

research

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founding a better future

Bi Limited

Annual Report 2002-2003

BilcareTM
pharma packaging research

Bilcare is a unique

organisation built over a

strong research foundation.

This organisation is integrated

with the state of the art

manufacturing facility with a

focus on pharma packaging

research. Research and

technology are the key drivers

of the quest for global

leadership for every member

at Team Bilcare.



Customer Focus	Expectations and beyond through tangible value addition Distinction of being one of the first Indian Pharma Packaging companies to receive ISO 14001 accreditation	Expanding Horizons	A platform for knowledge sharing Eight technical Seminars organized for creating awareness on the importance and criticality of packaging in Pharmaceuticals held at key pharmaceuticals hub centers at Aurangabad, Indore, Mumbai, Ahmedabad, Goa, Bangalore, Chennai and Hyderabad Addressed exclusively the First Plenary session on Packaging in the history of Indian Pharmaceutical Congress held at Pune
Customers Verdict	Rightfully earned appreciation Prestigious Vendor award bestowed by Organization of Pharma Producers of India 2001-2002	Intellectual Proprietary Rights	The key driver in strengthening Research Focus Five Patents filed

key events

Report 2002-2003



Co-operation
and
Alliances

Accelerating towards mission objective

Business alliance with Sam-A, South Korea, for Alu-Alu packaging systems

Bimodal business cooperation with Friedrich Sanner KG, Germany.

Leaders in integrated closure systems for bulk packaging

Collaborative research understanding with National Chemical Laboratory, Pune, India, for product and analytical development

Collaborative research co-operation with PRS Permacel, a former subsidiary of Johnson & Johnson, USA, for developing novel anti-counterfeit solutions

Strategic Co-operation with Precision Gears, subsidiary of IMA, Italy, for providing end-to-end solutions by giving a singular face to both, the hardware and software components of pharma packaging

Distribution agreements with 8 new distributors bringing the total no. of distributors to 20, across the world

Perfect
harmony
through
Research
Drive

Attracting global attention

Global Research Centre:
Forward thrust to end-to-end solutions via Research

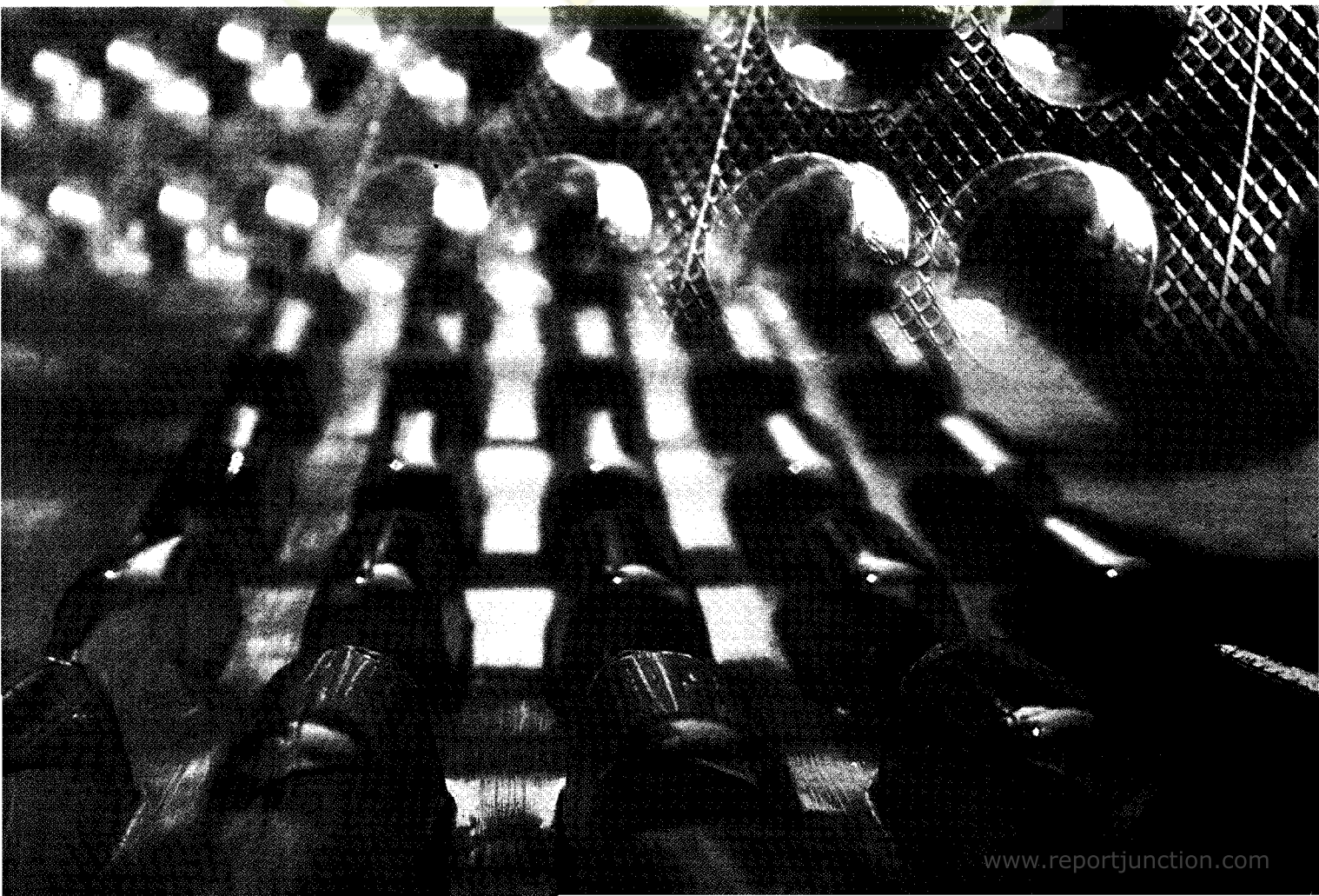
Inauguration of the Center by Dr. Arthur J. Carty, President, National Research Centre, Canada

