



“Can Fin Homes Limited
Elara Capital - 01.09.26 (5)
September 04, 2026



MANAGEMENT:

MODERATOR:

Management: So this TrueBitcoin is from

Questioner: So TrueBitcoin is a PMS AIF which is promoted by Nikhil and Nikhil Kamath?

Management: Zerodha?

Questioner: Zerodha. And I look at equities, I'm actually head of equities out there and right now I'm more involved in Nikhil Kamath's family office. I'm looking for his family office and also looking at Nikhil's small family which we invest in public equities. So it's close to INR25,000 crores invested across public and private. 60% would be public out of that INR25,000 crores and the remaining will be private and other assets?

We are evaluating some of the NBFCs, especially in the housing finance space. So I'm meeting a few of them just see how things pan out. I just wanted to know how is the situation currently? Are you seeing any stress in terms of your cohort of broad overs?

Management: So no, in terms of demand and growth, we are not seeing any such stress.

Questioner: Okay.

Management: We have six operating zones. All of them have registered positive growth in Q1 and so it's a progress.

Questioner: Positive growth when you say when you, of course, the growth will be positive in general. What's the magnitude of that growth?

Management: I would say strong, positive growth kind of, like in North and West, it is more than 30%, 40%.

Questioner: Okay.

Management: And Karnataka which is our very big zone, that has also grown 18%.

Questioner: Okay.

Management: So this has been a more double-digit growth everywhere.

Questioner: Okay.

Management: In North and West, it was probably more because of lower base.

Questioner: How big is North now in the overall system?

Management: 16%, 17% AUM.

Questioner: Okay. 16%, 17% and in North, which are the states that you are targeting at this point in time?

Management: In North, actually we account for this, see we are having six zones. In North, we have UP, Delhi, Haryana, Punjab.

Questioner: Okay.

Management: Haryana, Punjab and I think that Uttarakhand is also, that is in the North zone.

Questioner: And which of this size would be at this point in terms of AUM?

Management: In terms of AUM?

Questioner: In terms of overall?

Management: You mean branches or this?

Questioner: No, not the branches?

Management: AUM, yeah. Highest number of AUM. Highest is in Karnataka only.

Questioner: No, no in the Northern part where you are?

Management: That number we don't have, like which are, there are branches, extra large, very big branches and all those things, but we don't have that name wise.

Management: No, I will tell you. North, out of total AUM as on quarter one, North comprises of 14%.

Questioner: Okay.

Management: West is 15%.

Questioner: Okay.

Management: East is 9%.

Questioner: Okay.

Management: Karnataka, again if you see, it is 27%. Right, Tamil Nadu contributes around 18%.

Questioner: Yes.

Management: Telangana is 17%. So Southern states, you see, basically West and North if you see, they comprise of around 29% as on date. Of course, in East also some branches like, say, Bihar and our West Bengal and Chhattisgarh also comes, Odisha also comes in our Eastern part only.

Questioner: And among these regions, wherever you are present, where are you seeing the more competition coming in? New competition, because this is a space that everybody wants to target?

Management: So as such there is no, no such thing that we are facing more competition in North or Tamil Nadu or Telangana. There are different players, like our strength earlier, it has been in to, we were more prominently present in South and Karnataka and Telangana and Tamil Nadu. Now we are expanding in North and West. Maybe some other players will be expanding in South, their footprints in South.

Questioner: So in North, who is the biggest competitor? Like-to-like, if I talk about?

Management: By and large, overall, we don't have biggest competitors in South, someone in North, someone. Overall, overall our major competitors are PNB Housing Finance, LIC, and Bajaj Housing Finance.

Questioner: Okay, across the region, these are the three players whom you compete with. And you operate in that affordable segment what? 15 or you operate across all segments with the ticket sizes?

Management: Our average ticket size is around INR30 lakhs.

Questioner: INR30 lakhs?

Management: INR22 lakhs, INR22 lakhs to INR30 lakhs will be ranging in that zone.

Questioner: Okay, and like CRISIL has classified some kind of classification between affordable housing, mid-income and then there are three cohorts. From INR15 lakhs to INR30 lakhs, between INR10 lakhs to INR15 lakhs, and above INR30 lakhs. Which is the strongest for you?

