November 03, 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**	The Secretary **India International Exchange (IFSC) Limited** 1st Floor, Unit No. 101, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat – 382355	The Secretary **NSE IFSC Limited** Unit-1201, 12th Floor, Brigade International Financial Centre, Block- 14, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat – 382355

Sub: Transcript of the earnings conference call for the quarter and half year ended September 30, 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 October 23, 2026 and October 29, 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 half year ended September 30, 2026, held on Thursday, October 29, 2026, which concluded at 05:07 P.M.(IST).

The said intimation was received by the Company on November 03, 2026 at 07:36 P.M. (IST).

Further, please note that this intimation is also available on the website of the Company at https://www.capriloans.in/cms/concall-transcript/FY%202026%20-%202027/Quarter%20-2/Q2-FY27-Earnings-Call-Transcript.pdf

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 Q2 & H1 FY '27 Earnings Conference Call”

October 29, 2026

MANAGEMENT: **MR. RAJESH SHARMA – MANAGING DIRECTOR AND PROMOTER, CAPRI GLOBAL CAPITAL LIMITED**
MS. DIVYA SUTAR – PRESIDENT & EXECUTIVE DIRECTOR - BUSINESS STRATEGY, CAPRI GLOBAL CAPITAL LIMITED
MR. KISHORE LODHA – CHIEF FINANCIAL OFFICER, CAPRI GLOBAL CAPITAL LIMITED
MR. SANJEEV SRIVASTAVA, CHIEF RISK OFFICER, CAPRI GLOBAL CAPITAL LIMITED
MS. SHWETA DAPTARDAR – SENIOR VICE PRESIDENT, CORPORATE FINANCE AND INVESTOR RELATIONS, CAPRI GLOBAL CAPITAL LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Capri Global Capital Limited Q2 and H1-FY '27 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 "*" then "0" on your touchtone phone. Please note, this conference is being recorded.

I now hand the conference over to Ms. Shweta. Thank you and over to you, ma'am.

Shweta Daptardar: Thank you. Good evening, everyone, and a warm welcome to Q2 and H1 FY '27 Earnings Conference Call for Capri Global Capital Limited. This is Shweta – Senior Vice President, Corporate Finance and Investor Relations.

Before we begin, let me read out a brief disclaimer for today's call:

The discussion around today's call regarding Capri Global Capital Limited's earnings performance is based on judgments derived from results declared and information on business opportunities available to company at this time. The company's performance is subject to risk, 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 complete disclosure is available on Slide 65 of the earnings presentation. Participants are requested to kindly take the note of the same.

Format of today's call will 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 we have Mr. Rajesh Sharma, Managing Director and Promoter; Ms. Divya Sutar, President and 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: Thank you. Good evening, everyone. I hope you all are doing well. We announced our financial results for the 2nd quarter of FY '27 on 27th October. I trust you have had the opportunity to go through the earning 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 key developments during the quarter:

Global energy shock, aggressive monetary tightening, and surging domestic inflation are the critical macroeconomic headwinds that led to overall environment being soft for the quarter.

Amidst this soft macro environment, Capri Global delivered strong growth and profitability in Q2 FY '27, successfully navigating challenging macros marked by rising funding costs, global monetary tightening, and a 25 basis RBI repo rate hike.

Yet I am delighted to share that Capri Global raised $300 million through its GMTN program during H1 FY '27 via a maiden U.S. dollar senior secured bond issue. As part of liability diversification journey, we further raised Rs. 500 crores via commercial papers in addition to Rs. 1,271 crores raised in Q1 FY '27 through a combination of NCD and CP. We continue to diversify our funding structure to capture global growth opportunities, optimize capital efficiency, and hedge against rising domestic interest rates.

Moreover, as part of our branch network expansion journey, we added 176 branches for the quarter gone by, with continued focus on expanding digital journeys embedding AI into customer and collection operations, and strengthening the platform that supports the lending cycles.

Last quarter, we demonstrated our capacity to scale AI. This quarter, the scale has translated into measurable customer adoption and structural cost efficiencies. Besides establishing firmly our footprint in South with 2 brand campaigns starring acclaimed actor and entrepreneur Nayanthara as our brand ambassador, helped us in campaign reach 141 million plus positive visibility impact of 93.8% and Gold Loan surge growth of 173% plus.

Our ESG rating continues to soar higher as we achieved a CRISIL ESG score of 72, placing it in the leadership category.

With this backdrop, I am pleased to say that Capri Global delivers strong quarterly performance in Q2 FY '27, continuing its growth momentum and maintaining asset quality while delivering highest ever quarterly profit of Rs. 418 crores, a 77% increase year-on-year, and H1 FY '27 profit of Rs. 772 crores, almost double from the last year.

The cost-to-income ratio improved to 42.6% from 48.1% in H1 FY '27 reflecting stronger operating leverage. H1 FY '27 ROE stood at 20.4%, reinforcing the company's progress on sustainable profitability.

Now coming to our detailed business and earning performance during this quarter:

We continued our strong momentum across all our lending businesses in Q2 FY '27. Our consolidated AUM stood at Rs. 43,878 crores, reflecting a robust 62% year-on-year growth and 9% quarter-on-quarter growth. Gold loan grew an impressive 102% year-on-year, and MSME grew at healthy 25% year-on-year. While housing loans rose 39% year-on-year, disbursements for the quarter rose 49% year-on-year to Rs. 13,309 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 8 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. With a net addition of 176 branches during the quarter, our overall branch network stood at 1,609 branches as of September 26 with 1,154 branches dedicated towards gold loan. While we entrenched in southern belt through gold loan in Andhra Pradesh and Telangana markets, the north and central part of Uttar Pradesh, Madhya Pradesh, and Rajasthan also saw strengthening of Gold Loan branch footprint in Q2 FY '27.

