PRESS RELEASE

Modulus Alternatives

Modulus Alternatives Launches INR 2,000 Crore Third Private Credit Fund to Address India's Mid-Market Credit Gap

Mumbai, January 19, 2026 – Modulus Alternatives Investment Managers Limited, an established alternative asset manager specializing in private credit, today announced the launch of **Modulus Credit Opportunities Fund III (MCOF III)**, its third performing private credit fund, with a target corpus of **INR 2,000 crore**, including a green-shoe option.

Key Fund Highlights

- **Target Corpus:** INR 2,000 crore including green-shoe option of INR 1000 crore
- **Fund Tenor:** 5 years from first close
- **Investment Strategy:** Performing private credit focused on senior-secured, robust credit structuring across resilient sectors
- **Target Returns:** Gross IRR of ~16%+ per annum

Structured as a **SEBI-registered Category II Alternative Investment Fund (AIF)**, MCOF III builds on the strong performance and disciplined investment approach demonstrated across the firm's earlier funds. The Fund will continue Modulus Alternatives' focus on **performing private credit opportunities**, providing senior-secured, robust credit structuring to fundamentally strong mid-market companies across sectors including **chemicals, healthcare, pharmaceuticals and APIs, industrials, clean energy, EV mobility, BFSI and auto ancillaries**.

India's mid-market continues to face a structural credit gap as traditional bank lending remains selective, creating increased demand for flexible and bespoke private credit solutions. MCOF III seeks to address this gap by constructing a **diversified, senior secured** portfolio, underpinned by rigorous underwriting standards, institutional-grade governance, and active portfolio monitoring.

Commenting on the launch, **Alok Agarwal, Equity Partner, Modulus Alternatives,** said, "India's private credit market continues to scale up. With two successful private credit funds behind us, we are now focused on scaling the platform with the same discipline and precision that built our foundation. Our aim is to expand thoughtfully—strengthening origination, deepening credit frameworks, and building a business designed for long-term performance and relevance."

Jaspal Bindra, Executive Chairman, Centrum Group, "As one of the early movers, our journey across two successful private credit funds has reinforced the strength of our model: deep credit expertise, robust sourcing, and uncompromising risk management. As we expand the platform, our focus remains on delivering predictable outcomes through structures that protect capital and create long-term alignment with investors."

Sandeep Agarwal, Chief Executive Officer, Modulus Alternatives, **"**Private credit has emerged as a core allocation for investors seeking stable income and downside protection in India's evolving credit landscape. With MCOF III, we build on a proven private credit strategy to deliver resilient, risk-adjusted returns through disciplined investing and robust credit structuring. Our objective is to generate predictable cash flows, supported by a truly independent investment approval process and strong alignment with investor interests."

Modulus Alternatives has established a strong track record in India's private credit market, consistently delivering **mid-teen returns with zero credit losses**. Across its private credit platform, **Fund I and Fund II have collectively deployed more than INR 3,150 crore (**along with other investors), across **29 transactions**, successfully exiting **18 investments** and cumulatively returning **over INR 1,900 crore** to investors.

Its maiden fund Centrum Credit Opportunities Fund I (CCOF I) achieved a gross IRR of over 17%+ upon complete exit in December 2024**.** India Credit Opportunities Fund II (ICOF II), assigned CARE AIF 1 grading, reflects high governance and risk management, continues to deliver stable performance and consistent quarterly income distributions to investors. ICOF II has already deployed over **INR 1400 crore** (including other investors) maintaining a diversified, quality portfolio with a focus on investment grade companies.

With the launch of MCOF III, Modulus Alternatives continues to strengthen its position as a **disciplined, governance-led private credit platform**, focused on addressing India's evolving growth capital needs while delivering predictable outcomes for investors.

About Modulus Alternatives

Established in 2018, Modulus Alternatives Investment Managers Limited is one of the early movers in India's private credit space. An independent boutique platform, Modulus focuses on addressing the country's mid-market credit gap through performing private credit strategies. The Firm's Board is chaired by Mr. Vinod Rai, former Finance Secretary and Comptroller & Auditor General of India, and includes seasoned independent directors and industry experts. Backed by the Centrum Group and Alok Agarwal (former CFO, Reliance Industries Limited), Modulus provides bespoke, senior-secured financing to investment-grade businesses across high-growth sectors, supported by disciplined underwriting, zero credit losses, and institutional-grade governance.

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