Management: INR20 lakhs to INR30 lakhs.

Questioner: INR20 lakhs to INR30 lakhs is the strongest?

Management: Yes.

Questioner: And in terms of the mix of customers, how is it for you, self-employed and salaried?

Management: 67% is salaried and 33% is self-employed.

Questioner: And are you, in terms of, are you seeing any stress here in self-employed at this point in time?

Management: No, because we are not seeing any stress or there is no any increase in GNP which is attributed to SENP segment. The primary reason here is that we are doing SENP only on the basis of documented income proof.

Questioner: Okay.

Management: No appraised income proof.

Questioner: No cash flow assessment. It's all documented?

Management: Yes.

Questioner: So all these guys will have some credit history whom are you funding?

Management: Yes.

Questioner: Okay. And between the salaried and self-employed, is there any difference in the yields that you get on your?

Management: For apple-to-apple housing loan customer, if it is salaried vis-a-vis SENP, there will be, SENP will be higher by 50 basis point, like half a percent.

Questioner: So the self-employed will be 50 basis points higher than the salaried customer?

Management: And they are very, across various categories, it will keep on increasing. Like here also it will be and in SENP, it will be more like suppose the best customer is 0.50 basis point, but a little riskier customer with credit 2 or 3, the gap will be 1%.

Questioner: And do you have any guided growth trajectory that you talk about?

Management: We have given a guidance of AUM growth of 14% for the financial year '27.

Questioner: Okay. And what's the current credit cost?

Management: It's less than 10 basis points, 0.09.

Questioner: Okay, and you target, you have any guidance for credit?

Management: 10 basis points.

Questioner: 10 basis points?

Management: On a conservative side, we are saying 15 basis points and all, but for all practical purposes, it will continue to be around 10 basis points.

Questioner: And how many unique customers do you have at this point of time?

Management: Sorry?

Questioner: How many unique customers?

Management: 2,94,000, 2,95,000. Close to 3 lakhs.

Questioner: And this 14% AUM growth, how will it come? It will be more new branches coming in or existing branches, how is it mix?

Management: Basically, it is for three mixes, you can say. Existing branches also will be contributing.

Questioner: Okay.

Management: As well as new branches will be contributing around INR1,500 crores, sorry.

Questioner: Okay.

Management: And if you see, then we have the third segment that is our sales team. That again, they will be contributing around INR1,500 crores. A little bit of background in this, for example say sales team, we started a couple of years back.

Questioner: Okay.

Management: In FY25 with around 35, 36 people, we did INR130 crores.

Questioner: Okay.

Management: Last financial year, we did around INR883 crores with 30, 83 people. Still we have a strength of 83 people. We are then, most likely in the coming months, we will be increasing them to 150.

Questioner: So you currently have 83 people in the sales team?

Management: Sales team, yes.

Questioner: Okay, and you want to increase this to 150?

Management: Yes, by before this year end.

Questioner: Okay.

Management: So there we expect around INR1,500 crore of disbursement coming in. New branches have contributed in FY25 INR179 crores.

Questioner: Okay.

Management: Last year it was INR826 crores. This year again we are targeting around INR1,500 crores.

Questioner: From new branches?

Management: Yes. So this year also if you see, we had planned to open 28 branches. Out of this 28 branches, we have already opened 20 branches so far and again I think four, five branches we'll be opening maybe within this coming week or so.

Questioner: By FY27, you have already done 20 branches?

Management: Out of the planned 28.

Questioner: 28. Then you will overshoot this target. You will actually overachieve this target?

Management: No, our, our projections is that at least INR1,500 crores we should be achieving through new branches.

Questioner: Okay.

Management: And plus from the last couple of years also, we have opened more than 50 branches. There also, some contribution will be coming. So put together, from INR826 crores, we expect that this figure will go to INR1,500 crores.

Questioner: Okay.

Management: And if you see our old branches' contribution also will be there. For example, then our DSA contribution, if you see, it is around 80%. And then this mix also going forward, we want to

change. Like we want to have the mix of 60/20, 10/10. 60 for DSA, 20 for our sales team, and 10% for the walk-in customers as well as 10% from the digital mode, digital. Yes. So going forward, that is our aim.

