

# The firm with a difference

**Helix Investments hopes to leverage on its family's experience to make a mark**

It is rare to see a family spanning over three generations – son, father and grandfather – driving a private equity business. But, then, Helix Investments, an India-dedicated fund, launched in FY 2007, is not the archetypal private equity investment firm. Unlike other firms which build up a pool of capital, raising it from like-minded individuals, Helix, New York-based and Mauritius-registered, manages the funds from the proprietary capital of Cullman and Bloomingdales families in the US.

Committed to making investments in India, the three members of the family – Edgar M. Cullman Sr, Edgar M. Cullman Jr and grandson David Danziger – were in Mumbai recently. "There is a vast change, easily perceptible from the way people look up, speak, move around," exclaimed the 90-year-old Cullman Sr, a legend in his own life time. A graduate from the Yale University, Cullman, on his second visit to India after a break of 17 years, has come to get a feel of the country.

A good team driver, Cullman was a little critical about the traffic discipline on the Mumbai roads. "Does a licence come free with every car purchase?" he queried, half jokingly, dismayed over the frequent lane-cutting and other stunts indulged in by car and two-wheeler drivers. As the CEO of General Cigar and Cullman Corporation, its parent company, for two decades from 1970-90s, Cullman not only grew the business organically and inorganically, but also led the diversification drive during the difficult times. The forays included getting into snacks business, publishing, packaging and labelling systems, wholesale distribution and real estates. The financial services unit was also a part of the diversification plan.

In India, the family has made investments of around \$50 million in

property market, through Helix Investments. "India holds a great potential and promise," says Danziger, managing member of the firm. Danziger, married to an Indian, is well-versed with the Indian scenario. "It is reminiscent of the 1990s, when the economy was opening up and everyone was enthused," he says. Danziger has been actively scouting



Cullman Sr with son and grandson: experienced drivers

for investment opportunities, traveling to Orissa, Madhya Pradesh and the southern parts of the country. He has had a chequered investment career, having gained experience in a buy-out firm of Shearson Lehman Hutton (now Lehman Brothers), a specialist financial restructuring group, besides serving a two-year term as the deputy director, budget and analysis, Bureau of Budgets, New York.

The fund, which is sector-agnostic, aims to provide growth capital to enterprises with a unique business model. "We are happy to take minority stakes," says Cullman Jr. Being a proprietary fund, "there is no pressure to exit," says Danziger, pointing out that, "We are patient investors willing to wait for decades, if required."

The fund has made a couple of investments in India – the first, in Goodlife Integrated Fitness Solutions, a health food delivery company providing meals to the calorie-conscious consumers, and the second, in

Outsourcing Solutions Inc, a medical transcription outsourcing company. The fund has also invested \$12 million recently in SRR Educare, the holding company for Mahesh Tutorials. With 51 operational centres, Mahesh Tutorials is a fast-growing coaching centre for school and college students, and has a well-established presence in Mumbai.

Helix, a board-room participant, has been driving growth in Mahesh Tutorials, which is in the process of expanding its foot-prints across India, as also globally. In India, it is present in Pune, Nashik, Nagpur, Aurangabad, Mangalore, Chennai and Hyderabad. It has also established its first international centre at Knowledge City in Dubai. Its other plans include providing online complementary solutions and leveraging technology to address a wider audience. Mahesh Tutorials is also expanding its services in soft-skill training programmes, management studies, as also preparatory courses to facilitate pursuit of overseas studies.

"Education is the real infrastructure of the country," says Cullman Sr, who has been associated with the school. "Building up talent pools of educated persons, on a sustainable basis is one of the foremost requirements in any country." A recipient of the Yale Medal in 1992, Cullman was also given the George Herbert Walker Bush Lifetime Leadership award in 2005. His passion for education is one of the reasons for Helix focussing on companies in education business.

"We are also looking at companies with robust delivery models, for catering to the growing consumer needs," says Danziger. Initial investments of \$5-15 million are sought to be made in these areas. The fund is not averse to making investments in PIPE (public investments in private enterprises) deals too. Currently, however, investments would be limited to small and mid-sized companies.

With three experienced drivers, one can hope to see Helix bringing in a disciplined approach on the investment highway, where private equity firms abound.

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