

India Venture signs investment deal with Kavery Medical

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Mumbai: India Venture Advisors, the new health care private equity fund from the Piramal Group, has signed its first investment deal with Trichy-based speciality hospital group Kavery Medical Centre and Hospitals Ltd, or KMC Hospitals.

“India Venture’s investment in KMC is through a combination of equity and warrants and the total size of investment will be up to Rs90 crore,” said a person close to the deal, on condition of anonymity. He added that India Venture has picked up at least 30% in KMC Hospitals, which itself is looking to expand in south India.

KMC’s managing director S. Chandrakumar confirmed that India Venture has invested in his company. “We have an important expansion plan spanning to the next five years. The fresh capital infusion in the company through the private equity deal will be mainly invested for this expansion, which will include organic growth as well as acquisitions,” he said.

KMC Hospitals currently has a total bed capacity of 400, and aims to extend it to 1,000 in the next five years, said Dr Chandrakumar.

“The investors are confident about the new fund as the pharma and health care sectors are relatively less affected by the global economic downturn,” Piramal group chairman Ajay Piramal had told *Mint* in December.

He could not be reached for comment as he is travelling. The Piramal group spokesperson declined comment.

Mumbai-based financial advisory firm o3 Capital Advisors Pvt. Ltd was the sole financial adviser to the transaction. “India Venture’s investment was based on KMC’s niche positioning in the regional health care space and its potential growth opportunities in the service segments that this hospital is focused on, and the valuation was appropriate,” said Shiraz Bugwadia, executive director, o3 Capital Advisor.