

## Sarath Reddy: The Financial Wizard

Written by Valsala Menon

Wednesday, 04 August 2010 16:36 -

---



Tall, lanky and with an easy smile that sets one at ease and confidence, **Sarath Reddy**, Founder and CIO of **UNIFI Capital Pvt Ltd**

, is all enthusiastic about sharing with Small Enterprise India, his journey through life and career.

Sarath Reddy hails from south of Andhra Pradesh and his family has deep roots in agriculture. His father and uncle were successful in exporting mica and there was a barter system with Russia. Way back in 1972, they decided to diversify into the hospitality industry and set up a hotel at Chennai. But, as fate would have it, on a flight to Delhi, Sarath lost his father in May of the same year. Sarath was just four years old at that time and his family decided to shift back to Chennai.

After his graduation, he flew to the US to complete his Masters in business administration from the Utah State University. He worked in the US for a while before returning to India. Back in India, Sarath joined the Standard Chartered Bank and worked in their branches at Delhi, Mumbai and Kolkata. He wanted to come back to Chennai and he joined SPIC and helped to set up an investment company for them- Navia Market Pvt Limited. After seven long years with SPIC, he decided that it was time for him to move out and set up a firm of his own.

Thus, UNIFI Capital Pvt Ltd was set up in 2001 as a boutique investment banking firm providing funds management and corporate finance service. UNIFI advises clients on a broad array of investing strategies including equity, fixed income and hybrid or structured strategies. In a career spanning over 15 years in the Indian financial sector, Sarath has handled equity research, fixed income and equity trading, corporate finance , private equity and funds management.

## Sarath Reddy: The Financial Wizard

Written by Valsala Menon

Wednesday, 04 August 2010 16:36 -

---

“UNIFI Capital is into managing funds for high net worth individuals in India and overseas. The funds of the clients are invested into listed Indian equities”- clarifies Sarath.” The company’s platform is built on continuity, customisation and product innovation. By continuity, we mean continuity in relationship management and continuity in the employee team. We have 50 people at UNIFI. The top ten are all share holders of the company and we have structured ourselves to retain employees.”

Sarath Reddy went on to explain that from a client’s point of view, identity is very important. “We retain our identity as people who are happy to be accountable to our clients and are willing to take responsibility to bring innovation to their portfolios.”

UNIFI Capital is registered as portfolio managers with SEBI. They have procured seat on the national stock exchange and also on the Central Depository of India. “We do our own research and we invest based on the advice of our own personnel”- affirms Sarath Reddy.

In 2007, he set up an offshore fund in Mauritius which caters to some institutional investors in Scandinavia, who wanted to invest in India.

UNIFI Capital grows by referral and they have no sales team. “We dint have enough capital initially. Five crore marginal investment was needed since trading limits are based on capital adequacy. Hence, we had two institutional investors to finance us. Three years ago, we bought out the company in Singapore- Orion and this year, we bought out the second investor People Capital. Both investors had made returns of over 28% per annum on their exit”- smiles Sarath.”

“Our company is 75% owned by our employees and we desire to increase that ratio. Our total customer base is around 250 clients. The investment limit is set between 25 lakh to 60 crore, the average range being one and a half crore.”

In all these nine years, UNIFI Capital may have lost just one to two clients and Sarath affirms that they have learnt from each of these experiences.

## **Sarath Reddy: The Financial Wizard**

Written by Valsala Menon

Wednesday, 04 August 2010 16:36 -

---

UNIFI has 8 people in its research team. The firm has branches in Hyderabad, Bangalore, Mauritius and in the UAE.

Sarath believes in stability and steady returns.” My vision is to increase the quality of our research and to increase our reach domestically and internationally”- smiles Sarath confidently.

Sarath Reddy is passionate about sailing and UNIFI is into sponsoring several regatta events and car rallies.