



Amit Agarwal, president and head of private credit, Edelweiss Alternatives.

Edelweiss Alts bets on robust returns from second fund

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BENGALURU

Edelweiss Alternatives, which is in the process of raising capital for its third special situations fund, is expecting robust exits from the second fund over the next fiscal year, a top executive told *VCCircle*.

The second special situations fund managed by the Mumbai-based alternative asset manager mopped up about \$1.2 billion from investors and marked its close in December 2018. As of last year, Amit Agarwal, the president and head of private credit at Edelweiss Alternatives, said that the fund had exited a chunk of its investments from the alternative investment fund (AIF), and has returned the primary capital to its investors.

So far, the asset manager has realized about ₹14,000 crore, or nearly \$1.7 billion, from the commitments made from ESAF II.

Additionally, Agarwal said that in the last two years, Edelweiss Alternatives realized about \$800 million (~₹6,500 crore) from various exits from the second special situations fund's portfolio companies.

For this fiscal, the alterna-

tive asset manager is expecting to fetch solid returns from its investment in Kesoram Industries and Chandigarh-based Ind-Swift Laboratories Ltd. These investments are likely to fetch about ₹1,250 crore each, according to Edelweiss Alternatives' private credit head. Kesoram Industries announced its merger with listed cement player Ultra-Tech Cement Ltd last month. According to a report, the company is expected to repay cumulative debt to the tune of

₹1,600 crore to Edelweiss, Goldman Sachs and Bank of America with this

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merger.

The fund had led the investment in Kesoram Industries with a one-third share in debt. In Ind-Swift, it was the sole creditor and now also holds a nearly 12.2% equity stake, as per stock exchange data.

"Our exits from Kesoram Industries and Ind-Swift Labs will

give us a reasonably good exit to our fund. And during FY25, we have multiple other assets which we will exit from. Therefore, the entire harvesting process will happen over the next 18-24 months for us, which will make sure that there are a lot of exits for us in the pipeline," the executive said.

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