

# Business Standard

Saturday January 5, 2008

## Bilcare: Going nano

Bilcare acquires Singular ID, which provides products on the nanotechnology platform

**B**ilcare, the pharmaceutical packaging and clinical research company, acquired Singapore-based Singular ID through its subsidiary Bilcare Singapore. Singular ID provides anti-counterfeiting and brand security products and services on the nanotechnology platform, which could be applied across industries. This technology provides a low-cost fingerprinting and signatures to everyday products. Bilcare paid \$19.6 million for the technology start-up and hold of four global patents in the space, which fits well with its pharmaceutical packaging solutions business.

The shares of Bilcare fell by 2.6 per cent after the announcement, probably because Singular's revenues are not likely to be significant till FY09. Bilcare plans to commercialise Singular's anti-counterfeit offerings by the second half of 2008.

Globally, the \$643-billion pharmaceutical sales market has counterfeits to the extent of \$50 billion. The damage is expected to grow to \$75 billion by 2010, according to the

World Health Organisation.

Bilcare, with its global spread and intellectual capacity, could gain a foothold in this market. Senior executives said the company will continue to maintain its focus on research and add new technologies to its kitty,

going forward. Acquisitions would be aimed at adding capabilities rather than gaining market share. Bilcare raised \$90 million via convertible bonds last

month, for this purpose.

The company clocked a top line of Rs 98 crore in the September quarter, up by a yearly 26 per cent. Bilcare's operating profit margin has been nearly 30 per cent, with net profit margins at 15 per cent over FY05-FY07.

Going forward, the company is likely to continue growing in excess of 35 per cent y-o-y. At Rs 1,630, the stock trades at an expensive 30 times estimated FY09 earnings, which can be justified only after the numbers start improving.



Niraj Bhatt, with contribution from Niren Shah