Private Debt Intelligence – 12/11/2017

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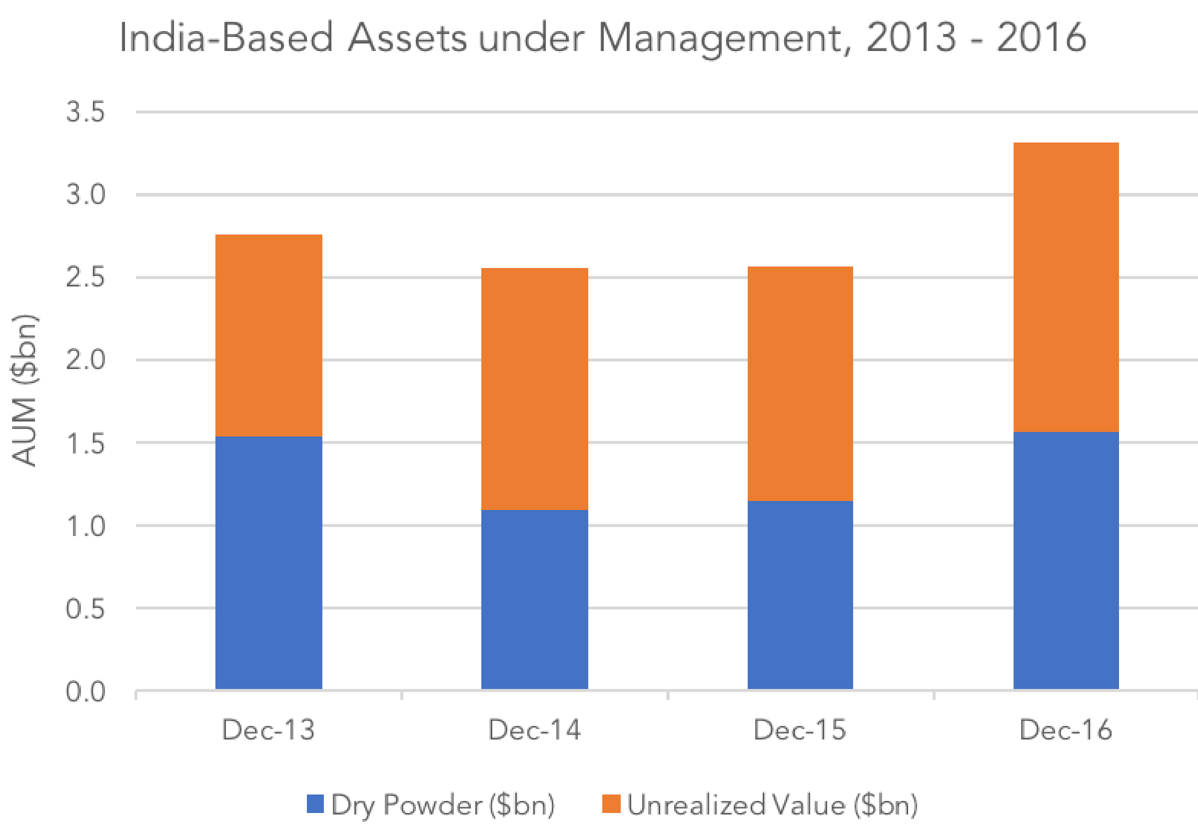
India-Based Private Debt Market

Chart



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Although the private debt industry is still an emerging asset class in India, it represents 13% of the market across the Asia-Pacific. Additionally, since 2014, India-based private debt assets under management has grown steadily from $2.6bn in December 2014 to $3.3bn in December 2016. Additionally, as at December 2016, dry powder is at a record $1.6bn.

Special situations vehicles represent the largest portion of India-based private debt assets under management, accounting for $947mn of dry powder, as well as $516mn of unrealized value, for a total of $1.5bn in AUM. Distressed debt and direct lending also make up significant segments of the market, with $811mn and $712mn in AUM respectively. Venture debt vehicles account for the smallest portion, and with $64mn, the strategy makes up just 2% of all India-based AUM in private debt.

The India private debt market is still in its infancy, and just two funds closed in the first half of 2017, raising an aggregate $0.4bn in capital. This is broadly on par with 2016, when, in the full year, four funds closed and secured a total of $0.9bn. Over the last five years, 2014 saw the highest level of India-based private debt fundraising levels, with four funds securing $1.1bn.

Historically, direct lending vehicles make up the largest portion of India-based private debt funds closed, with eight funds having raised $0.7bn. Special situation funds, however, account for the greatest amount of capital raised, and six of these vehicles have seen a final close and have raised a total of $1.6bn in capital. Additionally, seven distressed debt funds have raised half a billion dollars, while six mezzanine funds have raised $0.4bn.

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