

# INNOVATING TO GROW

Cadila Healthcare Ltd.  
Annual Report  
2017-18

Lipaglyn binding – Zydus' innovative drug

**Zydus**  
dedicated to *life*

# Corporate information

## Founder

**Late Ramanbhai B. Patel**

## Board of Directors

**Pankaj R. Patel**

Chairman

**Dr. Sharvil P. Patel**

Managing Director

**Ganesh N. Nayak**

Executive Director (w.e.f. July 12, 2017)

**Mukesh M. Patel**

**Humayun R. Dhanrajgir**

**Nitin R. Desai**

**Dharmishta N. Raval**

**Apurva S. Diwanji**

**Nitin D. Parekh**

Chief Financial Officer

**Upen H. Shah**

Company Secretary

## Registered and Corporate Office

Zydus Tower

Satellite Cross Road

Sarkhej-Gandhinagar Highway

Ahmedabad - 380 015

## Statutory Auditors

Deloitte Haskins and Sells LLP

Chartered Accountants

Ahmedabad

## Zydus Research Centre

Survey No. 396/403,

Sarkhej-Bavla N.H. No. 8A, Moraiya

Ahmedabad - 382 213

## Registrar and Share Transfer Agents

Link Intime India Private Limited

506-508, Amarnath Business Centre-1

(ABC-1), Besides Gala Business

Centre, Off. C G Road, Ellisbridge

Ahmedabad - 380 006

## Formulation Units

Plot No. 1/1A & 2

'PHARMEZ' (Special Economic Zone)

Matoda, Sarkhej-Bavla N.H. No. 8A

Taluka: Sanand

District: Ahmedabad - 382 213

Survey No. 417, 419 & 420

Sarkhej-Bavla N.H. No. 8A

Village: Moraiya

Taluka: Sanand

District: Ahmedabad - 382 210

Plot No. 203-213

Kundaim Industrial Estate

Ponda, Goa - 403 115

Village: Swaraj Majra, Baddi

District: Solan

Himachal Pradesh - 173 205

## API Units

Block No. 265/266

Village: Changodar

Sarkhej-Bavla N.H. No. 8A

Ahmedabad - 382 210

GIDC Estate

Ankleshwar 393 002, Gujarat

Dabhasa, Taluka: Padra 391 440

District: Vadodara

Block No. 162

Ekalbara Umraya Road

Village: Dabhasa

Taluka: Padra 391 440

District: Vadodara

## Biologics Unit

Survey No. 40P, 23, 25P, 42, 37

Opp. Ramdev Masala, Sarkhej-Bavla

N.H. No. 8A, Changodar

District: Ahmedabad - 382 213

## Animal Health Unit

Plot No. F-1/1, Sector 6B

IIE SIIDCUL

Haridwar - 249 403

Forward-looking statement: In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



### **Mr. Ramanbhai B. Patel**

Founder Chairman, Zydus Cadila  
August 19, 1925 - September 19, 2001

It is our Founder Chairman, the Late Mr. Ramanbhai B. Patel and his vision that had first sown the seeds of innovation. He was a researcher and explorer, who believed in thinking differently and inspiring novel approaches.

To be able to offer what didn't exist and bridge an unmet need – was a simple maxim and created a strong edifice of a company that made innovation its cornerstone. The culture of innovation that he sparked off, has become a part of our DNA today. It continues to inspire and guide all that we do, with the belief that innovation must impact and improve lives.

