

Bilcare expects to sustain margins ahead

Here is a verbatim transcript of the exclusive interview with Mohan Bhandari on CNBC-TV18.

Q: There has been a lot of buzz about inorganic activity or rather some buys that you are looking at, any shortlist of companies or businesses that you are targeting?

A: We recently launched a technology that we acquired and that technology was unveiled two years back by Dr APJ Abdul Kalam, has got commercialised. Two days back we have handed over the technology to few of the customers the technology. So that's the one which is very actively going.

Q: What about the estimates for FY11? In FY10, you ended with sales of Rs 1,050 crore. What could be the growth rate that we can look at in FY11 and is there any number guidance that you can give us?

A: We are in the silent period and on 23rd we have our board meeting. But we would be growing consistently the way we have been growing, we have got lot of traction in the European and the American market. So, we hope to sustain our growth as well as our margins.

Q: You are speaking of nonClonable technology which you said you have handed over to a couple of customers. What kind of upsides are you projecting from this technology?

A: The technology has just stated commercializing. The customers whoever we have been presenting, they are very gung-ho about the kind of impact this technology will make because almost USD 500 billion, which turns out to be around 5-7% of the global trade, these are the interpol figures, the products are counterfeited.

Medicine where we originate has got USD 46 billion counterfeiting. So if you look at this kind of huge challenge, which the brands are being facing and where the contribution margins are more than 50-60 for innovative drug it is more than 80%, so they are losing their hard earn brand and innovation in R&D expenditure. A technology, which is going to cost them less than a person, is going to make wonders for their returns as well as peace to the customers who are buying medicines with trust, which normally takes lot of time for them to consume for two-three years. When they get the effect of this, it's very important for them to have a perfect product.

Q: What would that mean in terms of financials in FY11 for your company?

A: For financials for FY11, it would be too early for Bilcare to predict. but we are very excited. Going forward, this should impact our earnings. As of now the customs have commercialized, so those are the places where we have been putting through. So going forward, probably within six-eight months, I will be in a position to give you better guidance on the numbers.