

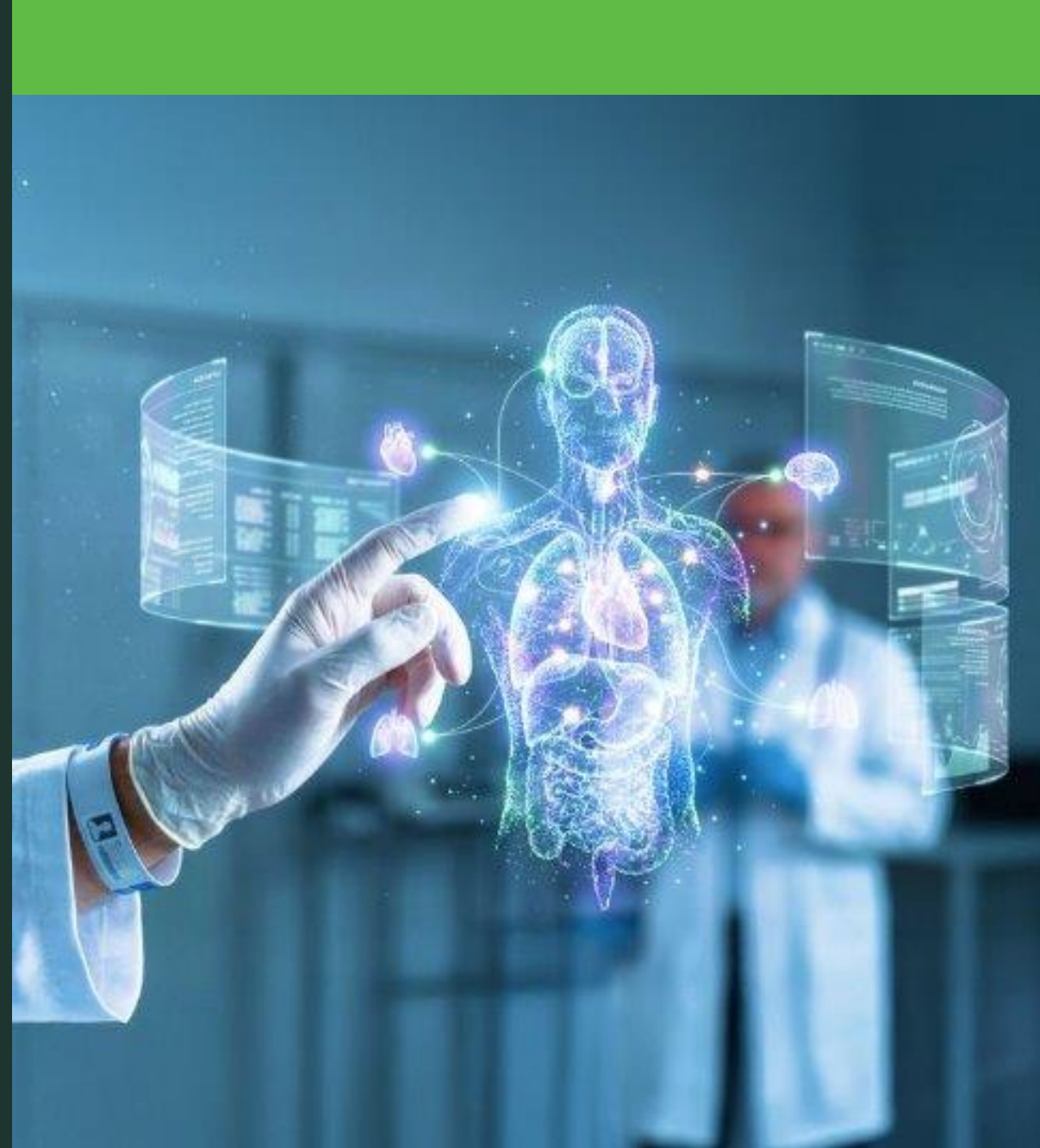


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# MARC Insights MSME Entry Opportunities in India's Medical Devices Sector

