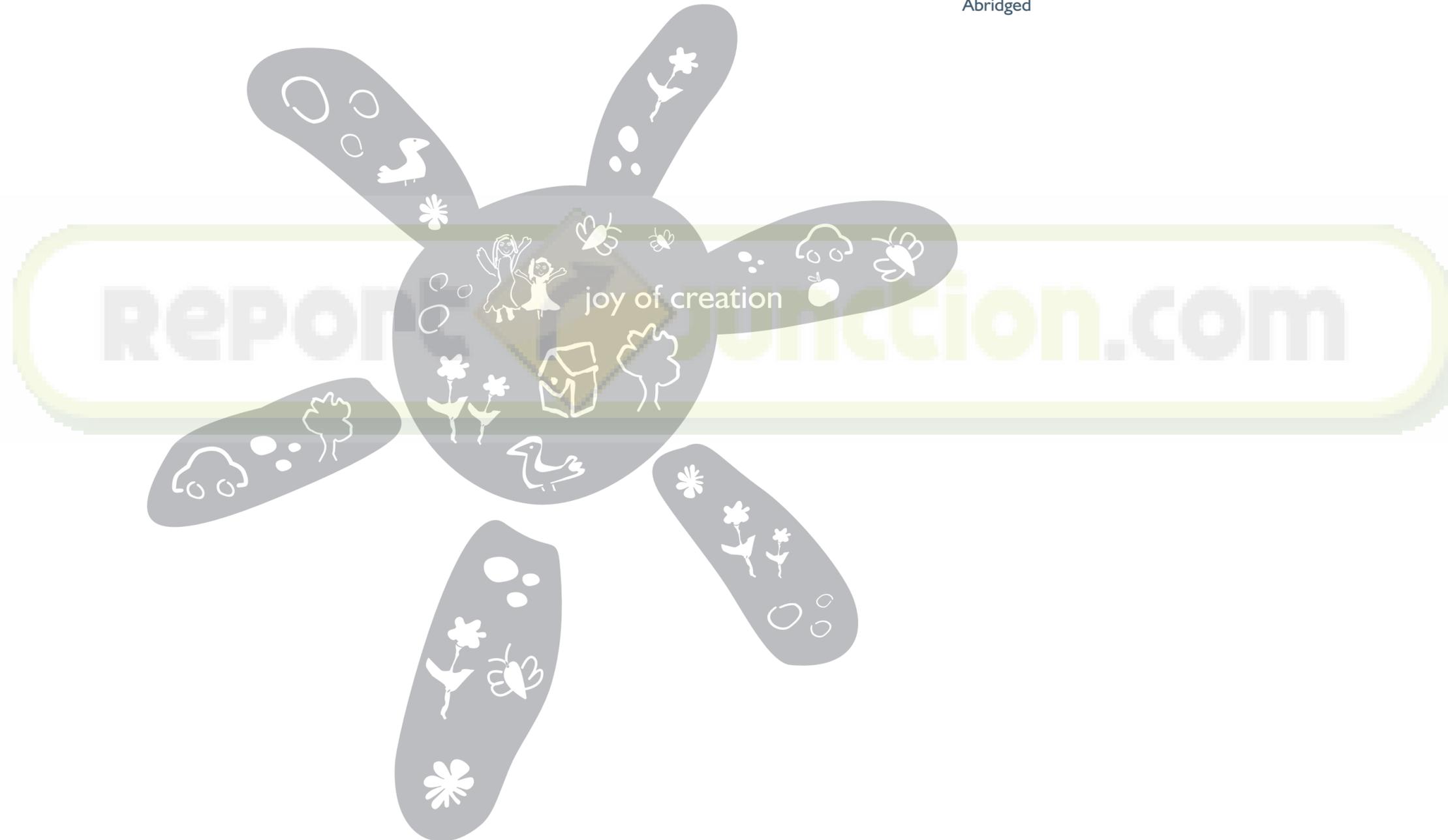


www.bilcare.com



Bilcare
Research

Annual Report 2007 | 2008
Abridged



Vision

Transforming health outcome – touching lives

Bilcare is a unique organization with a strong research foundation and unending quest for global leadership in the pharmaceutical and healthcare services space

