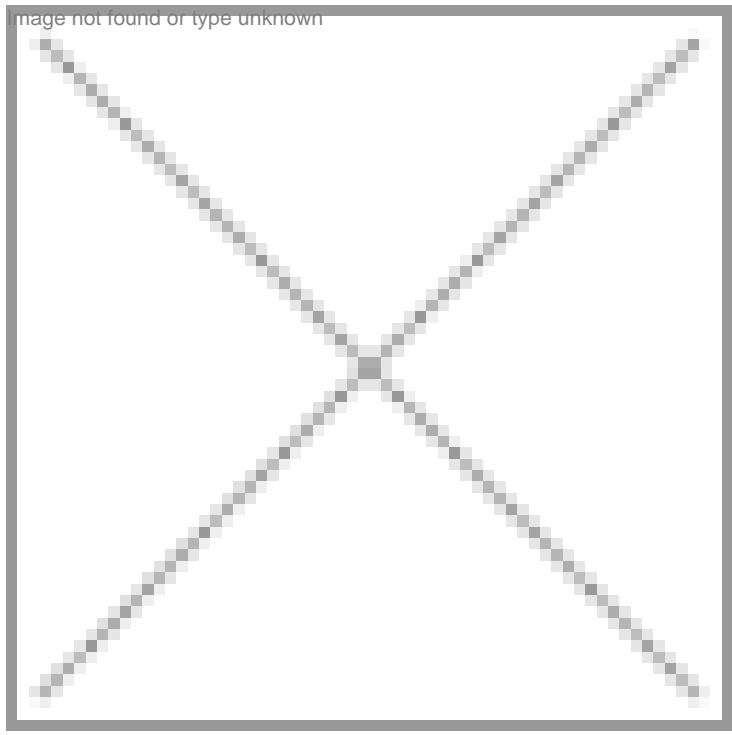


## Diagnostics Business Gets Bigger

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- **Roche consolidates.**
- **Diagnostics business crosses Rs 600 crore**
- **Pharma companies moving away from diagnostics trading.**
- **Biosuppliers to carry diagnostics products.**
- **Diagnostics sector to get special attention.**

With over 50 companies in the diagnostics business, the diagnostics business in 2004-05 is estimated to be Rs 602 crore. This business has been witness to several interesting trends. While Roche Diagnostics consolidated its business, after the alliance with Nicholas Piramal ended, new companies like Cancer Genetics (Genetics Specialties) have set up shop in India. Further, companies like BioRad are making good progress with their diagnostics business. BioRad's total diagnostics products business in 2004-05 was Rs 18 crore. Further, pharma companies like Dr Reddy's that were trading diagnostics products have moved away from this line of business.

Roche Diagnostics is the clear leader in this market place with estimated revenues of Rs 150 crore. TransAsia Biomedicals and Goa-based Tulip Group are the two very big players, both accounting for nearly Rs 185 crore of business in 2004-05. Span Diagnostics is another Indian manufacturer, which registered close to 38 percent growth in its sales over that in 2003-04 and closed the year at Rs 49 crore. In 2004, there were about 25 companies manufacturing diagnostic kits in India. These companies have been manufacturing and selling kits mainly in the areas of pregnancy, ovulation, estimation of T3, T4 & TSH, HIV, HBV and HCV infection, rheumatoid diseases and disorders, cancer (cervix, colon, prostate, lung and mouth etc.), kidney function and liver function.

The total Indian diagnostics market in 2004-05 accounted for 16.5 percent of the total biopharmaceutical sector sales and saw almost a 48 percent jump in revenues during 2004-05 compared to that in the previous year. The market can be categorized into two major categories—one being reagents and allied business and the other being the instruments business. The figures mentioned above include mostly the kits and reagents and not the instrumentation. The instruments market is much bigger and we included that business in the life science suppliers' market estimates.

Rank	Company	Sales in Rs Crore	2003-04	2004-05
1	Roche Diagnostics	NA	150	150
2	TransAsia	78.01	94.5	94.5
3	Bayer Diagnostics	55.5	64.61	64.61
4	Span Diagnostics	35.62	49	49
5	Niclos Diagnostics	7	35.7	35.7
6	Orca	22.9	28.71	28.71
7	Tulip Diagnostics	19.6	21.5	21.5
8	Zephys Biomedicals	7.99	18.08	18.08
9	BioRAD	NA	18	18
10	Lilac	11	15.86	15.86
<b>Top 10</b>		<b>307.62</b>	<b>495.96</b>	<b>495.96</b>
<b>Others</b>		<b>99.43</b>	<b>105.84</b>	<b>105.84</b>
<b>TOTALS</b>		<b>407.05</b>	<b>601.8</b>	<b>601.8</b>

The market is largely import-driven though there are close to 25 manufacturers. Price, quality and availability are factors driving the import of diagnostic kits into India. This is mainly because a large number of instruments are based on proprietary reagents due to the closed system. Further high import duty and customs clearance procedures, logistics, slow pace of approvals from statutory authorities, lack of national laboratory network for evaluation and approval of new products are some of the factors slowing down the pace of indigenization.

However, some of the stumbling blocks are expected to go. The National Biotechnology Development Strategy Draft has a reference on "diagnostics for emerging medical paradigm" in the sectoral road map. The strategic actions include establishing a cell for diagnostics to encourage and support studies into the clinical application of pharmacogenomics. This proposed cell is to bring pharmacogenomics to the clinical set-up and encourage research, engaging investigators with clinical practice and pharmacology and pharmacokinetics expertise. The Association of Diagnostic Manufacturers of India (ADMI) is working closely with the key authorities and agencies to appraise them of the challenges facing this industry and resolving some of these issues. With the diagnostics sector getting the strategic attention, the industry expects to register close to 30 percent growth every year for the next few years.

9 BioRAD

10 Lilac

**Top 10**

**Others**

**TOTALS**