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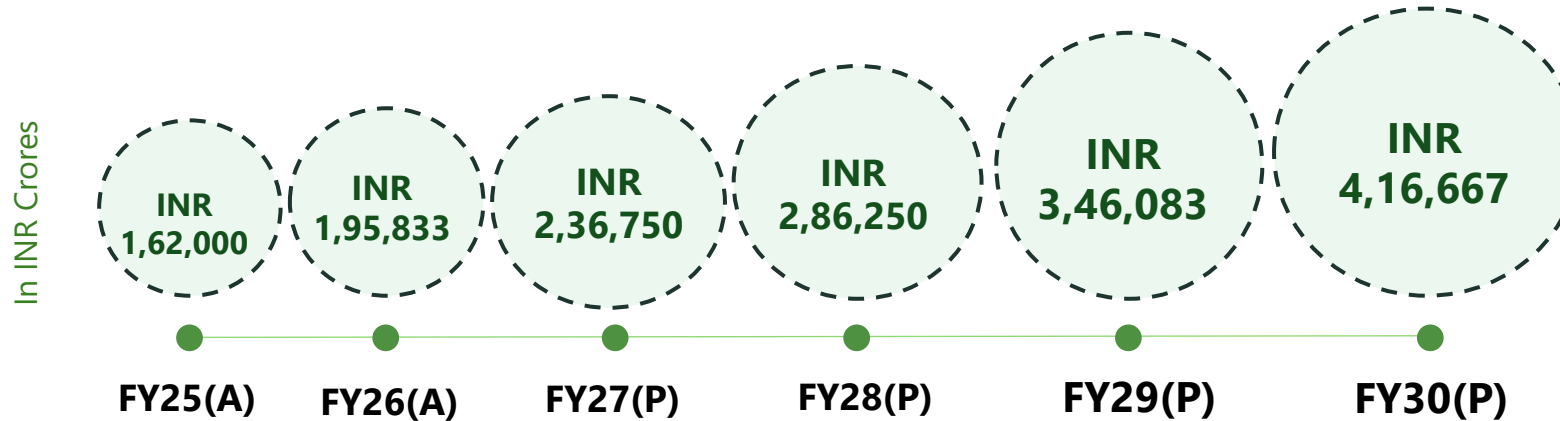
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# Overview of Medical Devices Sector

Indian Medical Devices Market Growth Outlook (2022–2030) at a CAGR of 8.5%

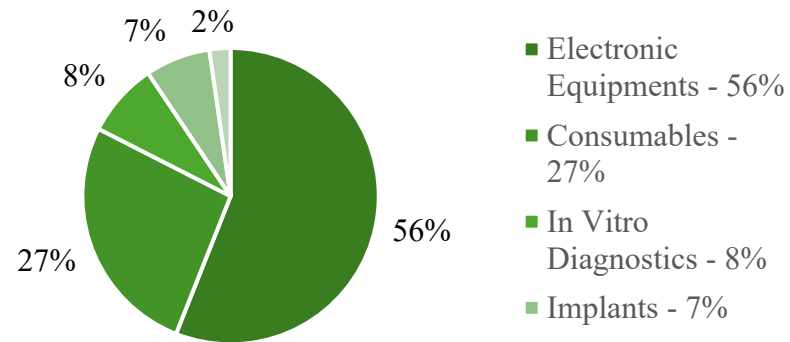


## Global Market of Medical Devices

The global medical device market is valued at over **INR 50 Trillion** and is projected to grow steadily at a **CAGR** of approximately **5–6%** in the coming years.



