

EAAA India Alternatives – IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
26 October 2026	28 October 2026	₹1585-1665	Neutral

Investment Summary

EAAA India Alternatives Limited, formerly known as Edelweiss Alternative Asset Advisors Limited, is a **Mumbai-based alternative asset management company** backed by the **Edelweiss Group**, with over **17 years** of experience managing long-term investment capital. The company operates across two core business verticals: **Real Assets, comprising infrastructure, commercial real estate and energy transition investments**, and **Private Credit**, providing structured financing solutions across performing credit, special situations and real estate credit. Its revenue is generated through management and advisory fees, performance-linked Variable Additional Returns (VAR) and income from its own investments. As of June 30, 2026, the company managed Assets Under Management (AUM) of **₹95,344.88 Cr** and Fee-Paying AUM (FPAUM) of **₹48,623.18 Cr**, supported by 11,009 client relationships globally. Revenue from Operations increased from ₹492.58 Cr in FY24 to ₹670.26 Cr in FY25 and ₹869.54 Cr in FY26, while Profit After Tax (PAT) increased from ₹175.16 Cr to ₹229.78 Cr and ₹265.20 Cr, respectively. Q1 FY27 recorded revenue of ₹275.53 Cr and PAT of ₹80.71 Cr. The IPO comprises an Offer for Sale of 72,07,208 shares aggregating approximately ₹1,200 Cr at the upper price band of ₹1,665 per share, with no Fresh Issue, and the company will not receive any proceeds. Supported by growing FPAUM, established fund performance and long-standing investor relationships, the company is positioned to benefit from India's expanding alternative investment industry, although performance-linked income volatility, cash-flow conversion, fund valuation risks and Edelweiss Group-related regulatory concerns remain key monitorables.

Company Overview

EAAA India Alternatives Limited, incorporated on May 14, 2008 as Edelweiss Alternative Asset Advisors Limited and renamed in August 2024, is a Mumbai-based alternative asset management company backed by the Edelweiss Group. With over 17 years of experience, the company manages India-focused investment funds across two core verticals: Real Assets and Private Credit. The Real Assets business invests in infrastructure, commercial real estate, perpetual capital and energy transition assets, while Private Credit provides structured financing solutions through performing credit, special situations, real estate credit and investment-grade credit. As of June 30, 2026, the company managed 26 active funds across these two verticals, including two Infrastructure Investment Trusts (InvITs), supported by its asset operating and management subsidiary, Sekura India Management Limited. Its Assets Under Management (AUM) stood at ₹95,344.88 Cr, while Fee-Paying AUM (FPAUM) was ₹48,623.18 Cr, comprising 57.67% Real Assets, 39.64% Private Credit and 2.69% other investments. The company had 11,009 client relationships globally, including 1,493 repeat clients, with institutional investors contributing 49.32% of AUM. It employed 277 professionals as of June 2026, with operations across Mumbai, New Delhi, GIFT City and Singapore. Financially, the company reported Revenue from Operations of ₹869.54 Cr and PAT of ₹265.20 Cr in FY26. The company is promoted by Edelweiss Financial Services Limited, Edelweiss Securities and Investments Private Limited, Edel Finance Company Limited and Edelweiss Global Wealth Management Limited.

Business Model

EAAA India Alternatives Limited operates an asset-light alternative asset management business, raising capital from institutional investors, HNIs and family offices and investing through funds across two core verticals: Real Assets and Private Credit. Real Assets focuses on infrastructure, commercial real estate and energy transition projects, while Private Credit provides structured financing solutions. The company earns returns for investors by identifying, managing and exiting investments. Revenue is generated through three primary streams: Management and Advisory Fees, Variable Additional Return (VAR) and General Partner (GP) Income. In FY26, management fees contributed 60.08% of total income, providing recurring revenue linked to Fee-Paying AUM, while VAR contributed 30.14% through performance-linked returns and GP Income contributed 8.30% from investments alongside its funds. Growth is driven by increasing FPAUM, launching new funds and expanding domestic and international fundraising, although performance-linked income may fluctuate and be recognized before cash realization.

Investment Rationale

Established Alternative Asset Management Platform: EAAA is one of India's leading alternative investment platforms, with over 17 years of experience and 26 active funds across Real Assets and Private Credit. Its diversified investment strategies span infrastructure, commercial real estate, energy transition and structured credit, providing exposure to multiple investment opportunities.

Strong FPAUM Growth and Recurring Management Fees: Fee-Paying AUM grew at a three-year CAGR of 23.43% to ₹44,710 Cr in FY26, reaching ₹48,623 Cr by June 2026. Management and advisory fees increased from ₹398.01 Cr in FY24 to ₹579.07 Cr in FY26, supported by a stable fee yield of approximately 1.47%.

Diversified Investor Base and Strong Client Retention: EAAA had 11,009 client relationships as of June 2026, including 1,493 repeat clients. Institutional investors contributed 49.32% of AUM, while non-institutional investors accounted for 50.68%. Repeat clients represented 77% of total AUM commitments, reflecting established relationships and continued investor participation across funds.