Questioner: Right now, DSA is 80%?

Management: 80.

Questioner: And how much do you pay to the DSAs?

Management: DSA, DSA, our cost is 0.4 to 4, 5. So it is in the range of per crore, you can say, 40,000 odd.

Questioner: 0.4 to 0.5%?

Management: Yes. Average you can say 40, 0.4.

Questioner: So then if you target this to bring 80% down to 60%, what time period are you looking at?

Management: In the next two, three years, we are looking to achieve that.

Questioner: Okay. And 20% and in this sales team, do they get incentives extra?

Management: Right now they are not getting any incentive. Actually they are in our roles.

Questioner: Okay.

Management: So with the initial salary package of say INR36,000 to INR38,000.

Questioner: Okay.

Management: We are in the process, it is in the initial stage, we are trying to incentivize them, but that is not finalized as yet because unless and until it is finalized and approved by the board, we cannot say that we have done it. So mostly it is in the pipeline. Some reward points we are giving right now. That we started somewhere in from the month of June. From 1st June, we started reward points that will carry on up to 30th of September, then maybe if the coming upcoming board meetings, we will be if something fruitful comes up, in that case we will be going ahead with that.

Questioner: So this guys, sales team will have some target that you have put in. How much is?

Management: Everybody is having a target for that matter and see basically, all the people, say some people will be experienced because we have a lot of mix in that. Some new people from the branches also will be coming out joining the sales team. We are not hiring a lateral hiring, we are not doing for the increasing the our staff force, sales force. Rather it will be from the our existing system only because as you know we are going for a complete transformation of our IT.

Based on that, there will be certain processes will be means, you can say ease of doing business will be there. In that case, certain people will become excess in our branch atmosphere. In that case, some people we will be deploying them gainfully in our sales team because they are having some internal processes also. They are fully aware, our system, our ethos, everything is they are

knowing. So in that case, they will be moving out to the sales team and we expect that's how we are taking this our strength to 150 around.

- Questioner:** Okay. Right now you all have 80% from DSAs. How is that 20%, remaining 20% coming?
- Management:** 20%, around 10% right now is from the sales, 10% from the direct walk-in.
- Questioner:** Digital, there is no presence as of now?
- Management:** Digital, it is a miniscule you can say as of now, as on date.
- Questioner:** But now are you ready to reach that 10% target level from digital?
- Management:** No, we are not targeting this 10% this is for two, three years down the line we're having a target of making it 10% through digital mode and through walk-in also direct customers also 10% other than sales. So 20% through both these, 20% through sales, and 60% through DSAs.
- Questioner:** Right now, there is no direct?
- Management:** Direct is there, no, 10%.
- Questioner:** There is no digital. As of now, there is no digital?
- Management:** Digital is not, digital you can say it is a miniscule.
- Questioner:** Direct is there. Some growth in like new, old branches is also there. New branches is there. System is there?
- Management:** But in digital, you'll have to create some infrastructure.
- Management:** That is what we are creating. IT transformation, we have migrated around so far 99 branches are working in the new platform.
- Questioner:** Okay.
- Management:** And again this week, we are migrating again around 77 branches. So it will be, and then remaining we will be left with around 75 odd branches, so that we'll be migrating in the first week of October. So stage-wise migration we have done in the second quarter onwards.
- Questioner:** Okay. So given your ticket size, average tickets of 30 lakhs, you'll be largely present in the top 15 metro cities or you're present at the lower places also?
- Management:** We are in tier one, tier two, everywhere we are there. Even in tier one wherever we are there in metros, whatever every took, basically we are in the outskirts.
- Questioner:** Okay.
- Management:** So those type of customers we are targeting are basically in the outskirts. For example, say in Bangalore also, we have opened some branches in the new upcoming areas where the demand

also is a little bit high and where the people will be going for the ticket size of our compatibility, you can say. So there we are getting proposals, so there is a sufficient number of proposals.

Questioner: In the stronger states, you're penetrating deeper below.

Management: Yes, yes.

Questioner: But in the new states where you're going like North?

Management: We are not going new. A fresh, we are not going. Our presence was only already there in those states. Only we are increasing the footprints, you can say. Our presence we are increasing.

