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**REAL ESTATE**

### 🔒 Exclusive: Real estate veteran Amit Goenka to launch NBFC

By Sivet Sarika | 16 November 2017

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Industry veteran Amit Goenka, who had set up real estate-focussed private equity firm Nisus Finance Services Ltd a few years ago, is planning to launch a non-banking financial company.

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## REAL ESTATE

### **Exclusive: Real estate veteran Amit Goenka to launch NBFC**

By Swet Sarika

16 November, 2017

Industry veteran Amit Goenka, who had set up real estate-focused private equity firm Nisus Finance Services Ltd a few years ago, is planning to launch a non-banking financial company. The NBFC will mainly back real estate projects and may invest 30-40% of its corpus in startups in the form of venture debt.

Goenka, managing director and CEO at Nisus Finance, told VCCircle that the documents for the proposed NBFC are being prepared and the company is likely to apply for a licence with the Reserve Bank of India within a week.

“We have brought two corporate houses as our shareholders, while I will continue to own a majority stake in the company. Initially, we will capitalise it with a corpus of Rs 100 crore and take it to over Rs 500 crore by 2021.” He, however, did not disclose the identity of the corporate houses involved in the transaction.

Goenka hopes that the NBFC will be up and running by February 2018.

The platform will back mid-income, affordable housing projects across top cities with a ticket size of Rs 10-25 crore. “The NBFC will play a complementary role to our existing fund business on multiple counts. While we can do only certain types of deals under our fund business, the NBFC platform allows us to go for term loans, loans against property and promoter funding, among others, including structures.”

This will not only add to the company's real estate exposure, but it will also have the advantage of sharing a high-ticket transaction between the NBFC and the fund. "This will help us expand our horizon to many more cities," he added.

While Goenka will manage the overall operations, he wants to hire a vertical head. With over a decade-long experience in real estate, the former chief executive officer of Essel Finance had worked in various capacities in Anand Rathi and Knight Frank, among others. He was primarily into structured finance, mergers and acquisitions, and valuations.

Nisus Finance has raised funds from domestic investors under the alternative investment fund vehicle and has Rs 90 crore of assets under management. In the property market, it has backed developers like Shriram Land and Midcity Heights.

Flavour of season

Of late, a number of financial services companies have shown interest in launching an NBFC arm to back the real estate ecosystem. Recently, ASK Group, which has presence across real estate and private equity through the AIF route, had launched an NBFC focussed on real estate and other related sectors.

Demand for debt capital is high in the real estate sector and it is only going to increase from here on, say experts. Given the slowdown in sales of residential units following the onslaught of regulatory reforms, developers are going for multiple rounds of financing and refinancing to finish the construction of projects, while giving exit to existing investors.

"There is no dearth of demand for debt capital in the real estate segment and we only expect it to go up. Therefore, we have seen firms, which had presence only in the PE space, launch NBFCs, and vice-versa. And this is mainly on account of two reasons – the complementary roles that they must play, and increasing demand for such capital," Goenka said.

Last year, real estate-focussed private equity firm Blacksoil Group had also launched an NBFC to back startups, apart from real estate.

NBFCs such as Altico Capital, Xander Finance and Piramal Fund Management have also ramped up their activities and are betting big bucks on the segment through the debt route.