AUM saw robust growth to Rs. 21,000 crores, a sequential increase of 10% quarter-on-quarter, led by steady customer demand and productivity gains. Our aggregate branch productivity continues to remain resilient and now stands at Rs. 18.2 crores per branch versus Rs. 19.2 crores per branch, which is function of rapid network expansion and addition of new branches during the quarter, and the natural time lag for new branches to achieve full operational velocity.

Alongside above, increased employee base in Gold Loan business, the employee productivity improved from Rs. 1.8 crores a year earlier to now Rs. 3.4 crores. This steady productivity gains and the fact that with over 86% branching network have already been making profits, continue to support Capri's Gold Loan Book expansion. Collateral weight in custody increased from 16 tons a year ago to 21 tons in Q2 FY '27, an increase of 28% year-on-year and 4% quarter-on-quarter. And number of active customers increased by 44% year-on-year and 8% quarter-on-quarter.

The strategic branch expansion that stands supportive of volume growth and improving branch productivity at existing locations continued to support strong book growth momentum despite underlying market volatility.

Importantly, LTV on fresh disbursements during the quarter remained disciplined at 73.8%, in line with the increased RBI's prescribed limit for small-ticket loans and permissible limit for income-generating loans.

On the asset quality front, Stage-2 spike remains a blip as our collateral cover remains highly resilient. While we are rigorously managing overdue accounts through targeted collection strategies and timely auctions, Capri Global maintains stringent auction policy versus competition to curb loss in the event of acute price volatility.

Because the gold loan portfolio is predominantly granular and short-term, Capri's digital-first initiative will act as a continuous feedback loop to catch credit deterioration before it turns into bad loans. Driven by data analytics, Capri's gold loan business utilizes automated LTV tracking, real-time LTV breach alerts, and rapid recovery mechanisms to minimize actual losses and establish a clear competitive edge.

Overall, Q2 marked strong performance for gold loan business, combining growth through capitalizing strong branch expansion alongside maintaining discipline on asset quality amid gold

price volatility. Our branch expansion plan for the year is underway, and we expect to close the financial year with approximately 1,500 branches, reflecting our commitment to expand our presence.

Our MSME AUM grew to Rs. 7,016 crores, up 25% year-on-year, and disbursement stood Rs.560 crores for Q2 FY '27, up 36% year-on-year, primarily attributed to new geography foray namely in Delhi, Uttar Pradesh, Mumbai, and Pune. Moreover, our expansion into new geographies focuses heavily on direct sourcing, which has driven a higher revenue contribution from our internal direct team.

Within MSME, our Micro-LAP business continued to gain traction, with AUM rising to Rs. 929 crores as at end of Q2 FY '27. This vertical enables us to serve emerging self-employed borrowers with smaller ticket size requirement. In this segment, we have implemented BRE gating criteria to filter out unsuitable customer prospects right from the start. Said that, while exercising caution in sourcing, we are refining our sourcing strategy to target higher tier profiles and increase the average ticket size, thereby productively elevating overall input quality.

In Q2 FY '27, asset quality remained steady at 3.1%, at similar levels of Q1, supported by strategic focus on middle and higher-level customer segment across ticket sizes and the tech initiative like the new risk panel moving beyond traditional borrower profiles. This platform synthesizes location, industry sourcing, and employee performance metrics into a unified risk assessment.

Our housing AUM stood at Rs. 8,325 crores, delivering a year-on-year growth of 39%, anchored by robust customer retention, disciplined portfolio management, and the progressive scaling of the South India franchise. While focusing on current network productivity, we intend to enhance presence in the southern states, particularly Tamil Nadu and Andhra Pradesh, where we see attractive opportunities for affordable housing finance.

From a product and customer segment perspective, we will continue to focus on smaller ticket loans and higher yielding business with increased emphasis on self-employed non-professional customers, which now contributes 76% to our AUM. Sequential asset quality held steady with GNPA standing at 1.2% on Q2 FY '27, reflecting our consistent adherence to disciplined credit and risk management framework.

Our construction finance AUM saw healthy growth of 51% year-on-year to Rs. 7,503 crores, spread across 304 active projects with an average sanctioned ticket size of Rs. 48 crores and outstanding portfolio ticket size of Rs. 25 crores. The strong growth for the quarter comes ahead of festive demand and healthy traction in residential sales.

Our portfolio remains geographically well diversified reflecting a strategic focus on mid-sized small developers across metro and Tier-1 cities. This footprint expanded further in Q2 with our maiden foray into Tamil Nadu metro market.

Our construction finance book remains granular with emphasis upon disciplined underwriting through rigorous due diligence and escrow-based cash flow management, ensuring a risk containment approach.

Q2 FY '27 saw sharp improvement in asset quality with negligible NPA reported for the quarter, led by recoveries from written off accounts to the tune of about Rs. 8.5 crores, and we further expect recoveries over the period of next 12 months.

Overall, our total branch network expanded to 1,609 locations in Q2 FY '27, with a net addition of 176 branches during the quarter. We are steadily expanding our network and geographical reach to establish a large-scale pan-Indian retail lending footprint.

Now coming to earnings performance, let me now provide an update. Our blended yields and spreads on net advances increased in the quarter to 17.5% and 8.3% respectively, driven by increasing share of high-yield products and leveraging competitive cost of funds. Our net interest income for Q2 FY '27 stood at Rs. 812 crores, up 69% year-on-year, driven by strong loan book expansion.

