May 13, 2025

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 ended 31st March 2025 – Regulation 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Dear Sir /Madam,

In terms of Regulations 30 and 46 read with clause 15 of Para A of Part A of Schedule III of the SEBI Listing Regulations and further to our letter dated April 30, 2025,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 fourth quarter and financial year ended March 31, 2025, held on Wednesday, May 07, 2025, which concluded at 12:52 p.m.(IST).

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

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

Thanking you,

Yours faithfully,
for **Capri Global Capital Limited**

Yashesh Pankaj Bhatt

Digitally signed by Yashesh Pankaj Bhatt
DN: c=IN, o=Personal, title=6864, 2.5.4.20=b3e7ea901c9a729b6569714909dc863465c42a6ccee67d63a046221ffe69079d, postalCode=400101, st=Maharashtra, serialNumber=6cf397ef478005ac82073195cebc3c26bc9eaf314477eccca9d035912ec460db, cn=Yashesh Pankaj Bhatt
Date: 2025.05.13 13:36:17 +05'30'

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

Encl.: As above

Capri Global Capital Limited

Q4 FY25 Earnings Conference Call

May 07, 2025

MANAGEMENT

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

Indian Numbering System Legend

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

NOTE:
1) This transcript has been edited for lucid reading. To that extent, this is not a verbatim transcription of the audio transcript.
2) Factual correction/s are superscripted at relevant places in the transcript and are explained in footnote/s.

Moderator: Ladies and gentlemen, good day and welcome to the Capri Global Capital Limited Q4 FY '25 Earnings Conference Call hosted by Go India Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Hardik Doshi from Capri Global Capital Limited. Thank you and over to you, sir.

Hardik Doshi: Hi. Good afternoon, everyone and welcome to Q4 FY'24-25 earnings call for Capri Global Capital Limited. This is Hardik Doshi, Head Corporate Finance and Investor Relations. Let me read out the disclaimer for today's call. Today's call regarding Capri Global Capital Limited earning performance will be based on judgments derived from the declared results and information regarding business opportunities available to the company at this time.

The company's performance is subject to risks, uncertainties and assumptions that could cause results to differ materially in future. Given these uncertainties and other factors, participants in today's call may observe due caution while interpreting the results. The full disclaimer is available on Slide 41 of the earnings presentation. Participants are requested to take note of the same. With us today on the call, we have Mr. Rajesh Sharma, Managing Director and Promoter of the company, Mr. Partha Chakraborti, Chief Financial Officer, Mr. Sanjeev Srivastava, Chief Risk Officer and Ms. Divya Sutar, Director, Business Strategy.

Let me now request our Managing Director, Mr. Rajesh Sharma, to present the opening remarks. Over to you, sir.

Rajesh Sharma: Good afternoon, everyone and I hope you all are doing very well. We announced our audited financial results for the fourth quarter and full year ended March 31, 2025 on May 5th. I trust you have had an opportunity to review the earnings presentation which is available on our website. I am pleased to report that Capri Capital Global Capital has closed FY '25 on a strong note, delivering our best financial performance, backed by robust growth across our core segments, while maintaining disciplined risk and cost management.

Our strategic focus on underpenetrated customer segments backed by a digital approach and operational excellence, continues to yield tangible results. We have expanded meaningfully across all our core businesses, MSME, affordable housing, gold loan and construction finance. With over 1,111 branches and a growing base of more than 7 lakh customer relationships, our reach into Tier 2 to Tier 4 markets have never been so strong.

Alongside our lending business, we have also seen strong progress in non-interest income streams, which together contributed more than 27% over net income for FY '25, led by insurance distribution and car loan origination. These asset light income streams enhance our capital efficiency and provide high ROE upside while enabling deeper customer engagement.

Technology continues to be our core enabler. From loan origination to collection, our in-house developed end-to-end digital journey including application for sales mobility called Pragati app, for customers app called Capri Loan app, collection app called CollectXpress and LoanXpress, our LOS, for valuing a property our technical app and in delivering faster turnaround times and deeper customer insights.

