Truhome Lines Up FY26 IPO, Aims to Grab No. 2 Spot Soon

ET Q&A

Warburg Pincus-backed affordable housing lender Truhome Finance is targeting a public listing in the coming financial year, said Ravi Subramanian, managing director and CEO.

Speaking to **ET**'s **Saloni Shukla**, Subramanian said the company expects to soon become the second-largest affordable housing financier in the country. Edited excerpts:

How soon do you plan to go public?

The market for affordable loans is huge and a 30% (assets under management) AUM growth for us is very achievable in the current scenario. Capital becomes the key. IPO for us is just one of the ways in which we can approach the market for capital. While there are no immediate plans for stake dilution, the company anticipates additional capital requirements in the next fiscal year. Any future equity action will depend on market conditions and may involve a public offering or private transaction.

Would there be a strategic investor that could invest in the IPO?

We anticipate significant interest from both financial and strategic investors when Warburg considers any future equity dilution. At this moment, there is no such discussion ongoing.

How soon do you expect to beat the number one affordable housing company?

As of Q2 FY26, we were at an AUM of ₹20,400 crore—currently the third largest in the industry. The gap between us and the second largest is very small and given our growth rates, we expect to be the number 2 soon. It will take some time to catch up with the largest affordable housing finance company. However, given our growth rates, which are almost double the industry growth rate, I expect that to happen in due course.

IN THE PIPELINE

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How have your borrowing costs panned out?

Our incremental borrowing cost in the current year has come down by around 100 bps and the overall cost of borrowing has come down by almost 55-60 bps.

How do you plan to diversify your loan book?

Truhome has a self-employed focussed book. We currently have almost 80% of our customers from this segment. We will soon be diversifying into the salaried segments with mortgage products tailored for this customer category. Further, as we expand into Tier 3 and Tier 4 cities, we will start offering newer products for customers wanting to construct their own homes or wanting to expand their existing houses.

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