



A genomics-based diagnostics and research services firm, MedGenome Labs raised a Series B funding of \$20 million from Sequoia Capital (for a 20% stake) in 2015. The company has since worked aggressively towards the enhancement of sequencing facilities in India and the US, expanding its collaborative network with speciality hospitals/clinics and genomic research institutions and accelerating the expansion of its portfolio of genetic tests. **Sam Santosh**, founder and chairman, MedGenome Labs Pvt Ltd, in conversation with *Ashish K Tiwari*, speaks about the company's business and future plans. Edited excerpts:

Could you briefly tell us about the venture?

Launched in 2013, we have two lines of business viz. diagnostic tests primarily for the Indian market and research services, which is done in India but the customers are abroad. That is why we have an office and a lab in the US as well. Revenue-wise, the research business is bigger than the diagnostics vertical at present – the ratio is 60:40. But we are very keen to grow the diagnostics vertical given that India is a very large market for the kind of work we do. The Liquid Biopsy test was basically my chief operating officer Dr V L Ramprasad's idea. He took the effort over a year ago and developed a proprietary bioinformatics algorithm for the next generation sequencing (NGS) that is very key to Liquid Biopsy tests.

What's the kind of business you are currently doing? What is your next year target like?

Currently, we are at Rs 120 crore as of March 2017. We have already crossed the breakeven stage and are a profitable company now. Our target is to double the turnover next year. While diagnostic revenues are at 40% of the overall turnover, I think this vertical will see faster growth as we launch more tests for the Indian market. In fact, we will soon be launching another unique diagnostic test in Delhi, which will be in collaboration with Ganga Ram Hospital. So there will be more such initiatives coming up during the next fiscal.

Given the growth plans, would you be looking for more funding in the near future?

We have not really thought about it as yet. A couple of years down the line, we may look at another larger round of fund-raising for growth, to the tune of \$50-60 million. Thereafter, five to six years down the line, the question will arise about taking the IPO route or probably a bigger private equity investor picking up stake and consolidate.

Logistics is a big challenge for this industry, how prepared are you to deal with it?

We own five to six collection centres across the country. We will also be the reference labs for a lot of big players operating in the space of general/routine tests so they will send us the samples (blood and tumour blocks). Going forward we will be working on more strategic partnerships with big hospitals and labs so the infrastructure part will get taken care of automatically.

You launched liquid biopsy test last week. What's it all about?

It is a non-invasive screening test to identify genetic alterations, interpret, assess and treat various forms of cancer. The test is the only one to be validated in India and verified from samples of cancer patients from across the country. The test screens the samples by analysing cell-free DNA that is isolated from the patients' blood. Using high-end sequencing technology, the screening process identifies specific gene mutations that are linked

with melanoma, lung and colon cancers. The test facilitates detection of mutation where there is a difficulty of obtaining a biopsy or in the event of a damaged biopsy material and non-availability of tissue biopsy. This allows oncologists to look for actionable alterations in a patient's treatment, management, without having to do an invasive biopsy or where biopsy is not an option.

How expensive is this test? How can it be made more affordable?

Currently, there are two types of liquid biopsy test priced at Rs 12,000 and Rs 24,000. Taking it to a more affordable rate of say Rs 2,000-odd will take longer because the volumes have to be really large for that to happen. Based on our projections of the volumes, we are hoping to offer the tests in the range of Rs 6,000 to Rs 8,000 price points within a couple of years from now.

Can liquid biopsy replace PET Scan anytime in the near future?

I don't think it can completely replace because every procedure has its own use and a combination of various methods is used to identify the ailment. A PET scan will tell you that there is cancer but it cannot tell you where exactly it's originating from. A liquid biopsy can tell you about the type of cancer and a lot of other details which can then be used to treat and monitor the progress.