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India's Diagnostics Shifts to Self-Reliance and Innovation

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There has been a flurry of activity in the Indian diagnostics space. In April 2026, C-CAMP hosted the first edition of the National Diagnostics Conclave and released the Indigenisation of Diagnostics (InDx) Guidance Manual, alongside initiatives aimed at strengthening domestic diagnostics capabilities. Government programmes such as the Free Diagnostics Service Initiative under the National Health Mission (NHM) continue to expand access to testing services. Diagnostics companies are also increasing investments in molecular diagnostics, genomics, AI-based tools, automation and manufacturing. What explains this increased focus on diagnostics? What initiatives are being introduced by the government? How is the industry responding? And what additional support does the industry seek for the sector's next phase of growth? Let's find out.



India's diagnostics and MedTech sector is becoming an increasingly important component of the country's healthcare ecosystem, public health preparedness and manufacturing strategy. India's diagnostics supply ecosystem spans in-vitro diagnostic reagents and instruments, diagnostic imaging equipment, and related software and services.

The Indian MedTech market is currently valued at approximately \$18.3 billion in 2026, up from \$16.97 billion in 2025. Within this, the In-Vitro Diagnostics (IVD) segment represents a significant share and was valued at approximately \$5.60 billion during FY2025–26, according to Association of Diagnostics Manufacturers of India (ADMI)). Within the IVD segment, reagents and diagnostic kits account for nearly 65–70 per cent of revenues.

Diagnostic imaging equipment market, comprising CT scanners, MRI machines, X-ray systems and ultrasound equipment, is valued at nearly Rs 20,968 crore, growing at a 9.8 per cent CAGR.

The industry structure, however, remains divided between multinational players and domestic manufacturers. India currently has nearly 171 IVD manufacturers as of January 2026, according to Tracxn. Domestic manufacturers are largely focused on rapid test kits, lateral flow assays, reagents and semi-automated instruments, where local service networks and cost advantages remain key differentiators. The high-end imaging segment continues to be dominated by multinational OEMs. Nearly 98 per cent of CT scanner sales and over 91 per cent of MRI revenues are controlled by five global companies, while around 80 per cent of diagnostic imaging equipment continues to be imported.

This dependence on imported technologies has increased the focus on strengthening domestic manufacturing and innovation, bringing diagnostics into broader discussions around healthcare infrastructure and self-reliance.

Why Diagnostics Has Become a National Priority

Several factors are driving the increased focus on diagnostics in India. The country faces a rising burden of both chronic and infectious diseases, making early diagnosis increasingly important for improving treatment outcomes, reducing healthcare costs and strengthening preventive care. The COVID-19 pandemic further highlighted the role of accessible diagnostics and decentralised testing networks in healthcare delivery, bringing greater attention to testing infrastructure and preparedness.

These factors have gradually shifted diagnostics from a healthcare support function to an important component of healthcare planning and public health systems. Government programmes such as the Free Diagnostics Service Initiative under the National Health Mission (NHM) have expanded access to testing through in-house, public-private partnership and hybrid models across states and Union Territories. Similarly, Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) has widened healthcare coverage and increased patient access to formal healthcare systems, indirectly supporting demand for diagnostic services.

The focus has also expanded beyond healthcare access toward technology and system strengthening. India's digital health agenda increasingly incorporates AI-enabled diagnostics, electronic health records and integrated healthcare platforms. Recent discussions under the 17th Common Review Mission (CRM) also highlighted the need to strengthen the availability of essential diagnostics and improve healthcare access in underserved regions.

New Government Initiatives and Partnerships Fueling Growth

While the country does not yet have a dedicated National Diagnostics Policy, diagnostics is being integrated into the broader MedTech framework through the National Medical Devices Policy and Medical Devices Rules, particularly for IVDs, with emphasis on reducing import dependence, boosting domestic manufacturing and improving testing and certification infrastructure. Simultaneously, government support is moving toward diagnostics innovation through initiatives such as Promotion of Research and Innovation in Pharma-MedTech (PRIP), Maha MedTech and broader R&D funds supporting molecular diagnostics, indigenous test development and translational research. The push toward preventive and digital healthcare is also accelerating, with Artificial intelligence (AI)-enabled programmes under the National TB Elimination Programme, National Diabetic Retinopathy Screening Programme and disease surveillance systems improving screening and early detection capabilities.

