

Glenmark readies new products to counter global headwinds

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Glenmark Pharmaceuticals has clocked a strong result in fourth quarter albeit it missed market forecast marginally.

Speaking to *Bloomberg TV India*, Glenmark Chairman and Managing Director Glenn Saldanha says the company got 24 product approvals during FY16 including 7-8 in the last quarter.

Could you take us through how the quarter has been for Glenmark?

It's clearly been a very strong quarter for the organisation. If I look at whole FY16, we finished with ₹7,600 crore with a 15 per cent top-line growth. Despite all the emerging market currency volatilities, we came out pretty strong as an organisation. So things look pretty good.

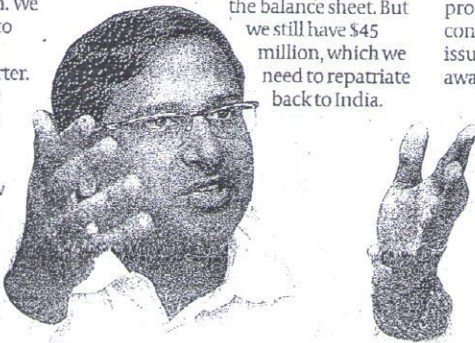
How has the US done? How has the overseas geographies performed this time around?

I think the US continues to be strong for the company. If I look at the full year, we finished with 15-20 per cent growth. We think we can sustain that going into FY17. In most parts of the world, markets outperformed in this quarter. But if you take a full-year basis, due to some of the currency impacts in the rest of the world markets, the growth was slightly negative or pretty much flat. Latin America saw some good growth in this quarter. But if I take a full-year view next year and strip out Venezuela, you could see some negative numbers in Latin America. If you include Venezuela, I think

overall the business will grow at about 25 per cent. So I think all in all, the individual geographies continue to be strong for the company.

Talking about Venezuela, what is the kind of money that is stuck over there? Any updates with respect to the repatriation from the government and if you've provided any amount for your receivables in Venezuela?

We have \$45 million of cash sitting in Venezuela, which needs to get repatriated. We are hoping, with the Indian Government getting involved in some of the recent initiatives, to try and offset some of our receivables against some of the oil imports of India. With the Indian government getting involved, we have much more hope that during FY17 we will be able to repatriate a lot of that capital. We did take some hits on account of Venezuela in Q4. Those were primarily on account of exchange shift from 6-10 in terms of the local currency and some hits on account of the foreign exchange losses on the balance sheet. But we still have \$45 million, which we need to repatriate back to India.



How many US FDA approvals did you see last quarter? What are the new launches that we can expect this year?

We got 24 products approved during the course of the year, including, I would assume, 7-8 in the last quarter. As far as new launches go, typically we are on the conservative side and we anticipate we will have something like 10-12 launches in the coming financial year.

As far as the US business is concerned, have you undertaken any price review during the quarter and secondly what's the update of your Pithampur plant, which had received three observations in February. You had responded to them. Any updates on that? Have any of your US FDA facilities been inspected after that?
In Q4, we saw the US as a deflationary business. So there is huge pricing pressure. On the existing portfolio, we are seeing actual price declines on the entire portfolio. I think a lot of the growth is coming on account of the new products. As far as our facilities are concerned, we have no outstanding issues with any of our plants that we are aware of as far as US FDA goes. We continue to maintain our pretty clean record in terms of our compliances, on all our facilities across India and around the world.

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GLENN SALDANHA
CMD, Glenmark Pharmaceuticals

Company