

# Tamil Nadu Emerging Sector Seed Fund

Risk Capital for MSMEs



**MANAGED BY**

Tamil Nadu Infrastructure Fund Management  
Corporation Limited

# TAMIL NADU EMERGING SECTOR SEED FUND

Tamil Nadu has launched several initiatives for promoting innovation and entrepreneurship as an integral part of the economic objective of achieving US \$1 tn GDP by 2030. Tamil Nadu Emerging Sector Seed Fund (TNESSF) is a SEBI registered CAT-I AIF set up as a part of the policy initiatives of the Government of Tamil Nadu with an anchor investment of Rs. 100 Cr. The Fund is managed by Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC).

## ➤ OBJECTIVES

TNESSF is sector agnostic Fund that caters to the broad-based economy of the state and will focus on investing in:

- Innovative and High Growth Enterprises
- Sunrise and Emerging Sectors
- Startups and MSMEs (up to Rs 250 Cr revenues)
- Addressing market gaps with innovation/technology/cost efficiency

## ➤ INVESTMENT SIZE

TNESSF targets to invest Rs 3 to 10 Crores per round in equity or convertibles. Larger investment size may be considered for mature companies. The Fund may also consider investment sizes up to Rs 1 Cr for early-stage enterprises to reach their next milestone.

## ➤ KEY EVALUATION CRITERIA

- ⦿ Track record of the promoters
- ⦿ Growth prospects of the company
- ⦿ Capital efficient business models
- ⦿ Economic and social impact for Tamil Nadu
- ⦿ ESG adoption and commitment
- ⦿ Attractive exit potential

## ➤ ADVANTAGES OF INVESTMENT FROM TNESSF

- ⦿ Access to Government networks
- ⦿ Credibility of Institutional backing
- ⦿ Follow-on funding based on milestones
- ⦿ Business support networks

## TAMIL NADU

### A Diversified and Fast-Growing Economy

- ◆ 2<sup>nd</sup> largest contributor to India's GDP
- ◆ 3<sup>rd</sup> largest industrialised state
- ◆ Highest number of factories in India
- ◆ 3<sup>rd</sup> largest exporter in India
- ◆ 60%+ urbanisation
- ◆ Highest number of working women in India
- ◆ Literacy rate of 80%
- ◆ 10 research institutes among the top 50 in India
- ◆ 80+ incubation centers
- ◆ Chennai is recognised as the SaaS capital of India
- ◆ Home to 74 among Fortune 500 companies
- ◆ Ranked 3<sup>rd</sup> best on SDG India Index 2021
- ◆ 3<sup>rd</sup> in Ease of Doing Business rankings 2021

### SOURCES

- Guidance TN
- Startup TN
- Ease of Doing Business Rankings, 2021
- Census, 2011



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