



# From Fertility to Fintech, Chiratae Ventures Tackles India's Big Problems

By

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*Strategic Investors: Profiles of investors with strategies to consider.*

Chiratae Ventures has made a name for itself in India's fast-growing venture capital scene with investments focused on innovative consumer tech, health and online retail. But the fund, part of the global IDG Ventures family, has also set itself apart with key investments that are having a social impact in India through technology.

That's notable for a country where impact trend is still nascent.

"Social impact investing is present but not prevalent in India," Sriwatsan Krishnan, a New Delhi-based partner at Bain & Company, told Karma. "Most social impact funds are focused funds, and you do not see many traditional VC funds in the social impact space."

India saw a total of \$26.3 billion in VC investment from 793 deals last year, the second-highest total investment in the last decade, according to a [report](#) released earlier this month by Bain. VCs raise about \$2 billion to \$3 billion every year, and the total number of firms in the country has grown to about 300, Krishnan said.

"There are numerous opportunities for growth across the Indian market," Krishnan told Karma. "A significant amount of capital has traditionally gone into horizontal e-tailing, but is now gradually diversifying into various vertical sectors like fintech, travel tech, food tech, health tech, and edtech. Most of these sectors are rather nascent, with less than \$1 billion of capital raised, and offer numerous opportunities for investors to participate."

Chiratae, which has over \$470 million of assets under management, is the smaller of the major VCs in India, ranking eighth based on total deal value, per Bain. But its presence is significant in the world's third-largest startup ecosystem, where it is a leader and an advocate for tech that is reinventing and reshaping Indian society.

## **Fund History**

The 13-year-old fund rebranded from IDG Ventures India to Chiratae Ventures last fall, using the local-language word for “leopard” to signify how the fund’s entrepreneurs “embrace the unpredictable and exploratory terrains of the startup ecosystem,” Founder and Chairman Sudhir Sethi said.

With its new name, Chiratae hopes to expand beyond the Indian market but bring that Indian mindset along.

“We are Indians at heart and at the same time global in our approach,” TC Meenakshi Sundaram, founder and Managing Director, said in a statement when the new name was announced.

Domestically, Sundaram said VCs need to be bold in their investments. “We as investors need to reinvent for the new India,” he said. “The coming years will need us to be more agile, more innovative, give long-term support for startups and recognize and adapt to these changes.”

Chiratae’s 20-member team boasts two IPOs and two unicorns, but perhaps its greatest success to date was its investment in e-commerce company Flipkart, which sold to Walmart for \$16.8 billion last year, India’s largest exit to date.

Fund backers have included Infosys, Unilever Ventures, Cisco Investments and International Finance Corporation, which is the World Bank’s private investment arm.

Under its previous name, Chiratae completed three rounds of funding, each with a different focus. The first fund focused on vertical online retail and included an investment in Lenskart, India’s largest online platform for premium eyewear.

The second fund backed an assortment of companies in the supply chain, agricultural products and the sharing economy — including NestAway, a rental platform that began as a way to help single Indians find shared housing.

The third fund focused on companies solving India’s big problems through fintechs and other companies, including enterprise trade financing platform Vayana Network and consumer lending platform Earlysalary.

It launched a fourth round of funding in the fall with a goal of raising \$275 million to \$300 million that will focus on early- and mid-stage tech startups. The firm typically invests between \$500,000 to \$10 million in a startup.

## **Key Investments**

Healthtech has been a focus for the fund, with Sethi predicting that it will be “among the largest consumer category” in the country, citing a “rapid increase in lifestyle diseases and health awareness in India.”

In 2016, Chiratae led a \$6 million funding round for HealthifyMe, a mobile health and fitness startup that uses tech and human services to target weight loss and prevent lifestyle diseases such as diabetes, hypertension.

Last year, it backed HealthPlix, a startup that is using AI to help doctors and hospitals better manage electronic medical records and other challenges; Cure.fit, an integrated health platform that helps users track their health through connected devices; and Elawoman, which helps connect patients to fertility services.

The Elawoman investment also aligns with Chiratae's support of startups focusing on women and their needs. Chiratae led the \$3 million Series A funding round for Elawoman in October, enabling the startup to build up its technology platform and expand into non-metro regions of India and beyond the country into parts of the Asia-Pacific region.

"Infertility is a major social taboo in India which can be addressed with the help of technology," Elawoman CEO Ritu Singh said at the time.

In 2015, Chiratae led a \$2 million Series A funding round for POPxo, a fashion and lifestyle digital media platform focused on young Indian women. "Young women in India have never had a voice that truly represents them," Namrata Bostrom, POPxo's co-founder and CEO, said at the time.

Both investments signal Chiratae's interest in backing companies that are advancing women in a society where they continue to lag behind men. India has one of the lowest female labor force participation rates at 33%, far lower than the global average of 50% and Asia's 63%, according to an International Monetary Fund [report](#).

### **Industry Leadership**

Another way the fund has supported women is by backing female entrepreneurs. Women comprise 14% of its founders, up from 9% two years ago, Sethi told The Economic Times Women's Forum in February.

Chiratae has also played a leadership role in India's entrepreneur scene at large, launching a Digital Consumer Innovators Program in 2016 to help startups in the consumer technology and digital media space get off the ground. The country has an estimated 3,000 funded tech startups.

In 2017, Chiratae kicked off a Frontier Tech Innovators Program with a focus on deep tech startups that are implementing AI, blockchain, robotics and augmented reality. Last year, the fund was involved in a \$2 million investment to Emotix, an educational companion robot for children powered by AI.

Given its wide array of investments, Chiratae's focus can perhaps best be defined as disruptive. The VC is looking for startups that are shaking up India's status quo — whether that is a better way to do business or the empowerment of social classes through technology.

“We want new products, market, technology, entrepreneurs, revenue model, and business model,” Sundaram said. “What is disruptive today should be disruptive tomorrow too. For us to get returns, they have to be disruptive five years from now too.”



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