

Modulus Alternatives Announces the Successful Maturity and Exit of its Maiden Private Credit Fund I, Achieving a Gross IRR of 17%+

Mumbai, January 27, 2025: Modulus Alternatives Investment Managers Limited, an established alternative asset manager, focussed on private credit, announces the successful maturity and complete exit of its maiden private credit fund, Centrum Credit Opportunities Fund (Fund I).

Launched in 2019, Fund I was a closed-ended Category II AIF that invested INR 1,790 crore, through the Fund and other investors, across 15 investments in sectors such as healthcare & pharmaceuticals, consumer durables, specialty chemicals and industrials. The portfolio construct of the Fund primarily focused on senior secured operating company exposures with regular coupon-bearing investments. Notably, ~45% of exits were achieved through improved operational cash flows, ~30% resulted from equity raise, and the balance through refinancing.

Throughout its tenure, the Fund consistently delivered mid-teen returns while maintaining high credit quality and making regular income distributions to its investors. At maturity, the Fund achieved a Gross IRR of 17.01%, with a median investor IRR (pre-tax, post-expenses) of 14.28%. The Distributed to Paid-In Capital (DPI) of Fund I was 1.50x, with Total Value to Paid-In (TVPI) at 1.52x.

Alok Agarwal, Shareholder and Director at Modulus Alternatives, remarked, “The success of Fund I is owed to the seasoned investment team guided by an experienced investment committee. Building on this achievement, we are now raising funds for Fund II, which will follow the same strategy.”

Jaspal Bindra, Executive Chairman of Centrum Group, added, “We are grateful to our investors who trusted us from the beginning. This success is a testament to the growing importance of private credit in India’s economic growth, where it is playing a vital role in driving innovation and expansion across industries.”

Rakshat Kapoor, Head – Private Credit & CIO, Modulus Alternatives, shared, “The successful maturity and exit of Fund I highlights our disciplined investment approach and our team’s ability to navigate volatile market conditions. Despite challenges like the NBFC crisis and the pandemic, we consistently delivered mid-teen returns, with 13 of the 15 investments exiting ahead of schedule.”

“Post our investment, there was a significant improvement in operating profile, profitability and credit ratings of the portfolio companies. This also demonstrates our value add through active portfolio management and reinforces our commitment to deliver absolute value to all our stakeholders”, Mr. Kapoor further added.

Following the success of Fund I, Modulus Alternatives is raising commitments for its second private credit fund, India Credit Opportunities Fund II (ICOF II). Succeeding Fund I’s strategy, ICOF II is focussed on performing private credit in sectors with tailwinds, such as healthcare,

pharmaceuticals, industrials and clean energy. Fund II, with a tenor of five years (ending in August 2029), has deployed more than. INR 800 crore across six investments.

About Modulus Alternatives Investment Managers Limited:

Modulus Alternatives is an established private credit platform currently managing its second private credit fund - India Credit Opportunities Fund II. Since its inception in 2018, the firm has deployed over INR 2,500 crore across 21 investments.

Modulus Alternatives is held by Centrum Group and Alok Agarwal, former CFO of Reliance Industries Limited. The Board of Modulus is chaired by Mr. Vinod Rai, former Finance Secretary and CAG of India and includes independent Director, Mr. Raman Uberoi, a senior advisor for Government & Regulatory Relations at CRISIL Limited and is a member of SEBI's Market Data Advisory Committee.