

# Bilcare *Research*

Annual Report 2009 - 10



The Joy of Sharing



#### **Bilcare enters the delivery mode of nonClonableID™**

With a handover of technology embedded products to leading companies like Ranbaxy, Panacea Biotec, Indofil Chemicals and Mankind Pharma, Bilcare ushered in the execution phase of its unique anti-counterfeiting technology nonClonableID™.

Dr. Sam Pitroda, Adviser to Prime Minister of India in Public Information, Infrastructure and Innovation and Dr. R Chidambaram, Principal Scientific Adviser to the Government of India delivered these technology-embedded products to the respective companies in the presence of Mr. Mohan Bhandari, Founder, Chairman & Managing Director, Bilcare Limited and other senior officials. Dr. Samir Bramhachari, Director General, CSIR, also addressed the gathering. This technology is being implemented by security agencies, both in India and abroad.

#### **Visit from Minister of State for Health and Family Welfare**

The Union Minister of State for Health & Family Welfare, Mr. Dinesh Trivedi, visited Bilcare's Research and Development facility at Rajgurunagar in February 2010. He also visited the clinical facility where testing and trials take place. Mr. Trivedi commented that these innovative products would make healthcare more accessible to all and that India was in the right hands with such initiatives. The main event of the day was the unveiling of Bilcare's nonClonableID™ Medicine Authentication Device-SX-21 by Mr. Trivedi followed by an interactive symposium.

#### **Bilcare felicitated for the second consecutive year at Annual Intellectual Property Awards – 2010**

Bilcare's endeavor towards being a leader in intellectual property generation received a boost after

winning an award at the Annual Intellectual Property Awards 2010 for securing the highest number of registered designs in 2009. Dr. Praful Naik, CSO and Executive Director received the award from Mr. Anand Sharma, Minister of Commerce and Industry, Government of India. Speaking on the occasion, Dr. Naik emphasized on the culture at Bilcare where innovation is driven by focus on end-user safety, health and well being. An equal impetus is placed on creating hundreds of inimitable designs, which could provide distinctive identity to any product or medicine.

#### **Bilcare participates at Pharmapack**

Bilcare participated at Pharmapack, an exclusive event for companies in the pharma packaging space, in Paris on February 1 & 2, 2010. It provided an opportunity for Bilcare to connect with key buyers and brand protection strategists in this sector. Bilcare showcased its novel, embeddedimage™ blister film - Protect®, UV visible and forensically marked printed foils, and its flagship nonClonableID™ anti-counterfeiting system, alongside its wide range of specialist pharma packaging products. It provided visitors with an impressive array of brand and patient safety products and solutions.

#### **Bilcare participates in Global Forum on Anti-Counterfeiting in Miami**

The 5<sup>th</sup> Global Forum on Pharmaceutical Anti-Counterfeiting, in Miami, USA resonated with a focus on "End-to-end protection – from API to patient". Bilcare participated actively and demonstrated the nonClonableID™ solution applied to blister packs and cartons, which received appreciation from other participants comprising of brand owners, regulators and non-government organizations.





Bilcare's unique nonClonableID™ fingerprint technology can be easily incorporated into packaged medical products at both the primary and secondary level to make the medicines extremely secure. Dr. Satya Sharma, Global President, Chief Mentor, Bilcare Technologies, represented the company at the forum.

#### **Bilcare speaks on innovations and R&D in Homeland Security at FICCI conference**

The Federation of Indian Chambers of Commerce and Industry (FICCI) held a conference on 'Science and Technology for Homeland Security' on October 9, 2009 at the FICCI Federation House in New Delhi. Bilcare provided a detailed insight on the need to deploy novel yet simple technologies for enabling physical and economic security. The conference drew delegates from various government agencies responsible for homeland security, technology experts, policy makers, and industry representatives.

#### **Bilcare bags the coveted 2009 European Outsourcing award for second time in a row**

Bilcare Ltd bagged the prestigious 2009 European Outsourcing Award for the second year in succession. The European Outsourcing awards have become recognized as the most prestigious award in Europe for the pharma sector and Bilcare has become the first Indian company to bag this award twice in succession.