In the gold loan segment, we have operationalized rapid sub-30-minute disbursal with fully digitized customer journeys and AI powered security infrastructure. Our use of advanced data science including AI and machine learning based underwriting scorecard, risk based pricing and real time collection dashboard is driving sharper portfolio performance and enhancing operational productivity.

I shall now move to the commentary on business earning performance. We closed FY '25 with a strong momentum delivering a consolidated AUM of the INR 22,857 crores, marking a robust 46% year-on-year growth. This performance reflects the success of our diversified strategy across secured retail lending segment. The gold loan business continued to scale at an accelerated pace supported by a strong branch network and seamless digital experience growing over 130% year-on-year.

Our housing vertical also maintained its upward trajectory driven by healthy demand in affordable housing across Tier 2. Tier 3 cities, posting over 24% growth during the year. Our total disbursement for Q4 FY '25 stood at INR 8,389 crores, growing by 41% year-on-year basis. Notably, our portfolio remains largely retail and fully secured. With over 100% of the book backed by collateral underscoring our disciplined approach to risk while maintaining our commitment to financial inclusion through responsible credit.

Our co-lending platform continues to demonstrate strong momentum and strategic relevance. As of FY '25, our co-lending AUM stood at INR 4,079 crores, accounting for approximately 18% of our total AUM compared to 12% a year ago. We have meaningfully enhanced the acceptance ratios throughout across co-lending programs by streamlining our onboarding and credit assessment workflows. Co-lending remains an efficient tool for high ROE generation, capital conservation and liability diversification.

We continue to build a well-diversified and secured retail portfolio with MSME and housing finance together comprising 46% of our total AUM. As of March 2025, MSME stood at INR

5,278 crores while Housing Finance AUM reached to INR 5,202 crores, growing 24% year-on-year.

MSME growth is being supported by the scaling of Micro LAP across 84 branches. Both segments maintain an average disbursal ticket size in the range of about INR22 lakh, ensuring granularity and asset quality. With a continued focus on underserved markets backed by tech enabled credit underwriting and branch expansion, we expect sustainable growth ahead in these segments.

Our gold loan AUM grew sharply to INR8,042 crores in FY '25, reflecting a robust 130% year-on-year increase, driven by strong customer demand and rapid branch level scale up. With a network of 803 specialized branches across 10 states, we achieved an average AUM per branch of INR10 crores where over 95% of our branches are surpassing INR5 crores of AUM.

The business continues to benefit from a fully digital loan journey, AI powered security system and high customer retention with repeat customers accounting for over 50% of the portfolio. As we deepen our geographic footprint and scale through co-lending tariffs, we expect gold loan to remain a high growth and high yield contributor to our secured lending portfolio.

Our construction finance AUM grew to INR4,133 crores, marking a strong 58% year-on-year increase supported by sustained demand in the residential real estate market and a healthy pipeline of our affordable housing projects. We maintain a granular and well diversified book comprising of 282 live projects with an average sanctioned ticket size of around INR27 crores. The business continues to focus on mid-size residential development in metro and Tier 1 cities, offering construction linked funding solutions through a robust diligence in escrow-based repayment and monitoring mechanism.

Let me now provide an update on our core earnings. Our yields and spreads expanded further in the quarter to 17.3% and 7.8% respectively; primarily on account expansion in yields for housing loan and gold loan. Our net interest income for Q4 FY '25 reached to INR381 crores, marking a 49% year-on-year increase as FY '25 reached at INR1,332 crores, marking a 35% per year-on-increase driven by margin expansion and robust growth in our loan book.

Our non-interest income continued to scale meaningfully in FY '25, Contributing nearly 27% of our net income, this growth was led by three strategically important verticals, car loan origination, co-lending and insurance. Our car loan origination business generated INR96 crores in net fee, backed by disbursement of INR10,700 crores.

With it again across 813 locations in 31 states and union territories, and partnership with 12 banks and NBFCs, we have established ourselves as a key sourcing partner in the space, offering speed, reach and consistent volume. The insurance, tied up with 18 leading insurers in life, health, and general category and closed the year with a net fee income of INR73 crores.

