SIDBI Venture Capital Limited

http://www.sidbiventure.co.in

SIDBI Venture Capital Limited (SVCL) is a wholly owned subsidiary of SIDBI, acting as an umbrella organization to oversee the Venture Capital operation of SIDBI. SVCL will manage the various Venture Capital Funds launched/being launched by SIDBI. Current funds managed by SVCL are:

National venture fund for software and IT industry

At the national level, a Rs. 1,000 million (US$ 22.22 million) National Venture Capital Fund for the Software and IT industry (NFSIT) has been set up by SIDBI and is being managed by SIDBI Venture Capital Ltd.

The focus of the Fund will be primarily on small-scale units in the growing IT industry and related businesses, such as networking, multimedia, data communication and value-added telecommunication services.

A portion of the Fund, however, could be earmarked for incubation projects of high risk nature and for development of products the evaluation of which would require a high degree of expertise and perhaps international linkages.

The basic idea of mooting this national fund is that it will help in arranging strategic alliances with overseas IT units including those setup by non-resident Indians (NRIs).

The investment objective will be to meet the total funding requirements of IT units to enable them to achieve rapid growth rates and maintain a competitive edge in international markets.

Investment may spread across the focus sector in the area of new projects, expansion and diversification and product development efforts.

SME Growth Fund

SME Growth Fund’s focus is to invest in unlisted entities in SMES, in both the manufacturing and the services sector, as also in businesses providing infrastructure or other support to SMES. The Fund may also invest, though very selectively, in listed entities, to take advantage of attractive opportunities in growing companies.

The Fund will typically invest in early stage companies as well as in second round financing for those with a track record of proven technology or business model and with opportunities for growth and earnings. SME Growth Fund will focus on a wide range of growth sectors, such as life sciences, retailing, light engineering, food processing, information technology, infrastructure related services, healthcare, logistics and distribution.

SME Growth Fund will provide financial assistance primarily by way of equity or equity-linked capital investment. It will also endeavour to provide mentoring support and other kinds of value addition to enable the funded companies to achieve rapid growth and achieve or maintain a competitive edge in domestic and international markets. The Fund will seek a strategic stake in the funded companies, with board representation and other rights as venture capital investor.

SIDBI’s venture fund

SIDBI’s venture fund is intended to provide a window to entrepreneurs with ventures that have special characteristics to be innovative but may not qualify for assistance through the conventional route of term financing. SSI units involving new and untried processes and technologies that have scope for commercial application, with characteristics of high risk and high return, may be considered.

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UTI venture funds

http://www.utiventures.com

UTI Venture Funds Management Company Private Ltd. (UVF) is the venture capital and private equity arm of the Unit Trust of India (UTI) group. UVF not only provides capital but also strives to create value for its portfolio companies by making available to them its own industry knowledge, access to local talent and business network in Indian and overseas markets.

Technology Venture Unit Scheme

Technology Venture Unit Scheme (ITVUS), is a SEBI registered venture fund. It focuses on technology in sectors such as software products and services, IT enabled services, semiconductors, communications, networking, pharmaceuticals and biotechnology.

Ascent India Fund

This is a Rs 7 billion ($ 155 million) private equity fund. The Fund aims at reaping the benefits of investing in promising young Indian companies by providing them growth capital. The Fund has a distinct mid-market focus and the key investment theme of Ascent India Fund is India’s outsourcing strength, both in services and manufacturing. The focus industries include IT & convergence technologies, BPO, auto ancillaries, pharma and textiles.
Investment process

Preliminary due diligence
The initial due diligence process followed by UVF is designed to narrow down on only those investment opportunities that are really compelling. Our evaluation criteria for judging deals at the initial stage have generally stood rigorous tests over time.

Business evaluation
One of the important steps in the investing process is a thorough evaluation of the business model and its potential. UVF is fortunate to have access to valued opinion and advice from a panel of distinguished experts in several businesses. These persons assist UVF in assessing the potential of the business and technology involved in individual investment deals, viability and scalability of the model, capabilities of the current team to deliver targeted outputs and the lead time for competition to catch up.

Detailed appraisal
Once the potential investment opportunity passes the business due diligence stage, a fund manager and an associate take up the responsibility for carrying out the detailed appraisal, structuring of investments and making recommendations to the investment committee.

Term sheet
After the approval of investment by our investment committee, on behalf of the Fund, UTI venture funds enter into a term sheet with the company and founders.