In line with our focus on building diversified, resilient earning profile, we continue to strengthen our non-interest income stream in Q2 FY '27, reinforcing our strategy of generating recurring quality fee income. Non-interest income grew 34% year-on-year to Rs. 273 crores, contributing 25% on our net total income for the quarter. This strong increase was largely driven by growth in commission on insurance distribution and treasury gains.

In our insurance distribution business, we generated net fee income of Rs. 51 crores during the quarter. On the IRDAI consultation paper, based on our review of the consultation paper, we expect the primary impact to be in the areas of distributor governance, sales monitoring, customer disclosure, audit trails, policy tagging, reporting, and compliance oversight rather than any fundamental change in the insurance distribution model. We have initiated a gap assessment covering sales journeys, distribution management system, customer consent capture, policy issuance workflows, training certification record management information system, and regulatory reporting.

Also, Capri Global will continue to leverage it’s tech-driven distribution model to maintain efficiency. Its proprietary insurance tech platform utilizes data analytics, AI, and digital channels such as apps and call centers to structurally lower customer acquisition costs. This advanced technology architecture will ensure seamless operation transition across products and channels, fully aligning with the proposed regulations.

Moreover, compared to peer NBFCs that rely heavily on insurance cross-selling for pre-tax profit, Capri Global's core earnings remain highly anchored to retail loan book like gold loan, housing finance, MSME, co-lending. Therefore, if implemented, the new draft guidelines, while

FY '27 may not likely see much impact, we expect return on average equity for FY '28 and '29 to decline by about 1% at consolidated level.

Also, the consultation paper puts forth the framework that could allow higher remuneration for distribution in the underserved market, including rural areas, smaller towns, smaller cities, thereby incentivizing distributors where customer access is limited. Capri Global could be a potential beneficiary here.

Our co-lending AUM for Q2'FY27 surged 60% year-on-year and 12% quarter-on-quarter to Rs. 9,083 crores, now accounting for 21% of total AUM, reflecting our strategy of capital efficient growth. As you would be aware, new co-lending guidelines have come into effect from 1st Jan 2026, and as per that, industry has already started moving to the new CLA guidelines. Over half the number of our partner banks have already transitioned to the new CLA guidelines.

While such a transition may cause a temporary softness in disbursement in the co-lending mode, advanced technology integration and stronger bank partnership have ensured that we are able to maintain our 21% share despite these changes. Also, the near-term impact is expected to be offset by rising direct assignment arrangement, with the latter now contributing 28% to our co-lending AUM. Partner banks continue to show strong demand for these arrangements, attracted by the priority sector lending compliance of our loan book and gold portfolio. Our co-lending and DA income for the quarter stood at Rs. 72 crores, up 11% quarter-on-quarter, driven by deeper engagement with partner banks.

Our car loan distribution business maintained steady momentum with originations of Rs. 3,601 crores in Q2 FY '27, up 27% year-on-year. With a growing footprint and deep relationships across 13 partner banks and financial institutions, we have built a scalable platform with pan-India presence of 821 locations with potential to monetize further for cross selling other products.

On the expenses front, our operating expenses increased 7% quarter-on-quarter. This was mainly driven by net addition of 1,477 employees on account of higher branch addition and strategic network expansion during the quarter. Yet the cost-to-income ratio improved to 41% in Q2 FY '27 from 44% in Q1 FY '27 and 49% in Q2 FY '26, reflecting our continued focus on operating efficiency. This sharp improvement signifies the benefit of investment in technology, in maturing branch networks, rising productivity, and improving operating leverage across our businesses.

As a result of margin expansion, operational efficiency improvement, and strong traction in fee income, our pre-provision operating profit surged 84% year-on-year to Rs. 636 crores for the quarter. Further, we continued our strong profitability momentum in Q2 FY '27, delivering a robust profit after tax of Rs. 418 crores, up 77% year-on-year. Our return ratios considerably improved during Q2 FY '27 with return on average equity at 21.6% versus 14.4% for the same

period previous year and return on average assets at 4.4% for the quarter versus 4% for the previous year.

Now coming to asset quality. We saw improvement in asset quality across each of our business segments except gold loan. Our gross Stage-2 assets spiked by Rs. 1,266 crores, which is entirely attributable to gold loan Stage-2 spike by similar levels and is temporal in nature, also given the high collateralized value of the underlying assets and focus on proactive collections.

Following the RBI's revised gold loan guideline with effect from April 2026, which required accrued interest to be factored into LTV ceiling for bullet loans, most major gold loan lenders moved towards shorter tenure products. We similarly introduced monthly and bi-monthly repayment frequency loans in Q1 FY '27. These shorter cycles led to technical delinquencies driven by repayment convenience remittance rather than borrower ability or willingness to pay. Shorter loans simply tripped overdue thresholds sooner. This was a widely reported industry experience. We have already discontinued these schemes and reverted to standard longer tenure structures.

The increase in reported GNPA in gold loan particularly reflects product-level repayment dynamics and our calibrated approach to collateral enforcement rather than a corresponding increase in expected credit losses. Importantly, the underlying collateral coverage and historically demonstrated recovery performance continue to provide substantial protection against principal loss.

As part of our transition to the revised regulatory framework, we introduced certain shorter-tenure repayment structures during Q1 FY '27. While these products were designed to facilitate more frequent repayment discipline, the change in repayment frequency created some friction for customers accustomed to conventional bullet repayment structure, resulting in high technical delinquencies.

On gross Stage-3 assets, spiked by Rs. 95 crores quarter-on-quarter mainly on account of Rs. 126 crores increase in gold finance segment. However, Rs. 45 crores were written off on account of construction finance slippage of Q1, wherein we recovered Rs. ~ 9 crores during the quarter and expect further recoveries over next 12 months. Our consolidated gross Stage-3 ratio spiked by 22 basis quarter-on-quarter to 1.2% due to spike in gold loan at around similar levels.

