

Foundation secures secondary deal with India's Carpediem



Tim Burroughs

12 May 2023

Asia secondaries specialist Foundation Private Equity has acquired stakes in three portfolio companies held by India's Carpediem Capital through the purchase of new and existing shares.

The overall transaction value is estimated to be more than USD 10m. The three companies are medical devices supplier Collateral Medical, which received USD 3.5m from Carpediem in 2017; 1-India Family Mart, a fashion retailer that raised USD 6.5m in 2018; and jewellery manufacturer Sukkhi Online, which received USD 7m from Carpediem and Duane Park in 2018.

Carpediem makes consumer-focused investments, providing growth capital to emerging brands and companies that are bringing organised distribution to segments that have traditionally been fragmented.

The firm closed its 2014-vintage debut fund on approximately INR 2bn (USD 27m) and deployed the capital in eight companies. The vehicle is tracking at a 3x multiple and has already returned 70% of the principal to LPs, according to a statement. Carpediem is currently in the market with Fund II, looking to raise up to INR 6bn.

“Most of our companies have attractive long-term prospects, we believe that these companies can continue to create value over the next decade or two. We are continuously seeking liquidity options for investors in our funds which have already achieved a certain vintage and the transaction with Foundation was part of that endeavour,” said Abhishek Sharman, the firm’s founder.

Other recent exit activity includes the sale of Yaantra, a re-selling platform for used electronic goods, to Walmart-owned Flipkart last year for USD 40m. Carpediem and Duane Park invested USD 3.5m in the company in 2017.

Jeremy Foo, a partner at Foundation, said the firm worked closely with Carpediem “to come up with a solution that generated some liquidity to existing investors while providing growth capital to the portfolio companies.”

This transaction represents Foundation’s second foray into India. Last year, it [acquired a 100% LP interest in Prime Venture Partners Fund I](#), adding four years to a 2012 vintage fund with a USD 8m corpus that was nearing the end of its life. The transaction was structured as a tender offer, and priced at a discount, though the existing LPs secured a more than 4x return.

Foundation was established in 2017 by Foo and Jason Sambanju, formerly co-head of Asia at Paul Capital. The firm is currently deploying its debut fund, which reached a first close of USD 110m in 2021 against an overall target of USD 250m. Tikehau Capital came in as one of two anchor LPs and [took a majority interest in the GP](#).