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PharmEasy raises \$50 million

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BENGALURU: Online pharmacy PharmEasy has raised \$50 million (about Rs 365 crore) in a series-C funding round led by Eight Roads Ventures India, the proprietary investment arm of Fidelity International.

F-Prime Capital, Fundamentum — which is backed by Nandan Nilekani and Sanjeev Aggarwal, and San Francisco-based hedge fund Think Investments, along with existing investor Bessemer Venture Partners, have also put money into the Mumbai-based company. Earlier this month, the company had raised a venture debt of about \$7 million from Innoven Capital.

PharmEasy co-founder Dhaval Shah told TOI the new capital will be used to scale up the company's operations beyond the top metros of India, while it expands in new segments like diagnostic services and healthcare products. "Our core business serves chronic disease users who purchase on a repeat basis. Now, we are looking to enable a full-stack solution," he said.

He said the company is expanding aggressively in nonmetro markets like Bhopal and Lucknow, which have remained untapped by e-medicine delivery. "The cost of doing business is higher in these markets but the opportunity is massive as there is genuine shortage of medicines roundthe-clock," he added.

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Pharmeasy to make acquisitions post \$50 million funding

BY MUGDHA VARIYAR, ET BUREAU | SEP 26, 2018, 08.18 PM IST

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Healthtech startup Pharmeasy is on the lookout for acquisitions post its fundraising of \$50 million led by Eight Roads Ventures India, the proprietary investment arm of FIL (Fidelity International Limited), F-Prime Capital, Nandan Nilkeni and Sanjeev Aggarwal backed Fundamentum Partnership and San Francisco based hedge fund Think Investments.

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Pharmeasy has been valued at \$150 million post the round, as per sources. Existing investors BVP also participated in this round. In the past the company has raised capital from various investors like BVP, Orios Venture Partners, Aarin Capital and MEMG. Avendus Capital was the advisor to PharmEasy for the deal.

Pharmeasy's total equity funding comes to \$75 million, while it also recently raised Rs 40 crore in debt funding.

CEO Dharmil Sheth said the company has started scouting for acquisitions in different verticals such as diagnostics, doctor consultations and others.

Currently, medicine sales still bring the maximum share of revenue for Pharmeasy, up to 80%, while the other services it offers such as tele-consultation, home diagnostic tests and a subscription-based service make up the rest.

The company will use the funds to boost its supply chain for last mile delivery while also investing in marketing and advertising to expand its customer base form the current 2 million, Sheth said.

The space has already seen some M&A activity, with online pharmacy NetMeds Marketplace acquiring online video consultation app JustDoc earlier this month.

Seth said the recent draft guidelines on e-pharmacy have also brought clarity to the sector.

“It has given investors more confidence,” he said.

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