY '26, we originated about INR11,910 crores and which was up by 13% year-on-year.

Suhani Singh: Okay. Okay. Also, with pressure on fee margins despite higher growth volumes, where do you see margins stabilizing and profitability settling?

Rajesh Sharma: You are asking about the car loan or overall?

Suhani Singh: Sir, overall.

Rajesh Sharma: So overall, we clearly see there are 2 things. One is the operating scale is kicking in. So that efficiency is coming in; wherein the cost/income ratio is declining and our overall efficiency is improving because of the technology part as well.

And on similar lines, the gold loan branches, the old branches which are growing, which are already delivering high profits with break-even point being achieved long back and with more growth in volume per branch, expect more profitability improvement in the gold loan segment as well.

So currently our AuM per branch is about INR17 crores, and we break-even at about INR5 crores. I think per branch AUM basis, we are among the top 3 players in the country. And that speaks for our profitability of the branch. So, I think gold loan business will start delivering higher profitability ahead.

This is the scenario for the gold per branch AUM in the coming year. And as far as the MSME and home loans are concerned, home loans have achieved a base of about INR7,500. So operating scale will kick in there as well and margins will significantly improve in the coming year. MSME has already stabilized and MSME margin will remain stable on the similar pattern what was in the current year.

Moderator: The next question is from the line of Prince Choudhary from PINC Wealth.

Prince Choudhary: Sir, can you share more light on what are the changes of RBI for the new guidelines of co-lending? And how this will impact our growth for a couple of quarters?

Rajesh Sharma: So per RBI guideline, the co-lending norms come with more clarity. Second, on the moratorium loan, they have advised that interest accrued should be included in the LTV. And third, the income assessment of the customers above loan of INR250,000 should be mandatory.

So, these are being implemented across our co-lending partners but technology integration will take some time. So, we expect the company to resume the full business volume with the co-lending partners in the quarter of July to September.

By June, I think most of the players will go live. A couple of players have already gone live and the rest of the partners will go live by the next quarter. So, I think the full volume we'll be able to see from the September quarter.

Moderator: The next question is from the line of Saumya from Nirvana Capital.

Saumya: I just have a couple of questions. Starting with what is the strategic rationale behind entering capital markets? And how do you see this contributing to fee income?

Rajesh Sharma: Yes. So on the fixed income side, since we are NBFC, we always maintain a high liquidity in our treasury. And some of those treasury holdings remain in the negative carry most of the time because we put the money in the debt mutual fund, where negative carry is sometimes even 2% and 2.5% to 3%.

Against that, we have decided to start this vertical where some part of the book will be maintained as part of the treasury operations by buying the bond and down selling them

and also helping some of the issuers to raise the bond from the bond market by managing their public issues.

So, it will contribute to the fee income as well as also to reducing our negative carry in our treasury income. So, it is incidental to what we are doing today. And I think next year, you will see the same once we get this category -- license under application .

And we have been told that by end of June, we can have that. We will see some income flows. But our income target, net fee income target is in the range of about INR40 crores to INR50 crores at gross level. At net level, it will be in the range of about INR20 crores to INR25 crores.

Saumya: Okay, sir. Got it. And secondly, what is the current scale of revenue contribution from fixed income and bond-related activity?

Rajesh Sharma: So, bond-related activity, the contribution is that highly likely it reduces the negative carry first. So, if we earmark about INR600 crores to INR800 crores book retain, we expect to reduce almost 3% negative carry on this portfolio. So, it helps contributing indirectly about INR25 crores of income to the bottom line.

Moderator: The next question is from the line of Kushal, an Individual Investor.

Kushal: Since, we are expanding a lot of branches. Currently, we have 1,400 branches and those old branches are going to become efficient in next year. And our target is to open around 700 branches in next two years. What is the PAT guidance we are giving for FY '27?

Rajesh Sharma: So we have given the PAT guidance for next year or FY '27 at about INR1,300 crores.

Moderator: The next question is from the line of Ameya Khandekar from HDFC ERGO.

Ameya Khandekar: My question is if you can give like the LTVs on the book for the gold loans. So, we have the disbursal LTV, but if you can provide the LTVs on the gold loans which are on the book currently?

Rajesh Sharma: So, portfolio level LTV is about 66%. And on the new disbursement, LTV is about 70%.

Ameya Khandekar: Okay, understood. And on the overall AUM guidance, so I think previous quarter, you had said we would be doing around INR55,000 crores of AUM by FY '28. So is there any update on that number? Because I think what we have said as a target for FY '26, we have surpassed that. So, is there any upward guidance on the AUM front?

And also in the overall -- so you have mentioned individually MSME would grow between 20% to 25% and construction finance and housing would grow between 25% to 30%. So in this kind of a mix, how do you see the gold loans also growing because we are adding branches. So how do you see that also growing if you can give that number?

Rajesh Sharma: Yes. So overall growth, we are targeting conservatively 25%. And we are giving a guidance of INR46,000 crores by end of FY '27 and about INR57,000 crores by FY '28. So we revised FY '28 guidance by about INR2,000 crores. And as gold loan is concerned, you have rightly said that, , we are adding more branches.

So gold loan proportion in overall AUM will grow. Gold loan will grow in the range of about 25% to 30%. So overall growth may remain in 25% to 30% range, but conservatively, we are saying 25%. And gold within that segment will grow a little higher because we are adding more branches as well.

