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Mirah, Beacon invest `48 cr in Impresario Entertainment

Impresario to use the funds to double the number of restaurants to 66 by March 2014 from the current 31

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Mirah Hospitality and **Beacon India Private Equity Fund** have invested `40 crore and `8 crore, respectively, in Impresario Entertainment and Hospitality Pvt. Ltd, which runs fine dining restaurants Mocha and Smoke House Deli.

Impresario will use the funds to double the number of restaurants in the next two years, said Riyaaz Amlani, the 36-year-old chief executive of Impresario.

Beacon had earlier invested `25 crore in Impresario. Mirah has the option to increase its stake in Impresario. Siddharth Bafna of Lodha Capital Markets Ltd acted as the sole financial adviser to Mirah Hospitality on this transaction.

Gaurav Goenka, 30, director of Mirah Group, said the investment decision was mainly because the fine dining space was missing in the Mirah Hospitality's portfolio and it would explore ideas of buying such brands. Mirah Hospitality owns restaurant brands such as Khandani Rajdhani, Manchester United Café and Falafels.

In April 2010, three private equity investors—Kohlberg Kravis Roberts India Advisors Pvt. Ltd, Standard Chartered Private Equity Ltd and New Silk Route—had invested `960 crore to buy a nearly 25% stake in Coffee Day Resorts Pvt. Ltd, which operates the Cafe Coffee Day retail chain. In May, ICICI Venture Funds Management Co. Ltd, the private equity (PE) unit of India's largest private sector bank, invested \$55 million (`252 crore) in Devyani International, which runs the franchises of Pizza Hut and Costa Coffee in India.

"The best blood is young blood," said Deepak Shahdadpuri, 42, managing director of Beacon, referring to entrepreneurs and the market for fine dining restaurants. "The young generation is eating at least twice a week outside as they have disposable income and living independently. The country is growing fast in real GDP (gross domestic product) and per capita income."

Beacon is a \$200 million growth capital private equity fund sponsored by Baer Capital Partners Ltd and it aims to invest \$5-25 million per investment with a preference for an initial investment of between \$10 million and \$20 million.

Shahdadpuri said Beacon has not thought about the exit as it has a policy of staying invested for at least seven years.

"In any case, Mirah Group is keen to up its stake. In that case, we could sell to Mirah. However, we are confident and committed about this investment in Impresario," Shahdadpuri said.

Impresario's Amlani said he wants to double the company's restaurants to 66 by March 2014 from the current 31. "We are currently focusing on tier I cities where the aspiring market is. We are even looking at expanding in the tier II cities in the next phase," he said.

Goenka of Mirah said it was logical to opt for investment in Impresario rather than creating a new brand from scratch. Currently, Mirah Hospitality has more than 75 outlets in about 22 cities. Mirah Group has interests in real estate development, hospitality, travel, wind energy generation, computer education, textiles, corporate gifts and international trading with sales of more than `300 crore, according to its website.

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