Financial, accounting and legal due diligence
We conduct a detailed financial, accounting and legal due diligence through one of the big four firms on the target company prior to conclusion of investments. The due diligence process involves scrutiny of financial data submitted by the company, detailed audit of its previous financial statements and extensive scrutiny of documentation, in respect of business contracts, agreements with JV and strategic partners.

Legal agreements
Subsequent to a satisfactory diligence process as above, UVF enters into appropriate legal agreements with target companies clearly specifying the terms and conditions underlying the investment, the conditions precedent and milestones to be achieved prior to disbursement of funds.

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SouthAsia Enterprise development facility
The SouthAsia Enterprise Development Facility (SEDF) is a multi-donor facility managed by the International Finance Corporation (IFC) of the World Bank Group. Based in Dhaka, Bangladesh, SEDF focuses on the needs of the Small and Medium Enterprises (SMEs) in Bangladesh, Bhutan, Nepal and North East India. The objective of SEDF is poverty alleviation through SME development.

SEDF works with partners in the public and private sectors, in the following programmes:

Access to Finance
The Access to Finance (ATF) programme of SEDF supports partner financial institutions through a combination of technical assistance and policy related work. It helps local financial institutions make financing more readily available to SMEs. This is mainly done through (i) assistance in training programmes for banks and other financial institutions; (ii) technical assistance to partner financial institutions; and (iii) development of new financial products.

Sector Development and Business Services
The Sector Development and Business Services component has identified four sub-sectors in view of their current and potential importance to growth and poverty reduction, i.e. Ready-made Garments (RMG), Agribusiness, IT/software, and Light-Engineering. The SDBS component seeks to contribute to the growth of these sub-sectors by first understanding the sectors’ characteristics, issues and needs and thereafter designing sub-sector assistance programmes. In doing so, SEDF invests in the capacity of private sector service providers to render services that address the sub-sector specific needs. More specifically, SEDF facilitates the development of local consultants or firms providing business development products and services like company diagnostics, local MIS/ERP packages, quality improvement systems, marketing and export assistance, etc.

Business Enabling Environment
The Business Enabling Environment (BEE) programme of SEDF assists in creating a macroconducive environment in which SMEs can grow and prosper. The BEE approach is top-down, where constraints are identified through various studies and specific interventions are undertaken to address them. BEE work centres around promoting trade, enhancing gender development, developing conducive policy and regulatory frameworks, providing information through Knowledge Centres, and advancing Corporate Social Responsibility (CSR).

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Zero2IPO primarily focuses on various advisory services in private equity, including investment and fund raising advisory, IPO and M&A financial service, portfolio management and management consulting. In addition, Zero2IPO also provides relevant supporting services such as market research, events and training, and, investor and entrepreneur networking.

The company targets to be the leading investment advisory firm in China. Now, it has positioned itself as the most active and influential value-added service provider in the venture capital industry in China.

**Products and services**

Zero2IPO is a professional value-added service provider to vast SMEs, investment management companies and investment institutions in the Greater China region.

**Advisory services**

Advisory service is Zero2IPO’s core business, which includes private placement, IPO, Mergers and acquisitions (M&A), and financial advisory service.

**Private placement**

Through our extensive network of both strategic and financial investors, both nationwide and worldwide, we can successfully channel capital to companies in need. Typically we will help our clients in the following processes:

- Preparation of financial documents and business plan;
- Valuation;
- Identification of potential investors;
- Distribution of offering documents and solicitation of the investor feedback;
- Due diligence;
- Deal structuring and negotiation; and
- Legal documentation and deal closing.

**Mergers and acquisitions**

M&A advisory service is one of Zero2IPO’s core businesses. We facilitate the processes of M&A and represent either the sell-side or the buy-side, but usually not both, due to conflict of interest concerns. What is more, we also take approaches to help clients establish corporate governance, and assist them in corporate restructuring and in achieving their strategic and financial goals.

**Public listing**

With its extensive network in both China SME board and overseas capital market, Zero2IPO offers customized professional financial advisory services to domestic enterprises for their public offering. We assist our clients in capital market selection, seeking underwriters, lawyers and auditors, and corporate restructuring and private placement before listing.

**Others**

We also provide advisory services for both overseas and local VC firms in fund-raising and exits - especially for the extensive network.

**Angel fund**

Zero2IPO-China Angel Fund I is the first angel fund for investing in high-growth early stage technology ventures in China. With its broad deal source in China and close relationship with active VCs and angel investors in China, Zero2IPO, in the next couple of years can help around 10 technology ventures in China to become future business stars and breed new Chinese business leaders.

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