Housing loan Stage-3 remained steady at 1.2%, and construction finance Stage-3 improved significantly, dropping to 0.02% level on account of write-offs and recoveries as mentioned earlier. The net Stage-3 ratio stood at about 0.8%, up 22 basis points sequentially, still standing among the top quartile in the industry.

Our impairment costs for the quarter stood at Rs. 79 crores. This is largely attributed to the written-off accounts in construction finance book and prudent management overlay and provisions to account for evolving macroeconomic conditions.

Our credit costs for the quarter stood at 0.8%, and we expect to maintain credit costs in the range of 0.6% to 0.9% level on a sustainable basis going forward. At consolidated level, our provision coverage ratio on Stage-3 assets stood at 33.3%, and our segment wise PCR also remained healthy and amongst the best in our peer group.

Now coming to capital liquidity position and borrowings:

Let me now talk about liquidity side. Our borrowings increased by 82% year-on-year, and incremental borrowings sanction limits was around Rs. 4,428 crores. We now have 40 plus lender relationships.

We also continue to diversify our borrowing mix by raising funds through other instruments such as non-convertible debentures and commercial paper. Just after the close, H1 FY '27, we raised Rs. 160 crores from non-convertible debentures besides the Rs. 1,271 crores raised in Q1 FY '27. As a result of liability diversification and our active efforts on repricing existing borrowings, our cost of borrowings has increased only marginally quarter-on-quarter to 9.2%.

Our balance sheet remains robust with low leverage ratio of 3.8, providing ample headroom to support growth across business segments. Our standalone capital adequacy ratio for Capri Global Capital is 22.7% and 27.8% for Capri Global Housing Finance. Our liquidity remains comfortable with over Rs. 6,057 crores in cash and bank balances, investments, and undrawn credit lines for the consolidated entities.

On the technology front, over the years, technology at Capri has evolved from an operational enabler into strategic differentiator. Our proprietary platform, artificial intelligence, and digital infrastructure are translating into measurable gains in productivity, credit discipline, customer engagement and operating leverage.

With our technology ecosystem predominantly developed in-house, we have the ability to continuously refine platform, recalibrate decision model, and respond rapidly to evolving portfolio behavior and business requirements. This enables us to embed intelligence directly into operating architecture, strengthening execution efficiency, consistency in control as we scale.

During Q2 FY '27, this progress was evident across digital adoption, underwriting, collections, and AI-led productivity. Digital penetration across our MSME and housing businesses continues to demonstrate sustained momentum, with 91.2% of the inbound payment received digitally in September compared to 90.7% in June.

Our Capri loan application facilitated over 17 lakh transactions aggregating approximately Rs. 594 crores during Q2, registering 47% quarter-on-quarter growth in transaction value. Monthly transaction value increased consistently to Rs. 219 crores in September, more than doubling to Rs. 106 crores in January. With over 3 lakh transacting customers, the application is progressively evolving into high-engagement, self-servicing transaction ecosystem.

Our proprietary underwriting intelligence platform Sentinel continues to mature into an integrated credit decisioning ecosystem combining rule-based automation, behavioral analytics, and portfolio-informed risk intelligence. Our evolving underwriting architecture brings together decision AI, vision AI, generative AI, emerging agentic AI capabilities to interpret financial information, validate documentation, assess borrower behavior, and identify risk exceptions. These interconnected intelligence layers progressively equip credit managers with real-time insight, contextual risk assessment, and actionable recommendations, enabling faster, more consistent, and better-informed credit decisions.

During Q2, our Bureau Rule Engine evaluated over 1.08 lakh applications, registering 34% quarter-on-quarter growth with automated policy validation origination. In parallel, over 21,000 bank statement assessments were processed through intelligent analytical workflows.

The larger transformation is from fragmented, manually intensive credit assessment towards an integrated AI-assisted decisioning architecture where human judgment is augmented by real-time intelligence. As these capabilities mature, we expect to improve underwriting productivity, accelerate decision turnaround, strengthen portfolio selection and create a structurally more efficient credit operating model supporting disciplined credit costs and sustainable risk-adjusted returns.

Our collections transformation is underpinned by Pegasus, our proprietary collections execution platform, operating in conjunction with Kronos, our collection intelligence model. The integration of these capabilities is progressively transitioning our collections architecture from conventional activity-led recovery processes towards predictive, behaviorally segmented, and intelligent, orchestrated interventions. Technology-enabled collections across MSME and housing increased to 34% in September compared with 32% in June.

Our speech AI and conversational intelligence capabilities have already achieved meaningful production scale. We are progressively extending these capabilities across our gold loan portfolio of approximately 8 lakh customers, initially focusing on delinquency management, repayment reminders and collections. Speech intelligence interprets customer interaction, document intelligence and structures unorganized information, and vision intelligence strengthens visual verification. Predictive models support risk differentiation while conversational systems facilitate contextual customer engagement.

Our next phase of technology development is focused on the convergence of agentic AI, intelligent workflows orchestration, and ultra-low latency decisioning. We are preparing to introduce a cluster of specialized AI agents across our digital customer channels designed to provide multilingual round-the-clock assistance and progressively automate defined servicing workflows.

In parallel, we are developing an in-house decisioning framework, targeting reduction in processing latency from seconds to milliseconds for eligible automated decisions. This

convergence of real-time data, predictive intelligence, and autonomous workflows execution represents an important progression towards increasingly frictionless customer journeys, faster decision-making, and higher straight through processing.

