CAPRI LOANS

August 12, 2024

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: **Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, regarding Q1 FY25 Earnings Call - Transcript**

Dear Sir /Madam,

Further to our letter dated July 31, 2024, intimating schedule of the Earnings Conference Call on August 6, 2024, to discuss the Company's Q1 FY25 Earnings, we are attaching herewith the transcript of the said Conference Call.

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

Encl.: As above

"Capri Global Capital Limited

Q1 FY25 Earnings Conference Call

August 06, 2024

MANAGEMENT

MR. RAJESH SHARMA – MANAGING DIRECTOR
MR. PARTHA CHAKRABORTI, CFO
MR. SANJEEV SRIVASTAVA, CRO
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.
3) Wherever needed, emphasis is added in brackets *(in italics)* for better clarity.
4) For uniformity with reporting format, values referred to in crores in the audio transcript have been converted to billions (bn) or millions (mn) in this text transcript.

Moderator: Ladies and gentlemen, good day, and welcome to Capri Global Capital Limited Q1 FY25 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Hardik Doshi from Capri Global Capital Limited. Thank you, and over to you, Mr. Doshi.

Hardik Doshi: Good afternoon, everyone. This is Hardik Doshi. I shall read out a brief disclaimer for today's call. The discussion on today's call regarding Capri Global Capital Limited earnings performance will be based on judgments derived from the declared results and information regarding business opportunity available to the company at this time. The company's performance is subject to risks, uncertainties and assumptions that could cause actual results to differ materially in future.

Given these uncertainties and other factors, participants on today's call may observe due caution while interpreting the results. The full disclaimer is available on Slide 42 of Q1 FY25 investor presentation. Participants are requested to note the same. I now request our Managing Director, Mr. Rajesh Sharma, to present the opening remarks. Over to you, sir.

Rajesh Sharma: Yes. Thank you. Good afternoon, friends. I hope you all are doing very well. We declared our unaudited consolidated results for Q1 FY25 on Saturday, 3rd August 2024. I hope you had a chance to go through the investor deck.

As you all know, Capri Global Capital Limited continues to have a strategic focus on serving the large and fast-growing addressable market, maintaining a retail franchise with the granular book and high-quality fee income. We have distinguished ourselves through our robust presence in the lending sector, focusing on secure MSME lending, housing loans, gold loans, construction finance and indirect lending.

We have also ventured into micro LAP, focusing on smaller ticket secured loans to self-employed customers. We are dedicated to using a digital first technology-driven strategy to provide last-mile financing to the unbanked population. To achieve this, we have made substantial investment, which I will discuss subsequently.

I'm pleased to report that all our technological initiatives have successfully gone live in the first quarter of FY25. This positions CGCL to reap significant long-term benefits. I shall now move the commentary on business and earnings performance.

As regards to business, please refer Slide 4, 5 and 6. We maintained a strong growth momentum in Q1 FY25 with our AUM reaching to INR174,579 million, with an increase of 56% year-on-year. This growth was primarily driven by a 40% year-on-year increase in home loan and a 238% year-on-year growth in our gold loans.

Our disbursement was INR56,197 million during the quarter, reflected 109% year-on-year growth. We remain focused on retail lending with retail AUM constituting over 80% of our portfolio. We are well positioned to drive growth and are on track to achieve our target of INR300,000 million AUM by FY27.

Our co-lending AUM continued to surge during Q1 FY25, increasing to 16.4% of AUM compared to 11.7% in Q4 FY24 and 6.2% in Q1 FY24. We have further strengthened our bank partnerships, significantly increasing the acceptance ratio of loans with our partner banks compared to a year ago. With new technology in place, we expect this momentum of co-lending to continue to grow.

We continue to build a granular and well-diversified portfolio for MSME and housing finance with the average ticket size of about INR19 lakhs. Due to seasonality effect and transition of a new loan origination system and loan management system during the first 2 months of the year, the MSME and housing finance saw temporary stabilization. However, we are confident that our growth momentum will be back from Q2 onwards and will continue in coming quarters.