Our focus on digitally-enabled embedded insurance journey and cross-sell initiative especially in Tier 2 and Tier 3 markets will drive this income stream going forward. Meanwhile, co-lending income stood at INR165 crores, supported by rising disbursal volume and partner banks. Together, these three driven verticals are creating scalable capital efficient growth level levers and enhanced operating leverage and deepened customer relationships across the platform.

Our distribution network remains a key enabler of scale and reach with our branch count expanding to 1,111 and employee base crossing 11,410 by the end of FY '25. Having made such significant upfront investment in physical infrastructure over the past 3 years, our current priority is to drive higher productivity per branch and extract benefit of economies of scale. This shift is already yielding results, as are cost-to-income ratio improving meaningfully from a peak of 70.5% in Q4 FY '24 to 54.8% in Q4 FY '25.

We expect this trend to continue as our branch network matures, tech adoption deepens and operating skill improve across core lending verticals. As a result, our pre-provisioning operating profit increased significantly by 132% year-on-year to INR254 crores for Q4 FY '25 and by 61% to INR734 crores for FY '25.

Our asset quality continues to hold steady, supported by the secured nature of our portfolio and measured approach to risk. During the fourth quarter, credit cost remained well-contained at INR18 crores with full year number at INR101 crores in line with our expectation. We saw a steady improvement in delinquency with Gross Stage 3 assets at 1.5% ending in Q4 FY'25 versus 1.9% year-on-year and Net Stage 3 assets at 0.9% ending Q4 FY'25 versus 1.1% year-on-year.

We have maintained the provision coverage ratio of 41.7% on Stage 3 loans reflecting our prudent stand. These outcomes are a result of consistent efforts in strengthening our collection system using sharper risk filters at origination and ensuring closer monitoring as we scale. We continue to maintain a strong liquidity position for more than INR1,827 crores through cash and cash equivalent and undrawn credit lines across CGCL and CGHFL.

During FY '25, we got new credit lines of INR7,625 crores sanctioned for CGCL and CGHFL. Our capital adequacy ratio for both CGCL and CGHFL remains strong and stood at 22.8% and 26.9%, respectively. Our continued focus on scaling high-margin businesses and focus on cost efficiency is now reflecting in our bottom line. In Q4 FY'25, our consolidated net profit rose to INR178 crores, an increase of 115% year-on-year and 39% quarter-on-quarter. For the full year, profit stood at INR479 crores, up 71% from the previous year.

These gains also translated into improved return ratio with ROE and ROA for the quarter is 16.9% and 3.6% and of 11.8% and 2.7% for FY25. In addition to enhancing our in-house development application, we are making investments in implementing generative AI for better underwriting assessment, fraud detection and cost efficiency. We continue to strengthen our collection process using data analytics for channel strategy based on customers partial payment behavior, monitor real-time collection, optimize route maps for fees agents and use AI-based live tracking for higher productivity. This has resulted in robust average collection efficiency of around 99%.

Lastly, we continue to focus on driving improvement in turnaround time, enabling us to meet our customers expectation faster through hassle-free and timely disbursements. ESG continue to be a core enabler of our long-term strategy embedded across operations, governance and stakeholder engagement. This year, we were recognized with an S&P Global Corporate Sustainability Assessment score of 49, well above the industry average of 30 and ranked 99 percentiles globally on financial inclusion with a score of 75, a reflection of our deep commitment to underserved markets.

On the environmental front, we have adopted responsible practices, invested in low-carbon digital infrastructure and aligned operations with the UN Sustainable Development goals. Socially, we continue to foster the inclusive safe workplace through training, wellness and diversity programs.

On the governance front, we have put in place robust oversight framework guided by a well-balanced Board and external expertise, ensuring that our decisions remain transparent, accountable and in the long-term interest of all stakeholders.

With that, I conclude my opening remarks. We shall now take the questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Sohail Kanalil from ULJK Financial Services Limited.

