

The man start-ups bank on

Over *bhel puri* and chilli paneer, Gaurav Deepak tells Abhineet Kumar how Avendus became the start-ups' most sought after bank and how he learnt about the 30 shades of pink

As I start my hour-and-a-half commute to suburban Khar for my lunch with Gaurav Deepak (he prefers to be called by his first name) at Social, an all-day café and collaborative workspace, I get a call from his office asking if the meeting can be postponed by an hour to 2 pm. I feel a bit impatient because that means I have an hour to kill. I decide to use the time meeting a banker at Mumbai's financial hub, Bandra-Kurla Complex, which is on the way. Just after I fix the meeting I get another call from Gaurav's office requesting if we can stick to the original schedule.

I am in a fix.

Dealing with quirky start-ups is never easy. And being the man start-ups bank on, Gaurav seems busy all the time. Global investors pumped about \$10 billion into consumer internet companies in India in the last three years or so. Leading the investment banking practice at India's largest private market bank, Avendus Capital, Gaurav has raised funds for about 100 new-age entrepreneurs in the last three to four years. To accommodate his clients' demands, he is often required to reschedule meetings.

When I finally reach the upper deck of Social, I find the banker — who led Avendus to the top of Thomson Reuters M&A fee league table for 2015 — waiting patiently. Dressed in a pink shirt, grey trousers and slip-on shoes he looks rather relaxed for a Monday afternoon. But don't be mistaken, he never loses an opportunity to promote his business. "I chose Social because it is one of our clients," he says, demonstrating his loyalty.

The upper level of the restaurant where we settle down, aims to trade cubicles for a café by offering workspaces with some basic office amenities. I immediately know the banker has not left his work far behind. As a steward approaches us, Gaurav requests a Salad Bombay Bhel Puri without tamarind chutney. He adds a chilli paneer, enquiring, "How chilli is you chilli paneer?"

I am quite amused to find the investment banker choosing Mumbai's popular *bhel* for

lunch. He says he follows the simple formula of eating light and on time. This, and the long walks — "as and when possible" — keep him fit, despite the hectic schedule and frequent travels. I settle for a fried rice and fresh lime and soda.

After placing the order we get back to the business Avendus has built. According to Thomson Reuters, with an annual fee income of \$11.4 million, the home-grown bank left bulge bracket investment banks Morgan Stanley, Credit Suisse and Goldman Sachs behind last year. It caught the attention of global financial giant KKR, which used its private equity fund to acquire about 60 per cent stake in Avendus that was held by Eastgate Capital and Americorp Ventures.

The November deal that valued the firm around ₹1,200 crore is significant, as KKR is also offering funds to Avendus to launch its credit solutions business. It is bringing its network to help ramp up the wealth and alternative asset management solution offerings. "Core to our business are entrepreneurs. We are here to make a difference in their value creation journey — be it our investment banking, wealth management or now the credit solutions offering," says Gaurav.

With an average of 30 deals a year, Avendus has consistently been among the top investment banks in terms of volume. These are largely the private equity syndication deals for start-ups that command high fees. And it is for this large segment of clients that the financial firm is bringing its new credit solutions and ramping up its existing offering of wealth management. With backing from KKR, it is expecting near-five times growth in its revenue in the next five years.

The firm started in 1999 when 25-year-old Gaurav quit his job at ICICI Bank and teamed up with Kaushal Aggarwal, 26, and Ranu Vohra, 28. The company got its first wide recognition in 2009 when it was appointed co-advisor by the government to sell the troubled Satyam Computer Services. Goldman Sachs was the other advisor on



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Satyam deal brought the spotlight on the bank and helped it strengthen its pitch-making capabilities.

Gaurav vividly remembers his first deal of significance that came in the early days of 2000 when he helped stock brokerage Indiabulls Financial Services raise \$1 million as angel funding from steel baron Lakshmi N Mittal. Between 2000 and 2003, the team closed 10 deals. Since 2003 it has done more than 250 deals, including Mphasis' \$202-million deal for Digital Risk and Serco's \$536-million acquisition of Intelnet Global Services.

Following the success of the Satyam deal, Avendus also evolved as a full-fledged financial firm by diversifying into the wealth management and private equity business that is now headed by Vohra, and the newly launched credit business that is headed by Aggarwal. With these three promoters owning about 10 per cent each, their individual holding is currently valued over ₹120 crore.

I tell Gaurav he has achieved quite a lot for his age. "There is no relativity for achievements, everyone has his own benchmark," he counters rather aggressively. "I enjoy having made an impact by building a high-class organisation," he says, counting some of his clients in education and health care sector that, in turn, have made an impact.

This brings me to a question relating to new-age entrepreneurs. Who knows them better than Gaurav, who counts almost all of India's top 20 start-ups as his clients? So what is unique about them, I ask. "Digital entrepreneurs have a lot more desire to innovate," he says. Why did a majority of his classmates choose a job, while only a few undertook the entrepreneurial journey? "Some people don't like ambiguity. Those who become entrepreneurs have the ability to think beyond current boundaries and have the courage and conviction to execute their ideas," he says.

Now I wonder who is the woman behind this successful man. He married Siddhi, a master's degree holder in economics from the Jawaharlal Nehru University in Delhi, in 2001. They have three sons who keep them busy. Still, Gaurav finds time to read fiction — he is revisiting Agatha Christie and is currently occupied with her whodunnit *Peril at End House*.

As we approach the end of our lunch, I comment on his choice of a pink shirt. "After marriage I learnt about the 30 shades of pink," he says with zest. A good enough reason, I say, and add purposefully, "May you be in the pink of health", as I wave him goodbye.

the deal. That boosted the confidence of Avendus, which was seen as a boutique firm till then. Though the bank had been among the top advisors for IT sector deals, the