An organization of passionate professionals who go that extra mile to share excellence and spread joy

Values

Speed

Proactive and swift actions are our mantras

Innovation

Our constant approach at all levels is to seek better ways of listening, thinking and doing- making our offerings meaningful and impact full

Happiness

We are motivated by our customer's success and happiness of our stakeholders

Bilcare
Research

Bilcare Limited
Shiroli, Rajgurunagar,
Pune 410505 India.
investor@bilcare.com



Key Events

Acquisition of Singular ID, Singapore

In December 2007, Bilcare acquired Singular ID, a Singapore based Technology Company. The company is engaged in research, development, and innovation of micro and nanotechnology based products. This was done to build capabilities in the anti-counterfeit technology front, where Bilcare is already doing substantial work.

Launch of Bilcare Centre of Excellence for Research

In December 2007, Bilcare launched its Centre of Excellence for Research in Rajgurunagar. Former President of India, Dr. APJ Abdul Kalam and Dr. John L. LaMattina, Ex-President, Pfizer Global Research and Development inaugurated this Centre Of Excellence. The focus of the Centre of Excellence is to provide comprehensive research services and solutions to the challenges faced by the global pharmaceutical companies.

Launch of anti-counterfeit technology

In December 2007, Bilcare took a major leap in its fight against counterfeit by successfully

developing and launching its anti-counterfeit technology. This technology is one of the first cost effective and useful solutions for the common man. The anti-counterfeit technology will help tackle the menace of counterfeit drugs being faced universally by the global pharmaceutical industry. The acquisition of Singular ID, Singapore will compliment in developing and commercially taking the technology to the international market.

Felicitation of Mohan Bhandari at 59th IPC at Varanasi

Mohan Bhandari, Chairman & Managing Director, Bilcare was felicitated by Dr. John L. LaMattina, Ex-President, Pfizer Global Research, with the Life-time Achievement Award during the 59th IPC conference. This honour is bestowed upon stalwarts who have helped change the face of the Indian pharmaceutical industry and elevated it to a global level.

ACRP Chapter inauguration in Singapore

In December 2007, Mr. Thomas Adams, President of Association of Clinical Research Professional (ACRP), USA, inaugurated ACRP's Singapore Chapter at Bilcare Singapore. The inauguration of this

chapter was especially significant for the industry professionals in the region. It was also a stepping-stone towards establishing the Bilcare Research Academy in Singapore.

DIA

Bilcare Global Clinical Supplies presented its broad range of clinical trials supplies and services at the 44th Drug Information Association (DIA) Annual Meeting, Boston, MA in June 2007. For biotechnology, pharmaceutical, and regulatory professionals, DIA's Annual Meeting is the "event to attend" each year.

BIO

Bilcare Global Clinical Services (GCS) participated in the BIO International Convention, the global event for biotechnology in San Diego, CA in June 2007; This trade show and educational conference provided Bilcare GCS with an outstanding platform to reach to the heart of the U.S. biotech community.

Clinical Research Academy Launch in Bangalore

In December 2007, Bilcare launched its Clinical Research Academy in Bangalore, which was inaugurated by Dr. John L. LaMattina, Ex-President, Pfizer Global Research. The Academy in Bangalore has entered into a strategic tie-up with the Bangalore Diabetes Hospital to provide clinical practical training to the students.

Acquisition of International Labs, US

MeadWestvaco and Bilcare came together and jointly acquired International Labs, Florida, USA. The joint acquisition leverages best-in-class capabilities for patient-preferred, adherence-promoting pharmaceutical packaging and streamlining supply chain by eliminating several steps in the distribution channel. The collaboration helps make, not only patient but also pharmacy friendly medication packs, providing real value to consumers throughout the global market place, especially for a large number of low-cost generic and branded drug programs.



Content

Chairman's Letter	03
Board of Directors	06
Management Discussion and Analysis	09
Corporate Governance	33
Human Asset – Team Bilcare	43
Corporate Citizenship – Bilcare Foundation	47
Directors' Report	49
Auditors' Report	57
India Financial Statements	60
Consolidated Financial Statements	70



Innovation Delivered

Dear Shareholders,

These are fast changing times. Global growth is slowing, margins are getting squeezed and job cuts becoming common.