# What's inside

## **Corporate Overview**

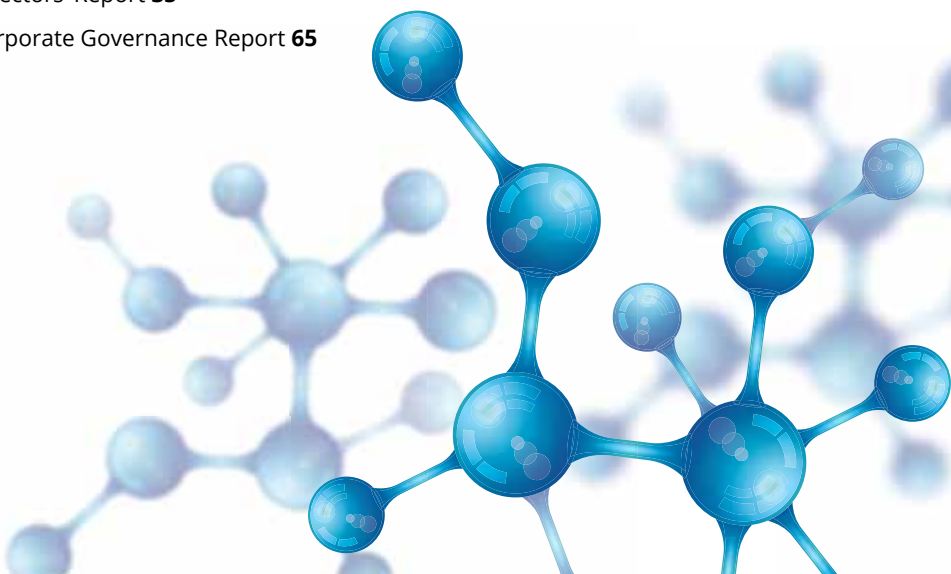
Innovating to Grow **03**  
Innovating for Healthier Lives **04**  
Thinking Differently –  
Institutionalising a Culture of Quality **06**  
Innovating to Drive  
Operational Excellence **08**  
Chairman's Message **10**  
Highlights of Operations **14**

## **Statutory Reports**

Management Discussion  
and Analysis **16**  
Business Responsibility Report **29**  
Directors' Report **35**  
Corporate Governance Report **65**

## **Financial Statements**

Standalone **80**  
Consolidated **142**  
Notice **209**





Vaccines



Diagnostics



Peptides

Small molecules



Formulation development

Biologicals



NCEs



Nutraceuticals



Monoclonal antibodies



Controlled Substances

API research



Wellness products

# Innovating to grow

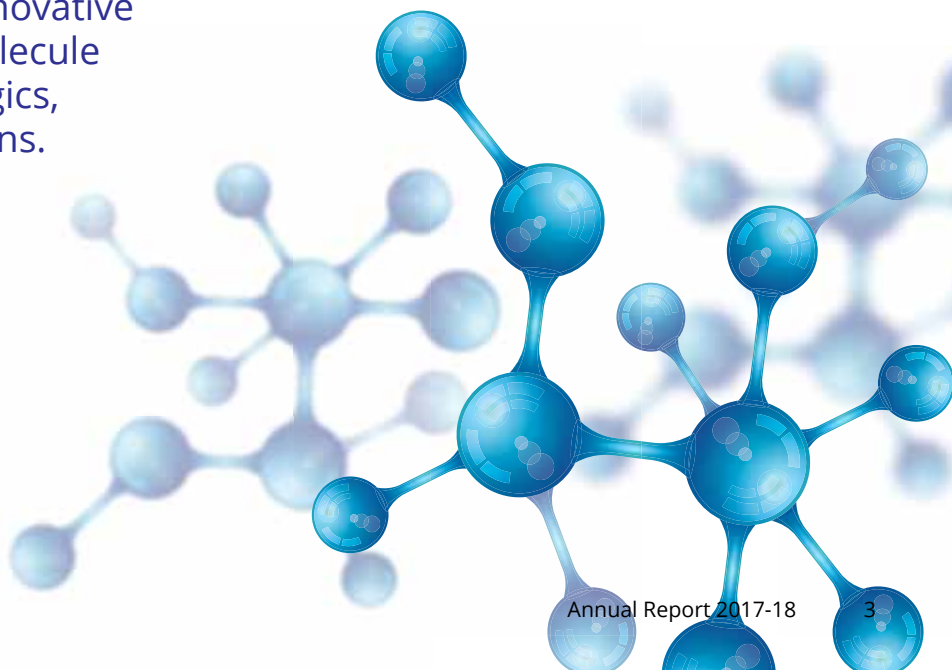
At Zydus, innovation truly forms the core of our being. As a global healthcare provider our mission is to create healthier communities globally and it is our constant endeavour to look at innovative solutions to bridge unmet healthcare needs.

