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Fosun pharma now looking onto acquiring Symbiotec

October 3, 2017 | News

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Weeks after Chinese pharmaceutical giant Fosun tweaked its acquisition of Hyderabad-based Gland Pharma for $1 billion (Rs 6,500 crore), it is out shopping again to further strengthen its India presence.

Shanghai-based Fosun Pharmaceutical is in talks to acquire the manufacturing facilities of Symbiotec Pharma, an active pharmaceutical ingredient (API) maker specialising in steroid-hormone products.

Symbiotec, backed by private equity fund Actis that holds a 70 per cent stake in the company, has been an acquisition target for other drug makers like Mylan and PE players such as Baring PE Asia after the Indore-based company was put up for sale.

Investment bank Rothschild has been mandated to initiate an auction process. The mid-size player complies with the quality standards of the US Food and Drug Administration. Symbiotec had reported $62 million of sales in 2015-16. It is reportedly looking at a valuation of $500 million.

Fosun's decision to step up its India play comes after it was forced to rework its Gland Pharma buyout plans on account of rising concerns over Chinese influence on India's drug industry.

Last month, the company said it would buy 74 per cent of Gland, thereby making the deal eligible for automatic approval under India's new foreign direct investment rules.

Despite the tension created by the Chinese entry into India's pharma M&A space, there is a renewed interest among Chinese drug manufacturers to look at Indian assets. The perceived delay in clearing the Gland-Fosun deal hasn't deterred the mood.