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# These 40 bets would deliver \$30-\$50 bn additional growth to healthcare sector by 2029

Kapil Khandelwal, Managing Partner of El-Toro Finserve LLP, the Investment Manager of several funds investing in Indian Healthcare Infrastructure, Sustainability and Impact discusses the 2024 India Healthcare & Life Sciences Manifesto, outlining 40 investment bets aimed at transforming the sector and fostering holistic wellness



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## What is the objective of the 2024: India Healthcare & Life sciences Manifesto?

Over the last 10 years, we have been releasing the India Healthcare and Lifesciences Investment Heatmap. 2024 India Healthcare And Lifesciences Investment Heatmap | Kapil Khandelwal KK. These are an annual prediction based on our algos. We see

some initial ideas that are not purely in the healthcare and life sciences domain but are going to be impacting the sector. We have been categorising them as 'cross-domain' investment ideas which will sometime in future become mainstream either in healthcare and life sciences sector or the other domain from where it is emerging. For instance, a few years ago, our heatmap predicted about wearables and one health wearable venture was funded that year. However, that did not go long or a unicorn from India. So, there are ideas that come on our heat map and do not continue beyond that year of prediction. We felt that there was a need to look at ideas beyond a year and that are highly growth viable from the consumer point of view. Since India is going for elections and every key political party will be releasing their 'manifesto' for the next five years. We also thought of releasing our healthcare and life sciences investment manifesto as our commitment to grow the sector with our investments and commitments and ensure that it's a promise to Indian consumers by engaging the Indian venture ecosystem to deliver products and services that will engage them into multi-sensory wellness and health leveraging the new age tech that is personalised to their moods and taste and experience good health both physically, mentally, emotionally, spiritually and digitally by the new cutting-edge innovations and investments.

**Please elaborate about the 40 bets that you have taken and what outcomes do you expect?**

The 40 bets that we have arrived at, though not exhaustive, is looking at the current sentiments of Indian consumers across different cohorts, Gen X,Y,Z and the Seniors particularly things have rapidly changed so drastically post pandemic. Therefore, it was a ground up exercise to address the changing scenario and needs towards health and well-being for the Indian consumers and their wider families. These were further analysed and shortlisted to ensure that there is entrepreneurial, scientific, innovation and investment capability on ground to see these succeed in the run up to the next general elections by 2029. At a macro level, We discussed the Gallup Happiness Index in our Season 3 Podcast 2022 : Season 3 | Kapil Khandelwal KK and how it impacts health and well-being of the people. According to a global study by Global Wellness Index (GWI), here are some of the positive correlations of how 10 per cent increase in spend in wellness (Rs 4000 per capita) leads to:

- 0.5 per cent increase in happiness;
- 0.27 years of additional life expectancy;

- a decrease of 0.72 infant deaths per 1,000 births and a decrease of 1.0 under-five deaths per 1,000 births; and
- 0.26 per cent lower risk of premature death from four non-communicable diseases (cardiovascular diseases, cancer, diabetes, and chronic respiratory diseases) for those ages 30-70.

These can be significant health and wellness outcomes for India.

### **You talked about investment capability. Why is there a slow-down of investment activity in Indian healthcare and lifesciences innovation? Has the capacity diminished?**

There are many factors that I can say. Firstly, the current investments have not yielded the expected returns for the investors. We know what the poster boys of the online pharmacy ventures have delivered to their investors when they exited. Secondly, the type of ideas that entrepreneurs come up are just not valuable and sometimes ridiculous. Imagine 'we are creating the Dunzo for poop' that is delivering samples to labs or 'uber of diagnostics labs', etc. These sorts of ideas are passe and will be passed by investors. Thirdly, healthcare and life sciences is a long-tail business to attain maturity and scale. Many well-funded ventures have pivoted so many times before and after pandemic that its not value accretive to the existing, exiting and future investors Page 3 and requires more amounts of funding to acquire customers for growth by a discount war. Lastly, the real value creation and valuation to the ventures will come through as I said earlier will come through uber-personalised multi-sensory wellness and health solutions leveraging the 5th gen medicine and healthtech. There is more than enough investment capacity for such ventures coming up in India.

### **What is the impact and size of the opportunity for India through the 40 Investment Bets?**

Let me begin by giving you the headline first. On a conservative basis, these 40 bets would deliver \$30 to 50 billion additional growth to the healthcare sector by the next election manifesto in 2029 in addition to the health and happiness I already outlined. Now in the 40 bets if we develop there are over 150 micro-segment growth opportunities that are aggregated. In addition, there are other cross-domain opportunities of growth in the consumer electronic, tourism, deep tech, real estate and other sectors which we are not counting.

When we were finalising the report, there was an open letter to PM Modi on healthcare by a leading brokerage and equity research house. We are estimating that all the investment and growth will be self-propelled by the ecosystem. Many of these micro-segment opportunities need to be accelerated by co-development, in-licencing and partnership for us to reach these outcomes by 2029. The only letter I can think of writing is how can Government help promote these bets out of India under the One World-One Health vision of the PM.

[2024: India Healthcare & Life sciences Manifesto](#)[Investment Heatmap](#)[Kapil Khandelwal](#)

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