Moderator: The next question is from the line of Kashvi Dedhia from Centra Insights.

Kashvi Dedhia: Sir, since the cost of borrowings are declining, how much scope remains further for expansion in spreads?

Rajesh Sharma: So cost of borrowings further declined. I said earlier also that by the year-end, we are targeting about 20 basis points. And another 20 basis points can also be achieved further from the rating upgrade from the 12 months from the time the rating upgrade happens. So I think we expect some positive news on that over next 6 months. However, it depends on various other factors, and it doesn't remain in our complete control. But we hope that all the environment and macro environment remain positive. We can expect and aim for that.

Kashvi Dedhia: Okay. And do we see any impact of recent macro situations on MSME book?

Rajesh Sharma: So far, we have not seen any deterioration in our collection efficiency or asset quality. So we have not seen any signs till now .

Kashvi Dedhia: Okay. And also the decline in capital adequacy appears mainly driven by subsidiary investments. So how do we think about this? Like how -- what will be the capital allocation going forward?

Rajesh Sharma: So going forward, we will increase the DA/co-lending that will conserve some part of capital. And at some point of time, if required, we will raise Tier 2 capital also to shore up the capital base. So in a nutshell, about 18 to 24 months, our aim is to effectively utilize all the DA and co-lending and also raise Tier 2 capital. So capital requirement is taken care off.

- Moderator:** The next question is from the line of Pehel Sharma from PG Capital.
- Pehel Sharma:** I just want you to put some light on the strategic intent, like what is the objective behind the proposed international bond issuance?
- Rajesh Sharma:** So international bond issuance is with the purpose to diversify our resources of borrowings. And it will give us one more avenue to borrow the money, and it can be done every year. We being into lending business always require the debt capital and which is one of the major raw materials.
- So I think it is just opening that avenue, and we have got the international ratings done. But we are a little cost conscious in terms of our cost of funds. And currently, because of the macroeconomic environment and West Asia crisis, the hedging cost has substantially gone up. So we are waiting that to settle down and hoping that happens in the next 2 to 3 to 4 months, whenever it happens, we intend to access the market depending upon the underlying situation.
- Pehel Sharma:** Great, great. In addition with that question, I have one more question that what are the key drivers like behind the improvement in GNPA and NNPA during the quarter?
- Rajesh Sharma:** So key driver to NPA improvement is, of course, collection efficiency because a lot of emphasis is put not only on the technology, but also on the ground by right hiring, right push, right training program, right AI-enabled videos on various fronts and at customer engagement levels. So that all put together has helped all verticals to improve collection efficiency. And hence, our GNPA, net NPA numbers are on the lower side .
- Moderator:** The next question is from the line of Kalmesh, an Individual Investor.
- Kalmesh:** So my question is currently, we are at 70% loan-to-value ratio. So what if the gold prices crash by 10% to 15%? And how would you manage that?
- Rajesh Sharma:** So I think you have very relevant question in terms of current volatility. So gold loan prices will not fall in one single day. So assuming that gold loan prices fall 4% and customer LTVs decrease to that extent, either we request the customer to pay additional money to bring back his loan-to-value within the norm of 75% or he has to give additional gold to pledge to bring the LTV back in the norm.
- And failing which we give him a notice that within 14 days, if he don't take back those pledged goods, margin goods, we have right to auction the gold and recover money. So, whenever it happens our team on ground does collection calling and is able to recover the money. For example, if on INR 1 lakh, 2% gold rate falls, we need to recover INR 4000 and a jewellery worth INR 5500 and the mix of those we are able to do so easily in most

of the cases. And in case the customer doesn't fulfil this requirement, we have the right to auction the jewellery and recover the money. So we hope the gold will not fall 10%, 15% in single day.

Kalmesh: Yes, sir, yes. I just asked a hypothetical question, thank you, sir.

Moderator: The next question is from the line of Vignesh Iyer from Sequent Investment.

Vignesh Iyer: Just one question from my side. So, I wanted to understand what is the kind of growth that we can see on the insurance income side and fee income side as a whole in FY '27?

Rajesh Sharma: I think insurance distribution is purely in line with our AUM growth target. So insurance income should also grow in tandem at about 25% to 30%.

Vignesh Iyer: And overall, the fee income, I mean, on the noninterest income...

Rajesh Sharma: Car loan income will grow about 12% to 15%. Insurance income will grow in the line with our AUM growth of 25% to 30%. And co-lending income, I would say that it will remain more or less same as the last year because co-lending now at least for one quarter will be tad on the lower side. So there may not be any growth in the co-lending income, but that will be compensated by the DA. So more or less, it will remain the same.

Moderator: Ladies and gentlemen, we take this as a last question. I now hand the conference over to Mr. Rajesh Sharma for closing comments. Rajesh sir, please go ahead.

Rajesh Sharma: I thank you for participating in the earnings call today. Should you have any questions, you can reach out to us or to our IR Advisors, and we shall be happy to answer your queries. I reiterate we are on track to achieve an AUM of INR55,000 crores by FY '28 with return on average equity of 16% to 18% and return on average assets of 4% to 4.5%. Thank you once again, and have a happy week ahead. Thank you.

Moderator: Thank you. On behalf of MUFG, that concludes this conference. Thank you for joining us. You may now disconnect your lines.