Sohail Kanalil: The first question I have is about our gold loan book growth. We have grown at a very high rate, and we reached INR8,000 crores AUM in the last few years from 2022. So how would you say the journey has been how have we been able to go towards this rate?

Rajesh Sharma: So, you have seen that we have added the capacity and capability to both. Capability by putting our collection processes automation driven by data science tools and invested on our training and imparting on how to use these tools to our 525-plus people in the collection. Investing on the technology side, we have set up a tech center of 150 people on the technology of 25 data scientists. And on capacity-wise, we have expanded branch network and added more products.

So, growth is coming because of all these reasons. And I think our branches, which if you look at 4 years ago, it was just 120, which is now 1,111 Branch. So, because of those expansions and upfront investment done, they have started yielding the results.

Sohail Kanalil: Got it. And also, business per branch, we are at around INR9 crores per branch right now. That itself is much higher than the competition? So any comments on that?

Rajesh Sharma: You mean the competition is having or we are having higher?

Sohail Kanalil: We are having higher?

Rajesh Sharma: So, our per branch gold loan AUM is almost now in March is in the range of about INR10 crores. And I think it is because of that right selection of the branches and right way of servicing the customer so he is coming to us for repeat business by building the digital journey. And also our customer service, which is quite transparent where without using pen and paper the entire disbursal happens. I think because of that, we are able to build this AUM and I think, there's a lot of potential still exists ahead on ground to continue to remain on this growth path.

Moderator: The next question is from the line of Shalin Kapadia from IIFL Capital. Mr. Shalin, I would request you to unmute your line and speak, please. Due to no response from the current participant, we will move on to the next participant.

The next question is from the line of Jay Mistry from Equirus Securities.

Jay Mistry: Congratulations on a great set of numbers, sir. So, I had 2 questions. The first question was on the yields of the gold loan, which are now at approximately 22% level. So, like with competition increasing and there's some regulatory scrutiny also hovering, so how does CGCL retain, would be retaining such yields in the current environment? And like to maintain these yields, would we be any way compromising on LTV or asset quality front in the future? That was the first question.

And on the second question, we are seeing that our construction finance vertical has seen a quite uptick in the last couple of quarters. So, like what would be the key drivers for this acceleration? Like are we adding new developers? Or is it because of pent up demand or something? So those are my 2 questions, sir.

Rajesh Sharma: So, regarding the yield of gold loan, I think the more the retail portfolio we build, the yield can be around that level. Of course, it depends on the overall market as well as the demand and interest rate scenario. But in the near future, we don't see any sharp decline in our ROI of the gold loan offering.

And whether these are or will it impact our future growth if you look at some of the competition, they are in the similar range. It will depend on company-to-company what strategy they drive and how they want to do it, but it has no direct impact or bearing on the asset quality or LTV. LTV is about 71%, which is within the overall ceiling of 75%.

And in regards to asset quality, you see that our gold loan portfolio average maturity is not more than 6 months. So, every loan is getting closed within that period of time and those impacts are coming - there's no asset quality issues. So, we have seen that the asset quality has remained very stable. So, there are no surprises on that part.

Coming back to construction finance, the book is about INR4,100 crores. And in couple of last quarter, we have seen that there was a lot of good demand in terms of realization and the sale of those projects, and we have seen good traction. But overall construction finance will always remain at a conservative level, not more than 20%.

By following that, while the growth has been good, so is the collection, so is the asset quality. And that gives the confidence that overall, if the economy continues to grow, this construction finance will also continue to grow by maintaining a healthy book.

Moderator: The next question is from the line of Mayank Mistry, from JM Financial.

Mayank Mistry: I had two questions. First, is that our geographical presence seems more focused on North? So is this because the company competitive intensity is high in South or our focus is only on North. Or should we see the company expanding wings in the South going forward?

And my second question is that in the gold loan book, how much would be our consumption level and how much would be income generation? Because as per the latest guidelines I think there would be some more difficulties in the consumption-led gold loans. So, would you throw some light on the sir?

Rajesh Sharma: Yes. Mayank, so in regards to our expansion strategy so far, we have been very active in the North and West. But recently, we have entered in the South by opening Micro LAP branches. And this year, we'll be entering in the South by adding more housing finance, MSME, and gold loan branches.

