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ChrysCap buys into L&T Infotech

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Mumbai: India's oldest homegrown private equity manager ChrysCapital emerged as one of the anchor investors in L&T Infotech's IPO as it started deploying capital from the latest fund topping \$500 million.

ChrysCapital received the backing of Harvard endowments, Singapore's sovereign wealth manager and a Belgian pension fund, among others, as its assets under management crossed \$3 billion. Long-term global investors have been consolidating their risk exposure to fewer money managers after returns from India disappointed in the past decade.

ChrysCapital, which is expected to announce a final close of \$600 million for its seventh fund shortly, also elevated co-founder Kunal Shroff as managing partner, a post lying vacant after Ashish Dhawan left to pursue philanthropic initiatives four years ago. Dhawan, one of the posterboys of private equity investing, is an investor in the latest fund as well.

ChrysCapital's \$30-million cheque in the L&T Infotech IPO marks its return to public market investing after big, profitable exits from Infosys and HCL Technologies in the past. The Rs 1,243-crore public issue of engineering conglomerate L&T's tech services unit was oversubscribed 11.7 times when it closed on Wednesday.

"ChrysCapital has already raised \$500 million for the latest fund," Shroff told TOI. Since inception, ChrysCapital has invested roughly \$2.5 billion across 75 companies since inception and exited 55 of these investments, making it one of the most

successful PE managers in India.

ChrysCapital would retain its flexibility to be a multi-stage investor, chasing opportunities in creating platforms, minority positions, IPO and public market investments besides control deals. "We could strike bigger deals and have the option sometimes to rope in our global sponsors ('limited partners', in industry parlance) as co-investors. But minority stakes in professionally run, knowledge based sectors with high return on capital continue to be attractive in India. We are fortunate to be focused on some of the more progressive business sectors," Shroff explained. "ChrysCapital has fully exited and returned the first four funds with significant profits, and already returned capital on the fifth fund which still has several active portfolio companies," Shroff said "Overall, the funds have realized \$4-billion-plus from exits -this would be among the best exit track records for countryspecific PE funds."

Sanjiv Kaul, partner, ChrysCapital said the latest fund already has a pipeline of investment opportunities worth \$200 million that can be efficiently deployed over the next 12-15 months if all goes well. "The fund is now focused on institution building -to be the Blackstone or KKR of India. That's the change it is undertaking under Shroff," he added.