

JM Financial PE arm set to raise ₹1,500 cr in third fund

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JM Financial Private Equity, the alternative investment arm of JM Financial Ltd, is set to mark the first close of its third fund, which seeks to raise a total of ₹1,500 crore (around \$200 million), said two people aware of the development. The first close is likely to happen within two months.

The mid-market private equity firm has already made its first bet from the third fund to back IPO-bound PharmEasy's parent API Holdings, the people cited above said.

The quantum of funds that is likely to be raised in the first close could not be ascertained.

Besides existing investors, high net-worth individuals (HNIs), institutional investors and family offices are likely to participate in the fund, one of the two people said seeking anonymity.

Darius Pandole, managing director and chief executive, private equity and equity alternative funds, JM Financial, had said in an interview last year that the firm was planning to raise a third fund. The first fund had a corpus of ₹1,000 crore, while it had raised ₹600 crore for the second fund.

JM Financial did not disclose the targeted amount for the first close.

The Mumbai-based PE firm offers growth capital to fast-growing, small and mid-sized firms, often as the first institutional investor.

The average investment per deal or the ticket size for JM Financial PE's investments is typically in the range of \$5-\$20 million.

While the third fund will be sector-agnostic, it will continue to invest in high-growth companies in the small and mid-market space, in sectors such



Darius Pandole, managing director and chief executive officer, private equity and equity alternative funds, JM Financial. MINT

as financial services, technology, consumer, and manufacturing.

JM Financial India Fund II, a category II AIF launched in FY19, has made nine bets so far with four new investments in FY22. The fund is in the process of finalizing its deployment in a logistics company, which

an investment of ₹35 crore in Pune-based ice cream maker Walko Food Co. Pvt. Ltd. Earlier, it had infused ₹240 crore into debt-laden BRFL Textiles Pvt. Ltd, along with US's Think Investments.

The second fund's other investments include India Home Loan Ltd,

Trends Pvt. Ltd (manufacturer of folding cartons and other packaging material).

The first fund, launched in 2006, made 13 investments. The PE firm subsequently exited all the investments.

After a bumper investment year in 2021, well-established and mid-sized domestic PE firms are expanding their strategies to raise capital and make targeted and larger investments.

VCCircle had reported that IIFL Private Equity, part of IIFL AMC, was raising ₹2,600 crore for its pre-initial public offering (IPO) series fund.

ICICI Bank's alternative investment unit ICICI Venture, one of the oldest domestic PE players in the country, is also in talks to raise at least \$350-400 million (around ₹2,600-3,000 crore) for its fifth private equity fund.

PLACING BETS

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will be the final investment for Fund II, another person said.

Recently, the fund backed Bengaluru based agri-digital platform BigHaat Agro Pvt. Ltd, as a part of its Series B funding round.

In June 2021, the second fund made

Spandana Sphoorty Financial Ltd (microlender), Vendiman Pvt. Ltd (vending solutions provider), Innovcare Lifesciences Pvt. Ltd (a nutraceutical player), Isthara Parks Pvt. Ltd (a co-living, student housing and urban living operator) and Canpac