So, in the second half, you will see that these segments will have branch network in Southern states like Andhra, Telangana, Tamil Nadu, Karnataka. So, we'll grow in that segment and that geography as well. Now coming to bifurcation of the gold loan between the self-employed non-professionals or for the purpose of consumption or for the purpose of business.

So, while exact data I may not be able to give you right now. But by and large, these people who borrow money, they are running some kind of a business. Now at the moment, we aren't tracking whether he is using the money for business purpose or consumption purpose. Of course, now the new guidelines have come but essentially all these loans are taken by some micro entrepreneur. And how many percent is going to business that is not yet trackable.

Now once the guidelines which are draft once finally gets notified, we will adopt in our underwriting standard as well as the customer onboarding process, noting that for what purpose he is borrowing the money. And that time probably you'll get the precise number.

Mayank Mistry: Okay. And one more question is on the car loan origination. I would like to know how the risk is in this business? I mean the CGCL take the whole risk book and while the fund is being disbursed by the bank, or how does this business work exactly?

Rajesh Sharma: So, this is a pure fee vertical where we just originate the lead and share. There's no capital involved, there's no risk involved. So, there's nothing but purely the fee income. The loan disbursement is decided by the bank, their underwriting rule. Our job is to just generate the lead and share with them. If they sanction or they reject it is up to them. But every case which is sanctioned and disbursed, we get our fees on that origination. It is pure DSA arrangement.

Moderator: The next question is from the line of Satyaprakash Pandey from Haitong Securities.

Satyaprakash Pandey: I have two questions. First is your spreads improved quarter-on-quarter due to higher yields, but cost of funding is highly rising, approximately 9.5%. What is your view on the spread sustainability if systemic liquidity tightens further or if credit rating don't improve materially?

Hardik Doshi: Cost of funds I think this year we've seen that the Reserve Bank of India has started releasing the liquidity. And rates have gradually, repo rate have come down. We clearly see there is no scenario of interest rate going up based on these indicators. And we believe that rates will soften on our incremental borrowing. And with regards to the rating upgrade. Now that the annual results have come out, we will approach the rating agency and they will see where it fits into.

So interest rate going up, there is no scenario. In case we get rating upgraded, of course then there will be risk weightage change. And of course, incremental borrowing on immediate basis will get our cost of funds to come down on existing borrowing. Whenever the interest loan reset happens, that is the time when the interest rate is reset for the lower side and upgrade of the rating have happened.

Satyaprakash Pandey: Okay. My second question, can you break down the internal movement of account between Stage 1, 2 and 3 for the past 3 quarters. There are all geographies I have seeing higher migration risk and how are you adjusting underwriting filters accordingly?

Rajesh Sharma: So I will ask my colleague, Rajneesh, to take this question up.

Rajneesh Singhvi: So Stage 1 and 2, gross is around, the numbers are in millions so it is 1,84,917.

Hardik Doshi: So, if you refer to the Slide 26 of earnings presentation…

Rajneesh Singhvi: So, should I call out numbers?

Satyaprakash Pandey: No, it is okay, Il take it from there.

Hardik Doshi: So, if you refer to the Slide 26 of the earnings presentation, there is a detailed breakdown of Stage 1, 2 and 3, along with the ECL provision for each of the stages for the last 5 quarters, including PCR.

Moderator: The next question is from the line of Shalin Kapadia from IIFL Capital.

Shalin Kapadia: I have two questions, please. So, with increasing digitization, how are you addressing the emerging risks such as algorithmic bias in the credit scoring model or cybersecurity threats in loan disbursal and repayment ecosystems?

And secondly, sir, in a scenario where RBI further tightens the norms on LTV or co-lending exposure, what contingency frameworks are in place to preserve margins, liquidity and disbursal momentum without raising the risk thresholds?

