
Avendus Capital advises Avanse on its primary capital raise of INR 800 crores from Kedaara Capital

Mumbai, January 19, 2023

Avanse Financial Services Ltd. (Avanse), India's new age, technologically advanced, education-focused non-banking financial company (NBFC), today announced that Kedaara Capital, a leading private equity firm, will infuse INR 800 crores in Avanse to fund its strong secular growth. The fundraise will be deployed to expand its presence and outreach to a larger number of deserving Indian students enabling them to fulfil academic aspirations and towards greater development of the Indian education ecosystem. Warburg Pincus continues to be the majority shareholder in Avanse.

Avendus Capital was the exclusive financial advisor to Avanse on this transaction.

Avanse has been on a strong growth trajectory, playing a transformational role in the education financing segment. The company's AUM stands at ~INR 8,000 crores as of December 2022, reporting a 1.9x growth over the same period last fiscal. During 9MFY2023, Avanse witnessed the highest-ever growth in its loan disbursement of ~INR 4,850 crores., delivering ~2.5x growth over the same period last fiscal. As a student-centric organisation, Avanse has fulfilled the educational dreams of over ~3 lakh academic aspirants across 3,000+ institutes and 25,000+ courses in over 50 countries. The company also provided growth and working capital to 1000+ educational institutes catering to over ~5-6 lakh students.

Amit Gainda, Managing Director & CEO, Avanse Financial Services said, "While Warburg Pincus & IFC continue to be supportive partners in our journey, we are now delighted to have Kedaara Capital on board. Avanse is at an exciting phase of growth as we continue to fulfil our mission of providing education financing to students passionate about accessing high-quality education. As the world recovered post the pandemic, we witnessed a significant resurgence of students seeking higher education at international locations. We have responded with agility, leveraging technology to develop customised financing solutions to address unique student demands. The growth capital will enable us to strengthen our brand proposition, integrate digital solutions and innovate to build more depth into our product range as we work towards delivering greater stakeholder value."

Narendra Ostawal, Managing Director, Warburg Pincus & Non-Executive Director, Avanse Board said, "Avanse has remained true to its commitment of fulfilling the right to quality education. The team led by Amit has delivered commendable performance over the last three years as India navigated through the pandemic. The Indian education finance segment is witnessing strong secular growth, and we look forward to providing continued support to Amit and his team towards achieving their goal of democratising education and education financing."

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Contact: Lynette D'souza

Tel: +91 9920847823

Email: lynette.dsouza@avendus.com

Avendus Capital

Regd. Office: The IL&FS Financial Centre, 6th Floor,
C & D Quadrant, Bandra-Kurla Complex, Bandra (E),
Mumbai-400 051, India

Commenting on the investment, **Sunish Sharma, Managing Partner and Co-CEO, Kedaara Capital** said, “Kedaara is very excited to partner with Amit and the management team and support Avanse’s continued evolution. We look forward to using our operational expertise and experience in the financial services space to help them realise their long-term vision.” **Kartikeya Kaji, Managing Director, Kedaara Capital** added, “The fresh primary infusion will significantly improve the company’s capitalisation, providing a strong base for future growth.”

Anshul Agarwal, Managing Director and Co-head, Consumer, Financial Institutions Group (FIG) & Business Services, Avendus Capital said, “We are privileged to be associated with Avanse and Warburg Pincus in this landmark transaction. The investment emphasizes the pristine asset quality and high growth seen in the student lending segment. It also underlines the strong confidence investors have in a high-quality franchise like Avanse. This partnership will further strengthen the company’s position in this rapidly expanding space as it continues to scale new heights”

About Avendus

Avendus Group is a leading financial services firm with presence in the areas of Investment Banking, Institutional Equities, Wealth Management, Credit Solutions and Asset Management. Established in 1999 in Mumbai, India, Avendus is today present in 11 cities across India, US, UK and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations.

Avendus Capital, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in the class track record of domestic and cross-border transactions. Avendus’ wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions and M&A advisory.

Avendus Capital Inc located in New York is an Avendus Group entity offering M&A and Private Equity syndication services to clients in the US.

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