Our gold loan AUM increased by 55% quarter-on-quarter to cross INR54,001 million, supported by our extensive gold loan branch network of 750 branches spread across 9 states and union territories and co-lending partnership with 4 banks. These branches have started to scale up and have reached the productivity of INR70 million AUM per branch. Share of construction finance and indirect lending disbursal remained steady during the quarter driven by the existing pension pipeline.

The combined AUM share for both construction finance and indirect lending stayed at 20%. Further, we are committed to our cautious risk management strategy keeping the mix below 20%. Our focus will remain on residential projects within the affordable housing sector while maintaining a granular book in indirect lending.

Now coming to the earnings, let me first start with our core earnings. Our yields were at 16.3%, an increase of 70 basis points and our spreads reached to 7%, increase of 60 basis points quarter-on-quarter. Driven by our diversification into high-margin segments, the increase in marginal cost of funds was more than offset by the improvement in yield for advances. The net interest income or NII during Q1 FY25 came in at INR3,013 million, an increase of 18% quarter-on-quarter and 27% year-on-year.

Our non-interest income comprises of 3 components: car loan distribution fee, co-lending income and other non-interest income. Our non-interest income increased by 35% year-on-year, supported by strong fee income from co-lending, which increased by 126% year-on-year and 17% quarter-on-quarter.

With the momentum of our AUM remaining robust, our distribution franchise for car loan origination is now spread across pan-India. We anticipate this strong foundation will sustain the impressive growth trajectory of non-interest income. This strategic partnership and widespread distribution network positions us well to capitalize on emerging opportunities and further enhance our fee income stream.

On the insurance distribution front, we have already tied up with about 11 insurance companies and started accruing fee income. We are looking to generate more than INR20 crores in net fee income from insurance distribution in FY25. Following our branch expansion, we are now shifting our focus to improving the efficiency and productivity, the effect of this already started to reflect in our cost-to-income ratio, which has improved to 64.6% in Q1 FY25, down from 70.5% in Q4 FY24, marking an improvement of 5.9% in this quarter.

Additionally, we are implementing advanced analytics to streamline our operation and enhance decision-making processes, which we believe will drive further gains in efficiency. We expect further benefits will accrue as the operating leverage will kick in. As a result, our pre-provisioning operating profit increased significantly to INR1,452 million, up by 33% quarter-on-quarter.

Our credit cost increased in Q1 FY25 due to one-off slippages in our construction finance book, resulting in a technical write-off of INR 280 million. However, based on our experience, we are confident of recovering the entire amount. Our GNPA ratio and NNPA ratio remained broadly flat at 2% and 1.1%, respectively. Our Stage 3 PCR ratio stood at 43%. As part of our resource diversification strategy, the company has initiated market borrowings in Q1. We successfully raised INR 5,000 million issuance for commercial paper, getting A1 Plus rating by CRISIL. This demonstrates our strong credit worthiness and enhances our financial flexibility to support future growth initiatives.

Our Board has also approved fund raise of INR 20,000 million by way of equity, debt or convertible securities through rights issue, preferential allotment or QIP. This fund raise will support our growth momentum and will further strengthen our balance sheet. Our gold loan business has now become profitable at operating level, and we reported a consolidated net profit of INR 757 million, which increased about 19% year-on-year. The gains from higher NII and flat opex was partially offset by higher credit costs. Our efforts to diversify our business income in past few years are now beginning to yield significant results as seen in Q1 FY25 performance.

Now coming to technology and ESG, technology has been a critical focus area for us, and we implemented several key initiatives in FY24. Our entire end-to-end loan life cycle is now completely digitized and tech driven. We have made significant investment in technology, including our in-house developed loan origination system called Loan Express for MSME & home loan and Swarnim for gold loans.

Flex Cube, which is a loan management system developed by Oracle; Capri Loans as for omnichannel customer engagement; Pragati sales app for digital on-boarding by our sales team; CollectXpress, an efficient tool for collections and Capri Business Partner app for our business partners. These platforms are currently stabilizing and have already started to yield positive results.

