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ChrysCap backs Curatio in latest pharma bet

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Mumbai: ChrysCapital will buy a significant minority stake in Curatio Healthcare, an emerging dermatology products maker, marking its tenth investment in the Indian pharmaceutical sector. The country's largest private equity investor, which has backed several pharma entrepreneurs like Chudgars of Intas and Junejas of Mankind, is investing Rs 130 crore (\$20 million) to help the Chennai-based Curatio accelerate growth plans.

Investment bank MAPE has advised on the deal. ChrysCapital said it was backing a combination of a great management team, strong brands and superior marketing capabilities in the fast growing dermatology segment of the Indian pharma market. The annual sales of dermatology products was expanding at 16-18% and stood at Rs 7,000 crore — about 6% of the domestic pharma market estimated at Rs 1.2 lakh crore. Curatio's main focus is on paediatric cosmetology — where it is building brands like Tedibar, which is poised to be a Rs 50-crore brand.

ChrysCapital VP Kshitij Seth said, "We decided to dig deeper in striking new pharma investments given the sector's multiple growth challenges right now. We believe Curatio represents a high growth niche business." Curatio, which counts VC firm Sequoia Capital as an investor, has a field force of 550 employees, reaching over 20,000 doctors across India. The company has started tapping international markets with presence in the Philippines, Sri Lanka and Bangladesh. The founders of erstwhile American Remedies, which was sold to Dr Reddy's Laboratories, invested behind a set of professionals turned entrepreneurs to start Curatio. Krishna Ramanathan of Fulcrum Ventures, an early investor backing Curatio, said the entry of ChrysCapital would help the company sustain high organic growth and chase acquisition opportunities in the domestic market.

ChrysCapital, which has raised \$3.2 billion across seven funds, had earlier backed other pharma companies, including Eris Lifesciences, Zydus Cadila and Torrent Pharma. The private equity firm has reaped \$1 billion from investing about \$150-200 million in nine pharma companies. Overall, ChrysCapital has returned \$5 billion to investors through 65 profitable exits.

