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Practo faces tax evasion probe

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Practo executives were summoned by the Bangalore office of the Department of Income Tax to explain differences in valuations of the company in 2014.



Bangalore-based healthcare startup Practo Technologies Pvt. Ltd is under the Indian tax authorities' scanner for alleged tax evasion.

Practo, which is backed by Chinese investment firm Tencent Holdings, is investigated by authorities looking into whether it evaded tax through a cross-border corporate restructuring.

Practo executives were summoned by the Bangalore office of the Department of Income Tax to explain differences in valuations of the company in 2014.

In April, Practo laid off close to 150 employees as part of its annual performance appraisal cycle.

Practo, which has so far secured $179 million in external funding, last raised $55 million in January in its Series D round led by Tencent. During the latest funding round, the firm also announced its foray into health insurance aggregation where it will compete with startups such as PolicyBazaar and Coverfox.

Practo has also enhanced its presence in the enterprise space, acquiring five companies in the last nine years. It bought US-based data analytics firm Enlightiks Inc and its Indian operations late last year in a cash-and-stock deal valued at $13.9 million.

It also acquired hospital information management solutions provider Insta Health, hospital appointment scheduling firm Qikwell, web- and app-based fitness management platform FithoWellness and product outsourcing firm Genii.