

Multiples-backed Vastu Housing Finance raising about \$200 million from a consortium of investors

Synopsis

“With this investment, Vastu will further consolidate operations in 13 states and build products to provide faster and affordable credit for about 900 million population residing in these states,” said Sandeep Menon, Founder, MD & CEO, Vastu Housing Finance.



Vastu Home finance has a diversified liability franchise comprising more than 37 lenders and institutional investors.

Multiples-backed [Vastu Housing Finance](#) is raising about \$200 million from a [consortium of investors](#) led by Norwest Venture Partners, Creation Investments and IIFL Asset Management amid signs of revival in the low-cost [housing](#) segment. This is supposed to be the largest transaction in the affordable housing space for any private equity growth investment.

The proposed fund infusion is through a combination of primary and secondary sale.

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Vastu was set up in 2015 by Sandeep Menon and Sujay Patil with Multiples Alternate Asset Management (Multiples) being the largest institutional investor.

The home financier uses its own technology to assess creditworthiness of customers across the country.

Vastu is a digitally enabled retail affordable housing [finance](#) company with a [pan-India](#) presence. It has a home loan book of around \$400 million with over 1,200 employees. The majority of its asset growth has been credit tested and withstood severe stress events like the pandemic in the past two years.

Vastu has an in-house proprietary technology platform christened as PULSE, which paves the way for a paperless digital experience and faster turnaround times for customers.

“We also derive huge satisfaction in Vastu’s contribution to build an inclusive [India](#),” said Niren Shah, Managing Director, Head of Norwest Venture Partners India.

Norwest is a preeminent, multi-stage investment firm managing about \$10 billion funds globally. It has equal share along with Creation Investments in the latest round of fundraising into Vastu, which aims to become a diversified consumer lender serving all credit needs of middle and aspiring India.

Vastu has also set up a non-banking finance company (NBFC) – Vastu Finserve, venturing into vehicle and MSME finance.

“Based on the speed to scale, underwriting quality and profitability that Vastu has delivered, it is one of the finest retail financial services companies in India today,” said Sudhir Variyar, MD & Deputy CEO of Multiples Alternate Asset Management.

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