Rajesh Sharma: I'll take the second question first regarding the co-lending, recently RBI has come out with a draft guideline. It talks about how the LTV should be calculated. And what are the other measures in terms of whether the end use of the loan aspect is to be done. So, if you talk about

LTV-related norms on the gold loan, I think that is going to benefit the overall sector, everybody where LTV will become little conservative for the bullet repayment loan.

As regard to other aspects, I think that is only improving the compliance that is not going to reduce the demand or the cost part of it. Of course, initially, once the new guidelines come on the technology side, with our banking partner the alignment between the two organizations about the technology platform of API rather has to be done.

But that is not going to change the earnings and the rate of interest and how the customer is serviced. That is more on the compliance and the customer given the churn statement and the common yield and all that. And with regards to increased digitization and cybersecurity threat, I think we already have engaged our consulting partner which include KPMG and BCG on the technology side, and we are using a few vendors to meet those requirements on a continuous basis.

Recently, we have appointed internally, E&Y from an assignment to strengthen the overall system. So that is ongoing. Now technology is not going to be a one-time affair. It is on a continuous basis getting changed, getting upgraded and keep on going.

So, I think if you see that we are spending close to about INR90 crores to INR100 crores a year on our technology, data science and other things on this aspect. So, we are heavily invested on this. And that becomes a part of it, no need to especially focus that something has to be done. It is an ongoing affair about upgrading based on the recent trends, guidelines and regulations.

Moderator: The next question is from the line of Shripal Doshi from Equirus Securities.

Shripal Doshi: I had this question on LTV. I don't know if you already answered. So, within gold there are couple of trends that are emerging. Firstly, the ticket size that we are targeting is inching upward. Secondly also the LTV, now typically with this new regulation coming in.

Where in regulator is asking to have 75% LTV is been monitored throughout the loan tenure. And yet LTV is increasing in the quarter so, just wanted to understand the implication of this LTV norms by the regulator. And also, our strategy on ticket size within gold going ahead?

Rajesh Sharma: So our ticket size in gold is going to be more or less so granular that it will be in the range of INR1 lakh only. And it is not going to change dramatically. Second thing is that about LTV norm, the RBI is saying bullet repayment cases, these are the draft guidelines, you must calculate the interest which is going to accrue as a part of LTV, thereby it means that your loan amount will be on the lower side. So, LTV will get effectively reduced to that extent.

So overall, it is a positive, while the gold has not depreciated in a drastic manner whenever in the future it happens it create extra safety buffer LTV for these kinds of loan-to-value loans. It is being applied to overall everyone. So entire gold loan lending sector will adjust to these regulations and it is not going to have a long-term impact maybe initially you have to adjust it.

But since these loans are always getting reset in 4 to 6 months and loans are getting foreclosed because tenure is not longer, it is not going to have a longer impact. Had these loans been 10, 12 years due to adjust, it creates a case of recovering that kind of amount to bring that LTV down. But being these are shorter period of loan; it doesn't pose a risk. So, I believe the entire sector will adjust to these norms.

Shripal Doshi: Correct. So just one follow-up here, with respect to so what percent of our gold book would be bullet repayment book?

Rajesh Sharma: So, I do not have exact number as of now. In case you require, we can take it out and do it separately. But we run the scheme where the interest is also offered monthly by choice or by options or by design.

And some of the cases are on a bullet repayment basis, but that bifurcation is not available because we are not segregated that way. It will require specifics; we can carve it out and give it to you.

Shripal Doshi: So just from the, like more from the trend perspective rather than from number perspective here, so the question is that at system level, would you say that majority of the loans that the NBFCs are doing would be more or less bullet repayment as an option?

And one more clarification that I needed here. So, when you say bullet repayment, is it like anybody paying, interest component at, let's say, even if you did a 12-month annual product, and if the customer makes interest repayment to me, let's say, at the sixth-year end, sixth month end, even that will be classified as a bullet repayment only, right?

Rajesh Sharma: So to give precisely your answer, there are various options and schemes customer has to choose. And if the loan has been given on the monthly repayment basis and he doesn't pay any pay of the bullet, that will not classify the bullet repayment scheme.

