

ePlanet picks up stake in Ramcides

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VENTURE capital firm ePlanet Ventures has picked up a minority stake in Sree Ramcides, an agro solutions company that formulates and supplies products to the domestic and international market. The Rs 25 crore growth capital will be used to step up capacities at Ramcides' factories in the country and to enhance its marketing & distribution network.

The investment signals a broader trend of private equity players looking at sectors such as agro and healthcare, which is more insulated from the global slow down. Veda Corporate Advisors was the exclusive advisor to Ramcides in the transaction.

"We see a huge opportunity in agro and agro related businesses in the next 3-5 years. Ramcides is not just an agro chemicals company but has products in different cycles of the agro chain, right from nutrients," said Mr Chandrasekhar Kandasamy, managing director, ePlanet Ventures.

Sree Ramcides, based in Chennai, formulates and manufactures crop protection chemicals, plant nutrients and plant growth regulators that are used in farm products. The 35-year old company is also expanding into the development and production of seeds. For the year 2007-2008, the company clocked revenues of Rs 100 crore and it targeting revenue of Rs 150 crore this year.

The fund infusion by ePlanet would help in meeting the company's working capital requirements, its director R Gopal added.

The company currently has three manufacturing facilities — at Jammu, Pudukottai and Chennai, which manufacture agro inputs such as herbicides, insecticides, fungicides and plant nutrients across various crops all over India and in more than 10 countries. The funds will be used to step up capacities at the company's factories at Jammu and Chennai by an additional 12,000 tonnes per annum.

"Increasingly, Limited Partners (institutions that back venture funds) want to see funding happening in areas where there is not so much of a competition for deals and valuation.

They also want the funds to look at businesses that move beyond the metros to service the hinterland," said Mr Arun Natarajan, founder, Venture Intelligence, a firm that tracks private equity and venture capital, about the transaction.

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