

## Launch of TVS Shriram Growth Fund

*TVS Capital Funds mobilizes Rs.500crores of capital for establishment of growth equity fund to empower nextgen entrepreneurs*

New Delhi, Delhi, IND, 2008-07-02 15:51:23 (IndiaPRwire.com)

TVS Shriram Growth Fund is an India focused growth equity fund that is established with a vision to develop and nurture India's mid-cap businesses, especially businesses from emerging cities, into world class companies. TVS Shriram Growth Fund is registered with SEBI under the Venture Capital Funds regulations, and is managed by TVS Capital Funds Limited, an asset management company founded by Gopal Srinivasan of TVS Group.

The sponsors of the fund are the TVS Group and Shriram Group. **Mr.R.Thyagarajan, founder of Shriram Group**, said, *'The TVS Group and Shriram Group share a similar vision and passion for nurturing entrepreneurship in mid-cap businesses from across India, and we are very excited about the partnership to launch this private equity fund.'*

**Mr. Gopal Srinivasan, Chairman and Managing Director, TVS Capital Funds Ltd**, said, *'The fund raising activity for TVS Shriram Growth Fund is nearing completion of its target mobilization of Rs.500crores from institutional investors, High Net worth individuals, sponsors, the Board of Directors and the team associated with the fund. We are really excited as we have been able to raise this capital during difficult capital markets environment, which reinforces the investor's trust in the TVS Group and Shriram Group. Despite the recent stock market volatility, the private equity segment has seen 151 deals aggregating to Rs. 23,100crores in the first 5 months of 2008, compared to 140 deals totalling Rs.16,400crores during the same period of 2007. Historically, private equity funds that have started during market downturns have outperformed funds that have invested in bull market years.'*

The fund will be a strategic growth partner that understands the nuances of building businesses and can offer a range of management expertise and professional services along the expansion path. According to Gopal, *'TVS and Shriram Groups will bring a proven business culture, infrastructure, and a wide network of relationships across several sectors and geographical regions to the nextgen entrepreneurs of India.'*

Globally, several mid-cap businesses are family-owned/founder-managed businesses with a unique culture. These businesses are looking for a trusted partner to help them build a strong professional management team, increase transparency in their business, better manage succession planning, achieve liquidity, and build a stronger business. TVS Group is a fourth generation family business and has good understanding of family business culture, along with its reputation for values, integrity, and long term value creation, which provides the fund a compelling advantage.

***The fund will target investee companies with the following characteristics:***

- Mid-cap companies with revenues of Rs. 30 to Rs.250crores***
- Proven business models that require growth equity capital***

- **Investments in sectors with consumer consumption theme**
- **Focus on emerging Tier II, III cities and metros**
- **Significant minority stake with active participation on the Board**
- **Investment size of Rs.10 to Rs.50crores**

The fund intends to target investment opportunities in consumer consumption driven sectors, such as *health care delivery, privatised education, hospitality, speciality retail, food & agro, and consumer media and entertainment*. For example, *media & entertainment sector is estimated to be Rs. 50,000crores approximately and is growing at 18% CAGR , and organised retail is estimated to be Rs. 75,000crores and is growing at over 50% CAGR*. The fund will focus on sub-sectors that have a developmental theme, such as organising an unorganized sector, offering high quality products and increased choices to consumers or development of the entrepreneur and enterprise. The fund believes that providing growth capital to these opportunities can lead to disruptive growth and produce high returns.

**Suresh Raju, Executive Director**, said, *'With a large and growing consumer base, rising incomes and changing lifestyles, India is expected to become the world's 5th largest consumer market over the next couple of decades, and this fund is designed to tap this opportunity. Nearing completion of the first milestone of mobilising the Rs.500crores of capital, the focus has shifted to investing in 6 to 8 companies over the next 12 months, targeting opportunities primarily in Tamil Nadu, Andhra Pradesh, Karnataka, Kerala, Maharashtra, Gujarat and National Capital Region (greater Delhi area).'*

TVS Capital Funds Limited has assembled a top notch team with relevant experience. Gopal, as Chairman & Managing Director, brings more than 25 years of entrepreneurial and operational experience. Gopal has incubated eight businesses, and has successfully scaled the operations or exited these businesses. Suresh Raju, Executive Director, brings several years of global investment banking experience across M&A, equity/debt financing and private equity deals. In addition, he brings four years of operational experience. The team includes a Principal, who has over 10 years of entrepreneurial experience, a Controller & Risk Manager, who brings over 10 years of accounting and audit experience, and three associates/analysts.

A broad, diversified Board of Directors brings global experience and deep operational expertise to guide the team in scaling businesses. The Board of Directors includes:

- Professor C. K. Prahalad, University of Michigan
- R. Thyagarajan, Founder, Shriram Group
- Lakshmi Narayanan, Vice Chairman, Cognizant
- Kenneth Tai, the Chairman & Co-Founder of Investar Capital, Co-Founder of Acer Computer
- Dr. Sridhar Mitta, MD & CTO, e4e India

- H.Lakshmanan, ED, Sundaram-Clayton

In addition, the team includes proven professionals with deep operation experience on a part-time basis, as Venture Partners, to help mentor the entrepreneur and provide operational support. Pradipta K. Mohapatra has joined as a Venture Partner and brings extensive consumer consumption, FMCG and retail industry expertise, as he was responsible for pioneering India's entry into modern organized retailing through Foodworld, Musicworld, Health & Glow and Giant Hypermarkets. Ravi Shankar, Ex-Partner, Head Corporate Finance (South), E&Y, has joined as a Senior Advisor - Business Development to help set up the deal sourcing infrastructure and advise the team on investment structuring and execution.

Gopal said, *'TVS Capital Funds intends to raise an additional corpus of \$125million (Rs.500crores) over the next twelve months from offshore investors to attain a total fund size of Rs.1000crores. The team composition and success in raising capital in a short duration gives all of us great momentum to carry forward and achieve our goals. In the future, we intend to mobilize sector specific funds.'*

- END -

### **About TVS Group**

TVS Group, is one of India's respected business conglomerates with over Rs.16,000 crores in sales and over 30,000 employees. TVS Group originated as a transport company in 1911 and it now comprises of around thirty companies that operate in a wide range of industries, including automotive component manufacturing, automotive dealerships, finance, distribution, retail and technology/IT. For additional information, please visit: [www.tvsiyengar.com](http://www.tvsiyengar.com)

### **About Shriram Group**

'Helping Create Wealth.' 'Empowering people through prosperity.' The relentless pursuit of this mission, since inception in 1974 has given the Shriram Group raison d'être and the distinct identity. The Group's reputation for effectiveness, transparency and integrity has helped it to become one of India's large financial services networks. The Shriram Group's financial services businesses manage assets exceeding Rs. 20,000 crores, boast 45 lakhs clients, served by 80,000 agents and 15,500 employees, through nearly 1,200 branches across India. For additional information, please visit: [www.shriram.com](http://www.shriram.com)

For additional information please contact us by email through [enquiries@tvscapital.in](mailto:enquiries@tvscapital.in) or visit us on the web at [www.tvscapital.in](http://www.tvscapital.in)

**For more information, Please contact:**

**Khemman Kumar**

Sr.Account Executive - Good Relations (I) Pvt. Ltd.

40669900

9871829296

You can also visit [www.goodrelations.co.in](http://www.goodrelations.co.in) for more information.