

Bilcare

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Annual Report 2005 2006

Caring for tomorrow



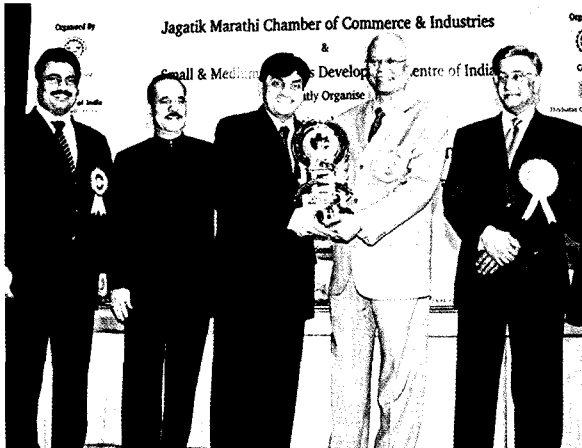
Bilcare

is a unique organization with a strong research foundation and an unending quest for global leadership.

An organization integrated with global pharmaceuticals.

An organization with best in class manufacturing facilities and innovative research initiative spread worldwide with a complete focus on pharmaceutical industry.

An organization made up of motivated people who go that extra mile to spread excellence and joy.



Events in 2005 - 2006

At a Glance

Bilcare believes in value partnership with all the stakeholders in the life science domain. Be it the pharma sector which is continually engaged in enriching the lives of us all, the research community and academia which spreads the knowledge base or the individuals who use these throughputs, Bilcare strives to upgrade its own knowledge to enable enhancement of the same by sharing with everyone it interacts. Our activities across the globe are focused to accomplish the above corporate intent and include active participation in key scientific deliberations as well as inviting the domain community to visit our facilities around the world.

A delegation comprising of CEO's and Top management of leading pharmaceutical companies of Korea led by the Korea Pharmaceuticals Manufacturers Association, Mr. Jeung Soo KIM, visited Bilcare's Pune facility for getting an insight into material sciences and clinical services technology expertise. The visit also marked the collaboration initiatives between the visiting companies and Bilcare.

A high level 39 member delegation comprising of CEOs, Directors and Heads of various organizations under the Singapore Chinese Chamber of Commerce & Industry (SCCCI), and Singapore Indian Chamber of Commerce & Industry (SICCI), visited Bilcare's Pune operations.

An 18-member delegation from Japan Toyobu Packaging group visited Bilcare's Singapore facility. The group had a comprehensive tour and detailed discussions with the technology team and was enthralled with the research and manufacturing capabilities of Bilcare.

A major Quality initiative was undertaken by the Bilcare's US operations with the objective of integrating the Quality systems of Bilcare's various operations across the globe and focus on creating the best-in-class Quality management system for Global Clinical supplies services. A team of external experts with rich experience in building world-class Quality management systems for Clinical Services supported the foundation, structuring and implementation process of this unique initiative.

Bilcare was invited by FDA, Thailand for a one day exclusive knowledge workshop. The Technology team provided insight on the criticality of packaging in pharmaceuticals and deliberated on the path-breaking innovations by

Bilcare in materials which have led to tremendous value proposition for the pharmaceutical industry.

Bilcare Asia-Pacific technology team was also invited by various Pharma Quality organizations across Asia to provide their members understanding on the importance and need of packaging integration and the value of technological advances in packaging for pharmaceuticals. The team addressed over 600 distinguished delegates representing key Pharmaceutical Quality and Manufacturing technical bodies and organizations across Indonesia, Thailand and Korea. Bilcare was also invited to deliver key note address on Pharma packaging technology at the prestigious COPACK exhibition & seminar in Seoul, Korea.

The Thailand Government Pharmaceutical Organization, the largest pharmaceutical manufacturer in Thailand, invited Bilcare to take an exclusive technology workshop for their Quality and Technical members for knowledge up-gradation on the key role of material sciences in their products.

Bilcare participated in several leading exhibitions including the IPC at Hyderabad, the AAPS in Nashville and TN PLMA in Chicago and showcased its capabilities and innovations.

