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NILESH GUPTA/LUPIN

## Slower drug approval process in the US is hurting growth

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Lupin's third-quarter revenue missed analysts' estimates because of fewer drug launches in the US, the company's largest market. In an interview, Lupin's managing director Nilesh Gupta said the slower drug approval process in the US is hurting growth. Lupin, Gupta said, is on track to close the fiscal year with a 15-20% revenue growth. Edited excerpts:

**Lupin's revenue growth is a miss for the quarter. What led to this slowdown?**

It is certainly out of our usual trend; this is not the norm. From our perspective, this was the expectation for the quarter in any case. In nine months, we have grown 19%. So, it is in line with whatever we had planned internally. It is not the usual 15-20% that we churn out every quarter.

However, things are pretty much on track. We had a huge quarter last year. Our Q3 last year was a big one primarily driven with the US. We had three big launches that happened in the US at that time and that have

**Coarse of action: Gupta says Lupin is on track to close the fiscal year with a 15-20% revenue growth.**



really kept it as a large quarter last year. So, growing on that has obviously been a bit of a challenge. We grew 5% for the quarter but 19% year-to-date.

**Even on quarter on quarter (QoQ) basis it is a muted growth. So, are you intending to say that Q2 of last year was also on a higher base and which is why the six months period that we are seeing has seen muted growth?**

If you really see Q1, Q2 of this year, when we look at sequential we are really talking Q2 to Q3 of this year are flat.

And these have all been great quarters because we have been at that higher run rate right from Q3 of last year. So, Q3, Q4, Q1, Q2, Q3 all of these have been more or less at the same number. So, the number is pretty flat. Again, that was quite in line with what we were expecting as well. So, there was only 1% growth on a sequential quarter

basis. It is mainly impacted by the US growth because US growth stands at just 1% in this quarter? US-Europe together reported a 4% growth. What has impacted the growth in the US market to come down to a level of 1 percent?

It is the same thing that has been happening in the last couple of quarters as well. In many ways, this has been brewing for a little while.

The US was flat because there has really been no material launch. We have been waiting to get approvals on some products, it has obviously taken longer. Again, this is an industry issue; everybody is facing the same problems. So, we are struggling with the same problem in the US as well. In the US, we have branded and the generic side. On the generic side, we are obviously wanting for approvals to come faster than what they are doing right now.

On the branded side, we have always talked that in the near term, growth is going to come more from acquisitions than from our own pipeline. We haven't closed on any acquisitions in the last couple of quarters. So, that is why the branded side growth has not been that great. Sequentially, though on the branded side has grown 30%.

**That is because of the Suprax?**

Exactly. The anti-infective season is kicking in. So, Q3, Q4 are always better quarters. We are going to see that in next quarter as well.

Company