

Edelweiss infra fund looks to invest in greenfield biz

Very few investors take greenfield risk in Indian infra, except in case of renewables

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MUMBAI

Edelweiss Infrastructure Yield Plus Fund, which currently invests in operating infrastructure assets, plans to start investing in greenfield projects as well, a senior executive at the fund said.

"We will be much more like a strategic partner for the developer and not just capital providers," Subahoo Chordia, head of infra fund business at Edelweiss Alternate Asset Advisors said. "Our philosophy will continue to help developers and construction companies to grow their core business by recycling their capital. We will work with selective developers where we see that our governance ethos match. In our next fund, we will also look to provide capital to partner developers at SPV (special purpose vehicle) level during the construction phase with proper structure as bridge to buying out these assets," said Chordia.

Edelweiss is likely to start raising the second fund towards the end of the current calendar year.

Very few financial investors take greenfield risk in Indian infrastructure, except in the case of renewable energy, preferring to stick to operating assets that are less risky. Many infrastructure investments in the 2000s where funds invested at holding company level or in under-construction projects didn't yield outcomes that investors expected.

"We do not intend to go and bid for greenfield projects on our own as we do not want to compete with developers but wish to work as strategic partners, instead," he said.

Chordia said the firm is investing



Subahoo Chordia, head of infra fund business at Edelweiss Alternate Asset Advisors.

heavily in people, processes and technology and has built its own project management expertise and team, which will help it in executing this strategy and differentiating from other asset managers.

The second fund will also look to invest beyond the current focus

Indian Infrastructure. We will look to add further sectors which match our risk-return profile and ESG (environmental, social and governance) principles in our second fund," Chordia said.

The fund has already deployed over 50% of its capital in acquiring

gigawatts (GW) of assets that they may look to develop over the next couple of years," said Chordia.

He added that the fund's target is to build a renewable energy portfolio of 5 GW in the next three years. It will explore various options for exit at appropriate time either through a listing, an InvIT or a strategic sale.

The fund is also bullish on the roads sector and is looking to pick up a bunch of operating roads assets.

"We are in talks with several developers to look at more acquisitions across sectors. We are looking to scale up our current highway portfolio of three assets and are in discussions with several developers. We target signing agreements to take our highway portfolio from three assets to about 15 assets during next year," said Chordia.

WIDENING FOCUS

EDELWEISS is likely to start raising the second fund by the end of the current calendar year

THE second fund will also look to invest beyond the focus areas of roads, renewable energy

THE fund seeks to work as strategic partners with developers on greenfield projects

THE fund is also bullish on the roads sector and is looking to pick up a bunch of operating road assets

areas of roads, renewable energy and transmission.

"With presence across renewable, transmission and highways assets supported by high-quality project management expertise, we are playing a strategic role to bring both foreign and domestic capital into the

three road assets, two transmission lines and a large portfolio of renewable projects from French utility major Engie.

"Through the partnership with Engie, we have acquired 12 SPVs with a total of 813 megawatts (MW) and have an agreement for up to 2