Strong Fundraising and Investment Track Record: Between FY24 and Q1 FY27, the company raised capital commitments of ₹47,526 Cr, deployed investments worth ₹38,229 Cr and realised ₹31,233 Cr. Its established fundraising capabilities, multiple fund vintages and investment realisation track record support future fund launches and growth in fee-generating assets.

Strong Financial Growth and Improving Cash Flows: Revenue from Operations increased from ₹492.58 Cr in FY24 to ₹869.54 Cr in FY26, while PAT grew from ₹175.16 Cr to ₹265.20 Cr. Operating cash flow improved from negative ₹120.17 Cr in FY25 to positive ₹235.24 Cr in FY26, although performance-linked income remains an important earnings-quality monitorable.

Key Risk Factors

High Dependence on Performance-Linked Income: Variable Additional Return (VAR) contributed 30.14% of FY26 total income, increasing from 16.19% in FY24. This income depends on fund performance, investment valuations and successful exits, making revenue and profitability vulnerable to market conditions and investment performance.

Earnings Quality and Cash Realization Risk: Of the cumulative ₹684.72 Cr of VAR recognized between FY24 and Q1 FY27, only ₹397.65 Cr had been realized as of June 2026. Delays in investment exits or lower-than-expected realizations could affect cash flows and potentially require reversals of previously recognized income.

Private Credit and Real Assets Investment Risks: Private Credit and Real Assets contributed 39.64% and 57.67%, respectively, of Fee-Paying AUM as of June 2026. Credit defaults, stressed asset recoveries, real estate market fluctuations, infrastructure performance and valuation uncertainties could adversely affect fund returns, management fees and investor confidence.

Edelweiss Group-Related Regulatory Risks: Certain Edelweiss Group entities and promoters have faced regulatory scrutiny from RBI, SEBI and tax authorities. Although the RBI restrictions imposed on two group entities in May 2024 were subsequently lifted, certain other regulatory matters remain pending, creating potential reputational and governance risks for EAAA.

Cash-Flow Volatility and Investor Concentration Risk: The company reported negative operating cash flows of ₹13.27 Cr in FY24 and ₹120.17 Cr in FY25 before turning positive in FY26. Additionally, its top ten clients accounted for 26.20% of Fee-Paying AUM as of June 2026. Delayed fund realizations, reduced capital commitments or investor withdrawals could affect fundraising, liquidity and profitability.

Financial Snapshot

Metric	FY24	FY25	In Cr FY26
Revenue from Operations	492.578	670.26	869.54
EBITDA	162.85	228.37	313.39
EBITDA Margin	33.06%	25.71%	25.44%
Adjusted Profit After Tax (PAT)	99.66	135.80	191.41
Adjusted PAT Margin	20.23%	20.26%	22.01%
Basic EPS (₹)	27.25	35.75	41.26

*PAT and PAT Margin including other income is ₹265.20 cr and 30.50% for FY26 respectively.

IPO Details and Use of Proceeds

Parameter	Details
Issuer	EAAA India Alternatives Limited
IPO Issue Size	72,07,208 shares (aggregating approximately ₹1,200 Cr)
Price Band	₹1585 – ₹1665 per share
Face Value	₹5 per share
IPO Opening Date	26 October 2026
IPO Closing Date	28 October 2026
Listing	NSE / BSE
Promoter Holding (Pre/Post)	Pre-IPO: 89.58% → Post-IPO: ~78.43%
Book Running Lead Managers	Axis Capital Limited, Jefferies India Private Limited, Motilal Oswal Investment Advisors Limited and Nuvama Wealth Management Limited
Use of Proceeds	₹ The IPO is a 100% Offer for Sale (OFS). The company will not receive any proceeds from the issue. The net proceeds will go to the selling promoter, Edelweiss Securities and Investments Private Limited.

Valuation and Outlook

At the upper price band of **₹1,665**, EAAA India Alternatives Limited is valued at an adjusted **FY26 P/E** of **~56.24x**, based on a post-issue **market capitalization** of **~₹10,765 Cr** and **adjusted PAT** of **₹191.41 Cr** (excluding Other Income and its estimated tax impact), compared with a reported FY26 P/E of 40.59x and a listed peer average P/E of 39.89x. The company benefits from its established alternative asset management platform, growing Fee-Paying AUM (FPAUM), recurring management fees and diversified presence across Real Assets and Private Credit. FPAUM grew at a three-year CAGR of 23.43%, while FY26 PAT increased 15.41% to ₹265.20 Cr, supported by improving fund performance and investment realizations. However, performance-linked Variable Additional Return (VAR) contributed 30.14% of FY26 total income, with a significant portion yet to be realized in cash, raising concerns over earnings sustainability. Considering the relatively premium valuation, dependence on performance-linked income, Edelweiss Group-related regulatory concerns and the entirely OFS-based issue, we recommend a **Neutral stance**. We prefer to monitor recurring fee growth, fund realizations, cash-flow conversion, upcoming quarterly results and management guidance before considering a long-term investment.

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