#### **Bilcare GCS Europe second unit inaugurated**

Bilcare Global Clinical Supplies' (Bilcare GCS) second unit in Wales, UK was inaugurated by Mr. Mohan Bhandari, Chairman & Managing Director on March 11, 2010. Besides being spread over an impressive 35,000 sq. ft, this facility also doubles the company's

European capacity to package, store and distribute clinical supplies in ambient, refrigerated and frozen conditions. This additional facility in Crickhowell, Wales will allow Bilcare GCS to serve the Americas, Europe, and Asia with clinical trial materials support, services and complete project management.

#### **Bilcare speaks on anti-counterfeiting trends at ALDCOC training program**

Bilcare was invited as the key resource at the training program on Improving Investigation Skills of FDA Officers, organized by the All India Drugs Control Officers Confederation (ALDCOC), for creating awareness on the changing trends in counterfeiting and novel anti-counterfeiting measures.

#### **Bilcare conducts session on value of packaging in drug development for the Indian Pharmacopoeia Commission**

In September 2009, the Indian Pharmacopoeia Commission called upon Bilcare to conduct a session for its officials on Packaging technologies and the value of packaging in drug development.

#### **Bilcare conducts awareness and education program for State FDA officials**

Based upon the request of the Commissioner of Maharashtra, Bilcare conducted an awareness and education program for the top State FDA officials on Technology Measures for Medical Product Identity Authenticity, Drug diversion and track-and-trace. Based on the excellent inputs, the program was extended as a training module and Bilcare successfully completed the training for Pune region, under the guidance of Joint Commissioner, FDA Pune.



## Vision

### Delivering Innovation - Transforming Lives

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## Values

### Speed

Proactive and swift action 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 impactful

### Happiness

We are motivated by our customers' success and happiness of our stakeholders

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## Corporate Social Responsibility

CSR is an integral part of our culture and business ethos

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## Offerings

### Pharma Packaging Innovations

Brand growth solutions - delivering safe products

### Global Clinical Supplies

Research process outsourcing for new drug discovery in clinical trials;  
Facilitating speed-to-market

### Bilcare Technologies

Track, trace and authentication technology of people and products - anywhere, any time





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**Delivering  
Innovation**





## Dear Shareholders,

Welcome to the new norm in the Global Business Environment – Collaboration.

Listening and adapting to the customers' dynamic need is Bilcare's DNA since inception. In the new environment, this is yielding rich dividends for us.

Internationally, current estimates point to a 4-6% growth in the global pharmaceutical market. Pharmaceutical sales could touch USD 1 trillion by 2013, helped by continuous innovation.

The slowing growth in developed markets poses a big challenge. Driven by shrinking pipelines, cost control focus and growth ambition, Big Pharma have been early movers for consolidation. With two blockbuster mergers in their bag, global pharma companies are now sharpening their emerging market focus. Recent global updates indicate a significant part of the pharmaceutical sales growth till the year 2020 would come from "pharmerging" countries (BRIC, Turkey, South Korea and Mexico). A bigger slice of these markets is precisely what Big Pharma is pushing for.

For companies like Bilcare, who have a global focus and collaborative spirit, this means a

strategic fit with global pharmaceuticals growth plan. Bilcare's drive to deliver innovation led solutions and an energetic pursuit of inventing novel technologies like nonClonableID™, makes it a natural partner for Big Pharma in their journey to deliver efficient and profitable healthcare. Bilcare Technologies' nonClonableID™ solution has the potential

**Bilcare is enabling safe administration of drugs to patients, leading to enhanced patient safety and well-being and is also simultaneously ensuring brand protection including overall brand growth for pharmaceutical companies.**

to be deployed across 80 billion packs worldwide, allowing the end user to be able to determine the authenticity for usage and thus realise the full efficacy of drug delivery for consumers. Bilcare's

innovation mission of 5-Cs (Counterfeit, Compliance, Communication, Convenience and Cost) make us a logical favourite in addressing one of the big problems facing the industry, viz, counterfeiting. Our unique material solutions like coloured metalized substrates, image-embedded films and foils and micro text printing, help healthcare majors traverse the extra mile in ensuring product sanctity and authenticity. In the process, Bilcare is enabling safe administration of drugs to patients, leading to enhanced patient safety and well being and is also simultaneously ensuring brand protection including overall brand growth for pharmaceutical companies.



Even as the possibility of a double-dip recession in the western world keeps making occasional headlines, growth in most developed markets shows a modest increase. From the deflationary scenario that prevailed a year ago, the resilient have emerged stronger and you will be pleased to know that your company is one among them.

