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# Shapoorji group entity's bond issue shows appetite from private credit funds

**DHARAMRAJ DHUTIA & BHAKTI TAMBE**  
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**GOSWAMI INFRATECH**, a Shapoorji Pallonji group entity, closed India's largest debt issue from a low-rated company on Tuesday, signalling growing interest in high-yielding debt from local and global private credit funds, bankers and fund managers said.

Goswami Infratech accepted bids worth ₹ 143 billion (\$1.74 billion), including from Edelweiss Special Opportunities Fund, Davidson Kempner, Ares Capital Management, Varde Partners and Cerberus Capital Management, the bankers said. Deutsche Bank and Standard Chartered Bank also subscribed.

Edelweiss, Davidson Kempner and Ares Capital declined to comment, while the others did not respond to emails.

"We are seeing money coming in from global asset managers, international development financial institutions and large pension funds in Indian private credit funds," said Vineet Sukumar, founder of Vivriti Asset Management, which also manages

a private credit fund.

The momentum in this space is "exploding", said Sukumar, who puts this down to improved corporate balance sheets in India that gives investors comfort to invest in low-rated, higher-yielding debt.

Goswami Infratech issued the zero-coupon bonds at a yield of 18.75% for a period of

two years and 10 months. The issue has a put option at the end of December 2025 and is rated BBB- by Care Ratings.

"The risk-adjusted returns are good, and for Goswami Infratech, the group name is also reputed which reduces the risk of

defaults," said Ajay Manglunia, managing director and head of the investment grade group at JM Financial.

Close to \$5.3 billion in private credit deals were struck in 2022, according to a February 2023 report by EY, which said the momentum is expected to be strong this year as credit quality improves.

The private credit market offers a return of around 11% to 20%, and investors prefer this as they can select risk and returns accordingly, said Saurabh Jhalaria - CIO, Alternative Credit Strategies at InCred Asset Management.

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