

# India Diagnostic Labs Market

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TechSci Research  
Analysts in  
Conversation with:  
**Dr. Rishab Kapoor**  
(Founder & CEO - ReliOn  
Diagnostics)



## In Conversation with Dr. Rishab Kapoor

Founder & CEO - ReliOn Diagnostics

### How is your work related to Diagnostic Labs?

True fitness comprise of gym of physical training and constant monitoring of health. Ever since we have witnessed COVID-19, new technologies in the field of healthcare and diagnostics are being introduced into the market. These technologies are novel and thus we consult and educate these diagnostic companies about new trends and if they are inclined, we do assist them in procuring such service.

### According to you, what is the scenario of diagnostic labs in India? In which regions/states the number of diagnostic labs is increasing/decreasing?

The diagnostic industry is booming and effortlessly integrating novel strategies to maximize their logistic and reporting issue. Moreover, prize war and introduction of big collaborations has made it more affordable and convenient. Big towns are witnessing a plateau state with a constant upgradation of technology but rural regions and small towns have witnessed an exponential flooding and a rise of new brands.

### According to you, what are the factors that have significantly increased the penetration of diagnostic labs in India?

Diagnostics has become a very personalized service and tends to offer a huge array of options to choose and select like fashion and food industry. Easy mode of payment along with rewards, convenient pickup and rapid reporting has boosted this business. Technology and digitalization of healthcare has changed the outlook of this service. Government awareness and constant upgradation of technology has strengthened the backbone of this industry.

### What are the regulatory requirements that a company needs to meet before setting up a diagnostic laboratory in India?

Once the company has performed the market survey to analyze the regional trends, one has to select an approachable commercial space. After selecting the space, one has to seek approval from water and fire department. The center has to be registered at the local cooperation and should tie up with a certified company for waste disposal. Besides approval, the lab needs to hire trained lab technicians and pathologist to maintain and report the data. The purchase of certified machines along with regular calibration has to be performed to be eligible for NABL approval.

There are different types of diagnostic labs in India such as standalone diagnostic labs, hospital based diagnostic labs and diagnostic chains. According to you, which of these types of diagnostic labs majorly found in India?

Standalone labs are private labs with few collection centers that cater majorly to all types of patients within a certain distance. Hospital managed labs as the name suggest are set up in hospital that cater majorly to admitted patients along with walk-ins. On the other hand, diagnostic chain labs operate on HUB and SPOKE model. They do have major facility and multiple small sized labs to perform routine parameters and collection center. They posses Hugh parameter selections and have developed a greater coverage in collection and reporting. Although these chain labs are growing at a rate of 15 percent annually, yet standalone labs holds the major chunk of diagnostic business.



**In terms of the different types of tests conducted in a diagnostic laboratory which are more? (Pathology tests or Radiology tests)**

Pathology test are sample based that are performed with or without doctor referral. Once an abnormality is observed in such test, the patients are advised to undergo radiology test on doctors approval. If we see todays trend, pathology test hold the major share of diagnostic business.

**What is the scenario of diagnostic labs in urban and rural sector?**

Urban regions are witnessing a fierce competition in the aspect of price, service and TAT. They are driven by novel technology and are constantly battling with their fellow competitors in acquiring their customers and maximizing their sales. Rural regions are driven by trust and referral. They don't hesitate when it comes to price but value personal satisfaction a lot.

**Who are the major end users going for tests in a diagnostic lab? (Doctor Referral Patients, Walk-in Patients, Corporate Clients)**

After COVID-19, people are more concerned about their health and tend to get themselves tested at regular intervals. Thus a major chunk is driven by walk-ins and home collection over corporate and doctor referrals.

**Who are the major companies operating in the India Diagnostic Labs market? Any, company that you know which is making key developments and you would like to highlight.**

SRL, Dr LAL and Thyrocare are key players who hold a major share in Diagnostic market. New companies like Healthians has shown a greater progress by surpassing all players in price and TAT. Their SOP for sample collection is quite impressive. Entry of TATA group in diagnostics and medicine has earned everyone's trust. In the filed of walk-ins, I would suggest that Dr DANGS LAB has won that race. Their state of the art infrastructure has nicely integrated hygiene with healthcare.