Our emphasis will remain on translating these innovations into measurable improvements in transactions, economics, processing productivity, decision consistency, and customer experience. As we look ahead, the convergence of our technology architecture, advanced analytics, and artificial intelligence is fundamentally redefining the economics of our operating model. We are progressively building an intelligence-led enterprise.

The cumulative impact extends well beyond conventional productivity improvements. It creates the foundation for sustained operational leverage, structurally lowering marginal costs, and scalable growth, while reinforcing the quality, consistency, and resilience of our earnings.

On the ESG front, we are pleased to share that Capri Global ESG practices have received recognition from leading global rating agencies. The company achieved an S&P Global ESG score of 70, ranking 20th globally and 7th in Asia Pacific, and was recognized in the S&P Global Sustainability Yearbook as the highest-scoring NBFC in its category, receiving the prestigious Industry Mover Award. Capri Global also achieved a CRISIL ESG score of 72 and NSE ESG rating of 73, placing it in the leadership category. The company has also been assessed to having low ESG risk by Morningstar Sustainalytics.

Our commitment to sustainable financing is further reflected in our sustainable financing framework. We received a good rating through an independent second-party opinion by Sustainable Pitch. We also strengthened the credibility and transparency of our ESG disclosures with BDO providing third-party assurance over Scope 1, Scope 2, and Scope 3 emissions, including financed emissions. This represents a significant milestone, particularly as relatively few NBFCs have attained assurance covering this breadth of emissions disclosure. We also released the 3rd edition of our sustainability report, reflecting our continued focus on transparency and alignment with globally benchmarked standards. Together, these achievements reinforce our commitment to responsible growth and the integration of sustainability considerations across the company.

Before we open the floor for question-and-answer, let me sum up. We delivered a strong performance in Q2 FY '27 with healthy AUM growth across our key lending segments, supported by diversified and predominantly retail-secured portfolio. Profitability significantly improved during the year, driven by changing mix to high-yield product, improving margins, strong growth in fee-based income, and operating leverage from existing branch network, while asset quality remains under control.

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 Rs. 65,000

crores by FY '28, and sustainable return on average equity of about 20% to 21% and return on average assets between 4.2% to 4.7% by FY '28.

We shall now be happy to take your questions.

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

Ishank Gupta: So my first question is, large players in the gold loan industry have observed a decline in yields over last few quarters. So, majority of these peers have their network particularly in South, and we are aspiring to build our network there. So, how we are targeting to defend the yields on gold loans? And could you also please enlighten the trend that we expect in terms of incremental and overall portfolio yields?

Rajesh Sharma: So, if you have seen, observed our numbers, our yields have improved slightly by keeping a focus on our ticket size, not growing in large ticket segment and doing more of shorter tenure teaser loans and, in-line with the growth target and the competition, and we have focused on granular growth where ticket size is not as high as Rs. 5 lakhs and above. And some of the contributions have also come because the moment gold loan customer defaults, their interest rates also goes up. And with this combination, our yields have improved to 19% in Q2' FY27.

Going forward, even while the competition is increasing, we are quite confident that our yields will not go significantly lower, and we will always maintain an equilibrium between yields, growth and asset quality. We do not wish to grow at lower yields. We can always increase the levels of smaller ticket lending in gold loans rather than going for big ticket sizes. So, I think that strategy is playing well.

Because of our data science tool, we are able to identify which are the customers which are likely to result into giving us better yields, and that is where we differentiate. While we have also launched Vyapar Mela Mahotsav, but again, in that also we focused on the smaller ticket size customers. So, with this strategy, I think we should be able to withstand this competitive pressure and should be able to maintain our yields.

Moderator: Next question is from the line of Laksh from Share India Securities. Please go ahead.

Varun: Good evening, sir. This is Varun from Share India Securities, and congratulations on your strong set of numbers. Sir, you highlighted about Vyapar Mela. I think so there the gold loan was starting at around 11%. So, can you tell me, I mean, tell us that how much of overall gold loan was given in this Vyapar Mela? At what rate of interest was it given? I mean, if you can just highlight that.

Rajesh Sharma: So, when we launched the Vyapar Mela, that was not for all the working days. They are given for a particular day to quickly attract the customer attention and bring them on-board. But

actually, when the customer is on-boarded, not necessarily that every customer will be offered those kind of rates. While we can offer those rates to the bigger ticket size customers, the smaller ticket size customers, for various other reasons, will be at low LTVs, low interest rates, while wo do have the maximum LTV and we maintain our original rate for some of our quality smaller ticket size customers, still.

And so this is a different kind of activity where initially you create a buzz, but also always keep a sharp focus on not ending up lowering the portfolio yields by substantially doing the business at lower yields. And precisely that is reflected in our numbers.

Varun: Sir, also if you can tell me, I mean, your AUM per branch has gone down from, you know, Rs. 19.2 crores to Rs. 18.2 crores. So what is the reason for this? Because you are expanding your branches continuously in the gold loan segment. So why this AUM per branch is actually coming down? I mean, if you can just highlight something.

Rajesh Sharma: So last quarter number of branches versus this quarter number of branches addition have happened on higher side. So numerator-denominator effect you put in, the new branches immediately will not contribute to the AUM. So, on a base of 1,000 branch count, Rs. 19 crores was the per branch AUM, and with the addition of new branches of 154 branches, and those 154 branches reaching only Rs. 3-4 crores per branch AUM and not Rs. 19 crores, that effect will be seen on the average AUM per branch number.

Varun: Okay, so that means, I mean, the pace at which you are going to add the gold loan branches, this number will come down further in coming quarters. Because you are adding gold loan branches at a pace, right?

