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Medtech pens a resilient growth story

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As the ‘pandemic’ is being viewed in our collective ‘rear view mirrors’, going ahead at full steam seems like the only mantra of most companies, well-established and startups alike. Learnings from 2020-21 setbacks have been taken seriously by the industry at large and the diagnostics and the medtech sector has high hopes for 2022. We explore the expectations and opportunities that are ripe for the picking in the months ahead.



The medical devices and the diagnostics market in India has a huge growth opportunity as echoed by Dr Jitendra Singh, Minister of State (Independent Charge) of the Ministry of Science and Technology; Earth Sciences at the 13th edition of the Global MedTech Summit organised by the Confederation of Indian Industry (CII). According to Dr Singh, India's medical technology sector has the potential to reach \$50 billion by 2025.

India provides certain advantages for the growth of the sector and with a huge population base and the demand for diagnosis, medtech and diagnostics players are in a frenzy to have a bigger share of the pie.

According to India Brand Equity Foundation (IBEF), a rising number of medical facilities will boost the demand for the medical devices market. Apart from it, the production-linked incentives (PLI) scheme by the government will augment the demand. The Government of India (GOI) has commenced various initiatives to strengthen the medical devices sector, with emphasis on research and development (R&D) and 100 per cent Foreign Direct Investment (FDI) for medical devices to boost the market. From April 2000 to March 2021, FDI inflow in the medical and surgical appliances sector stood at \$2.19 billion.

COVID-19 posed a lot of challenges for the diagnostics and medtech sector. During the pandemic, manufacturers of the in-vitro diagnostics (IVD) industry have taken cognizance of the need to aptly utilise the large manufacturing capacities that were installed for COVID-19 products.

Veena Kohli, President, Association of Diagnostics Manufacturers of India (ADMI), committed to raise the standards of the IVD industry in India and CEO, Vanguard Diagnostics opines, "COVID-19 has democratised the molecular diagnostics platform in India. We need to expand this platform for the development and manufacturing of other molecular diagnostics assays such as HIV, HBsAg and HCV for which India is still largely imports dependent."

COVID-19 has ushered in a tremendous increase in awareness about health and wellness along with underlining the utility of home-use diagnostics tests. The increasing demand for novel point of care and preventive healthcare tests will drive the growth of the Indian IVD market at a CAGR of about 20 per cent during the next three years, according to ADMI.

The pandemic had a massive impact on the sector with a fall in the volume of patients since the beginning of the year. However, many companies were quick to grab the home diagnostics market as it was a viable business opportunity at that time.

New Delhi-based Oncquest Laboratories geared up to face the new challenges stemming from COVID-19. Adapting to new business modalities and expanding 'COVID coverage' helped the company to sustain itself. Oncquest acquired the erstwhile Quest Diagnostics' India facilities from Strand Life Sciences.

Says Dr Ravinder Deep Singh Sethi, COO, Oncquest Laboratories, "We seemed completely on track. and in control. 2021 turned out to be a trickier one than we thought initially. Just when we were planning to get back to normal with focus on driving the non-COVID business, an intense second wave disrupted our plans and lives once again. We quickly geared up to face the new intensity of challenges that the pandemic threw at us. We changed gears, adapted quickly to serve more and more people, expanded our COVID coverage with a slew of COVID management and monitoring tests."

Sharing his views, Sriram Natarajan, Founder, Director and CEO, Molbio Diagnostics says “The year 2021 further exposed our vulnerability and unpreparedness in dealing with pandemics of this scale, highlighted the cost of callousness in health practices and compliance and emphasised the importance and need for high-quality universal healthcare.”

However, the year 2021 has opened up many opportunities for Molbio Diagnostics as it has launched a new facility at Verna, Goa, spread over a 1,35,000 sq ft area. In September 2021 Molbio received the Drugs Controller General of India (DCGI) nod for its Truenat Nipah test. This is the first kit in India to receive emergency use regulatory approval to conduct tests for Nipah. In October 2021, it received DCGI approval for its Truenat Scrub T-test for Scrub Typhus.

