

Avendus announces the launch of its third private credit fund, with a target size up to INR 4,000 crore

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Avendus PE Investment Advisors, an asset management arm of Avendus Group, announced the launch of Avendus Structured Credit Fund III (ASCF-III), the third private credit Category II Alternative Investment Fund. ASCF-III is targeting a total corpus up to INR 4,000 including a green shoe option of INR 2,000 crore.

ASCF-III will primarily invest in secured credit transactions of both operating companies and holding companies, with select investments in hybrid structures based on specific deal requirements. ASCF-III is a sector-agnostic fund with a focus on industries such as pharmaceuticals, healthcare, manufacturing, consumer, chemicals, technology, B2B businesses, among others. The fund aims to build a well-diversified portfolio of 12-18 transactions with a target gross portfolio IRR of 16%-18%. It targets mature and growth-oriented companies with strong business models, and their promoters, addressing their capital needs through customized structured credit solutions.

Kaushal Aggarwal, Co-founder, Avendus said, “We are deeply committed to growing our Asset Management business. This platform is built leveraging the core strength of the franchise i.e. deep sector expertise and extensive corporate relationships, with a focus on identifying large high growth strategies. This approach enables us to offer differentiated investment opportunities ahead of the curve while delivering attractive outcomes for our investors. Our Private Credit Funds serve as a prime example of how we are able to scale up a strategy significantly with sustained focus and deep capabilities.”

The Avendus Private Credit Platform is one of the earliest and most active private credit platforms in the country, executing deals worth INR 12,000+ crore over the last 12 years. It has over 8 years of investment experience through its NBFC and Funds with total investments of INR 6,000+ crore across 100+ deals.

Nilesh Dhedhi, Managing Director, Avendus Finance said, “India’s mid-market enterprises are increasingly leveraging private credit as a powerful financing solution, especially when flexibility provided by capital becomes a critical aspect. With private credit deals surpassing USD 20 billion over the past 3 years, this asset class is bridging a critical financing gap which existed between traditional debt and equity, making it one of the fastest growing asset classes. As the private credit market matures, it offers both investors and businesses a newer avenue to achieve growth and strategic adaptability in an increasingly sophisticated financial ecosystem.”

Anshul Jain, Executive Director, Avendus Structured Credit Funds, said, “Our first two private credit funds have established a strong track record of delivering consistent returns through a validated strategy over the last 7 years. We believe this is an opportune time for us to scale this strategy significantly given the increase in private credit demand from both investors and companies. With ASCF-III, we plan to focus on larger deals and businesses with typical deal sizes between INR 200 – 500 crore, along with leveraging Avendus Group’s

strength of having proprietary access to corporates for origination. Combining a specialized multi-faceted underwriting approach with active risk management has enabled us to deliver strong risk-adjusted returns for our investors over multiple cycles.”

ASCF-I, which launched in October 2017 was fully deployed across 9 transaction and returned the full capital back in June 2022, achieving a gross portfolio IRR of 18%. ASCF-II, which launched in January 2022, is fully deployed across 14 transactions, tracking an expected gross portfolio IRR of ~17%.

| About Avendus

Avendus Group is a leading financial services firm with a 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 10 cities across India, US and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations.

The Asset Management business focusses on delivering consistent, sustainable, and strong long term risk-adjusted returns with a primary focus on capital appreciation while maintaining an emphasis on capital preservation. It achieves this through four differentiated and performance driven product offerings - private equity, private credit, long only and long-short strategies. Each offering has a distinctive investment objective and an independent investment team, giving investors the ability to participate in growth areas of their choice.

For more information, please visit www.avendus.com

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