



Rajasthan Venture Capital Fund (RVCF) has been conceptualised and funded by the Rajasthan State Industrial Development & Investment Corporation Limited ([RIICO](#)) and the Small Industries Development Bank of India ([SIDBI](#)).

About US

The Fund is being managed by a private sector

Rajasthan Trustee Company Pvt. Ltd. (RTC)

RTC is the policy making and supervising company for the fund

Rajasthan Asset Management Company Pvt. Ltd. (RAMC)

The Fund is being managed by a private sector Asset Management Company : RAMC having RIICO, SIDBI, Private Sector IT companies, Bank of Rajasthan and employees as the share-holders. The day-to-day affairs of the Fund are being looked after by RAMC. The proposal from the Investee company are received, processed and followed up by RAMC.

Fund Objective

RVCF aims at investing in companies in the information Technology, Bio-Technology and other technology-driven industries in India with focus on Rajasthan. The Fund's investment in companies is through the route of equity, quasi-equity and debt instruments. The Fund seeks to achieve its return through dividends and capital gains at the time of disinvestment through an initial public offering or a negotiated sale of its holding.

The Fund will endeavor to provide the necessary management inputs towards developing the company's future direction and business strategies without either seeking management control or interfering in the running of the company. The Fund will further provide to its investee companies critical support in interfacing with State Agencies including Industries department, Financial institutions etc.

Moreover, the Fund also provides a catalyst role by representation on the Board of Directors of the investee company.

Eligible Projects

The Fund's primary objectives are to make available venture capital to new companies, which have shown performance, and to cater to growth and expansion of established unlisted companies in the Information Technology, Bio-Technology and other Technology driven projects. The Fund will also invest in turn-around and buy-out situations.

The preferred business opportunities will include Software Services and Training ,Internet Value

Added Products and Services, Multimedia, IT Enabled Service, Value Added Communication Services ,Bio Informatics, Bio Technology, etc.

Investment Criteria

The Fund is Looking for projects offering potential for an attractive growth and earnings. Some of the parameters critical for project selection are:

Management:

A strong committed management team with a demonstrated track record and integrity.

Market:

High growth potential in the market, which the investee company seeks to serve. the market will need to be quantifiably large with growth opportunities especially in emerging areas that address global markets.

Competitiveness:

The investee company should possess the ability to develop and retain a long term competitive advantage through the use of technology.

Return On Investment:

Attractive capital appreciation with above-average profitability

Investment Instrument

The Fund' s investment will be in the form of equity or quasi-equity / related instruments, In exceptional circumstances conditional loans / debentures may also be considered, The exact instrument will vary from case to case depending on the risk perception, the requirements of the investee company and the applicable SEBI regulations.

Instrument Range

The Fund will undertake individual investment in the range of Rs. 2.5 million to Rs. 32 million. Investment will normally be restricted to maximum of 40% of the company' s equity in terms of number of equity shares subscribed to .Larger investment may also be considered jointly with national funds.

Investment Horizon

The Fund will be prepared for an investment horizon of 3 to 7 years with the option for a quicker exit case the situation so warrants.

Disinvestment

The preferred exit route will be through a listing on the stock exchange within 3 to 5 years or as may be stipulated from the date of investment. The promoter would be offered the right of first refusal of the Fund' s holding at a market determined price.

In case a public listing is not feasible due to the reasons of size of the investment or other

circumstances, the alternative method of exit would consist of a negotiated buyback of share on the basis of a pre-determined formula and/or valuation of shares as on the date of buyback.

Business Plan containing the following

- ✓ Executive Summary - Brief details of the project and extent of financial support required.
- ✓ Resume of the promoters and key management team with references.
- ✓ Details of financial assistance, if already availed from any other funds or Fls/Banks.
- ✓ Details of associate companies/firms belonging to the Promoter.
- ✓ Capital outlay proposed and means of funding.
- ✓ Detailed shareholding pattern, both existing as well as proposed, with details of the extent of interest of each major shareholder/promoter.
- ✓ Human resources available as well as required in future alongwith details of stock option plans already existing for both management and Employees.
- ✓ Financial performance of the company (if applicable) for the past five years.
- ✓ Financial projections alongwith underlying assumptions.
- ✓ Technology tie-up alongwith copies of agreements.
- ✓ Technology strengths vis-a-vis competitors.
- ✓ Major clients alongwith details of orders executed for them as well as marketing strategy proposed.
- ✓ Details of overseas and domestic site offices, representative offices and subsidiaries/associates set-up abroad for marketing/offshore development.
- ✓ Competitive strengths as perceived by the promoters and the management.
- ✓ Implementation schedule.
- ✓ Detailed Risk Analysis.

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