Questioner: You plan to increase 28 branches?

Management: Right.

Questioner: In FY27, you have 20 already opened?

Management: Yes.

Questioner: Which are the zones where you have opened these branches?

Management: See, actually if you see.

Questioner: Is that mix changing going forward?

Management: Yes, mix is, mix is there. Mix is there.

Questioner: Okay.

Management: And for example.

Questioner: Is it skewed in favor of any particular zone, this 20 branches?

Management: You can say this time it is out of this 28 branches, 10 branches we have opened in East zone only. But then East, you cannot say 100% East only because there Andhra Pradesh also is there in our East.

Questioner: Oh, Andhra Pradesh comes in East?

Management: East, our, our classification wise it is coming in East zone. So Andhra Pradesh, Odisha, Chhattisgarh, Bengal, Bihar, Bihar.

Questioner: Bihar?

Management: And West Bengal.

Questioner: West Bengal?

Management: Because we don't have presence in Jharkhand.

Questioner: North Eastern states, you don't?

Management: We don't have any presence there.

Questioner: Any plans to go there?

Management: Right now, we don't have plans. Of course, see it is all scientific way that the study is done based on the number, average number of hits that we get which meets our requirement of opening a branch, because opening a brick and mortar branch ultimately has its own cost, you know. So there if we get a good opportunity there, then definitely we will be going at it.

But for next financial year, we have not planned as such, but of course one thing is for sure this, this year we will be crossing around two, three, 277 branches. Next year we will be crossing that 300 branch mark, we'll be crossing. Because next year, we'll be celebrating our 40th anniversary also since our inception.

Questioner: And how much does it cost to open a branch?

Management: A branch opening, you can say, depends on the area size because we go for around 800 square feet to 1,000 square feet on an average.

Questioner: INR12 lakh to INR16 lakh?

Management: INR16 lakh rupees, INR17 lakh rupees you can say that is the furnishing, other costs will be there. Fixed cost, what you can say, fixed plus then capital plus as well as revenue.

Questioner: And how much does, how long does it take for a branch to break even, any new branch?

Management: Average, you can say 12 months to 18 months.

Questioner: Okay. And do you, have you closed the branches earlier?

Management: We have merged the branches.

Questioner: Not closed?

Management: Not closed.

Questioner: Not closed any of the branches okay. And how long do you take before deciding that this there is there is no requirement of two, three branches in this area you merged?

Management: Periodically we do our branch wise profitability and all, so not that we when we say we have merged that we have it has been a regular exercise. In the past, we have seen during the profitability exercise that this makes sense to merge these two branches to turn them profitable and bring them to the right scale. So four, five branches have been merged in the past.

Questioner: Okay. But not, not a very.

Management: Not a very regular phenomenon.

Questioner: Okay.

Management: And similarly, we have not closed our branches also. Yeah, closing the branch. Anyway, our size was very small. We were less than 200 branches I think couple of years back.

Questioner: So this year's 28 branches, you will overshoot this target for sure because you have already done 20. And what's the target for FY28? Have you set any targets?

Management: FY20, that's what I told you. Minimum 20 to 25 branches minimum we'll be doing. We'll be crossing this 300 branch network mark in next financial year.

Questioner: In FY28?

Management: 28, yes.

Questioner: But then that means you'll would be opening lower branches than FY27?

Management: No, that is not, it depends on the type of.

Management: We will cross 300, touch 300, that doesn't mean we will stop at 300. We can go up to 304, five, I don't know.

Management: We can go depending on the this way, because anyway economy is growing and new places are also coming up. There are a lot of new cities are also coming up, they are developing, so we will see because it, I told you, it is not a process that we decide sitting in our office in a drawing room. We will not because we are not having a branch there, so we will not be opening that. It is a complete scientific method. Wherever hits are more, wherever customer inquiries are more, only in those places only we will be going for our expansion. Because there, that's what, once we go for any expansion, we should get the business also.

Questioner: Yes.

Management: That is the criteria.

Questioner: What would be the largest branch among the current ones?

Management: I think in Andhra, in Telangana we have one branch like like.

Management: Which is like 1,000 square feet?

Management: Like in terms of area I was talking about in AUM.