These initiatives will lead to improvement in turnaround time, especially for our MSME and affordable housing businesses by enabling seamless distribution that enhances sales productivity. We will also optimize cost by reducing per file processing expenses, facilitate risk-based pricing through AI-driven credit underwriting, scorecards and digital collateral valuation to enhance portfolio quality, sophisticated dashboards and live monitoring as efficient collection tools.

We look forward to sharing quantitative outcome of our tech initiatives in a couple of quarters. Capri has established a systematic ESG practice, internally has crafted policies as per international standard and ESG guidelines. We are currently in the process of obtaining ratings from global agencies. Furthermore, we are conducting training for our internal team and aligning our business processes with ESG requirements.

Going ahead, we shall immediately keep our stakeholders updated on the progress we make on the ESG assessments. With that, I conclude my remarks. We shall now take questions. Thank you.

Moderator: We have our first question from the line of Satyaprakash Pandey from Haitong.

Satyaprakash Pandey: I have 2 questions. First is on your insurance business. What was our net fee contribution from insurance business during the quarter? And if you can explain a little more on the 11 tie-ups for insurance distribution we have done. This is the first question.

And the second is we've been discussing our target to achieve mid-teen ROE in the midterm, driven by higher fee income and operating leverage. Can you provide a clear timelines for when we might start seeing this improvement reflecting in our numbers? Especially when do you anticipate reaching a sustainable 15% ROE? Because it's been some time that you've been guiding for mid-teens ROE. Yes, these are my 2 questions.

Rajesh Sharma: So as far as the insurance contribution is concerned, in quarter 1, we have achieved about INR 120 million insurance income and have tied-up with about 11 insurance companies. There are different products for different kind of customers, for medical and for health insurance, for life, for accident cover. So we have variety of the products.

Now coming to by when we will reach mid-teen ROE and how is ROE looking for this year? So as compared to ROE, which was less than 8%, in 1QFY25 we are likely to report ROE, in the range of about 10.5% to 11% for FY25. And we believe that next year, ROE should improve further by another 2% to 2.5%. And from there, once we achieve a scale of about INR 250,000 million plus, by then, I think we will be more or less in a steady state in terms of our branch expansion also on the incremental investment in the technology and data science capability, so we should be able to achieve about 15% ROE in FY27.

Moderator: We have our next question from the line of Satyam Vadera from Profitmart Securities.

Satyam Vadera: I have a couple of questions. Could you explain the impact on net interest margin during the quarter in the gold loan business following the RBI regulations? Additionally, you mentioned that the gold loan segment has turned profitable. Could you provide the insights on your expansion plans, given that you previously indicated the temporary pause before resuming branch operations? And another question is car loan origination continue to be down for past couple of quarters. What could be the reason behind the decline?

Rajesh Sharma: Net interest income has improved in Q1FY25 as compared to Q4FY24. If we talk about our net interest income, it has come to INR 3,013 million. If we talk about the Q4 FY24, it was INR 2,552 million. So there is a significant increase, about 18% in this.

And if we compare to the year-on-year basis, it has increased from INR 2,373 million to about INR 3,013 million. Interest income has been contributed largely from all the segments, but more from the gold loan side. If we talk about gold loan profitability, gold loan has become profitable because we have crossed INR 50 million AUM in all the branches. And normally gold loans become breakeven above INR 45 million. So all the gold loan branches of 750, have started contributing.

And compared to last year we were incurring the operating losses in the gold loan business because AUM was at lower side, and that is the journey that every branch generally achieve profitability only after 12 to 15 months depending on when they achieve their AUM of INR 50 million or so. So gold loan this year will contribute significantly on the profitability side compared to the losses last year.

If we talk about the car loan. Car loan, we have shifted the business from the Capri Global Capital Limited to the newly formed subsidiary. The preceding quarter, because of the January, February, March is always high, and April, May, June is a little soft quarter always for all the financial services. That is why our net fee income from Car loan in Q1 FY25, was INR246 million, as against INR 271 million in Q4 FY24.

Satyam Vadera: And sir, for branch expansion, any plans further for gold loan segment?