## Product Segmentation of Medical Devices



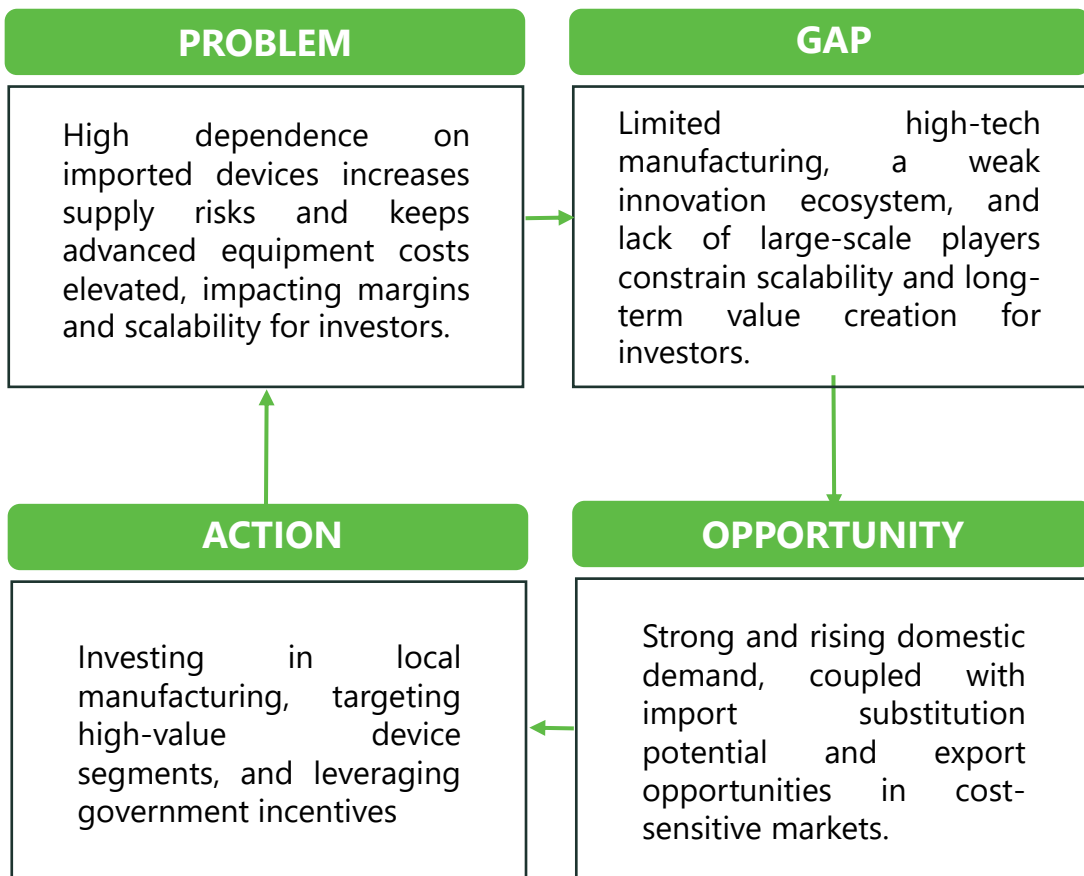
## Growth Drivers

- Rising chronic diseases
- Expanding healthcare infrastructure
- AI & robotics adoption
- Wearables demand growth
- Government policy support

Source: [Imarc](#) [Ibef](#), [Midday](#)

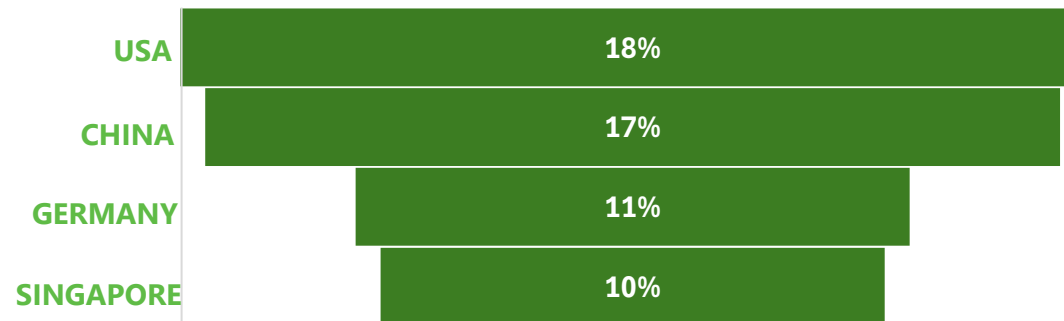
# Import Dependence and Domestic Demand (1/2)

## India Medical Devices – From Dependence to Opportunity



## Import Structure and Sources

### Major Import Countries



*These countries dominate global medtech innovation*

## Breakdown of India's Medical Device Imports

64%

**Electronic Equipment's**

17%

**Consumables**

19%

**Other Medical Device Categories**

Source: [Ibef](#), [EY](#), [Tradenews](#), [IPPR](#)

# Import Dependence and Domestic Demand (2/2)

## Investment Opportunities

**High Potential Segments:** Early-stage market with low local supply but strong demand in high-end devices, AI diagnostics, and wearables.

**Export & Cost Advantage:** Export opportunity of INR 1.66 Trillion with a 10–40% cost advantage over global competitors.

**Policy & Investment Push:** Strong government support through PLI schemes, 100% FDI allowance, and increasing private investments accelerating manufacturing and innovation.

## Demand and Supply Gap

India meets only ~30% of demand locally, leaving a major supply gap filled by imports.

India's manufacturing base is fragmented, with 800+ players but ~65% small MSMEs, limiting scalability

## Demand Drivers



**Import Tariff Arbitrage Advantage:** Custom duties of 10–15% on medical devices create a built-in pricing advantage for domestic manufacturers.



