

## Business Line

Date:02/11/2010 URL:

<http://www.thehindubusinessline.com/2010/11/02/stories/2010110252430200.htm>

---

### Back Ecron Acunova eyes US buy in drug safety studies segment

Madhumathi D.S.

Bangalore, Nov. 1

Ecron Acunova, the clinical trials company co-promoted by the Manipal group, plans to go in for an acquisition in the US in late 2011 or mid-2012 to support its entry into third-party pharmacovigilance or drug safety studies.

While there are no definite targets yet, the Bangalore-based CRO will need a third round of equity funding to finance part of any acquisition, Mr D.A. Prasanna, Founder, Chairman and CEO of Ecron Acunova, told Business Line.

The company has just entered pharmacovigilance and clinical data management and launched a full-fledged centre for these activities a few days ago. The 60-member, nearly Rs 5-crore second facility at Whitefield, called Functional Services Centre, employs predominantly medical professionals.

Pharmacovigilance is a mandatory periodic monitoring of side-effects of drugs in public interest and documenting them for regulatory authorities and consumers.

“We are looking at buying a pharmacovigilance service company in the US for \$10-20 million (around Rs 50-100 crore) for scaling up our service. We may raise series C funds in the next 12-18 months to fund half the acquisition cost,” and the rest as debt, Mr Prasanna said in a recent interaction.

Healthcare fund OrbiMed, which infused around Rs 50 crore last December, was the most likely investor this time too, Mr Prasanna indicated.

“We may also raise our team size (in this centre alone) to 200 in about two years,” he said. The Rs 100-crore CRO currently employs some 300 people.

Mr Prasanna said pharmacovigilance was a routine in-house job of pharma companies, but as pharma regulators tightened the screws and increasingly asked difficult questions, manufacturers were finding the job quite burdensome and were beginning to outsource it, mostly to CROs.

“If there are 500-750 people engaged in pharmacovigilance in the country today, it could increase to about 5,000 people in five years,” he reckoned.

Pharmacovigilance activity, however, was nascent in the country but was profitable and growing because, “The ageing population is growing, there are more chronic illnesses and more pills are being popped. The consumer is also net savvy, aware and demanding,” he said.

Started in 2001, Acunova, with over 50 clinical trials, focuses on biosimilars, stem cell therapies and digital imaging.

It has been ranked among the top three CROs in the country after Quintiles and SIRO Clinpharm.

© Copyright 2000 - 2009 The Hindu Business Line