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Piramal Healthcare to acquire Canadian biotech company

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<http://www.financialexpress.com/news/Piramal-Healthcare-to-acquire-Canadian-biotech-company/637250/>

Mumbai: Piramal Healthcare said on Tuesday it will acquire Canadian firm BioSyntech's assets for C\$3.9 million (around Rs 18 crore). BioSyntech is a medical device company specialising in the development, manufacturing and commercialisation of advanced 'thermogels' used to repair damaged tissue in patients. Speaking to FE, Piramal Healthcare director-strategic alliance Swati Piramal said the company is acquiring the patents for thermogel from BioSyntech. The product has a market of roughly \$500 million (Rs 2,300 crore) in North America alone, and can be used to repair damaged tissue such as cartilage, bone and chronic wounds. Patients can thus avoid invasive surgery.

"This product has completed phase I and II studies, and is in phase III of human trials. The Canadian company, however, has been unable to raise further capital to fund its ongoing operations and to repay maturing debt," Piramal said.

Piramal Healthcare will, therefore, inject another Rs 35 crore to take the product through phase III and into the commercialisation stage, which is expected in two years' time, she added. The product will be part of Piramal Healthcare's critical care portfolio. In May, Piramal Healthcare had sold its domestic formulations business to US-based Abbott Laboratories for \$3.72 billion (around Rs 17,000 crore).

Piramal had subscribed to common shares of BioSyntech in FY2006, which then constituted 17% of equity of BioSyntech. By virtue of this investment, Piramal had exclusive marketing rights for the marketing, sales and distribution of current and future products of BioSyntech, for India and some neighboring Asian markets.

The company will look at grabbing 'late stage' deals in arthritis, pain, hospital care and critical care segments to enhance its strength in the area, a senior official said on Tuesday.

"It's a good strategy because there is an arbitrage opportunity between the east and the west. In the west, there is recession, in the east there is growth. And the clinical trials can be done much more cheaply here," Piramal said. BioSyntech has now sought court protection under insolvency proceedings. "Taking into consideration Piramal Healthcare's interests in the projects of BioSyntech, Piramal Healthcare made a binding offer and the Superior Court of Quebec (Canada) allowed the interim receiver to accept this offer," Piramal Healthcare said in a media release.