**Rising Private Healthcare Capex:** Private hospitals account for 60% of healthcare infrastructure and are driving demand through aggressive capacity expansion.



**Medical Tourism Demand Pull:** India's medical tourism market is projected to reach \$13 billion by 2026, boosting demand for advanced medical devices.



**Low Domestic Value Addition Gap:** India currently achieves only 25–30% value addition in medical devices, leaving significant headroom for localization and profit capture.



**Cluster-Based Manufacturing Advantage:** Government-backed medical device parks reduce production costs by 15–20% through shared infrastructure and logistics.

Source: [DHN](#), [Ibef](#), [Ten](#), [PIB](#), [InvestIndia](#),

# Government Schemes & Policy Support

*Government policy is actively de-risking domestic manufacturing through financial incentives, infrastructure, and regulatory support.*

## 01 PLI Scheme – Medical Devices (Launched: 2020)

- INR 34 Billion outlay (FY23–27)
- Covers 24 approved projects across 57 high-value medical devices
- INR 15.7 Billion incentives disbursed to boost domestic manufacturing

## 02 Medical Device Parks Scheme (Launched: 2020)


- INR 8.7 Billion total project cost
- Parks approved in UP, MP, Tamil Nadu, and Himachal Pradesh
- 194 firms allotted land, ongoing operations expected to be successful by 2027

## 03 National Medical Devices Policy (Launched: 2023)

- Target: ₹4.1 trillion industry by 2030
- Focus on import reduction and domestic value addition
- Strengthens ease of doing business and export competitiveness

## Sector Highlights & Impact Metrics


**INR 136.25 Billion**  
*PLI Sales of Medical Devices in 2024*




**INR 50 Billion**  
*Outlay under PRIP Scheme*




**8-10% Growth**  
*Medical devices exports*



**INR 64.25 Billion**  
*Medical Devices Exports (under PLI) in 2023*




**INR 1.2 Trillion**  
*Total Healthcare Budget (FY27)*



**28**  
*PLI Approved Companies*



**Investment & R&D Support:**



100% FDI under the automatic route drives global investment, and Export Promotion Council for Medical Devices further strengthens export growth and global competitiveness.

**Supporting Policies**



Make in India drives domestic manufacturing, while Startup India supports MedTech innovation. Ayushman Bharat expands healthcare demand, and PM Gati Shakti improves logistics and infrastructure for efficient sector growth.

Source: [GOI](#), [DoP](#) [GoIE](#) ,

# Opportunities for MSMEs

**MSMEs can enter low-cost segments for quick scalability and gradually move towards high-tech innovation-driven segments supported by PLI and PRIP schemes.**

## Low Opportunities

- ✓ Consumables (syringes, IV sets, gloves, masks)
- ✓ Basic diagnostic devices (BP monitor, glucometer, thermometer)
- ✓ Medical packaging & labeling (sterile packs, compliance labels)
- ✓ Local distribution & dealer networks
- ✓ Repair & maintenance of basic devices
- ✓ Private label / contract manufacturing
- ✓ B2B medical supply platforms (e-commerce)
- ✓ Hospital procurement support services
- ✓ Low-tech home healthcare devices
- ✓ Disposable surgical instruments

## Medium Opportunities

- ✓ Diagnostic equipment (ECG, ultrasound, X-ray)
- ✓ Hospital equipment (beds, ventilators, oxygen systems)
- ✓ Wearables & remote patient monitoring devices
- ✓ Medical device components (sensors, tubing, electronics)
- ✓ Cold chain & medical logistics
- ✓ Clinical testing & calibration services
- ✓ Regulatory consulting (CDSCO, ISO certifications)
- ✓ Assembly of imported devices (semi-knocked down units)
- ✓ Telemedicine & digital health integration
- ✓ Manufacturing in medical device parks

## High Opportunities

- ✓ Imaging equipment (MRI, CT scanners)
- ✓ Implants (orthopedic, cardiac stents, prosthetics)
- ✓ Cancer care devices (radiotherapy systems)
- ✓ Surgical robotics & AI-based diagnostics
- ✓ 3D printing (custom implants, prosthetics)
- ✓ Advanced R&D & innovation (drug-device combos)
- ✓ High-end electronics & semiconductor components
- ✓ Export-oriented large-scale manufacturing
- ✓ Precision engineering & nanotechnology devices
- ✓ Smart hospitals & integrated healthcare systems

Source: [Ibaf](#), [CDSCO](#), [PIB](#),

# Competitor Analysis

Companies have been selected based on global and domestic revenue scale, product portfolio breadth, and relevance to India's medical devices ecosystem, spanning high-end medtech platforms, diagnostics, and large-scale consumables manufacturing.

