

BY VIKAS CHANDRA ('94 INSTRU)

WHEN ACADEMICIANS BECOME ENTREPRENEURS: DR DESHBANDHU GUPTA

Lupin pharmaceuticals – a niche market operator that develops drugs for diseases like TB – was founded by a BITS Pilani Chemistry professor.

AN honorary doctor of philosophy with a Master's degree in Chemistry, Dr. Deshbandhu Gupta started his career teaching Chemistry at BITS, Pilani. Dr. Gupta then moved onto work for a British pharmaceutical company that is now part of Sanofi-Aventis. However, the scientist within him was not entirely satisfied because he didn't have much research freedom. So he quit his job, borrowed \$120 from his wife and bought a tiny Indian vitamin company called Lupin to be the vehicle of his dreams. The year was 1968.

Since 1968 Dr. Gupta has steered Lupin towards the forefront of India pharmaceuticals. In 2004, Lupin posted a turnover of Rs 1168 crore. Thirty-six year later Lupin is the sixth-largest drug company in India and has world leadership in the treatment of tuberculosis, an unsexy disease most drug companies have ignored but India cannot. Gupta and his family own 52% of the company.



LUPIN'S MANTRA

The reasons are numerous, but long-term vision will definitely be on the top. Dr. Gupta didn't set out to cure AIDS or cancer. Instead, he focused on neglected niches like TB. Even with a turnover of Rs. 1168 crore, Lupin is still a small fry in the international pharmaceutical race. "Lupin is a pint-size company but has a very attractive business model," says Jon Thorn, managing director of the India Capital Fund in Hong Kong. The success of Lupin can be attributed to diversification of investment in different sectors. "They aren't betting the whole company on any single element of the business," says Thorn.

There is a \$600 million annual market for anti-TB drugs worldwide. Lupin hopes to receive permission soon to go ahead with human trials of a new medicine it has developed to cure TB. The Indian government has funded 40% of Lupin's research bill for the new TB treatment so far. This will be the first new drug for TB cure in 40 years. Most other big pharma companies are just not interested in TB cure drugs because it is a low-profit, developing country market.



Approximately three million people die from TB every year and Lupin's new drug will cut the TB treatment to two months instead of the current regimen that takes six.

Lupin spends close to Rs. 20 crores on annual research and development. Ceftriaxone is the new hot stuff inside Lupin. Ceftriaxone is Hoffmann-La Roche's \$1.1 billion antibiotic marketed as Rocephin, going off patent in July 2005. Lupin already has approval for the generic version and has built a new Food & Drug Administration approved factory to churn it out. Research for new drugs is done in Lupin's research center on the outskirts of Pune.

THE ROAD AHEAD

Dr. Deshbandhu Gupta hopes to establish Lupin as a \$1 billion company by 2009 and expects that more than 50 percent of Lupin's turnover will come from US and Europe. He is now the 40th richest man in India, according to recent survey by Forbes. Its certainly quite an achievement for a man who started all this by investing \$120 into his dream.

