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Sequoia Capital invests \$20 mn in MedGenome

The investment will help MedGenome expand its portfolio of genetic tests as well as lab facilities in India, US

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Swaraj Singh Dhanjal



MedGenome offers genomics-based diagnostics solutions to hospitals and doctors as well as genomic research services to pharma and biotech firms and academic research institutions in India. Photo: Krisztian Bocsi/Bloomberg

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Mumbai: MedGenome, a genomics-based diagnostics and research services firm, has raised \$20 million (approximately ₹127 crore) from venture capital firm Sequoia Capital.

MedGenome, based out of Bengaluru, offers genomics-based diagnostics solutions to hospitals and doctors as well as genomic research services to pharmaceutical and biotech companies and academic research institutions in India. It also has presence in US, where it only provides genetic research services to pharma companies and research institutions.

Genomics, the study of genes and their function, provides doctors and patients with insights into the assessment and management of different types of diseases.

"India suffers the largest burden of inherited diseases with about 5-6% of the children born affected. Further, the adoption of western lifestyles has largely increased the occurrence of diabetes, cancer and cardiovascular disease", said **Sam Santhosh**, chief executive officer at MedGenome, adding that genomic diagnostics tests can provide actionable insights to doctors, allowing them to correctly diagnose a disease, and adopt precision medicine in their treatment

The investment from Sequoia will help MedGenome expand its portfolio of genetic tests, expand laboratory facilities in India and US, and collaborate with a larger number of specialty hospitals/clinics and genomic research institutions in India.

According to Santhosh, the firm expects to report ₹50-60 crore in revenue in the current financial year. The diagnostics testing business provides nearly one-third of the firm's revenue, while the rest comes from research services. MedGenome also plans to increase the number of employees at the company from the existing 150 to 200 by the end of the current financial year.

"The influx of next-generation (genetic) sequencing and high-throughput data is changing the landscape of computational biology. This has resulted in the need for more robust infrastructure, tools and techniques for genomic analysis," said **Abhay Pandey**, managing director of Sequoia Capital. Pandey will join the company's board of directors.

Last year in June, the firm raised \$4 million in funding from a clutch of investors led by Emerge Ventures. The round also saw participation by Papillon Capital's **Kartik Kumaramangalam**, Dmitri Mehlhorn, former president of Bloomberg BNA Legal; Ambiga Dhiraj, co-founder of MuSigma, and others.

Sequoia, which raised a \$530 million India-focused fund last year, its fourth India-specific fund, has made 32 investments so far this year, data from *Bloomberg* shows. This includes investments in companies such as **Locodel Solutions Pvt. Ltd** (Grofers), **Zomato**, BankBazaar.com, Freecharge.in, Faaso's Food Services and **TinyOwl**.

Sequoia has also backed tech-focused healthcare services companies such as Practo and HealthKart, apart from having investments in other healthcare diagnostics and specialty hospital firms such as Vasan Health care, Cloud Nine and ASG Eye Hospital among others.

According to the **Grant Thornton India LLP** deal tracker, the pharma, healthcare and biotech space witnessed private equity and venture capital investments of \$800 million in the first half of the year, compared with \$300 million in the same period last year.

"We have a huge population and life expectancy which is around 70-75 years. While people are living longer, they are suffering from several lifestyle diseases, which has created a huge demand for healthcare services," said **Harish H.V.**, a partner at Grant Thornton India, adding that any opportunity that caters to this demand will be attractive for investors.