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EQT Acquires Niwas Housing Finance, Pledges ₹500 Crore for Expansion and Digital Growth

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Swedish private equity firm EQT has finalized the acquisition of Niwas Housing Finance Ltd. (formerly IndoStar Home Finance) from IndoStar Capital Finance, along with a funding commitment of ₹500 crore. The investment will support Niwas in scaling its operations and advancing its digital infrastructure, particularly in India's tier 2 to tier 4 cities.

Niwas, established in 2017, focuses on providing affordable housing loans to low-income families and small businesses. As of March 2025, the lender manages over ₹3,000 crore in assets and has extended credit to more than 47,000 borrowers through a network of 140+ branches across nine states.

The capital infusion will fuel Niwas' plans to increase market penetration outside major metros, while streamlining digital lending and credit underwriting processes.

K.R. Kamath, chairperson of the reconstituted board at Niwas, said, "Niwas is well-positioned to expand access to home ownership in India. The new board's collective experience will guide the company to scale responsibly, with customer focus and prudence at its core."

EQT Asia partner Hemant Sharma stated, "India's retail lending sector continues to offer exciting opportunities and is a key investment theme for EQT in India." The acquisition underscores EQT's ongoing interest in high-growth financial services in developing markets, following its earlier investment in education-focused lender Credila.

The value of the transaction is estimated at approximately ₹1,750 crore (\$210 million). Analysts view this acquisition as a strategic move aligned with India's rising demand for affordable housing finance, driven by increased urbanization and a growing middle class.

Notably, Niwas has seen increased traction even in non-metro areas such as Nagpur, Jaipur, and Lucknow. The company aims to serve over 150,000 families by 2029 and plans to implement AI-enabled digital solutions to improve customer service and risk management.