Bullet repayment scheme on the day one, we decide that they will not pay any interest, then pay at the end of the repayment and interest together. So somebody is paying quarterly interest or monthly interest will not qualify in the bullet repayment nomenclatures.

Now, there are various lenders also follow the process, and their customer has option to switch. That initially they take the bullet but they end up paying monthly or quarterly as and when. So, they are allowed to switch from one scheme to other by paying nominal charges of INR500 or something like that depending on what are the design of that scheme is. So, to pinpoint who is doing what and what is everybody's percentage is difficult to say at the moment.

But I think when common regulation comes, this is not something affect one player or other and everybody will adjust it. Ultimately, gold loan market, if you see, growth is coming from informal segment to formal segment.

Gold loan segment you are talking about, if you look at new players are coming, old players are continuing to grow 20%, 25% and new players are also growing. Thereby, it means there is a clear-cut market opportunity gap at this. It is not that four new players have come in and the old player market share has gone down or absolute AUM has gone down.

Then some of the largest players are growing at the pace of 18%-20% year after year.

Shripal Doshi: But, sir, our tenure is not so solid. Right? Like, at system level also, like, I mean but I'll take that question separately. But just one question here was that so now incrementally, we have to classify a loan from day zero itself that it will be bullet repayment or it will be monthly repayment, and then accordingly decide the LTV.

However, that switching option which industry currently had, like, typically, at the time of disbursement, we give him a monthly repayment option, and then the customer moves to a bullet repayment. And then the interest rate changes typically. At the time of disbursement, if it is 11% per annum, it gets shifted to 20% if, you know, he's going from the bullet repayment as an option.

So now you believe now the incremental policy limit and on day zero, you have to, decide monthly on bullet repayment and he's going for monthly and then trying to switch to bullet equivalent, he cannot do that. Is it so?

Rajesh Sharma: He can do that provided he adjust to the new norm of LTV as and when they are declared. Okay. So, suppose, put your question straight, suppose you have INR1 Lakh of loan, it is given at the 14% percent rate of interest for six months and 7% is there interest, LTV will get adjusted, registered at 75%, INR75,000 of loan. You are supposed to give only INR68,000 of loan to him. So only that much adjustment has to be done.

Shreepal Doshi: Right. Got it. So that much principle repayment the customer will have to do. Got it. This is very helpful. Thank you for answering my questions, and we can. Thank you.

Moderator: Thank you. The next question is from the line of Bhavin Pande from Athena Investments. Please go ahead.

Bhavin Pande: Thank you for the opportunity. So, if we look at Slide 17, a non-interest income has moved up significantly sequentially almost 2x of last quarter. So, what are the components that have contributed to this kind of a bump up? And also, what was the share of the insurance distribution business in this?

Rajesh Sharma: Hardik, you take that question.

Hardik Doshi: Yes. So, in the fourth quarter, you see the bump up in the other non-interest income. There is a component of insurance income also in that. I will give you the exact number how much it is. So, around INR34 crores out of those INR102 crores that you see, is coming from the insurance. And as you know that we started doing insurance distribution from fourth quarter of last financial year. And since then, the insurance income has been kind of on a strong upward trajectory. For the full year, we have a net fee from the insurance of around INR73 crores.

Bhavin Pande: Okay. And are there the sources that also continue to be apart from insurance, would you expand on those?

Hardik Doshi: Yes. So, in total, our non-interest income is comprising of three components. One is car loan-net Car Loan Origination fee. That was around INR24 crores for the fourth quarter FY 25. The other component is co-lending income, which was around INR55 crores. And the co-lending income is proportionate to the growth rate. So, higher the disbursement, higher the loan book growth, and also, the percentage of AUM that is under the co-lending. So, if you see from third quarter FY '25 to fourth quarter FY '25, a percentage of co-lending AUM has remained flat. So, this increase that you see from INR29 crores to INR55 crores is largely coming from the higher disbursal and the growth in the loan book.

And the third component within the non-interest income is the insurance fee income, which as I mentioned is INR34 crores for the fourth quarter FY '25 and INR73 crores for the full year. And apart from that, there are other components like treasury income, which is more like an investment income.

