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Indiaâ??s 30 per cent trade-margin cap on 137 anti-cancer medicines marks an important step towards improving affordability, but sustainable cancer care requires investment across the entire treatment pathway. In this interview with BioSpectrum India, Mayur Sirdesai, Co-Founding Partner, Somerset Indus Capital Partners, examines the policyâ??s implications for pharmaceutical companies and investors, the opportunities in oncology infrastructure and diagnostics, and the need for integrated care models to expand access beyond metropolitan markets.



Will the 30 per cent trade-margin cap materially improve cancer-care affordability, and what could limit its impact?

The NPPA's decision to cap trade margins at 30 per cent for 137 anti-cancer medicines is an important step towards improving medicine affordability. The measure has the potential to reduce the prices of the medicines covered, helping ease one component of the financial burden faced by patients and their families.

However, cancer care involves several interconnected costs, from screening and diagnosis to medicines, surgery, chemotherapy and radiation. The extent to which lower medicine prices translate into greater overall affordability will depend on how these different components come together across the patient's treatment journey.

The larger opportunity is to take a more holistic view of affordability, looking beyond individual cost components to how quality cancer care can be delivered sustainably. This means improving access to medicines while also strengthening treatment infrastructure, early diagnosis and the availability of specialised services. Ultimately, the focus must remain on enabling more patients to access the care they need.

How might the policy influence pharmaceutical profitability, distribution models and investment in oncology innovation?

The impact on pharmaceutical companies and distribution models will depend on the products covered, their existing margins, supply-chain structures and underlying economics. As the policy evolves, it will be important to understand how these factors influence the availability of medicines and the commercial considerations associated with introducing new products in India.

This is particularly relevant in oncology, where both innovative therapies and biosimilars have an important role to play in expanding treatment options for patients. From a broader healthcare perspective, the objective should be to ensure that more patients can access the treatments they need, including newer therapies that may otherwise remain beyond their financial reach. At the same time, the framework needs to support the continued availability of medicines and a sustainable environment for their development, manufacturing and supply.

Affordability and commercial viability therefore need to be considered together. This is not a challenge that can be addressed through one intervention alone. Policymakers, pharmaceutical companies, healthcare providers and payers need to work together to identify solutions that improve patient access while supporting continued availability and innovation.

The larger opportunity is to build a healthcare ecosystem in which access to quality treatment can expand sustainably, with patients at the centre of decision-making.

Which oncology segments offer the strongest long-term investment potential in India?

India has a significant opportunity to expand its oncology-care capacity, particularly in areas where access to specialised treatment remains limited. From a long-term investment perspective, there is potential across specialised oncology hospitals, regional treatment networks, diagnostics and early detection, as well as treatment modalities such as radiation therapy,

surgery and drug-based treatments.

An important consideration is how these capabilities can be developed to improve access to quality care while remaining clinically effective and financially sustainable. Different treatment modalities play complementary roles in cancer care, and the relative investment opportunity will depend on patient needs, the availability of clinical expertise and the ability to deliver services efficiently.

There is also an opportunity to build regional healthcare platforms that bring specialised capabilities closer to patients, particularly beyond major metropolitan markets.

Investments in diagnostics, referral networks and day-care or outpatient treatment models can complement this infrastructure, supporting earlier identification, timely access to specialists and better continuity of care.

The opportunity is not simply to add more infrastructure, but to build scalable platforms that combine clinical capabilities, operational efficiency and affordability. For long-term investors, the focus should be on healthcare models that address unmet needs across the oncology-care pathway, expand access to quality treatment and remain financially sustainable as they grow.

Where is investment most urgently needed across screening, diagnostics, treatment infrastructure and patient support?

Investment is needed across the oncology-care pathway, but screening and early detection deserve particular attention. Identifying cancer earlier can create opportunities for timely intervention, improve the prospects of treatment and potentially reduce the financial burden on patients and the healthcare system.

When cancer is detected at an advanced stage, treatment can become more complex and intensive, with implications for both outcomes and costs. Strengthening screening and diagnostic capabilities can help address this challenge, provided patients can move from screening to timely diagnosis and appropriate treatment.

India has an opportunity to build on public health initiatives focused on early detection, including screening for breast and cervical cancer. This needs to be complemented by access to diagnostic services, specialist consultations and treatment facilities, including surgery, radiation and chemotherapy.

From an investment perspective, the priority should be to strengthen the connections between these different stages of care. Investments in screening will have the greatest value when they are supported by effective referral pathways and timely access to treatment. This integrated approach can help improve outcomes and make more effective use of healthcare resources.

What additional reforms would help India build an oncology ecosystem that is affordable for patients and attractive to long-term investors?

A key priority is to look beyond the cost of medicines and strengthen the entire oncology-care pathway, particularly screening, early diagnosis and timely treatment. The stage at which cancer is detected can influence the complexity of treatment required and the associated cost. Investing in earlier detection and intervention can therefore make an important contribution to both patient outcomes and the sustainability of healthcare delivery.

There is an opportunity to strengthen screening programmes, improve access to diagnostic capabilities and build more effective pathways from diagnosis to treatment.

Advances in diagnostics, including emerging approaches such as liquid biopsies where clinically appropriate, may also create opportunities to identify disease earlier and support more timely intervention. These developments need to be complemented by access to appropriate treatment and continued clinical evaluation.

At the same time, sustainable healthcare delivery requires coordination between policymakers, public and private healthcare providers, pharmaceutical companies and payers. Public-private partnerships and government-backed payment mechanisms can help expand access, particularly in markets where affordability remains a significant barrier.

For long-term investors, a stronger focus on early detection, treatment infrastructure and integrated care models offers an opportunity to address unmet needs while supporting the development of a more accessible healthcare system. The objective should be to build an oncology ecosystem that can identify disease earlier, deliver appropriate treatment in a timely manner and make quality care accessible to a much wider population.

What commercially sustainable models can improve access to quality cancer care beyond metropolitan markets?

Expanding oncology care beyond major metropolitan centres requires models that address both affordability and access to quality clinical services. Even where providers offer treatment at lower price points, affordability can remain a challenge for many patients.

Public-private partnerships and government-backed payment mechanisms can play an important role in bridging this gap. Ayushman Bharat PM-JAY, for instance, provides a framework for eligible beneficiaries to access covered hospital-based treatments. Such mechanisms can help support access to care in markets where out-of-pocket affordability remains a constraint.

For providers and investors, the opportunity is to develop models that align local patient needs with the availability of clinical expertise, infrastructure and sustainable operating economics. Regional treatment centres, partnerships with public healthcare systems and networks connecting smaller cities to specialised services can help extend access while making efficient use of resources.

Ultimately, expanding into Tier 2 markets requires more than establishing infrastructure. It requires a viable model that brings together patient demand, quality care, affordable pricing and reliable payment mechanisms. Collaboration between public and private stakeholders will be important to making such models work at scale.

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