

Cadila looks beyond generic drugs

Company says it will focus on both discovery and innovation to stay competitive

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New Delhi, December 12

The 62-year-old Cadila Healthcare has its sights set on new horizons: In a first, the company recently introduced its own in-house formulation.

Till this launch, the company has been specialising in generic drugs. So, what was significant about this announcement?

According to Sharvil Patel, the 35-year-old Deputy Managing Director of Cadila Healthcare, "With this product, we have been able to demonstrate that we can also be in the race of launching first-time products which are more complex than small volume generic products."

Cadila Healthcare, like its oth-

er namesake Cadila Pharmaceutical, has been a major player in the generics market — the industry that put India on the world map.

However, the young Patel has a different vision for the company. It is no more just about producing affordable generics for India and abroad.

He wants to focus on discovering new drug molecules and innovating on existing drugs now with focus on research and development.

"If I don't do this (focus R&D and new drugs) I might not survive," he told *BusinessLine*.

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The fact is, Patel added, that in the long term generics is a business in which value is only likely

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to decrease, providing little business value. "When you do only pure generics it is only a value decrease, you only lose value every year."

"More competition comes in and there is no IP (patents or copyrights). So, that is an industry which creates access. But if a company wants to grow and remain relevant you have to do both discovery and innovation," he said.

With branded generics accounting for almost 90 per cent of the Indian pharmaceutical market, and patented drugs

forming a tiny 1 per cent of the \$12-billion industry, Cadila's move appears to be bold.

Cadila Healthcare, which has at least 12 biosimilars and three new biologics in the pipeline which their R&D team is working on, is now spending "millions of dollars" on research, Patel said, though he did not put an exact figure on the R&D spends.

"It is more expensive than what we do normally," Patel said on the new drugs development. "Everything is done in-house at Cadila, which I am very proud of. To build every capability in-house is a long drawn out affair. But unless you do that you'll be a one trick pony," he said.

But high investments notwithstanding, Patel is happy.

The company is well on its way to achieving its ₹10,000 crore sales target, he said.

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