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Date : 29-06-2010

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Piramal's gains thermogel tech with \$3.8m BioSyntech buy

By Wai Lang Chu, 29-Jun-2010

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http://www.in-pharmatechnologist.com/Materials-Formulation/Piramal-s-gains-thermogel-tech-with-3.8m-BioSyntech-buy?utm_source=RSS_text_news

Piramal Healthcare has signalled its intent to enter the biotechnology sector with its acquisition of BioSyntech in a deal worth \$3.8m and includes full access to BioSyntech's proprietary biotherapeutic thermogel technology. The deal, Piramal's first since it sold its formulation business to US-based Abbott Laboratories earlier this month, represents something of an experiment for the Indian-based firm, who is looking to build-up its hospital-based products range for further penetration of the US market.

Under the terms of the takeover, Piramal has acquired BioSyntech's remaining shares to add to the 17 per cent it has held since 2005. BioSyntech had filed for court protection under insolvency proceedings after being unable to raise further finance to fund its ongoing operations and to repay maturing debt.

The deal also gives Piramal exclusive marketing rights for the marketing, sales and distribution of current and future products of BioSyntech in India and neighbouring Asian markets.

Hydrogel technology

Key among these technologies is BioSyntech's range of hydrogels, known as BST-Gel, which become liquid at low temperature and form into solids at human body temperature.

These gels can be injected or applied to a specific local site and offer beneficial properties for the local repair of damaged tissue such as cartilage, bone and chronic wounds potentially avoiding invasive surgery.

Prior to BioSyntech's financial difficulties, the company had announced results from an analysis of patients who completed their 12-month follow-up in the BST-CarGel randomized clinical trial.

The trial provided evidence of improved repair tissue quality due to BST-CarGel treatment discovered during analyses of tissues biopsied from the knees of 22 patients.

The multicentre pivotal trial was evaluating the ability of BST-CarGel to repair cartilage lesions in the knee when applied to a microfractured lesion compared to microfracture alone (control) in 80 patients.

"BST-Car Gel is a one stage application that can be performed arthroscopically and is the only potential substitute available for knee replacement surgery," said Ajay Piramal, Chairman, Piramal Group adding that *"this treatment also promises to be significantly less expensive than current alternatives."*

While the results from the study are intended to support marketing applications in Canada and Europe, Piramal are expected to shell out a significant amount of investment to complete the trials. According to sources, the firm could be looking in the region of Rs35-40 crore.