

Gunit Chadha's APAC in talks to raise funds from Multiples

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APAC Financial Services, the non-banking financial company founded by Deutsche Bank's former Asia Pacific chief Gunit Chadha, is in talks with Multiples Alternate Asset Management Pvt. Ltd to raise funds.

APAC Financial is looking to raise Rs300 crore from the private equity firm, said two people close to the development, on the condition of anonymity.

"APAC Financial is in early discussions to raise funds to fund its NBFC and housing finance business," said one of the two people cited above.

APAC received final approval from the Reserve Bank of India to float an NBFC in March 2018. The firm's

housing finance business—APAC Housing Finance has also received certificate of registration from National Housing Bank, the regulator for home financiers.

The financial services firm will focus on microfinance, consumer lending, small and medium enterprises and affordable housing among others.

An email sent to Multiples did not elicit any response.

"We cannot comment on this matter as it is entirely speculative and not correct. We shall certainly keep you informed as and when we raise external institutional funds," an APAC spokesperson said in an email response.

He, however, said that the leadership teams for both the structured finance and affordable housing business are in place, two areas where banks



APAC Financial Services founder Gunit Chadha.

are under-penetrated and customers under-served.

In a separate interview, Chadha said: "There has not been a better time than today, with significant government

and regulatory tailwinds, to provide credit to under-served customers across self-employed consumers, SMEs and corporates in a timely, flexible and structured manner."

Multiples, founded by former ICICI Venture chief executive officer Renuka Ramnath, has around \$1 billion in assets under management.

Some of its current investments in financial services sector include RBL Bank Ltd and Vastu Housing Finance.

In the past, the firm has invested in South Indian Bank and Cholamandalam Investment and Finance Co. as well. Recently, it also invested about \$11 million in Sanctum Wealth Management. Currently, Multiples is in the process of raising a new \$1 billion fund; the largest ever fund raise by a domestic private equity firm.

According to a report

released by ICRA Ratings Ltd, as on 31 December 2017, the total managed NBFC-retail credit of NBFCs stood at around Rs7 trillion up from Rs6.1 trillion in March 2017, registering an year-on-year growth of 18.3% compared to

15.5% in fiscal 2017. A. M. Karthik, assistant vice-president and sector head, financial sector ratings at ICRA, said, "The growth was supported by a healthy uptick witnessed in

some key asset classes namely, commercial vehicles (CV), unsecured credit (including microfinance) and SME credit; these segments together accounted for about 60% of the total NBFC-retail credit as of December 2017."

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