

Reliance Life ups stake in GeneMedix to 79%

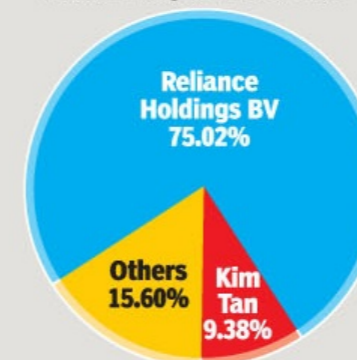
Sreejiraj Eluvangal.

New Delhi

Reliance Life Sciences (RLS), owned by the promoters of Reliance Industries, has increased its holding in its European subsidiary, Reliance GeneMedix, from 75 to 79%.

GeneMedix is primarily into making biosimilars — biopharmaceutical drugs that have emerged out of their patent-period — and was acquired by Mukesh Ambani in 2007 with an eye to on two of its products — EPO and GCSF. EPO helps in the formation of red blood cells while GCSF helps in the formation of white blood cells.

■ **Reliance Genemedix plc**
Shareholding as on Mar 31, 08



The transaction was done at a conversion price of 12.5 pence per share, against a prevailing share price of 1.5 pence per share on the London Stock Exchange, totalling around £4.4 million.

Announcing its half-yearly results, GeneMedix also said its primary product, erythropoietin (EPO, used in the treatment of heart disease, cancer and anaemia), has seen lower demand in the Indian market.

The company, which narrowed its first half losses from 2 million last year to 1.47 million, said it also took a loan of £3.5 million (Rs 36 crore) from its Indian parent to support itself.

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Rel Life ups GeneMedix stake

“In view of the reduced manufacturing activity at the Tulamore plant [in Maharashtra], the company implemented a shut-down in August 2009. The company has implemented cost cutting measures on various activities and projects and is well placed to complete the development programme of EPO,” a GeneMedix release said.

RLS, whose revenues are not known, currently has around 70% of its revenues coming from biopharmaceuticals - it has four such products in India including the two from GeneMedix.

The biosimilar market in India is estimated at Rs 600 crore, but it is still early days when it comes to exporting them due to worries about their safety and reliability.

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