## HIGH TECH OPPORTUNITIES

**Johnson & Johnson  
MedTech**

Cardiovascular, orthopaedics, surgical systems and vision care devices

**SIEMENS  
Healthineers**

Cardiac, neuroscience, surgical and diabetes management technologies

**Medtronic**

Imaging systems, diagnostics and digital healthcare solutions

## MID TECH OPPORTUNITIES

**POLYMED**

IV access, infusion therapy, dialysis and blood management products

**TRANSASIA<sup>®</sup>**

Clinical chemistry, hematology and critical care diagnostics

**Allengers**

X-ray, cath lab systems and cardiology diagnostic equipment

## LOW TECH OPPORTUNITIES

**HMD**  
Innovating with Compassion

Syringes, needles, IV cannulas and blood collection systems

**agappe**

Diagnostic analyzers, reagents and hematology solutions

**NUREÇA**

Home healthcare devices including BP monitors and oximeters

Source: Johnson, Medtronic, Siemens, Polymed, Transasia, Allengers, HmD, Agappe, Nureca

# MSME Entry Strategy Framework

## How should MSMEs Enter India's Medical Devices Sector?

- 01 Focus on Import Substitution Opportunities:** Invest in high import-dependent segments. Target consumables and diagnostics for quick market capture
- 02 Adopt an Asset-Light Entry Strategy:** Start with contract manufacturing or assembly. Minimize capital risk and scale gradually
- 03 Leverage Government Incentives:** Use PLI scheme, subsidies, and medical device parks. Improve margins and reduce initial investment burden
- 04 Ensure Early Regulatory & Quality Compliance:** Obtain CDSCO approvals and ISO certifications. Build credibility and enable faster market entry
- 05 Build Strong Distribution & Hospital Partnerships:** Focus on B2B channels (hospitals, clinics, distributors). Ensure steady demand and faster scaling

Source: [MT](#), [BS](#), [ETHW](#),

## Challenges for Medical Devices Sector



**Complex & Evolving Regulatory Environment:** Frequent changes, multiple authorities, and unclear processes make approvals time-consuming and delay go-to-market.



**Weak Local Supply Chain Ecosystem:** Lack of domestic component suppliers forces imports, increasing costs and reducing competitiveness.



**High Import Dependence & Competition from Global Players:** 70–80% imports and strong global brands make it difficult for Indian startups to compete and gain trust.



**Limited R&D Capability and Skilled Talent:** Shortage of specialized talent and low R&D investment restrict innovation and movement into high-end devices.



**High Capital Requirement & Pricing Pressure:** High upfront investment combined with price-sensitive markets and regulatory price caps reduces profitability and slows scaling.

# Case Study

## INNACCEL

*InnAccel, a Bangalore-based health-tech startup, has strengthened its presence in the Indian medical device market by focusing on affordable ICU innovations and localized product design, especially during high-demand periods like COVID-19.*

### Value-Based Innovation Strategy



**Hospital-focused product development for accessibility:** InnAccel developed portable ICU devices like ventilators and respiratory systems tailored for Indian hospitals. Their focus was on affordability and usability in resource-constrained settings, enabling wider adoption across mid-tier and smaller hospitals.



**Localized design and manufacturing approach:** Devices were designed keeping Indian clinical environments in mind, ensuring ease of use, durability, and cost-efficiency.



**Rapid response and scale during COVID-19:** InnAccel quickly scaled production during the COVID-19 surge, addressing urgent demand for ventilators. Their agile manufacturing and distribution helped bridge critical gaps in ICU infrastructure across India.

### Key Takeaways

<p><b>Access + affordability positioning</b></p>	<p>Developed cost-effective ICU devices (like ventilators) to reduce reliance on expensive imports and improve accessibility for smaller hospitals</p>
<p><b>Innovation as a competitive differentiator</b></p>	<p>Focused on engineering products tailored for Indian, resource-constrained settings ensuring usability, durability, and lower costs</p>
<p><b>Scalable impact through localized solutions</b></p>	<p>Demonstrated rapid manufacturing and nationwide deployment capability during COVID-19, helping bridge critical care gaps</p>

Source: [NITIAYOG](#)

*“InnAccel shows how Indian MSMEs can win by combining affordability with innovation in high-need segments.”*



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