Dr. Raghunath Mashelkar, Director General, CSIR, presented the JMCCI Entrepreneurship Excellence Award for 2005 to Mr. Mohan Bhandari, Chairman and Managing Director, Bilcare Ltd.

Over 40 visits including audits were undertaken by leading pharmaceutical companies of Bilcare's operations in USA, Singapore and India.

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Chairman's Letter

Doing Differently

Dear Shareholders,

For sometime I have been feeling how lucky our generation is to be experiencing the silent revolution that is taking place around us in India more so than other places. To share with you an experience, I was on a flight from Frankfurt to Philadelphia and happen to see the Time magazine, which had on its cover page, face of a traditional Indian lady with a headphone and microphone. The subtitles said "Why the world's biggest democracy is the next great economic superpower and what it means for the rest of us". I need not elaborate on what was inside - a number of articles on the growing Indian market and numerous growth statistics. Now, many of us are already aware of some of that but what struck me as interesting at that moment was that when one looks at it in the context of the current fast emerging globalized environment it leads to an exponential business opportunity for Indian business. This is one of the reasons why I feel it is a blessing for all of us to be living in these interesting times.

Our Company continues to grow globally. Team Bilcare comprises of 23% Americans, 7% Chinese and Singaporeans, 5% Europeans & others and the balance 65% Indians. The synthesis of different cultures and nationalities has added a texture to our unique global team.

The US operations of clinical trial services of our Company has now gained momentum and the customers are happy with the global platform that Bilcare has created for executing their clinical trials. Bilcare is fast emerging as a global player in this crucial business segment.

In Singapore, we are in the process of installing the biggest polymer barrier film plant in the world. Singapore will be the hub for providing the global requirement of films and foils for Bilcare. Why we chose Singapore is because of its great infrastructure, accessibility and connectivity, apart from the respect it commands from the global community in the area of Intellectual property. It is also fast emerging as an attractive drug-manufacturing destination.

I have been a firm believer that for a business to be sustainable as well as highly profitable, year after year, it needs to stand on a sound research foundation. Right from the day one I realized the criticality of this need and our company, therefore, invested not only in finances and creating world class

manufacturing infrastructure but simultaneously in developing a highly proficient research organization to ensure that on the basis of our continual innovations through research, we carve out a niche for ourselves to be recognized as a real value partner of the highly knowledge driven global pharmaceutical industry. This year, Bilcare filed 15 new patent applications in various countries. These patents protect the research undertaken at Bilcare on several cutting edge technology. The core purpose of all R&D at Bilcare is to continuously improve the life of the common man through application research.

The next big push for us is the European market, which is the biggest blister market in the world. We plan to start operations in Europe by March 2007 - this would include processing plant for the material business and infrastructure for servicing the clinical trials supplies business. In the meanwhile, our Company continues to explore business alliances and opportunities for inorganic growth globally.

These are some of the steps our Company has initiated to establish itself as a mainstay partner of global Pharma majors. We are totally focused at long term investments in Research & Development, some of which may change the way the life-science sector operates globally. This is the core thought and purpose that drives all of us at Bilcare and makes each day very exciting.

For the year ended March 31, 2006 the turnover of our Company increased by over 46% to Rs.242.43 crores and the net profit after tax went up by 62% to Rs.39.78 crores. Our directors have recommended a dividend of 30%.

We have an excellent team and continue to build it worldwide by bringing in best of the best talented and passionate professionals from all cultures and it is my honor to lead this great team. I look forward to the exciting times ahead. I also look forward to your feedback and views on the progress of our Company.