Rajesh Sharma: So, from the efficiency perspective, how we do see is that our more than 18-month old gold loan branches, there the average AUM per branch must still be about Rs. 20 crores. The new branches average you will find depending upon the pace and will be within Rs. 4 to Rs. 7 crores.

Varun: One last question, just wanted to understand, Sir, because, I mean, there are several states who have actually declared droughts so, what is the impact on this drought on your business? I mean, not only gold loan but other businesses as well. And also, will you go slow in any of the categories because of this drought-like situation?

Rajesh Sharma: I would like that Sanjeev Srivastava to answer this.

Sanjeev Srivastava: So, largely we have analyzed all our portfolios for those geographies where the drought has impacted. So, as far as my MSME, HL, CF are concerned, we have practically not seen any impact. As far as gold loan is concerned, obviously the branches that are in semi-urban and rural areas, we have seen initial signs of some stress there. But of course, we are appropriately collateralized and we have right kind of a security to cover this kind of unforeseen event that might crop up in the future.

Varun: But sir, would you go slow in terms of disbursement or sanction in these areas?

Sanjeev Srivastava: Sorry, if you can repeat that question.

Varun: So, would you go slow on disbursements or sanctions in these areas where you are seeing a little bit stress?

Sanjeev Srivastava: Yes. So, of course, wherever we are seeing a stress directly coming from the agriculture sector or this thing, there will be a tightening of our credit screens. And as and when the numbers unfold and we get more understanding on this, we will be increasing the FOIR ratio for income-generating loans and we will reduce the LTV. So we will do those kind of activities for sure.

Varun: Thank you for answering my questions. And once again, congratulations on the strong set of numbers.

Moderator: Next question is from the line of Ishank Gupta from Choice Institutional Equities. Sir, your line got disconnected, so please go ahead.

Ishank Gupta: So, what trend do we oversee in incremental cost of funds and overall cost of funds by this end of this year and next year?

Rajesh Sharma: We are not currently witnessing material pressure on our blended cost of domestic borrowings, supported by the structure of existing liabilities and continued improvement in our credit profile. A significant proportion of domestic borrowing is linked to MCLR-based benchmark, where contractual reset provision provides a degree of insulation against immediate interest rate pricing because these rates get reset at the end of either 6 months or 12 months as the contracts are. Consequently, changes in benchmark rate do not immediately necessarily translate into equivalent or immediate increase in overall borrowing costs.

More importantly, our improving profitability, operating scale, and credit profile have enabled us to negotiate lower lending spreads with several banking partners, including on existing facilities. These reductions provide a meaningful offset against potential increase in benchmark rates. Accordingly, so far there is no increase in the cost of funds, but gradually over a period of time when the interest rate goes up and the MCLR gets reset, to that extent the rates will go up. But we will also offset this by borrowing in the capital market i.e. short-term money because our gold loan portfolio behaviorally is about less than 6 months. So, we will increase that mix of shorter tenure borrowings of commercial paper and NCDs where we are able to borrow at a cheaper rate.

Ishank Gupta: But considering around 70% of our overall borrowings is bank term loans, and with an MCLR reset of 6 months down the line this year, we may within 50 bps repo hike, we may see about 25-30 bps hike in our cost of funds. Is it fair to assume?

Rajesh Sharma: So MCLR, whatever, to that extent it will increase of the bank, to that extent on the day of reset that much cost of fund will go up. So, if we assume that repo rate will not directly translate the entire hike in the MCLR, so MCLR goes up by 15-20 basis, to that extent yes, it will increase.

Ishank Gupta: And third, sequentially gross and net NPA has seen a sharp uptick. So, could you explain the movement? Moreover, were the slippages driven by any specific geography or was this broad-based?

Rajesh Sharma: So as we said, our slippages have not happened in MSME, housing, or construction finance. It has happened only on the gold loan side. So in gold loans, our slippages have increased, as I said, because short-term tenure loans were introduced because of the new guidelines where we have given 1 month, 2 months, 3 month-period loans. And based on that, in gold loan portfolio, we have seen the stage 2 have gone up by Rs. 1,266 crores.

And this is a temporary behavior. We are quite confident that by end of the next quarter, this will significantly come down because those schemes where repayment or interest due was between 1, 2 and 3 months, those have been reduced.

Ishank Gupta: That's it from my end.

Moderator: Next question is from the line of Nivedita Choudhary from ICICI Securities. Please go ahead.

Nivedita Choudhary: Sir, given the strong performance in H1, do we expect an increase in AUM, I mean, guidance? Are we revising our FY '27 guidance?

Rajesh Sharma: So FY'27 guideline in terms of AUM, we are maintaining guidance at about Rs. 50,000 crores. Since we have already reached about Rs. 44,000 crores AUM, we may slightly do better, but we are maintaining guidance of achieving Rs. 50,000 crores AUM. And as far as the profit after tax is concerned, I think we will be about Rs. 1,600 crores.

Moderator: Next question is from the line of Gagandeep Singh from Doon Funds. Please go ahead.

Gagandeep Singh: My question was on the gold NPA. As you said, just wanted to confirm that this NPA, gross NPA and net NPA, will go down from the next quarter.

Rajesh Sharma: Yes. The increase in reported gold loan delinquencies during the quarter was attributable to identifiable largely operational factors rather than a corresponding deterioration underlying credit quality. We are undertaking a detailed assessment of the contributing factors and have already implemented corrective measures including discontinuation of the shorter tenure repayment structures that contributed to these delinquencies.

So, by end of the next quarter, you will see delinquency coming down significantly in the gold loan segment. And in any case, our loan-to-value remains quite conservative. At portfolio level it is about 70%, leaving an adequate margin and room available for us for recoveries.