Recent GST reductions on diagnostic kits, reagents and certain diagnostic equipment to 5 per cent have been welcomed by the industry, as the move is expected to reduce testing costs, improve affordability for patients and ease operational and cash-flow pressures for laboratories and manufacturers.

Initiatives such as Patent Mitra, launched in 2025 under the guidance of NITI Aayog in collaboration with the Department of Pharmaceuticals and the Department for Promotion of Industry and Internal Trade (DPIIT), are helping streamline patenting processes, intellectual property support and the transfer of publicly funded innovations to industry for commercialisation. The initiative has already facilitated technology transfers for several healthcare innovations, including diagnostic ELISA kits for Japanese Encephalitis, Dengue and Chikungunya, immunodiagnostic technologies and rapid detection platforms for emerging infectious diseases such as Monkeypox and Nipah virus, accelerating the movement of innovations from laboratories to large-scale implementation.

One of the leading supporters of diagnostics innovation in India is C-CAMP (Centre for Cellular and Molecular Platforms), a government-supported initiative that has played a crucial role in strengthening indigenous diagnostic capabilities. Through its National Diagnostics Catapult (NDxC), evolved from the Indigenisation of Diagnostics (InDx) programme launched during the COVID-19 pandemic, C-CAMP has emerged as a key driver of diagnostics development and self-reliance. During the pandemic, the programme enabled manufacturing of nearly one million RT-PCR kits daily, while 62 of the 102 the Indian Council of Medical Research (ICMR) and the Central Drugs Standard Control Organisation (CDSCO)-approved RT-PCR kits and 21 rapid antigen and antibody kits in India were linked to the C-CAMP-InDx ecosystem. The programme has since expanded beyond COVID-19 into diagnostics for diseases including tuberculosis, malaria, dengue, chikungunya, influenza and RSV.

Today, NDxC operates through six Centres of Excellence and an eight-site clinical validation network, supporting more than 300 India-based IVD innovators, product developers and manufacturers. It has also significantly contributed to India's self-reliance goals, with three of the four ICMR-approved tuberculosis diagnostic assays currently in use in the country emerging through the ecosystem. Together, these developments underscore the growing shift of diagnostics from a support function to a strategic pillar of India's healthcare, innovation and manufacturing ambitions.

The government is also extending support to diagnostics innovation and indigenous technology development. Recent examples include support for Acrannolife Genomics for indigenous manufacturing of advanced IVD diagnostic kits, Prante Solutions for commercialisation of its renal diagnostics platform Proflow-U, and BabyCue for the development of rapid diagnostic equipment for childhood diarrhoea.

How's the industry responding

The government's growing focus on diagnostics is also reflected in industry activity, with companies increasing investments across molecular diagnostics, genomics, AI-based tools, automation and domestic manufacturing.

Recent investments indicate growing confidence in the sector. Bartronics India announced a strategic investment of up to Rs 50 crore in molecular diagnostics company Huwel Life Sciences, acquiring an initial 15 per cent stake with an option to increase its holding further. Similarly, government-backed support for companies such as Acrannolife Genomics, Prante Solutions and BabyCue reflects growing momentum around indigenous diagnostic innovation and commercialisation.

Indian diagnostics companies are also increasing investments in R&D and technology development. Molbio Diagnostics has strengthened India's molecular diagnostics capabilities through its Truenat platform, a portable real-time PCR system designed for point-of-care testing. Companies including Transasia Bio-Medicals, J Mitra & Co. and Agappe Diagnostics are investing in advanced manufacturing facilities, automated laboratory systems, diagnostic reagents and next-generation testing technologies to strengthen domestic capabilities and global competitiveness.

Precision medicine and genomics are emerging as another major area of focus. MedGenome recently expanded its footprint through a majority investment in Siddhi Diagnostics & Research Centre, while Datar Cancer Genetics received US FDA clearance for its tissue-based comprehensive genomic profiling assay, CellDx-Tissue, marking an important milestone for Indian diagnostics innovation in international markets. AI is increasingly becoming central to healthcare partnerships, with 4baseCare collaborating with the Maharashtra government to establish a Centre of Excellence for Precision Oncology, and AstraZeneca India partnering with the Telangana government for AI-powered lung cancer screening in public hospitals.