From an innovative therapy for treating pernicious anemia in the 1950s to India's approved new chemical entity (NCE), Lipaglyn in 2013 for treating diabetic dyslipidemia, we have been fuelling our journey of growth with innovation.

In our growth journey over the last two decades, we have invested in building a culture of innovation at Zydus to create a robust portfolio of innovative medicines, including small molecule NCEs, biosimilars, novel biologics, vaccines and novel formulations.

The critical questions shaping our world are: How can innovation lead to new ways of tackling the enormous disease burden and improve healthcare outcomes? How do we bring innovation to the frontline? How do we equip ourselves and more importantly, are we equipped to ride the next wave of innovation which may not just be restricted to products but extend to our business as well?

**Sustaining and spurring this innovation culture remains our priority as we race ahead into the future.**





# Innovating for healthier lives

How do we offer cutting-edge therapies that are affordable and accessible? At Zydus, this is the question that inspires 1,300 researchers to work on differentiated therapies for better healthcare solutions.



## Lipaglyn

A novel drug to treat diabetic dyslipidemia\* – an unmet healthcare need.

### Impact

Helping more than 7,00,000 people suffering from diabetic dyslipidemia in India lead healthier lives. Exploring newer treatment options for Non-Alcoholic SteatoHepatitis (NASH) and Primary Biliary Cholangitis (PBC).



## Exemptia

The world's first biosimilar of Adalimumab – the largest-selling therapy globally for treating autoimmune disorders made available for the first time in India.

### Impact

Provides a new lease of life to millions of Indians suffering from autoimmune disorders like rheumatoid arthritis, ankylosing spondylitis, psoriatic arthritis and juvenile idiopathic arthritis, who did not have access to this revolutionary therapy so far.



Patients benefitted from Exemptia

*\*Approved in India for treating diabetic dyslipidemia or hypertriglyceridemia in Type II diabetes, not controlled by statins alone*



## Vaxiflu 4

India's 1<sup>st</sup> Tetravalent Inactivated Influenza vaccine for seasonal flu. Zydus is only the second in the world to launch this vaccine. It provides protection from the four influenza viruses - H1N1, H3N2, Type B (Brisbane) and Type B (Phuket).

### Impact

VaxiFlu – 4, the first quadrivalent influenza vaccine in India, serves the cause of public health and meets the twin challenge of affordability and accessibility.




## Zypitamag

Launched during the year under review, Zypitamag marks the first-ever branded product launch for our Group in the US. This 505(b)(2) new drug application product – pitavastatin magnesium – is used to manage cholesterol levels and is approved in the strengths of 1 mg, 2 mg and 4 mg. Medicure International Inc. markets the drug for our Group in the US.



# Thinking differently – Institutionalising a culture of quality

A person wearing a white protective suit, hood, and face mask is shown in a close-up. They are holding a blue and silver digital caliper and measuring a small, light-colored cylindrical object. The person's chest has a logo that reads "Zydus Cadila". The background is blurred, showing what appears to be a laboratory or manufacturing setting.

**QUEST** – Quality Excellence by Sustainable Transformation, a programme that focuses on building a robust quality culture, adopting novel approaches to create awareness amongst employees on the best-practices on the shopfloor, and simplifying current operations and procedures.





16

Sites covered  
through Quest

7,800+

Employees covered

124+

Circle mentors &  
Implementation  
Champions (ICs)  
trained

938+

Circle representatives  
trained



5,000+

Quality improvement  
ideas implemented

6,500+

Frontline employees  
rewarded

227+

Visual dashboards  
installed across  
shopfloors

25+

Culture Academy team  
members on-boarded

938+

Trainers on-boarded to  
create quality-related  
awareness among  
frontline employees

213+

Circle mentors and ICs  
trained on QUEST

# Innovating to drive operational excellence

A person wearing a white protective suit, a blue surgical mask, and blue gloves is holding a small glass vial containing white powder. The person is looking directly at the camera. The background is dark and out of focus, showing some industrial equipment.

1,100+

Ideas generated in the Operational  
Excellence programme during FY18