Management: Okay.

Management: Area-wise you can say highest it will be around in the range of say 1,500 square feet. 1,800 also will be there, yeah.

Management: AUM is INR2,000 crores.

Questioner: Okay, INR2,000 crores, one single branch? Where is which area is? Andhra?

Management: Telangana.

Management: See, we are having some 21 extremely large branches, ELB we can say, more or less. More than 21 we are having.

Questioner: Okay.

Management: So this branches come, some are there in Bangalore, some are there in Hyderabad, some are there in Gurgaon, some are there in, you can say, Delhi.

Questioner: Okay.

Management: Jaipur, for that matter. So all these places is in a scattered way, we are having a high list of branches.

Questioner: And these 21 branches put together, it will be how much AUM? Extremely large branches that you classify?

Management: Average size you take for a ELB branch is means more than INR500 crores.

Questioner: Okay.

Management: So that way of course, I am not calculations I feel I'll not be able to give you that exact figures, but you can say it will be around.

Management: INR8,000 crores, INR9,000 crores.

Management: INR10,000 crores, you can say minimum it will be there. INR10,500 crores because anyway INR500 crores minimum it is there, this shock.

Questioner: INR500 crores is the minimum amount?

Management: For classifying under, yes.

Questioner: And largest would be this INR2,000 crores in Andhra Pradesh?

Management: One branch is like INR1,900 crores or INR2,000 crores.

Questioner: And what is that that's causing that why is that area is very affluent, ticket size is higher?

Management: No it's like, Telangana market is such that if you see there is a branch-wise, zone-wise branch split in other in other states we have more number of branches like 40, but in Telangana we have only 19 branches, but 19 of them are quite considerably doing good business. Somewhere it is possible to have a branch and cover more area, so that how it has become.

Questioner: And about your how big is your sales force as of now? This is the sales team that you talked about, the 83 people?

Management: Right now.

Questioner: Okay, right now. And you plan to take it to 150?

Management: Correct.

Questioner: And the collection you do in-house or you outsource it?

Management: That is in-house only.

Questioner: Okay, how many people in collection?

Management: No, actually basically our strength is the branch banking, you see. So all our basically in any typical branch, you will be having all type of teams. Like say processing will be there, then your recovery people will be there, sales people will be there. So recovery people will be taking care of the recovery thing.

Of course, overall the branch in-charge will be there in all the branches. Yes, he is the overall in-charge of the branch functioning, including AUM growth, disbursement growth, recovery, other miscellaneous items, whatever is reconciliation, all those people are there in the branch.

Questioner: But in terms of team collection, people who are focused only on collection?

Management: Designated recovery officer is there.

Questioner: How big is that team overall in the organization level?

Management: No, basically it is branch-wise. So basically in the branch, all the places you will be having one. Moreover, to supplement them, we are having a call center also, headquartered in Bangalore. And so they will be a call making the calls, sending the SMSs as and when required. So basically the recovery will be done by our local people only. So our recovery is also very high if you see. Our delinquency percentage if you see, it is just flat. Rather in SMA 1, 2, it has come down as if we can compare to March as on June.

Questioner: What's the current mix in terms of mortgages and LAP?

Management: LAP is 6%.

Questioner: Only 6%? 6%. And what's the yield on this LAP?

Management: Yield is will be a higher, higher yield like 11% to 12%, but it's since it's very low in overall AUM composition.

Questioner: And mortgages, what is the yield? The yield on mortgages?

Management: Average yield will be around 9.5%.

Questioner: And your cost of funds would be what? 7%?

Management: 6.99% closing.

Questioner: Okay. And the capital, of course, would be sufficient enough for this growth that you're talking about. You don't how long can you grow with this capital like?

Management: For next three, four years, we don't need capital. Because we are growing at an with an ROE of 18% and our AUM growth is 14%, so.

Questioner: Why can't you grow faster than this?

Management: We will we are.

Questioner: If I talk to any of these housing finance companies specifically Aadhar, Aavas, they're all talking about 20% growth. Nobody is talking about less than 20% growth. What stops you from growing at faster than 14%?

Management: No, it's just we are setting up the premises for that growth which is there to come right. So we are expanding, we are building systems, we are implementing controls, all those things.

