

HCG to tap \$20m PE funding

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SOUTH-Asia's largest cancer care network, HealthCare Global Enterprises (HCG) is mulling an IPO in the next 18-24 months and has outlined a phased fund-infusion plan to multiply its healthcare footprint.

The Bangalore-based chain, which recently announced a sweeping Rs 400-crore expansion plan, is in talks with private equity funds to generate \$20 million, bankers familiar with the development said.

HCG operates through a hub-and-spoke model with 17 centres in India and has mooted a public-private partnership (PPP) model to aid the early diagnosis and treatment of cancer. According to chairman and

CEO of HCG, Dr BS Ajai Kumar, the company is planning an IPO, possibly in 2011. "Pre-IPO, we intend to raise funds in three stages. We are in the process of finalising term sheets with several players and are likely to conclude the first round within three months. The first stage of funds could be around \$5-8 million," he added.

The oncology chain intends to ramp up its presence to 40 hospitals in the next three years, with Rs 50 crore being earmarked for overseas investments across four locations.

Greenfield projects, acquisitions and a franchisee network are being considered to explore a presence into tier II and tier III India. HCG has so far received a total of Rs 125 crore in equity investment together from IDFC Private Equity, Evolence India Life Sciences Fund and Premji Invest. Further fund raising plans will ensure that the physician-promoted chain will retain a controlling stake. It has recently entered into a strategic alliance with a multi-speciality hospital in Bangladesh to set up an oncology centre in their premises and has outlined a greenfield cancer hospital in Lanka.

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