### **How did the COVID-19 pandemic crisis affect the diagnostic labs business in India?**

I believe that COVID pandemic effected the diagnostics in a productive way. The integration of technology in healthcare such as linking your vaccination status with Aadhar and passport made our travel much easier and convenient globally. Furthermore, insertion of authentication codes on reports reduced counterfeiting thereby making test more legit.

### **What is the scenario of diagnostic labs across different states and regions in India? Which state/region has the highest number of diagnostic labs and why?**

The first COVID-19 case was identified in Kerala and delta variant was firstly identified in Delhi. The north and south regions of India do have institutes equipped with machines and technology that could identify the novelty in the viral strain. After Delhi, Mumbai, cochin and Bangalore were among few cities to setup a COVID facility at airport. The eastern region of India has seen a rise in the number of labs and several institutes are setting up such technology to cater eastern region.

### **How do you foresee the entry of pharmaceutical companies such as Lupin in the diagnostic labs industry?**

With our growing population, several companies including Lupin Pharma are entering into this industry. With a well-equipped production facility, Lupin Pharma holds a great advantage as they possess a strong R&D facility and global affiliations to secure an affordable production of biochemistry and hematology reagents and rapid testing kits to maximize their sales and turnover.

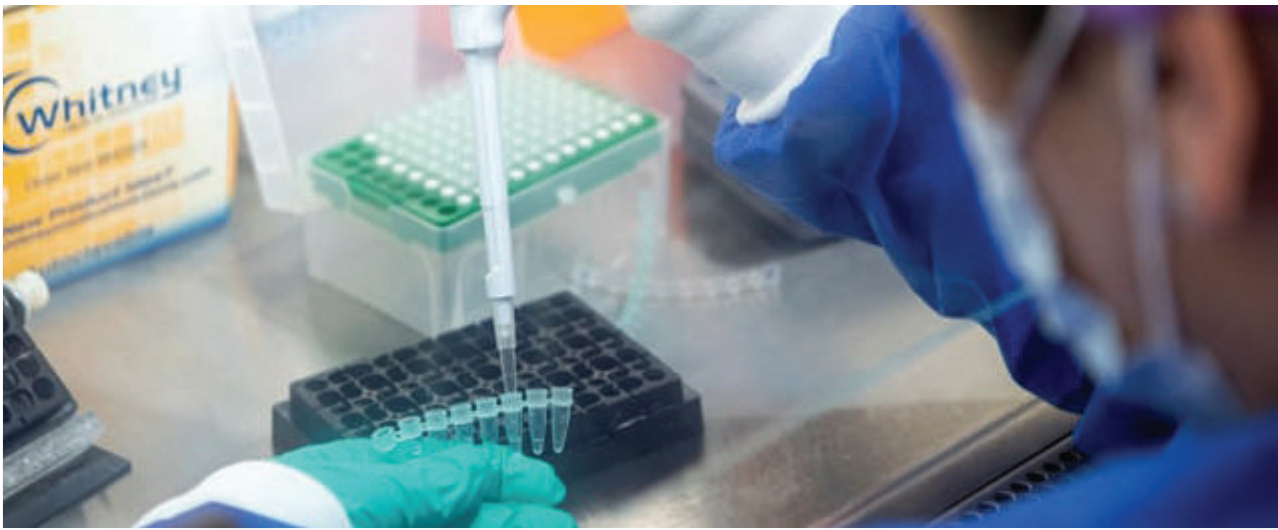
### **How is the changing dynamics of services offered such as home sample collection services, teleradiology, teleconsultation services, etc. impacting the overall diagnostic labs industry?**

During COVID, social distancing was on surge thus reducing physical interaction. Technology was the sole medium to communicate and consult. Medical assistance offered via web was able to deviate and streamline the obstacles of social distancing. It improvised our diagnostic industry and gave name and fam that India was deprived of in medical industry.

### **What are the initiatives that diagnostic labs are taking in order to attract new customers and also for customer retention?**

Attracting and retaining customer is always a challenge nowadays. Besides price, free consultation, regular follow-up via calls or messages followed by discounts on medicines are some of the ways to attract customers. Memberships and loyalty points ensures customer devotion to a particular brand.





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