Rajesh Sharma: So gold loan segment, we might add about 50 branches in the coming year. So that expansion will not be as aggressive as it was earlier because we already reached one threshold of 750 branches, so now large expanse will be gradual. So about 50 branches or so we will add in the current financial year.

Moderator: We have our next question from the line of Sohail Kanalil from ULJK Financial Services.

Sohail Kanalil: Congratulations on a good set of numbers. I would like to ask; how much of the book is floating rate currently?

Rajesh Sharma: Your question is, you are asking the composition of assets on home loan side by floating and fixed rate of interest?

Sohail Kanalil: Yes, mostly because on gold loan interest rate would be fixed, right? So besides that, whichever segments that we are in, how much of that would be in floating, I mean?

Rajesh Sharma: So gold loan, it is a rate of interest we pre-decide based on the scheme taken by the customer. Construction finance, it is all 100% floating. And home loan and MSME, we offer both the option to the customer. Exact percentage, I think we will be able to tell you separately. You can send a mail to IR, and they'll share the exact data.

Sohail Kanalil: Got it. Got it. And 1 more question I would like to ask. So we have seen a huge rise in yield on advances. Any light you would like to throw on that, sir?

Rajesh Sharma: So yield on advances, if you see Q4 FY24 yield on advances was 15.6%, which has gone to about 16.3% on a portfolio basis. And this is because contribution from the gold loan AUM in the overall portfolio is increasing. Gold loan yields are better than all the other products. So that is the reason where the improvement in the overall yield on advances by about 70 basis have happened.

Sohail Kanalil: Got it, sir. Got it. I would like to ask 1 last question. How do you see the loan book shaping up going ahead? Is there any particular segment you see a bit more exponential growth or higher growth than others? Or is there any other book that you would like to cut out or like to reduce a portion from your loan book?

Rajesh Sharma: So I think on the overall loan book, our key growth drivers will remain that retail products comprises of home loans, gold loan, MSME. And this year, we added the micro LAP, the smaller loan of about less than INR 0.5 million against collateral in rural areas. So these are the products which will give the contribution towards the growth. And there has been no single product, which will contribute disproportionately higher than others.

So I think, our MSME is about 28%, 30% is gold loan and then 23% is housing. So they will remain by and large in this proportion.

Moderator: We have our next question from the line of Jai Daxini from IIFL Securities.

Jai Daxini: Yes, I want to ask 2 questions. First would be, what will be your cost of borrowing or market borrowings that you borrowed in this quarter? And the difference of debt versus your borrowings from banks? And what will be your borrowings mix post 1, 2 years?

Rajesh Sharma: So, the recent capital market borrowing are in the range of about 9%. And overall cost of borrowing is in the range of about 9.3% - 9.6%. And borrowing mix, I think still, the majority of borrowing will continue to happen from the mix of bank and some borrowing we will do as refinancing from the larger institutions. So NHB Refinance, SIDBI, NABARD and all these kind of refinance institutions.

Jai Daxini: Okay. And what is the breakup of bank borrowings for MCLR linked and EBLR linked?

Rajesh Sharma: So, all the bank borrowings are MCLR linked

Jai Daxini: Got it. And there is a significant decline in disbursement in MSME and HL loans. So, what were the factors causing decline in disbursement growth?

Rajesh Sharma: Since we have gone live with new technology platform for origination called, loan origination system. And because of that, it took some time to stabilize. The first quarter also saw training our on-ground team to get familiarized with the system. So I think that system, by and large, is stabilized now in the month of July. So this month, this quarter onwards, we will see the growth coming back. And by the October onwards, we'll see full-fledged benefit of the new technology also start coming in.

And so we will see the change happening because of technology, which was getting adopted on the ground, first quarter was a little softer.

Moderator: We have our next question from the line of Aryan Oswal from Finterest Capital.

Aryan Oswal: So my first question is regarding the cost of funds. Do you expect it to increase even further in the coming quarter? And when do you see the trend reversing? And also what are we doing so that our cost of funds doesn't cross a certain limit?

Rajesh Sharma: So I think cost of funds in this year should remain by and large in this range. But I believe that cost of funds should not increase. If at all it increases, it will not be more than 10 to 20 basis points, which we should be able to pass on to all the new disbursals, which are happening now. So it should not have an impact on our expense.