We at Bilcare, on the other hand, are thriving on the new possibilities in the pharmaceutical and the healthcare services space. The difference is in our innovation culture and ethos of challenging the status quo.

We are continuously investing in R&D for delivering 'customer centric' solutions and also build meaningful intellectual property; thereby ensuring next generation solutions and products in the areas of pharma packaging, clinical trial supplies and brand management technologies.

During the year, we accomplished major milestones which will have an everlasting impact on our future. We established our Global Centre of Excellence for Research at Pune, India. It was inaugurated by the visionary scientist and former President of

India Dr. APJ Abdul Kalam. This state-of-the-art Research Centre will provide integrated solutions to the global pharmaceutical industry in our domain.

A recent study by US based Centre for Medicines in the Public Interest predicts that counterfeit drug sales will reach US\$ 75 billion globally in 2010, an increase of more than 90% from 2005. Across the world the menace of counterfeit drugs is looming large. It is thus imperative that collaborative and sustained effort be made to stop this threat that has a devastating effect on patient care.

Our anti-counterfeit technology is one of the world's first cost effective solutions for the common man against his fight to procure genuine medicines. This path breaking technology uses inherent disorder technology of nano-particulate composite systems to create a unique fingerprint for each product pack. This unique fingerprint when affixed onto a product pack, makes it 100% secure. Our technology overcomes



and addresses the limitations of RFID. This technology is a sure proof way to track a drug throughout its lifecycle — from the manufacturer to the patient. This solution is being serviced through our business division, Bilcare Technologies.

Bilcare continues its robust growth with Pharma Packaging Innovation business playing a lead role. This business intends to garner a strong presence in the global pharma packaging market by 2010 and we continue to partner with big Pharma to provide one-stop solutions for their packaging through our innovative branding and design solutions. Some of the global blockbuster drugs have started availing our services and in near future we foresee more such brand conversions.

We see ourselves positioned strategically in the global new drug discovery value chain and partnering the pharmaceutical industry in various stages of the clinical trial process. New drug discovery is becoming time consuming and expensive - Bilcare Global Clinical Services aims to become an integrated one-stop destination for global pharma and biotech companies for these services. In the current year we have invested significantly in new clinical research facilities and have also strengthened the team significantly. With these measures, Bilcare is well poised to become a significant player in the global

clinical services industry. Our global presence and ability to service customers in all or any geography is a key strategic advantage for Bilcare Global Clinical Services.

Talent is scarce which is truer for specialized healthcare and research services. We are relentlessly working towards creating quality manpower in the area of clinical trials in Asia. Bilcare Research Academy expanded its presence in India with the opening of the Academy in Bangalore this year and received an enthusiastic response from all quarters. Strategically located in the same building as the Bangalore Diabetes Hospital, the students have the unique opportunity to observe the clinical trial activities at the research wing of Bangalore Diabetes Hospital. We launched another chapter of Association of Clinical Research Professionals (ACRP) in Singapore and are preparing to open Bilcare Research Academy in Singapore.

The consolidated turnover of our Company for the year 2007-08 increased by 57% to Rs 669.92 crores, and the net profit went up by 36% to Rs.81.55 crores. Our Directors have recommended a 40% annual dividend at Rs.4/- per share.

One of our key strength in our growth has been the depth of our management team and our ability to attract the best

global talent. As Bilcare crosses shores to delight customers across the world, we are building local teams which the customer can identify with – thus bringing about a multi-cultural team of exceptional talent globally. A passion to excel and to create 'customer delight' is the core focus of each team member at Bilcare. Today we have a team of highly competent professionals from Europe, America & Asia, who are driving Mission Bilcare. The three major businesses viz. Pharma Packaging Innovation, Global Clinical Services and Brand Management Technologies are being successfully driven by strong leadership teams.

Going forward, I see very attractive growth in all of our business segments - especially in our overseas operations.

