

# Clone Ranger

Can Bilcare's non-clonable technology make a breakthrough?

**B**ilcare Ltd, founded in 1995, has been partnering with the global pharmaceutical & healthcare industry to deliver solutions that speed up the quality of drug discovery, protect brands and

▶ ensure the authenticity and efficacy of drugs delivered to patients. Bilcare has a presence in three defined areas—pharma packaging innovations, global clinical supplies and Bilcare Technologies for brand authentication and security. The company's focus is to mitigate the five challenges faced by the pharma industry—compliance, counterfeiting, communication, convenience and cost.

Its research & development (R&D) facilities are located in Pune, Singapore, the US and UK. It has a workforce of over 500 employees; 50% of the workforce is located outside India. Its clientele includes Abbott, Aventis, Cipla, GSK, Johnson & Johnson, Merck, Novartis, Pfizer, Ranbaxy, Wyeth and Zydus Cadila, among others. It provides integrated R&D consultancy and outsourcing solutions to global pharmaceutical industry in brand protection, brand management technologies, clinical supplies and next generation packaging solutions.

Bilcare Global Clinical Supplies (BGCS) serves the global pharmaceutical and biopharmaceutical industries with clinical trial materials support, services and complete project management. It delivers end-to-end solutions that support a client's drug through the entire clinical trial life cycle. BGCS supports customers from an integrated global network of manufacturing sites and expanded distribution, depots and warehousing facilities—with major operations in the Americas, Europe and Asia Pacific. The division has core expertise in clinical supplies

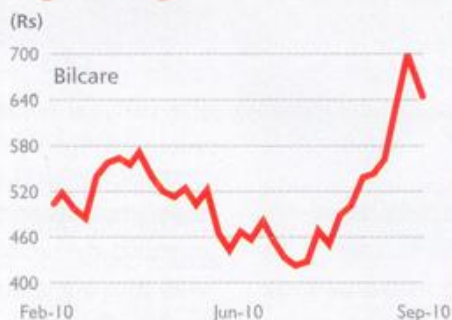
project management, formulation development, analytical & research services, clinical manufacturing, packaging & labelling, global logistics & distribution, depot alliance and returns management



	Dec-09	Mar-10	Jun-10
Sales*	144.43	151.81	154.85
Operating Profit*	41.45	46.78	44.79
OPM	29%	31%	29%

\*Figures in Rs crore, OPM - Operating Profit Margin

### Big Package



and archiving samples & records.

Its state-of-the-art, multi-disciplinary research facilities are located at the company's Centre of Excellence, Pune, together with satellite labs in Singapore, Europe and the US.

Bilcare and a US company jointly acquired a US-based pharmaceutical packaging company—International Labs in July 2008. In August this year,

Bilcare acquired the global films business from the INEOS group. INEOS's films division is a leading global manufacturer of high-quality polymer films. With over 60% market share, Bilcare continues to dominate the domestic blister-packaging market. The company has grown well in this market over the past quarters and it is now looking to ramp up its anti-counterfeit technology.

According to estimates by the World Customs Organisation (WCO) and the Organisation for Economic Co-operation and Development (OECD), about 7%-10% of global trade is from counterfeit products. Bilcare has come up with a non-clonable technology, which it believes can fight against counterfeits. Dr Praful Naik, chief scientific officer, Bilcare, says that the product uses a technology, which covers identification, authentication, track and trace from origin to point of sale with usage in myriad industries like pharma, security and agrochemicals.

Bilcare's June 2010 quarter sales and operating profit grew by 18% and 20%, respectively. On the basis of June quarter annualised sales and operating profit, market-cap to sales was 2.41 times and market-cap to operating profit was 8.34 times. Return on equity in 2009-10 was just 10%. Bilcare has been a company with a lot of promise but average performance. Maybe its non-clonable technology will prove a breakthrough. Buy a small quantity of this stock at the current price (Rs717) and hold for the long term. ■