

India-focused Venus Capital to IPO SME lending business

Boston-based firm will also open relative value strat to external investors



Sam Macdonald

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Boston hedge fund firm Venus Capital Management is seeking an IPO of its India-based non-banking finance company (NBFC) as well as opening its relative value strategy to external investors.

The NBFC, Venus India Asset Finance (VIAF), is funded by its Venus India Structured Finance Fund and lends to Indian SMEs.

Venus is looking to IPO VIAF after the Indian elections in 2019, *HFMWeek* has learned.

The lender has made 100 loans since its inception with 60 of those repaid and 40 currently outstanding.

The average duration of the loans is two and a half years at an interest rate of 17.5% with around a quarter of lending going to the Indian real estate sector.

VIAF has made \$50m worth of loans since the structured finance fund's inception in June 2013.

As well as the IPO, Venus is in the process of opening its relative value fund to external investors with the firm currently going through its authorisation process with the FCA.

The Venus Relative Value Fund was launched with internal capital in January this year and has returned 14.1% YTD through to November end.

The strategy seeks non-directional, uncorrelated returns through emerging markets, with a particular focus on India. It is managed by CEO and CIO Vik Mehrotra.

“We see significant investment opportunities in the Indian market for non-banking finance enterprises and anticipate the float after the Indian elections in early 2019,” said Mehrotra.

He added: “Having launched the relative value fund in January, we will seek external investment when we are able to present a 12-month track record for the strategy at the beginning of next year.”

Venus launched the first Indian hedge fund in 1996 and the first Indian focused risk arbitrage fund in 2003, which had peak-AuM of over \$400m, before closing the strategy in 2013.

The firm has offices in Boston, London and New Delhi.