

DiabetOmics set to sprawl in Hyderabad

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The facility has the capacity to manufacture about 1 lakh readers per annum and 5-6 million test strips per annum and will begin introducing them in the Indian market later this month.



US-based DiabetOmics Inc, which has set up a facility to manufacture rapid testing kits (including one for saliva-based diabetes monitoring) on Hyderabad's outskirts at Mupireddipally in Medak district, is planning to raise about \$20 million early next year to fund the commercialisation of its products and expansion of its recently commissioned global facility in Hyderabad.

DiabetOmics Inc founder CEO Dr Srinivasa Nagalla said, "We plan to raise \$20 million via private placement in the first quarter of 2019 for commercialising the three tests we have developed and expanding our India manufacturing facility to meet the global supply of our products. The full-scale expansion to meet global demand is expected to be completed by 2020".

The company plans to scale up its existing 37,000sft facility by another 20,000sft as part of the second phase.

The company, which has developed a rapid test for preeclampsia as part of its maternal health focus as well as a blood test for detecting type-1 diabetes and a saliva-based test for type-II diabetes (1-2 week average blood glucose levels), is also looking at going public in 2020 with a potential \$70-80million offering.

The medical diagnostics player had, in 2015 and 2016, raised \$4.5million from Ventureast and 0.5 million from Shantha Biotech founder Dr KI Varaprasad Reddy, who is also the chairman of DiabetOmics India Pvt Ltd, the Indian arm of DiabetOmics Inc.

Talking about the roadmap ahead, Nagalla said the facility has the capacity to manufacture about 1 lakh readers per annum and 5-6 million test strips per annum and will begin introducing them in the Indian market later this month.

It will initially target physicians and clinics, NGOs working in the healthcare space as well as government bodies. It will then target pharmacies and look at putting its products in the OTC market over the next 2-3 years.

"Government adoption at primary healthcare level will take at least 2-3 years. We are already working with global diabetes organisations like JDRF and Helmsley charitable trust and are also talking to others like the Bill & Melinda Gates Foundation, who are working in the maternal health space," Nagalla said.

Exports are also on the cards from the facility from the first half of 2019. It will target neighboring countries, South East Asia as well as Europe and US. "We have got CE approval for Europe and are talking to a few maternal health MNCs there. We hope to begin selling our preeclampsia kits in Europe by the first half of 2019. We have also initiated the process for 510K approval from USFDA, which should take about 6-8 months to come through," he explained.

DiabetOmics is also working on developing an early marker test for diabetic nephropathy, which leads to diabetics losing renal function, and hopes to launch it by 2019 end.

"The year 2019 will be our first full year of operations and we hope to break even in 2019-20," said Nagalla, pointing out that the expansion will hike the capacity of the Hyderabad facility to about 10 million strips per annum.