Best personal regards,



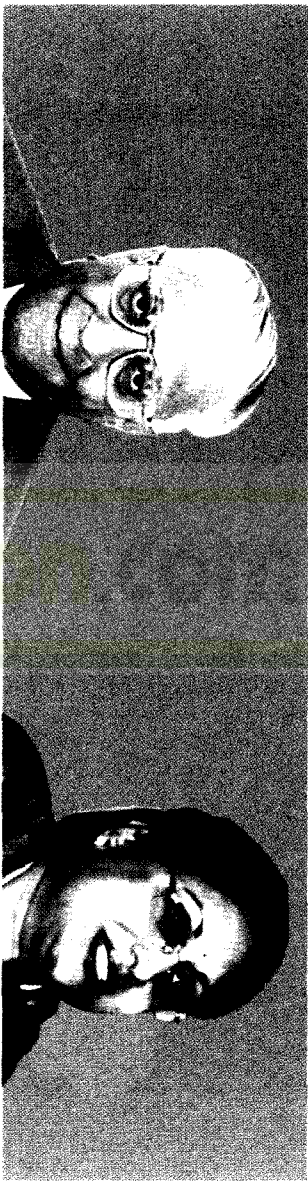
Mohan Bhandari
Chairman & Managing Director



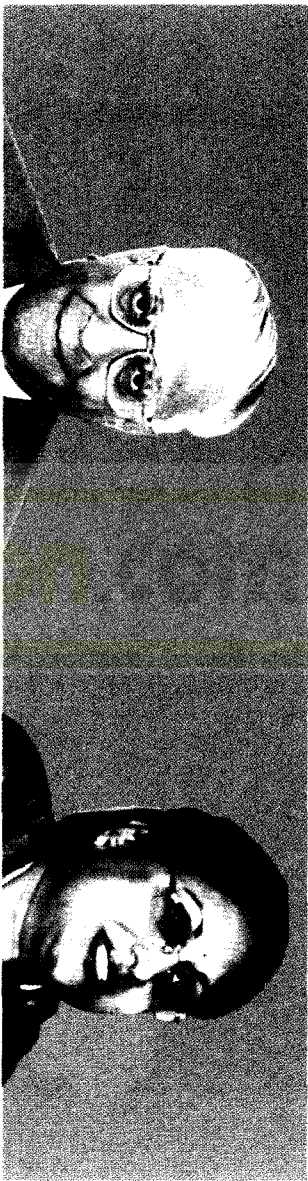
Mr. Mohan H. Bhandari



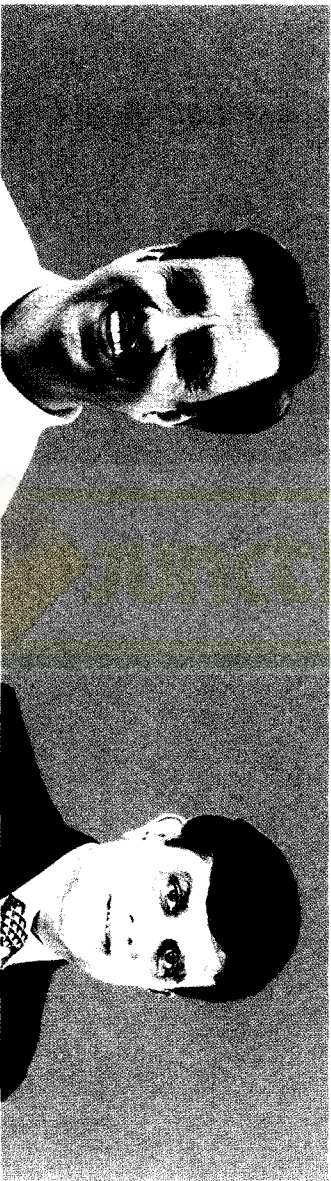
Dr. Praful R. Naik



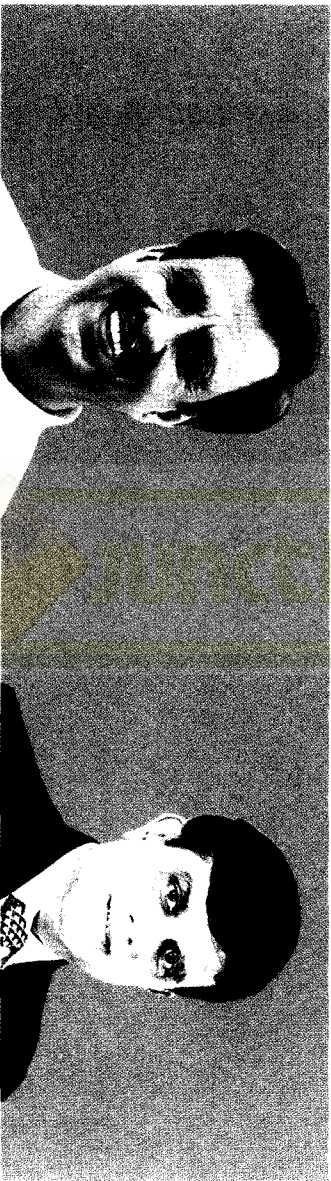
Mr. M.L. Bhakta



Dr. Kalyani Gandhi



Mr. Cyrus Bagwadia



Mr. Rajendra Tapadia



Mr. Rakesh Jhurjhunwala



Dr. R. V. Chaudhari



Mr. Chandra Prakash Jaggi



Dr. Volker Hueck

Board of Directors

Mr. Mohan H. Bhandari

As Chairman and Managing Director, he leads Team Bilcare. He is a first generation technocrat entrepreneur, holding a degree in Physics from the University of Pune and Post Graduation Diploma in both Management Studies and Packaging Science. Having founded the Company, he has over 24 years of valuable experience and a passion for innovation and research focused at the life sciences sector.

Mr. M.L. Bhakta

He is a renowned Solicitor and Senior Partner of Kanga & Co., a leading firm of Advocates and Solicitors in India. Mr. Bhakta has been in practice for over 45 years and has vast experience in the legal field and particularly in matters relating to corporate laws, banking and taxation. He is the legal advisor to leading foreign and Indian Companies and Banks. Mr. Bhakta has been recognised as a leading corporate lawyer in the country. Mr. Bhakta is also a member of the Managing Committee of Indian Merchants' Chamber continuously since 1982.

Mr. Cyrus Bagwadia

He is the Managing Director of Bilcare Singapore. A Polymer Engineer and a Post Graduate in Business Management, he has over 31 years of experience in international business with multinational companies including Dupont. To his credit, he has built the largest lami-tube company in the world. He shoulders the responsibility of global strategic business growth at Bilcare.

Mr. Rakesh Jhunjhunwala

He is a qualified Chartered Accountant and one of the best-known equity investors in India. He has been profiled as one of India's five best investors by Business India magazine. Mr. Jhunjhunwala is one of the few, who shares his insight into successful investing with the people at large through his articles, interviews and presentations.

