



# Bilcare Visit Update

Nov 24 '09

Jaypee Research Desk

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## As on Nov 24, 2009

Market Price (29/10/09)	400
Market Cap. (Rs. Cr.)	692
52 Week High/Low	549/279

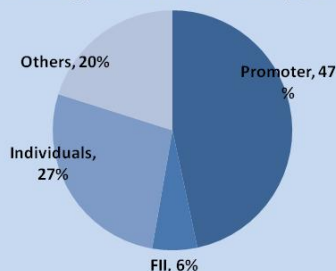
## Codes

BSE Code	526853
ISIN No	INE986A01012
Bloomberg Code	BILC.IN
Reuters Code	BIL.BO
Book Value per Share	248
Face Value	10.00

## Share Price Data



## Shareholding pattern as on 30th Sept, 2009



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## We met the Management of Bilcare. Following are the key takeaways.

**GDR issue of US\$ 35 mn to meet FCCB redemption:** The company has recently concluded US\$ 35 mn GDR issue, to meet its FCCB obligations in Dec-2010, the details of which will be made public shortly. It has also bought back a significant chunk of its US\$ 90 mn FCCB through a mix of cash and equity, thus largely alleviating its FCCB concerns. Currently, US\$ 10 mn of FCCB remains outstanding in India (US\$ 12 mn redeemed, US\$ 21 mn bought by the Singapore entity and US\$ 7 mn acquired by Bilcare India).

**Nanotechnology completed pilot testing, ready for commercial launch:** Bilcare has completed extensive 2 year pilot tests for its Nanotechnology based fingerprint technology and is now readying for its commercial launch. We expect the launch to happen in 4QFY10-1QFY11. The company has invested close to US\$ 17-20 mn in this technology and will invest another US\$ 4-5 mn in rolling it out. Though the management remains confident to scale it up gradually, we prefer to adopt a wait and watch policy to confirm its acceptability within the industry, as it is a first-of-its-kind technology in India.

**Good revenue traction seen in Pharma packaging Innovation business:** Bilcare's pharma packaging innovation business (~85% of revenues) is witnessing good traction as the company started servicing new contracts it entered into, from FY09 onwards. This segment has ~28% margins and constitutes approx ~65% of Bilcare's international revenues. It is expected to grow at ~25% over the next 2-3 years.

**Global clinical supplies (GCS) yet to contribute meaningfully:** Though GCS (~15% of revenues) is yet to contribute meaningfully, the management remains confident of scaling its contribution up to 35-40% over the next three years. It faces limited competition in this segment and has invested significantly in creating GCS capacities across US, Europe and Asia. Though a highly potential segment, we expect Bilcare to face near term pressures, as around 57% of GCS revenues comes from small Biotech and CRO's, which are facing funding problems in developed nations.

**Capex scaled down, Maintenance capex to continue:** BILC has drastically scaled down its green field projects and will now incur only maintenance capex of US\$ 20 mn over the next two years. Over FY05-09 it has invested over Rs 7.3 bn in creating capacities and acquiring various companies internationally.

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Bilcare's PvDC plant in Chakan, Pune



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