

Ouote by Nilaya Varma, Group Chief Executive officer and Cofounder, Primus Partners

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Price erosion weakens pharma's US prescription

Pricing pressure in a key cancer drug, coupled with a steep rise in March shipments to the US ahead of potential tariffs, has led to a mixed performance for top drug exporters to the US in O1FY26. Pharmaceutical majors like Dr Reddy's Laboratories, Cipla, and Aurobindo Pharma have posted a fall in US exports.

Mixed Q1 for top drug firms amid price erosion, tariff threat

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Mumbai, 13 August

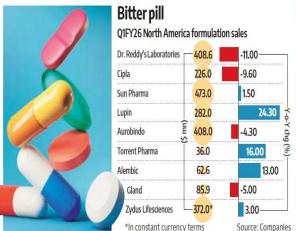
coupled with a steep rise in March shipments to the US ahead of potential tariffs. has led to a mixed performance for top (O1) of 2025-26 (FY26).

erosion in key products. Meanwhile, Sun est 1.5 per cent growth, while Zydus Life- distributors and regulatory delays sciences posted a 3 per cent year-on-year further exacerbated the slowdown. growth, In contrast, companies like Lupin. the market.

the factors behind the fall in US revenues for some companies. Moreover, shipments to the US had grown in March as well in an-Pricing pressure in a key cancer drug, ticipation of potential tariffs. We don't see any systemic issues with US exports in O1."

Some analysts expect the pricing competition to be long term. Nilaya Varma, drug exporters to the US in the first quarter group chief executive officer (CEO) and cofounder, Primus Partners, said, "Several, Pharmaceutical (pharma) companies Indian pharma companies experienced like Dr Reddy's Laboratories, Cipla, and subdued growth in North America in Aurobindo Pharma have posted a fall in O1FY26, primarily because of the conexports to the US, primarily due to price tinued price erosion in the US generics market." Apart from fewer high-value Pharmaceutical Industries posted a mod- launches, inventory rationalisation by US

Varma felt this was more "structural Torrent Pharmaceuticals, and Alembic erosion". Over the past few years, buyer Pharmaceuticals have posted strong consolidation — essentially three major double-digit growth, riding on launches in buying groups controlling over 90 per cent ing and high competition are long-term A Mumbai-based pharma analyst said, margins, Plus, there is an oversupply in said, Firms are thus prepping for fresh ket, is expanding its presence in the erosion in base generics." Varma said. "Price erosion in generic Revlimid is one of several molecules, suggesting that low pric-launches, more so in complex products.



of the US market — has squeezed supplier challenges, not temporary ones. Varma

Zydus, which draws 49 per cent of its consolidated revenues from the US marspecialty space and enhancing its focus on

proval for six more during the quarter.

Sun Pharma is doubling down on its specialty portfolio too — now rebranded as next two quarters is a bit unpredictable, but "innovative medicines". It draws 29 per we have strong traction in our pipeline and cent of its consolidated revenues from the are focused on taking additional market US, and Chairman and Managing Director share," said Umang Vohra, MD and global (MD) Dilip Shanghvi said that the US CEO, Cipla. launch of Legselvi will be a growth driver. It represents an important step forward, offering a new treatment option for pa- are expected in FY26 by Torrent Pharma. tients with severe alopecia areata.

Complex generics and specialty products offer higher margins and regulatory protection, but they remain a small part of ness is not yet profitable. most Indian pharma revenue streams.

"While firms like Dr Reddy's and Lupin are making strides in inhalers, injectables, and biosimilars, these products are still scaling. The commercial impact is significant but not large enough to offset broader tive. Ouarter-on-quarter losses are reduc-

Erez Israeli, CEO of Dr Reddy's, said to overall as launches gain traction."

paediatric rare diseases. It launched three they are witnessing low-level price erosion products in the US in O1 and received apin their base business, consistent with the trend over the past few quarters.

"The timing of Revlimid's taper over the

Fresh launches have helped companies like Lupin and Torrent grow. Ten launches with some of them being Day One launches. Esomeprazole was the biggest launch in O1FY26. However, the US busi-

Sudhir Menon, chief financial officer and executive director of finance at Torrent, said in an after-earnings call: "The US business is not yet profitable after research and development, but the trajectory is posiing, and we expect a stronger contribution