Gagandeep Singh: That's about it.

Moderator: Next question is from the line of Sagar Shah from Spark Private Wealth Management. Please go ahead.

Sagar Shah: First of all, thank you for the opportunity and many congratulations to the Capri Global team for another excellent set of performance in the quarter. Sir, I had two questions actually. Now my first question was related to the gold loans. You said that we were actually quite comfortable with the ticket size of the gold loan and we are looking to decrease our ticket size or maybe maintain our ticket size, not going up the scale, at least maintain our yields.

But if I look your Slide Number 8 in which you have mentioned the average ticket size, your average ticket size has been increasing for the last 3 quarters and now it is reaching almost Rs. 2,14,000. So, I wanted to understand some perspective on that as well? At what level are we looking to stabilize on that, on the ticket size actually, especially when we are now expanding to southern region where the competition is quite high? This is my first question.

Rajesh Sharma: So, what we mean that our ticket size is still at less than Rs. 3 lakhs, and if you see, some of the competition which are doing gold loans above Rs. 5 lakh ticket size, the interest rate there is very low in terms of net realizations. So, our focus will continue to remain in the below Rs. 3 lakh ticket size where yields are better. While you have to put more efforts, but you can command better yields. Simultaneously, we also are not going back to this teaser loan competition but will be focusing on our core smaller ticket size retail portfolio. And with this strategy, we have seen that last both the quarters we were able to improve our yields while maintaining growth in our targeted growth trajectory.

Sagar Shah: So, basically, is it safe to assume that we will be actually stabilizing within Rs. 3 lakhs in whichever target segment or slash target customers actually are there?

Rajesh Sharma: Yes.

Sagar Shah: And my second question was related to these new co-lending guidelines. Now almost major banks have already transitioned to that, Capri being 21% of the portfolio through the co-lending part. So, I wanted to understand the perspective that based on the provisions, according to you, how will the new provisions actually affect Capri Global in terms of your co-lending/ DA income or slash originating of new loans, or how it will affect your part of borrowings as well? So, I wanted to understand that what is the net effect actually of these provisions on your side actually.

Rajesh Sharma: So, as per new guidelines, income will now get recognized over the lifetime of the contract instead of upfront in the revised co-lending guideline. So the impact is that you cannot book the income upfront in the co-lending contract.

Now as far as the various other operational changes are concerned where within 15 days simultaneously disbursement has to happen at certain LTV, etc., norms have to be aligned with the new overall gold lending guidelines, and that integration with the bank partners have already happened with more than 50% of our partners, and that is the reason that we are able to grow quarter-on-quarter about 12% in the co-lending AUMs.

Further, we also started doing direct assignment route. So, that will also help us to do more downselling of our portfolio through DA route. And with this combination, that will become very asset-light model where we are able to get the entire spread, but our capital is released the moment we downsell it to do co-lending.

So, the overall, it is a capital-light model without compromising the returns. And in the books of the bank, it reflects in the retail lending, and priority sector loan reflects under the priority sector. So, it is a win-win situation for both.

Sagar Shah: So, basically we can assume your co-lending income, which is your non-interest income, might get a hit once the entire new scheme actually comes into force into your books of accounts as well?

Rajesh Sharma: Just to clarify, the co-lending income earlier used to get upfront booked. Now in the new guidelines, you cannot book it upfront. So, I think upfronting is changed. However, co-lending providing the benefit that you need not provide any capital because you already downsell that portfolio, you still get the entire spread in your books.

So, as far as the earning potential is concerned, there is no change in that. As far as the allocation of capital is concerned, there is no change in that because capital gets released. Only change is that you cannot do upfronting of the income of the co-lending portfolio which is now booked over lifecycle of the contract of the co-lending.

Moderator: Next question is from the line of Meet from Entigrity Ventures. Please go ahead.

Meet: Sir, just wanted to understand on the demand in the MSME segment, are we seeing any kind of stretch because of geopolitical and macroeconomic issues on our book and on the demand? That is my first question.

Rajesh Sharma: So If you look at our GNPA of segmental in the MSME segment, it has remained quite stable. If you look at last 3-4 quarters, it has remained in the range about 3% to 3.1%. So there is no stress we have seen in the MSME portfolio. So far, the geopolitical situation has not shown any

impact on the business and growth is good. We have disbursed close to Rs. 560 crores during this quarter and able to grow this portfolio as per our targets.

Meet: And just want to understand on the branch additions, what kind of branch additions we are targeting in the next Q3 and Q4?

Rajesh Sharma: So this year we intend to add about, as per the board, board has given us approval for 600 branches. We are going to add about 500 branches this year in the gold loan alone. Besides that, we will add more branches in the MSME and affordable housing. Last quarter we added about 176 branches, out of which 154 branches were gold loan branches and about 22 branches were for the non-gold segment.

Meet: So 500, we would be adding in gold and additional MSME also we would do, right?

Rajesh Sharma: We'll be adding more branches in MSME as well as in affordable housing finance segment.

Meet: And last on the OpenAI partnership we discussed in the last call. So what is the update on the technology integrations that we had anticipated?

Rajesh Sharma: I will ask Divya to take this question.

Divya Sutar: So on OpenAI, we have already initiated the partnership. The same has been institutionalized within the organization across various work teams. Definitely on the development side, we have started seeing an inch up in terms of the productivity and other matrices. However, OpenAI is also working with our team to institutionalize the enterprise-level solutioning on the customer service side as well as the loan productivity management. And the entire project is under progress, and we will keep on giving you updates as it moves forward in the journey.

Moderator: Next question is from the line of Soumya from Nirva Securities. Please go ahead.