Industry efforts are also extending toward developing affordable, locally manufactured technologies. The India Health Fund-supported ASSURED rapid multi-diagnostic test, developed by Bengaluru-based Ameliorate Biotech, recently received CDSCO approval for manufacturing and commercialisation. Cipla launched Ciposillo, an advanced respiratory diagnostics platform designed for early detection of COPD and asthma.

The Industry Wishlist

As India strengthens its diagnostics ecosystem, industry stakeholders broadly agree that recent policy initiatives have helped create an important foundation. However, the next phase of growth will need to move beyond capacity creation toward building an innovation-led and globally competitive ecosystem.

“Many of the existing schemes and infrastructure initiatives operate in silos. India has multiple medtech parks, multiple incentive schemes, and several institutions working toward similar goals. Still, there is a need for a more integrated national strategy with a clearly defined long-term vision. Funding, infrastructure, regulatory support, academia, and industry participation all need to be aligned toward common national objectives. The biggest challenge is that while there is strong policy intent to promote manufacturing, the ecosystem for deep-tech medtech innovation is still evolving. India continues to rely heavily on imports for critical components, technologies, reagents, electronics, and advanced manufacturing inputs. The need of the hour is to build a complete ecosystem that supports both innovation and scale-up,” said **Sriram Natarajan, Founder, Director and CEO at Molbio Diagnostics.**

The conversation is also increasingly shifting toward strengthening foundational capabilities that can support long-term growth and competitiveness. “The sector is now entering a phase where strengthening foundational capabilities will be key to unlocking its next stage of growth. Continued focus on improving quality and standards consistency across the broader manufacturing ecosystem, particularly among smaller players, will further enhance product confidence and global competitiveness. At the same time, expanding specialised testing infrastructure and advanced manufacturing capabilities presents a significant opportunity to accelerate innovation and scale. Greater collaboration between technical institutions and industry can also help fast-track the commercialisation of research and emerging technologies. Additionally, while dependence on imported specialised components and raw materials continues in certain high-end segments, ongoing investments in domestic manufacturing are steadily building a stronger and more self-reliant ecosystem,” said **Anish Bafna, CEO & MD-Healthium Medtech.**

Regulation and market access also continue to emerge as key priorities, particularly for companies targeting international markets. “Regulatory frameworks need to become more streamlined and supportive. Regulatory approvals, validation studies, certifications, and international compliance requirements involve significant investment, particularly for Indian companies building products for global markets. Financial and process-level handholding mechanisms can play a major role here. India can also explore models similar to EPCG schemes, where support for certifications, registrations, and regulatory approvals is linked to export commitments and performance,” said Natarajan.

Industry stakeholders also point to procurement reforms as an area that requires attention. “Procurement reform is key. Quality, reliability, and innovation must be valued over just the lowest price, especially in healthcare, where outcomes depend on precision and performance,” said **Chandra Ganjoo, Group Chief Executive Officer, Trivitron Healthcare.**

The next phase of diagnostics is also expected to be shaped by digital technologies and AI-enabled tools. “A key shift is the rise of clinically meaningful AI, not just as a buzzword, but as a tool to improve screening, workflow efficiency, and access, especially in underserved regions. Companies are increasingly integrating AI, telemedicine, and digital platforms into their offerings,” said Chandra Ganjoo.

However, broader adoption will depend on addressing infrastructure and data challenges. “Infrastructure readiness across healthcare institutions continues to be highly uneven, particularly outside major urban centres. Many facilities still lack standardised imaging systems, interoperable digital infrastructure, and adequately trained personnel required to fully utilise AI-enabled diagnostics at scale. There is also a need for clearer regulatory and reimbursement frameworks, especially around preventive and AI-assisted diagnostics, so that adoption moves beyond limited pilots into mainstream healthcare delivery. In parallel, building stronger India-specific clinical datasets will be critical, both from a validation and public health perspective,

because AI models ultimately become far more effective when trained on diverse local population data,” said **Ankit Modi, Founding Member and Chief Strategy & Growth Officer at Qure.ai.**

The larger message across the industry remains consistent: “India doesn’t just need to manufacture more; it needs to build trust, quality, and innovation at a global level,” signs off **Ganjoo.**

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