New
product
launch

A success story based on R & D efforts

Developed and introduced innovative products and novel alternatives - Nova, Patina, Ultra (first time innovations), Exel, Super, Zing and Venus

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Dear Fellow Shareowners,

The thoughts, which I shared with you last year, were this year's prime objectives for the team Bi. It is indeed challenging to summarize our performance and accomplishments not because of anything else but our excelling both in terms of numbers and services. Our Year-2010 Mission of becoming a global leader continues its momentum on the company's core competencies- Knowledge base, Human assets and Focus on Research.

As we are heading towards globalization, the realization and acceptance of India's significant potential in terms of the above core competencies continues to create a lasting impression on the leading economies of the world. This is what we at Bi had always envisioned; giving us continued strength in heralding ourselves to our mission.

Furthering its strategy of complete integration of packaging to medicine, Bilcare has been able to achieve remarkable success in providing novel packaging alternatives to Pharma sector by introducing innovative products and by way of comprehensive end- to- end solutions. Our unique Research services comprising of scientific designing and optimization of packaging

system for any specific medicine has led to invaluable inputs for the pharma sector not only in India but also globally. The new products launched by Bilcare during this year, give multiple possibilities of value added packaging of medicines leading to a number of unique functional features including anti - counterfeit solutions.

The US\$ 360 billion pharmaceutical industry growing at over 8% pa globally is fast consolidating with numerous mergers and acquisitions. This consolidation is expected to continue. Further, the pharmaceutical sector is now moving towards global distribution of its medicines, as opposed to local manufacturing and distribution. This has resulted in standardization of packaging of medicines. Bilcare is focused to meet these challenges.

Bilcare's commitment to the preservation of environment made it possible for accomplishing the ISO 14001 accreditation. Bilcare has also surged ahead to upgrade its existing ISO 9002 to ISO 9001, encompassing the research and designing aspects in its Quality Systems. These quality management systems along with DMF with USFDA and a host of synergistic global business alliances with NCL (India), Sanner KG (Germany), PRS Permacel (former subsidiary of Johnson & Johnson, USA), Sam-A

chairman's Report letter

Our core competencies

- Knowledge base
- Human assets
- Focused on research

(South Korea) and IMA (Italy) makes Bilcare a global service provider.

Bilcare's constant endeavor to provide the best to the pharma sector led to the OPPI (Organization of Pharmaceutical Producers of India) bestowing the prestigious vendor award during the year to Bilcare.

The Company now plans to work on the pharma sector and further align its resources to take up this global futuristic opportunity in a focused manner.

