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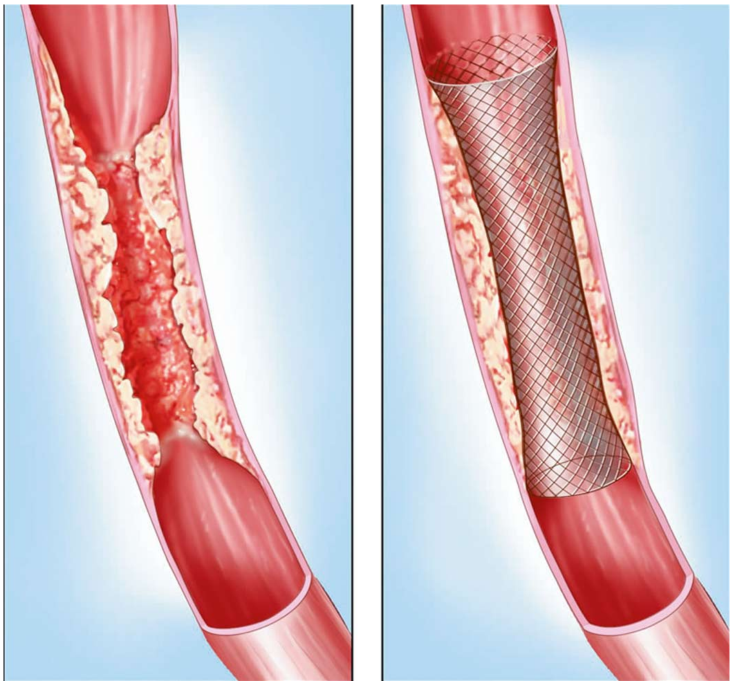
# Indian Market hooked by local stent companies

21 December 2017 | News

**Domestic players have generally seen an increase in their pricing realisation, principally on account of distributor margin compression**



As multinational stent makers ponder their prospects in India after price controls introduced this year, their local rivals, which had been struggling to make a mark, have popped up on the radar of private equity investors.

Leading domestic stent manufacturers Sahajanand Medical Technologies (SMT) and Translumina Therapeutics are among those in the fray to rise funding.

"We have been approached by quite a few PE players and have got a lot of interest from global investors after the price control," said Ganesh P Sabat, chief executive officer of SMT, based in Surat, declining to disclose more details.

The company rose close to Rs 170 crore from Samara Capital last year and is looking for additional funding.

New Delhi-based Translumina Therapeutics plans to double production capacity by March and acquire new technology overseas.

"We are in preliminary talks with several funds to raise money. Our plan is to start manufacturing in Iran, Russia, Saudi Arabia and a few other countries where there are local incentives available," said Gurmit Singh Chugh, managing director of Translumina.

Domestic stent makers have strong relation with hospitals and doing well with the sales specifically in smaller town.

This is the reason why PE player are interested for funding and investing in local stent market.

The National Pharmaceutical Pricing Authority reduced prices of cardiac stents by over 75% in February.

This lower down of pricing made global manufacturers like Abbott Boston disappointed.

The regulator also concealed distributor margins, which analysts said almost levelled the prices of domestic and MNC stents.

The pricing regulation put the viability of distributor business models under significant pressure.

This stress has been relatively less for distributors of domestic manufacturers as volume growth and an expanded portfolio have partially offset margin losses on account of price curbs.