Aryan Oswal: Okay. And sir, a lot of bigger names from the NBFC space have turned their focus on granular retail loans. So can you shed some light on the increasing competition in this space? And how are we different from the competition?

Rajesh Sharma: So I think this space is quite competitive, not from now, even last 2, 3 years. The only way is that, we keep focusing on giving a better turnaround time to our customer. And the only way to help this is technology. Our decision-making should happen based on the data science capabilities on various things. So I think automated processes and data science-driven decision-making, these are the 2 aspects which we are confident that we'll have an edge over most of the competition and be able to have a faster processing, better decisioning and better outcome in terms of asset quality and all.

Moderator: The next question is from the line of Dipesh Sancheti from Manya Finance.

Dipesh Sancheti: Yes. We have crossed the breakeven mark in our gold loan business. Are you trying to expand in the Southern and Eastern parts of the country? Or are we planning to deepen our presence in the existing markets?

Rajesh Sharma: Yes. In gold loan, our expansion will continue to be in the North and West. We do not intend to go in South because we believe that South is already hugely penetrated and already the competition is in much larger areas. North and West still have a lot of scope. And besides that, our entire current network of branches of home loan and MSME are in the Northern belt. So even from the cost, branding and credit perspective, that is going to be helpful to us.

Dipesh Sancheti: Are we facing a lot of competition from the PSUs also? Because in between, the government has mandated the PSUs to go aggressive on gold loan?

Rajesh Sharma: Competition in retail segment is always there. I still believe that we have to focus on our service delivery and our origination and our customized product. Competition will remain but within that competition, we have to focus on our offerings and continue to grow.

Dipesh Sancheti: Okay. What is the impact of import duty on gold? With the cut on import duty, the prices have declined. What is the impact on our gold loan business due to this? And do you expect the prices to decline further or start increasing as we enter the festive season?

Rajesh Sharma: So gold loan reduction on the import duty have resulted in the gold loan prices going softer. And so on the existing portfolio, our LTV has gone up, so we have to see that our LTV come within the acceptable range. And for that, we will reach out to our customers and inform them about this so that they can provide additional margin.

But having said that, how the gold loan prices will behave, we are not focusing on that. This is an impact because of the custom duty reduction. And that is in control because it is not more than 5%. But going forward, the gold prices will behave based on various other factors, which we are not able to comment on.

Dipesh Sancheti: So how much more margin requirement is required with every 1% decrease in gold prices?

Rajesh Sharma: If the gold prices decrease by 1%, and our LTV is 75%, our LTV will increase by approx. 1%. And to that extent, either the LTV should remain within the acceptable range, and we have to collect from the customer. And given these are the customers in the range of average ticket size of about INR 90,000, so time to recovery is low.

Dipesh Sancheti: Okay. Just a last question from my side now. With the new fundraising, which we have done, what would be the impact on our book value?

Rajesh Sharma: It's pre-mature to say because it depends on what quantum and what shape and when we would raise. And it is just enabling provision, we are yet to take shareholder approval and also discuss various options. And then we decide which option, which instrument and when will we be finally doing.

Dipesh Sancheti: Okay. So just a follow-up on that. So in case if you're going for preferential warrants or maybe preferential equity. We, as retail investors, can also participate? And whom do we have to contact if that is the case?

Rajesh Sharma: As I said, we have not yet decided what instrument and what time we raise funds. So, when it happens, that will be, in any case, will be disclosed to the stock exchanges in time-to-time through various announcement. But at this moment, we are not yet clear, and no further progress has been done till date. We will decide after the shareholder's approval.

Dipesh Sancheti: I'm sure. But if there is a participation from proprietary houses like us, then what is the point of contact of the company?

Rajesh Sharma: Whenever we crystallize this, everybody will be informed via stock exchange announcement and various other ways.

Dipesh Sancheti: Okay, sir. I'll contact you regarding this again.

Moderator: The next question is from the line of Ajit Kaushal from Royal Global University.