To keep ourselves at an incremental pace, we have decided to set up operations through an independent Company in Singapore, which would result in enhanced quality service and our commitment to our existing and new global customers. The next steps are to set up similar operations in US and Europe.

The Company achieved a turnover of Rs. 87.68 crores in FY2003, an increase of 26% over the previous year's turnover of Rs. 69.28 crores. The Company's exports have increased by 278% to Rs. 7.61 crores. Your directors have recommended an Equity Dividend of 15%.

Needless to say that the future will belong to companies having potential to constantly innovate and meet the dynamic market requirements. Bilcare fits perfectly into this futuristic logic governing the market dynamics.

The phenomenal growth of Bi would not have been possible but for the dedicated effort of each individual at Bi and I take this opportunity to both thank and congratulate every member of the Bi team for their exemplary inputs, and their families for supporting our vision.

I would also like to thank you all for the constant inspiration and support which has driven me to motivate the team in accomplishing the successes and further leading them towards the mission of Bi.

Best regards,



Mohan Bhandari

Chairman & Managing Director

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Mr. Mohan Bhandari

Chairman and Managing Director, he leads Team Bi. A first generation technocrat entrepreneur holding a graduation in Physics from Pune University, and Post Graduation Diploma in both Management Studies as well as Packaging Science. Having founded Bi, he now has 21 years of crucial experience in the global packaging industry.

Dr. Volker Huelck

Dr. Volker Huelck, Director is a Diplom-Ingenieur in Chem. Engg. from Universitaet Karlsruhe, Germany and a M.S. and Ph.D. in Polymer Engg. from Lehigh University, USA. He did postdoctoral research in polymer chemistry at the Imperial Kyushu University, Japan. Joining Hoechst AG, Germany in 1973 he became member of the Divisional Board Plastics in charge of all R& D and Application in 1984. He is chairman of the German Plastics Center, Wuerzburg and at Lehigh University member of the Global Council and of the Chem. Engg. Visiting Committee. In 2000 he was the recipient of the prestigious Georg Menges Award.

Mr. Kiran Bhandari

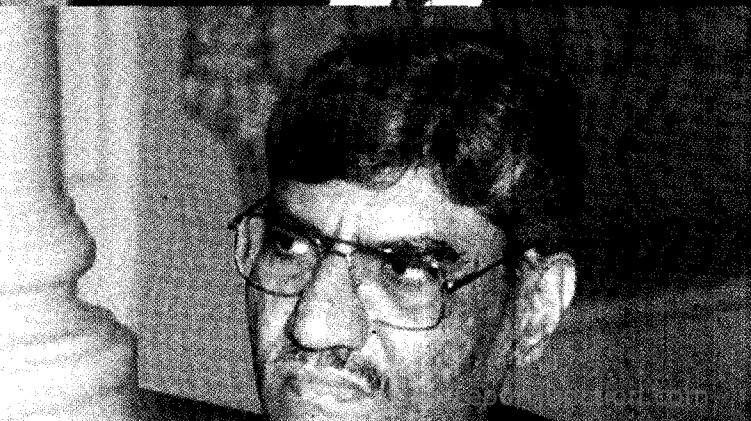
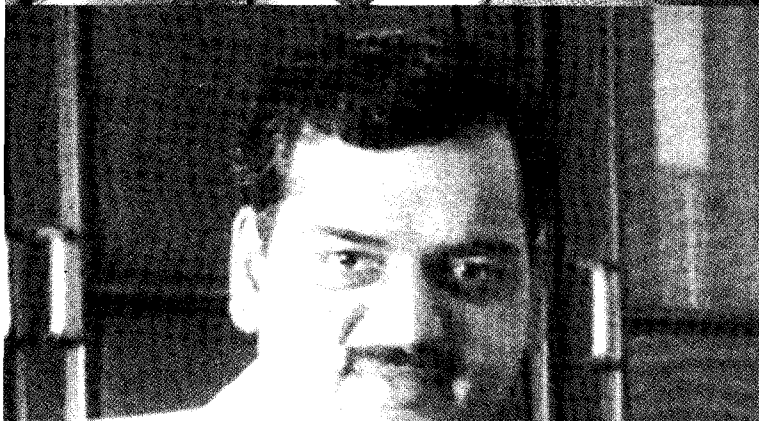
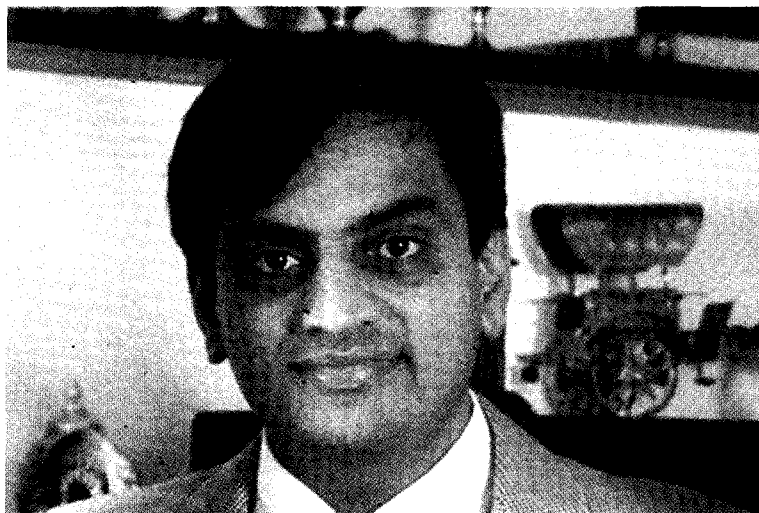
Executive Director. A Commerce Graduate from Pune University with a Post Graduate Diploma in Business Management. Over 18 years of management experience, has helped him successfully lead the commercial aspects at Bi.