Mumbai-based Ayu Devices, incubated at Indian Institutes of Technology (IIT) Bombay, entered the market with ‘AyuSynk’, a digital stethoscope during the pandemic. Adarsha K, CEO & Co-Founder, Ayu Devices reveals, “We have made a beginning with the deployment of over 4000 devices, and it is giving the local healthcare facilities the advantage of screening over 3X patients, with the added advantage of accuracy and safety for the doctors and other healthcare warriors. Apart from the Indian marketplace that has readily accepted our product, we shall soon be making breakthroughs in overseas markets like the UK and Europe. We foresee growth at the rate of around 20 per cent and will soon have operations in markets like the US and the UK in the next nine to 12 months.”

Bengaluru-based startup Innovation Imaging Technologies Pvt Ltd (IITPL), which has a R&D centre in Pune had a bumpy road during the early part of the year. However, IITPL has achieved the 100th Cath Lab installation milestone in August 2021 within three years of commercialisation.

Says Gaurav Agarwal, Managing Director, IITPL, “We didn’t stop the engine of innovation during the lockdown and researched and developed the world’s most economical fixed flat panel Cath Lab, Pinnacle Pro aligned with our vision to make high-quality Cardiovascular care more accessible. The startup has set up a state-of-the-art Cath Lab manufacturing facility in Bengaluru, which is capable of producing 240 Cath Labs in a year and can cater to the total annual demand of Cath Labs for the country and will launch our 5th Gen, Cath Lab in November.”

While in north, Noida-based Redcliffe Life Diagnostics launched routine Dx vertical with 14 labs in 14 cities (Noida, Lucknow, Unnao, Kanpur, Patna, Raipur, Indore, Dehradun, Bhubaneswar, Jammu, Hyderabad, Mumbai, Bangalore, Udaipur) and operations in 40+ cities of the country. Redcliffe already runs two genetic testing labs with Delhi NCR lab is now a world-class facility.

Dheeraj Jain, Founder, Redcliffe Life Diagnostics opines, “Next year will be a defining year where major disruptions are planned in the Home Dx and Clinical Dx segment through digitisation, technology and innovation.” The company aims to put its footprint in all major cities of the country and cover at least 50 per cent of all smart cities.

Gurgaon-based CORE Diagnostics is going through a 360-degree growth trajectory, with new launches, partnerships, and investments. The company is looking to set up an R&D facility which will not only help it in bringing in-house testing kits but will also help in research focused on the scientific community.

Dinesh Chauhan, CEO, CORE Diagnostics, says, “As part of our expansion plans, we have set up new labs in Delhi, and Bengaluru very recently. We are carrying out more expansion plans to open up new laboratories in other locations. New innovative technologies and tests are also being added to the high-end space. We also have plans to launch a campaign on infectious molecular testing.”

Another Gurgaon-based company, Healthians started ‘At Home’ testing to around 140 plus cities and providing over 1,500 employment opportunities in the form of pathologists, phlebotomists, lab technicians and runners. The planned expansion focussed particularly on Tier-2 cities and towns of Uttar Pradesh, Punjab, and Haryana. It plans to go in for an IPO in the next three years.

Deepak Sahni, Founder & CEO, Healthians opines, “The entire diagnostic ecosystem is no longer confined to just medical tests and tele-consultation. Understanding the changing landscape of healthcare is the key to driving your expansion strategies. The proliferation of technology has opened up new avenues for strategic expansion, which calls for the development of new sub-verticals in the health and wellness domain.”

The growth of the diagnostics industry in India is favourable with rapid technological advancements, and doctors increasingly relying on evidence-based treatment. Increased awareness of preventive and curative healthcare in consumers are also key growth indicators.

Says Anindya Chowdhury, COO, Aster Labs, India & GCC, Gurgaon, "The growth of the diagnostics industry in India is favourable with rapid technological advancements, and doctors increasingly relying on evidence-based treatment. Increased awareness of preventive and curative healthcare in consumers are also key growth indicators.

Looking at the growth opportunities in India, Advanced Medical Technology Association (AdvaMed) that advocates globally for the highest ethical standards and patient access to safe, effective and innovative medical technologies that save and improve lives has launched the AdvaMed Code of Ethics on interactions with healthcare professionals in India. It provides medical technology and diagnostics makers with compliance principles and guidance that addresses key legal risk areas that govern business relationships and activities.

Opportunities are many and so are challenges. Grabbing the right opportunity and investing rightly will decide the future of the sector. With the COVID-19 pandemic rate slowly declining in the country, on how the sector reaches new heights, only time will tell.

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