

# Investors eye health tech start-ups

They bet on higher returns and the lower cash burn rate

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Even as e-commerce ventures are seeing their valuations go down, healthcare-related tech start-ups are witnessing increasing interest from investors who are betting on higher returns and lower cash burn.

HealthifyMe, a health and fitness mobile app, has raised series A funding of \$6 million (about 40 crore) led by IDG Ventures India, Inventus Capital and Blume Ventures.

### Changing mindset

Increasing investor interest on start-ups such as HealthifyMe could be attributed to the changing mindset and behaviour patterns of middle-income individuals.

"There is a lot of focus on prevention rather than seeking a cure, amongst the middle class," says Tushar Vashisht, co-founder of

HealthifyMe, who was also a part of the Aadhaar project. This, coupled with the business model of the start-up, has got the attention of investors who are tightening their belts this year with regard to investments in e-commerce segment.

HealthifyMe largely gets its revenue from tie-ups with corporates such as Unilever and Cognizant, which provide this as part of their healthcare package to employees.

### Prevention over cure

The focus on prevention makes imminent business sense to health tech start-ups. "While chronic illness is a big opportunity, preventive healthcare is even bigger," says Bamashish Paul, co-founder, Healthenablr, a start-up that connects patients to doctors using tele-conference.

Investors, on their part, see opportunity in a nascent sector, which has only one sizeable player till date. According to Rutvik Doshi, Director, Inventus Capital, the

## Health tech start-ups

Firm	Funds (in \$ millions)	Investors
Practo	125 (three rounds)	Tencent, Russian tech investor Yuri Milner, Sofina, Google Capital, Altimeter Capital, Matrix Partners, Sequoia Capital
DocsApp	1.2 (seed funding)	Facebook's angel investors Anand Rajaraman and Venky Harinarayan, Japanese Venture Capital firm Rebright Partners
Medwell Ventures	10	Fidelity Growth Partners India, Fidelity Biosciences
Curofy	Pre-Series A funding	RoundGlass Partners
1mg	6	MakeMyTrip founder Deep Kalra, Sequoia Capital, Omidyar Network, Intel Capital, Kae Capital
Fitternity	1	Exfinity Venture Partners
CareOnGo	Pre-Series A funding	Funding led by Farooq Oomerbhoy of FAO Ventures and a consortium of investors

opportunity is more in health tech and the cash burn is also low.

### Opportunities

Healthcare market in India at present is estimated at \$100 billion and is expected to grow to \$280 billion by 2020, a CAGR of 22.9 per cent, according to industry watchers.

"This year, we see a lot more opportunities in healthcare than the previous years as the start-ups are be-

ginning to mature," says Amit Somani, Managing Partner, Prime Venture Partners, which has invested in LoveCycles, a women's health tracking app.

Apart from a number of start-ups in this segment, investors are also focusing on building the support ecosystem. The Indian Angel Network has collaborated with HealthStart to launch an accelerator programme to support start-ups in funding and mentorship.