Dr. R. V. Chaudhary

Guides Bilcare Research. A Ph.D. in Physical Chemistry with several research fellowships. He has presented 176 papers and holds 62 patents. Deputy Director at National Chemical Laboratory, Pune (NCL), a leading chemical research institute of India.

board of directors

introduction



Dr. Kalyani
Gandhi

Motivator of and drive behind Bi human potential. Dean at Indian Institute of Management (IIM), Bangalore.
An MA in Industrial Psychology, Ed.D. and M. Ed. from Rutgers University, USA.

Mr. Rajendra
Tapadia

Guides Bi Technology. A Chemistry Graduate from Pune University and a Post Graduate Diploma in Business Management. He is an eminent industrialist with over 21 years of experience and expertise in the industry. A faculty member of CII and MCCI, he also leads various philanthropic organizations.

Mr. Prakash
Bhandari

Executive Director in charge of Biltube. A Mechanical Engineer with a Post Graduate Degree in Packaging Technology. He has over 16 years of senior management experience.

Mr. Chandra
P. Jaggi

Wholtime Director with a mission to make Bilcare a quality and cost benchmarked company globally. An Engineer with over 31 years varied experience in the manufacturing industry. Winner of various national awards for productivity and quality improvement -including one from the President of India.

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The global pharmaceutical industry is worth over US \$ 360 billion annually and is growing at over 8% per annum of which packaging accounts for over 5%, accounting for about US \$ 18 billion. Bilcare is catering to this market globally.

The Indian pharmaceutical sector accounts for just 1.4% of the global market, accounting for annual turnover of US \$ 5 billion. It has a good potential in the emerging generics market globally, especially the US market. Some of the Indian pharmaceutical companies like Ranbaxy, D. Reddy's Lab and Wockhardt among others are making good inroads into the US market. Bilcare is the market leader in the domestic pharma packaging segment.

The Company has huge potential for expansion and growth globally.

The Company is moving towards a One-Stop-Shop for all packaging requirements of the pharmaceutical industry. The pharma industry has been doing well with exports of generics in the pharmaceutical industry picking up

from India. The packaging of the pharmaceutical products has become more crucial now with the advent of globalization leading to global distribution requirements, in turn requiring the formulations to survive extreme environmental fluctuations with respect to temperature, humidity and light. The Company has launched various films to meet this new emerging challenge faced by the global pharmaceutical industry. This new emerging scenario in pharma packaging is an opportunity the Company is fully geared to service with its focus on pharma packaging research.

The Company's turnover grew by 26% in FY2003 to Rs. 87.68 crores, resulting in Profit After Tax of Rs. 7.27 crores. The EBITDA margin of the Company continues to be a healthy 21% in spite of the sustained growth in sales.

The Company achieved exports of Rs. 7.61 crores in FY2003, an increase of 278% over the previous years' export of Rs. 2.01 crores.

management discussion and analysis