Corporate Social Responsibility has been the DNA of Bilcare culture. Bilcare Foundation

is our vehicle to deliver on this endeavour. The initial focus of the Foundation, through its various projects, has been to ignite the minds of young children and facilitate their holistic growth. A key event during the year was the launch of 'Window To The World', an initiative for the school children of Rajgurunagar (India). Similar CSR initiatives have been undertaken by our teams at Wales (UK), Singapore and Phoenixville (USA) during the year.

I thank you and look forward to your continued participation on this exciting journey.

Warm Regards,



Mohan H. Bhandari

Chairman and Managing Director



Board of Directors



Mohan H. Bhandari

Founder, Chairman and Managing Director

Mohan H. Bhandari is the founder of Bilcare and leads the company along with his team of professional management. He has over 26 years experience in the global pharmaceutical packaging industry and under his leadership, the Company has grown exponentially both in the national and international arena. Mr. Bhandari is a first generation technocrat entrepreneur and holds a degree in Physics from the University of Pune and post-graduate diplomas in both Management Studies and Packaging Science.



Dr. Praful Naik

Executive Director

Dr. Naik leads the core research at Bilcare and is the Company's Chief Scientific Officer. He has over 18 years of experience in pharmaceutical science and has vast knowledge of medicines and their formulations. Prior to joining Bilcare, Dr. Naik worked with Johnson & Johnson and Glaxo Smithkline. Dr. Naik holds a Ph.D in Pharmaceutics from the Institute of Technology, BHU. He represents Indian pharmaceutical industry on International Medical Products Anti-Counterfeiting Taskforce of WHO.



Chandra Prakash Jaggi

Executive Director

Mr. Jaggi is responsible for bringing Bilcare on par with global standards in Quality and Cost. He has over 36 years of experience in the manufacturing industry. A recipient of numerous awards, he has also won an award from the President of India for productivity and quality improvement and is an engineer by profession.



Rakesh Jhunjunwala

Mr. Jhunjunwala is a qualified Chartered Accountant and one of India's renowned equity investors. He has been profiled among the five best investors in India. Mr. Jhunjunwala is one of the few investors who share their insights on successful investing with people through articles, interviews and presentations.



Cyrus Bagwadia

Mr. Bagwadia provides guidance to Bilcare on its global strategic initiatives. He has over three decades' of experience in international business and has worked with multinationals like Dupont. Among his various and notable achievements is building the largest lami-tube company in the world. Mr. Bagwadia is a polymer engineer and a post-graduate in Business Management.



Dr. Volker Huelck

Dr. Huelck offers guidance to the Bilcare Research Academy and material science development team. He is an MS in Chemical Engineering and a Ph.D. in Interpreting Polymer Networks. Dr. Huelck is the Chairman of the German Plastics Centre and a member of the Global Council at Lehigh University, USA.



Dr. Kalyani Gandhi

Dr. Gandhi gives leadership and direction to the human resource team at Bilcare and is on the Advisory Board of the Bilcare Research Academy, Bangalore. She has three decades' of experience in teaching and is the former Dean of the Indian Institute of Management (IIM), Bangalore. Dr. Gandhi has an MA in Industrial Psychology and has completed her Ed.D and M.Ed. from Rutgers University, USA.



Manish Gupta

Mr. Gupta is a member of the core team at the private equity group of RARE Enterprises. He has an MBA from the Indian Institute of Management (IIM), Ahmedabad and a BE in Chemical Engineering from the Birla Institute of Technology and Science, Pilani. Mr. Gupta has extensive strategy and consulting experience gained through his stints at Boston Consulting Group and Honeywell.



Rajendra Tapadia

Mr. Tapadia provides support to Bilcare on process and product technology. He is an eminent industrialist with more than 26 years' experience. Mr. Tapadia holds a degree in Chemistry from Pune University and a post-graduate diploma in Business Management.



Dr. R. V. Chaudhari

Dr. Chaudhari provides valued assistance to Bilcare's IPR initiatives. He holds Ph.D. in Physical Chemistry and Research Fellowships of several scientific academies and societies. Dr. Chaudhari has presented more than 100 papers in various international journals and holds 62 patents. He is a 'Deane E Ackers Distinguished Professor' at the Department of Chemical and Petroleum Engineering Center for Environmentally Beneficial Catalysis at the University of Kansas, USA.



Report  Junction.com