Ajit Kaushal: Yes. I am late joining to this particular conference. Can you let me know, my question is regarding the asset impairments and maximum impairments you are looking...

Rajesh Sharma: Yes, this actually, includes 2 parts: one is the ECL, which is a provisioning expected credit loss and the other one is write-off. So there is around INR 280 million of write-off and rest is the provisions mainly.

Ajit Kaushal: Okay. Yes. Another part of my question is again, related to the asset impairment. So most of the write-off on non-performing assets, it is coming from MSME or gold loan or housing? From which sector...

Rajesh Sharma: So it is more from the Construction Finance. It's a technical write-off.

Ajit Kaushal: What is the meaning of technical write-off?

Rajesh Sharma: Technical write-off means recovery will continue. It's not like that it's a completely write-off. So technically, we have taken the impact for now but our efforts to recover will continue.

Ajit Kaushal: Okay. Okay. So may I ask what you are expecting, to what percent you will be able to recover, if you can have any kind of estimate regarding that?

Rajesh Sharma: Almost 80%, 90% we'll be able to recover.

Ajit Kaushal: Okay. Out of this INR 280 million?

Rajesh Sharma: Yes.

Ajit Kaushal: Yes. What about the rest of the INR 180 million? I think, if I'm right, I saw it is INR 464 million around the assets impairment.

Rajesh Sharma: Yes, that is provisions on the assets.

Ajit Kaushal: But the rest of the INR 180 million is provisions?

Rajesh Sharma: More or less, yes.

Rajesh Sharma: Yes, rest of the INR 180 million is provisions. As a part of normal course of business, when the loan book grows, AUM grows, as an NBFC business, they will have to continue to make provisions also against that. So that's a normal course of the business. So that INR 180 million is a ECL provision and INR 280 million is one time technical write-off.

And it's a technical write-off. So technically, what happens is we write it off and then we initiate the recovery process. And based on our experience from the past, we should be able to recover 80% to 90%.

Ajit Kaushal: Yes. So last year also I saw that it was showing around INR 240 million of write-off in the 1QFY24. Again, you have written off in the 1QFY25. So whether it is being done strategically as far as provisioning of this technical assets impairment is concerned?

Rajesh Sharma: So in that INR 130 million was the write-off and the rest was the provision in ordinary course of business.

Moderator: The next question is from the line of Marazbaan Dastur from Emkay Global.

Marazbaan Dastur: Yes. Sir, I just have a couple of questions. So could you help us understand this new micro LAP segment. Like is it a part of the existing MSME business vertical? Or is it different in some way? Aside from the ticket size range given that the MSME segment also has a ticket size of around 1 million to 1.5 million?

Rajesh Sharma: So it is a completely different segment, different team, different branches. So it is a different vertical. MSME, currently, we have average ticket size of INR 1.9 million. However, micro LAP will have average ticket size of INR 0.5 million, all the loans will be below INR 0.8 million. And these are the loans at the yield in the range of about 22% as against the MSME yield in the range of 15.5%.

So this is to serve our customer segment in the rural areas and branches are also getting opened accordingly. We intend to open about 70 branches in next 3 quarters. And already 27 branches have gone live, and we will start seeing some portfolio, but initial few months are the phase where we will build up these branches. Actually, we will see full benefit from these branches will start coming in next year.

Marazbaan Dastur: Okay. Okay. And secondly, on your guidance of INR 300,000 million AUM over the next 3 years, could you help us understand better your plans in terms of scaling the business and what verticals would you see higher growth?

Rajesh Sharma: So Higher growth will, of course come from MSME, gold loan and housing and construction finance because micro LAP is a shorter tenure loan for a lower amount. And last year, we closed at INR156,530 million and in this quarter we have already reached INR 174,579 million. So we would be able to achieve INR 200,000 – INR 210,000 million in FY25, I think we are well within our target to reach INR 300,000 million by FY27.

Moderator: As there are no further questions, I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Hardik Doshi: Thank you, everyone, for your time today in attending the 1QFY25 Capri Global Financial results. We look forward to continuing to engage with each one of you and speak again during Q2FY25 results.

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.