Soumya R: Sir, gold loan AUM has doubled year-on-year, but live accounts have declined approximately from Rs. 10.1 lakh in Q4 to Rs. 9.83 lakh in Q2, if I am not wrong, while average ticket size has increased to Rs. 2.14 lakh. How much of the AUM expansion is attributable to gold price appreciation and higher ticket sizes rather than genuine customer acquisition? And are we seeing any moderation in underlying business volumes?

Rajesh Sharma: So, live account per customer have gone down. It naturally means that the borrowing by the same customer in different LAN have gone down, but overall number of customer count has gone up. If you look at our total number of customers, they have gone up from 6,59,000 to 7,13,000 in Q2' FY27. So, there is increase in number of unique customers by about 8%. As far as the live account number declining goes, it means the same customer who are borrowing in different LANs, those LANs have gone down, but there is a growth in the customer count. So,

it is not that new customer have not been added. So, the total live unique customer has been increased from 7,00,659 to 7,13,000 in Q2'FY 27.

Soumya R: Sir, my next question is on incremental gold loan. LTV has increased from around 70% in Q4 to 74% in Q2 FY '27, alongside a significant increase in average ticket size. Is this primarily a competitive response or a deliberate change in underwriting strategy? How sensitive would the portfolio be to a meaningful correction in gold prices?

Rajesh Sharma: So, if the gold loan prices correct, if you see, it have corrected between May 15th, May 13th to 30th June also in the last quarter. So, correction of the gold prices would mean that we have to collect the margin from the customer by way of cash margin or by pledge of additional gold so that LTV can be maintained.

And your question, what is the risk that price volatility in the gold loan will bring in? So, I think if any sharp corrections happens, that would mean that we have to do the collections from the customer. Currently, portfolio level LTV is about 70%+. So, it means that our LTV is still lower than the prescribed 85% for small ticket loans and no limits for income generating loans. It means we have overall a good cushion of about 30% in the portfolio.

So, any correction of lower 5%, 6%, 7%, to that extent I think we have that ability, that cushion is there to mitigate the impact. And during that period, we also have ability to collect money from the customer. So, we remain quite conservative as LTVs are still on the lower side. So, we don't see any risk on that front if the gold loan prices go down.

Soumya R: So that's it from my side, sir.

Moderator: The last question from today is from the line of Suhani Singh from ROS Capital. Please go ahead.

Suhani Singh: So, I just had a couple of questions. The MSME average sanction ticket size has increased from Rs. 1.2 million to Rs. 1.7 million year-on-year. So, while the incremental LTV has also risen to 53.5%, is the company consciously moving towards large borrowers to improve productivity? And how does this affect portfolio granularity and risk-adjusted return?

Rajesh Sharma: There is some network issue. Can you repeat your question, please?

Suhani Singh: So, the MSME average sanction ticket size has increased from Rs. 1.2 million to Rs. 1.7 million year-on-year. So, while the incremental LTV has also risen to 53.5%, is the company consciously moving towards larger borrowers to improve productivity? And how does this affect portfolio granularity and risk-adjusted returns?

Rajesh Sharma: So you are referring to average ticket size per live account, you mean to say 1.7 going to 2.1?

Suhani Singh: 1.2 to 1.7 million. So, its average sanction ticket size.

Rajesh Sharma: Because if you see, the trend across these segments, average ticket size is going up because now the property price is also going up and they are essentially function of not only their requirement of the loan but also the underlying property prices. So, over a period of time, when we are opening new branches, we are seeing the trend that the demand is more pronounced for about Rs. 20-25 lakh as compared to earlier one. So, average ticket size is going up, but that necessarily would not mean that the risk is going up because we are maintaining the loan-to-value ratio wherever the mortgage loans are happening in the MSME.

Suhani Singh: So also the Stage-3 provision coverage has fallen sharply from 43.2% to 33.3%. Even gross Stage-3 has increased. So is this decline largely due to a change in the composition of stressed assets particularly towards the better collateralized loans, or has it been a change in provisioning assumptions? So, if you can tell us how we should assess the adequacy of coverage across individual segments.

Rajesh Sharma: So, I think we have to look at that individually. So, in the MSME loan, our provision coverage ratio still is about 45%. Housing loan is about 38%, and in construction finance, 50%. In gold loan, it is about 19%. So gold loan, if you look at the competition, we were higher but at par in all other cases, so gold loans PCR is now rationalized at about 19%. Competition which is doing purely gold loan, not like us, where the even 50% portfolio is non-gold, their PCR is around 15%. So still our PCR is higher in the segmental, in the gold, as compared to our competition. This PCR should be able to provide adequate coverage for the losses in case NPA happens. So, in the gold loan portfolio, the PCR is 19%. That means even though you have an NPA account, you have adequate coverage, so there will be no hit to the balance sheet.

Similarly, in our MSME, which is collateralized by property, housing is collateralized by property, so is for the construction finance where there are cash flows and the underlying collateral of the land and escrow. So, I think that kind of provision is giving adequate cushion. So, we have to look at the segmental PCR rather than overall. Yes, overall it has come down. But if you look segment-wise, logically, whether there is adequate cushion, the answer is yes.

Moderator: Thank you. As that was the last question for today, I now hand the conference over to the management for closing comments.

Rajesh Sharma: I thank you for participating in the earning call today. Should you have any questions, you can reach out to us or our IR advisors, and we shall be happy to answer your queries. I reiterate, we are on the track to achieve an AUM of Rs. 65,000 crores by FY '28 with return on average equity in the range about 19% to 21% and return on average assets of 4.2% to 4.7%. Thank you once again, and have a happy week ahead.

Moderator: Thank you. On behalf of Capri Global Capital Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.