

# Edelweiss Financial Services ties up \$1.3 billion to buy India debt assets

It will use funds, which makes it the largest India dedicated alternative-investment unit, to buy and turn around stressed assets with "viable business models and potential of generating cash flows"

Nupur Acharya | Bloomberg

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The company will use the funds, which makes it the largest India dedicated alternative-investment unit, to buy and turn around stressed assets with “viable business models and potential of generating cash flows,” an emailed statement from [Edelweiss](#) showed on Thursday. The Mumbai-based company already manages stressed loans of more than Rs 54,000 crore, according to the statement.

India's banks led by State Bank of India is seeking to off load stressed assets as they seek to clean up loan books and revive lending. [Bad-loan](#) sales are expected to gather pace in the nation with the worst [bad-loan](#) ratios among the world's 10 largest economies, as banks race to meet stricter capital-reserve requirements under the so called Basel III norms. “We feel stressed assets are an evergreen opportunity in India,” Rashesh Shah, chairman of [Edelweiss](#) group. “While recognition of current stock of stressed assets is over at lenders, resolving them may take another five to eight years.”

About \$900 million is raised from overseas investors for the fund while rest came from local [companies](#) including Edelweiss, according to the statement. The fund will have a duration of nine years and would be deployed fully within two years, it showed.

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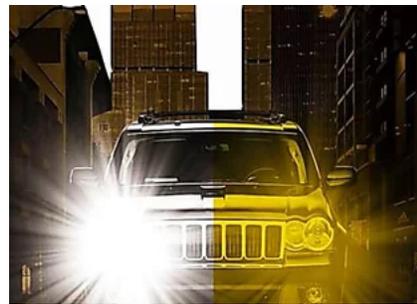
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