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## **Piramal Healthcare eyes buys in US, Europe, Canada**

Joe C Mathew / New Delhi June 28, 2010, 0:20 IST

Direct link to the News/Story:- <http://www.business-standard.com/india/news/piramal-healthcare-eyes-buys-in-us-europe-canada/399626/>

Wants to make up for the Rs 2,000-cr hole in revenues caused due to sale of domestic drug business to Abbott Labs.

Piramal Healthcare is planning a string of acquisitions in the biotech space in the US, Europe and Canada in the next two to three years. The company intends to make up for the Rs 2,000-crore hole in its annual revenues caused due to the recent sale of its domestic drug business for \$3.72 billion (over Rs 17,000 crore) to US pharmaceutical major Abbott Labs through these acquisitions.

“We want to collect a portfolio of small (biotech) companies abroad. One such acquisition was BioSyntech in Canada, through which we acquired the rights of a promising new cartilage repair device that is undergoing the last stage of clinical trials,” Chairman Ajay Piramal said.

According to him, several small research-driven biotech companies in Europe and the US are facing severe financial crisis due to economic slowdown. “These are very small biotech firms. We feel we can infuse funds and the right people to take their research programmes forward,” Piramal added.

Piramal Life Sciences, a separate listed entity that focuses only on research and development of new drugs, has over 400 scientists, over 40 of them hired from abroad. The company feels its scientists can add value to the independent efforts of the small biotech entities after they are integrated with Piramal’s research team.



“Our current focus is on therapeutic areas like cancer, pain, metabolic disorder and infectious diseases. Cartilage is a new addition. We would be looking at inorganic opportunities in these areas as well as new ones,” Piramal said.

Piramal also hoped the success of some of its own research molecules that are in various stages of clinical trials may also boost his company’s revenue stream. “Our research programme is now 10 years old. Though we have been silent about our progress, we have a strong pipeline of 14 drug molecules and hope to see some of them developed either by our own or through partnerships in the near future,” he said.

Piramal had announced last week that it would buy the cash-strapped BioSyntech for Rs 17.3 crore. The company intends to put in almost double that amount to fund the clinical trials and commercialise the product.

While Piramal will scan overseas for acquisition targets in the discovery and research space, it is looking at inorganic growth options in India in the area of contract manufacturing and over the counter (OTC) or non-prescription medicine sales. The company had acquired a brand — oral contraceptive i-pill — from Cipla last month to strengthen its OTC portfolio.