Bhavin Pande: Okay. That was really helpful. And sir, when we look at Micro LAP and Solar Rooftop kind of businesses, how have they performed specifically in this quarter? Also, we have seen some sort of subdued performance in the MSME portfolio as compared to other segments. So, what would be the strategy around these two segments and overall MSME book from a strategic vantage point going forward?

Rajesh Sharma: So, our focus was on the MSME that we have grown, and micro-LAPs have been added. Since we were more focusing on the gold loan and we wanted to contain our growth within 50% range, as per the direction of our Board. So, we have diverted all our credit line towards the high yield product, which is the gold loan. However, this year, we are going to add more branches in micro LAP and MSME.

And this year, we intend to grow that segment again the normal growth about 15% to 20% kind of a growth in the MSME segment. And that segment will yield a good amount of profit because we understand that segment very well, we have been doing that segment since the last almost thirteen years. So, this year, you will see a lot of branch additions happening in that and growth will be back.

Bhavin Pande: Okay. That was really helpful, and good luck. Thank you.

Moderator: The next question is from the line of Varun Kumar, who is an Individual Investor. Please go ahead.

Varun Kumar: Hi. Congratulations for the good numbers. I just wanted to ask what will be the outlook for FY '26 regarding growth?

Rajesh Sharma: So, you wanted to know overall outlook or is it only gold?

Varun Kumar: Growth outlook.

Rajesh Sharma: Okay. So, growth outlook- we will continue to grow our book in all segments. And I think what we are aiming, earlier also. In the next few years, we are going to be growth in the range of 27% to 30% kind of range and we intend to reach INR50,000 crores of AUM book by FY '28. And we have already invested in technology and collection. And now we are building our branch network and since our tech center is already built, so its more about keeping the pace ahead of others. So, I think INR50,000 crores reaching by FY '28 should be feasible. We are working on that.

Varun Kumar: Okay. Thank you.

Rajesh Sharma: About our ROE, while we will remain in the growth phase, but 1.5% to 2% ROE we intend to generate from pure free income play. And about overall ROE, we should be in the range of about 16% despite these new branches opex will get absorbed. So, on a steady state, our ROE could have been higher. But yes, since you wanted to grow, couple of 200 basis kind of impact of that will come. But we'll maintain the steady state ROE in the range of 16% in next few years.

Moderator: The next question is from the line of Arup, who is an Individual Investor. Please go ahead.

Arup: What kind of leverage ratio are you comfortable with? And do you have any QIP plan in mind for the next one year?

Hardik Doshi: Yes, sure. So, I think in terms of the leverage, currently, we are around 3.5x, on a debt-to-equity basis. We will not go above, 4x kind of a level, and that is something that we have maintained historically also.

In terms of the fundraising plan, we have taken the board resolution, as all of you guys would know, for the INR2,000 crores. And the timing of the fundraising would be based on the market conditions. So, we continue to evaluate that, but I think the exact timing would depend on the market conditions and how things play out from here onwards.

Arup: Okay. Thank you.

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

Rajesh Sharma: Yes. Thank you. As we move into FY '26, we believe our core strategy focused on secure, granular lending, positions us well to capture sustained demand across MSME affordable housing, micro-LAP, gold loan and construction finance. Each of these segments offer large, underpenetrated opportunities in our distribution footprint, combined with the disciplined underwriting and deep product expertise, gives us a clear advantage.

We will continue to invest in technology and analytics, not only to improve turnaround times and risk assessment, but also to drive better productivity and customer experience across the board. With a fully secured book, improving operating metrics and healthy asset quality, we feel confident in managing credit cost even as we scale.

On the liability side, we are seeing strong engagement from lenders and remain well positioned to secure diversified and cost-effective funding as we grow. As the Indian economy continues to grow strongly and the market for retail lending continues to expand further, we are confident of capturing the huge opportunity available to us to grow strongly at 27% to 30% CAGR and deliver sustainable ROE of 16% plus by FY '28. Thank you once again for your continued support, and we look forward to continuing to engage in the quarters ahead.

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