Questioner: Okay.

Management: Gradually, we are growing. It is not that we just want to speed up just like that without having proper control in the wagon that we have.

Questioner: For you to grow, what is it that's required to grow faster than 14%?

Management: See, basically we don't compromise on the quality. So if you see all our loans basically, they are all documented people are only there in that segment. So we don't take without any say, what do you call that word?

Questioner: Appraised income?

Management: Appraised income we don't take.

Questioner: But in terms of, see credit cost yours is 10, 15 basis points?

Management: That's why it is less, no, 10. So, so because.

Management: Aadhar is like 23 basis points. Aadhar Housing, I am talking about.

Questioner: So that's what, no, say where is 10 basis points and 23, so that's why our portfolio quality?

Management: See yields are 15%.

Management: So, but that will that is we believe that whatever is there should be sustainable thing and it should grow gradually like industry is growing at 12%, right? So we are going to mirror the industry here, not we don't want to grow now at least at 23%, 24%.

Management: Between 14 and 18, there is a four percentage points.

Management: So this year with a strong disbursement growth, AUM growth will follow with little bit of lag.

Questioner: Okay.

Management: So if we consistently deliver or achieve 20 more than 20% disbursement growth quarter-over-quarter at a later point of time, AUM will start growing.

Questioner: 14% is the AUM growth target. What's the disbursement growth target?

Management: More than 20%.

Questioner: More than 20%?

Management: As against INR10,500 crores of disbursement last year, we have given guidance of INR13,000 crores of disbursement this year.

Management: This year?

Management: INR13,000 crores.

Questioner: 13,000. I asked the first question in terms of like your mix is more skewed towards salaried. Between the two, your GNPA number is how much, pardon me for this?

Management: 0.85%.

Questioner: 0.85%. Any specific cohort which is facing any challenges between salaried and self-employed now?

Management: No, a little bit of self-employed will be a little bit higher, but.

Questioner: Because you are on the ground, you are assessing everything. You guys will be because I keep on hearing because of the inflation going up, crude prices moving up, the margins are getting hit?

Management: SENP will be a little higher, but definitely that number is not.

Questioner: Nothing to worry about it?

Management: Yes, yes, because see overall is consistently 0.85 and we are seeing the increase in the mix also, no? Salaried, self-employed also mix is increasing, but our GNPA is not increasing, so that and overall delinquency also is not increasing, so that means everything is under control.

Questioner: And when you target the AUM growth, which segment are you for the mix will remain same, 67/33 or it will change?

Management: It will change to 65/35.

Questioner: 65, 35. That means there will be some improvement in the overall yields also. And in terms of do you also finance the under-construction properties?

Management: For customers directly if they go for a self-construction, we call it, if they are going for self-construction, that we finance.

Questioner: But builder?

Management: Builder finance we are not doing as of now.

Questioner: So, okay. So, you're not doing any builder finance?

Management: No.

Questioner: But I'm saying for example in your area, Brigade, Puravankara, these are the builders that they launch a project, under-construction projects, are you giving loan for an under-construction project?

Management: Project finance and builder finance we're not giving. No, no, I'm talking about. No, yeah, got it. In case, we see, we are having approved project project, APFs are there around 331 odd projects are there, but technically if you see this Brigade and Puravankara that you are talking about, their prices will be very high.

Questioner: Yeah, they're they're not in your?

Management: Their yes, customers will be having so they will be normally going to some PSU bank, maybe some private sector bank.

Questioner: Which is the largest ticket size that you have funded?

Management: We are average ticket size anyway.

Questioner: INR30 lakhs?

Management: INR30 lakhs.

Management: Largest is around INR2 crores, INR1 crores or INR1 crores, more than INR1 crores.

Management: INR2 crores that something.

Management: 1 or 2 pieces are there.

Questioner: There are, okay.

Management: INR1 crores, INR2 crores also we have cleared I think, but the number is very few.

Questioner: I'm good, sir. Thank you.

Management: Thank you.

Questioner: Thank you.

Management: Thank you.

Questioner: I like my coordinates too, sir. I am so sorry.

Management: Please, please.

Questioner: Yes.

Management: Zerodha is very frugal. They do not spend money.