Mr. Chandra Prakash Jaggi

An Executive Director with a mission to make Bilcare a company that is a global benchmark in Quality and cost. He is an Engineer with over 34 years of varied experience in the manufacturing industry. He is the winner of various national awards including one from the President of India, for Productivity and Quality improvement.

Dr. Praful R. Naik

He has a Ph.D. in pharmaceuticals from IT-BHU. He has worked with various multinational companies including J&J and Smithkline Beecham and has over 16 years experience in pharmaceutical science. With his in-depth understanding of the Medicines and their formulations, he initiates and leads the core research and Quality drive at Bilcare globally as Chief Scientific Officer (CSO).

Dr. Kalyani Gandhi

The motivator and drive behind Bilcare human potential, she is the Professor and former Dean at Indian Institute of Management (IIM), Bangalore. She is an MA in Industrial Psychology, and Ed.D. and M.Ed. from Rutgers University, USA.

Mr. Rajendra Tapadia

He holds a degree in Chemistry from Pune University and a post-graduate diploma in Business Management. He is an eminent industrialist with over 24 years of experience in the industry. He guides Bilcare in process and product technology.

Dr. R. V. Chaudhari

He has a Ph.D. in Physical Chemistry and is a Fellow of several scientific academies & societies. He has published 225 papers in international journals and holds 70 patents. He is the Deputy Director at National Chemical Laboratory, Pune (NCL), a leading chemical research institute in India. He is the driving force behind Bilcare's IPR initiatives.

Dr. Volker Huelck

He is an MS in Chemical Engineering and a Ph.D. in Interpenetrating Polymer Networks. He did postdoctoral research in polymer chemistry. He is Chairman of the German Plastics Centre and a member of the Global Council at Lehigh University, USA. He is the key leader of the Research Academy team and initiates material science development at Bilcare, worldwide.



Research & Development - Singapore