Bilcare achieved an important financial landmark in the year 2009-10. Our consolidated revenue topped Rs. 1,000 crore for the first time ever and stood at Rs. 1,065 crore, a 23.4 percent growth. We are confident that this is a small but significant step in many more important milestones the company will achieve. EBITDA grew at 33.8 percent and stood at Rs. 259 crore, reflecting strong operating metrics. The Directors are pleased to recommend a dividend of 25 percent amounting to Rs. 2.50 per share.

As with any thought leadership and innovation nurturing company, our “people” are our biggest strength. Our ability to connect with a diverse workforce and enable delivery of superior service and products for our customers is at the core of our success journey. Our investments in assets, hard and soft, across the globe, will go a long way in enabling us to deliver customer-centric innovations as a strategic partner.

Patients who get ineffective or harmful medication form the core of the counterfeiting problem. Other layers include loss of revenue to the government and regulatory control issues. As per the latest updates by Partnership for Safe Medicines, almost 8 percent of the drugs imported into the US are counterfeit. Earlier indicators alluded to a USD 75 billion counterfeit trade in medical products, which needs to be plugged at the earliest. Bilcare’s efforts are at the forefront, ensuring efficacy of drug delivery from the plant to the patient.

Bilcare is contributing by making available Clinicom, a holistic and comprehensive solution, for addressing some of the key needs in clinical evaluation through implementation of its nonClonableID™ technology. Bilcare Pharma Packaging Innovations (PPI) is moving ahead in line with its pioneering efforts to become an integral part of a business model and our joint-venture in the US is already bearing fruit.

We are excited by the prospect of the US retail pharmacy business opening up to us in the near future. In particular, our joint-venture with MeadWestvaco Corp has laid the ground work for infusing innovations in the US market. This joint venture allows us to synergize our expertise in materials, processes and services. The revolutionary USD 4 generic medicine program facilitated by the JV stands testimony to the immense opportunity which will afford us better growth in the US retail market. By enabling our clients to reap returns benefits through branding and product positioning solutions, we are fast gaining credibility as a reliable and trusted source of pharmaceutical supplies even as we enable our customers to meet lowered supply chain costs. We work closely with clients on issues like communication enabled packaging.

We are confident of achieving more brand conversions globally; adding to the number of companies utilizing Bilcare’s services, a trend which will gain strength in days to come. Other areas of demonstrated concern by Bilcare are to ensure child safety yet enable our products to be recognised as senior-citizen friendly.

Our Global Clinical Supplies (GCS) business is a research process outsourcing for new drug discovery in clinical trials. We have evolved, becoming a reliable and credible company in this unique space. The increased presence across various continents like Asia, Europe and America has helped us in no small measure.







Our delivery processes are marked with a 'speed to market' approach, which is greatly appreciated by the innovator Pharma and Biotech companies.

Our belief in technology delivering future growth has shown its first sign of blooming. Enthused by the success we have received in all our verticals namely PPI, GCS and Bilcare Technologies we shall continue to invest in technologies to continually harness growth. During the year we have worked closely to expand the applicability of our key technology - nonClonableID™, from the bounds of healthcare and have taken it to agrochemicals, automobiles, social programmes, security in national and international institutions. The success of nonClonableID™ and its industry-wide applicability has now addressed questions regarding scalability. We are confident of its applications reaching the common man, given its simplicity in operations, tamper-proof nature and ease-of-use. The horizons for its growth are thus immense.

Last year I had indicated that outsourced collaborative models will be playing an important role. At Bilcare we feel confident of meeting all challenges and delivering on our collaborations with global pharmaceutical companies. We are confident that our execution capabilities and customer focus will enable us to leave an indelible mark in the field of innovative pharmaceuticals and healthcare solutions worldwide.

My sincere thanks to everyone who has been a part of this important journey at Bilcare and I look forward to exciting times ahead.

Warm Regards,

Mohan Bhandari  
Chairman & Managing Director

**Mohan Bhandari**  
**Founder, Chairman and**  
**Managing Director**

Mohan Bhandari is the founder of Bilcare and spearheads the Company as the Chairman & Managing Director. He has over 28 years of experience in the global pharmaceutical packaging industry. Under his leadership the Company has grown exponentially both in the national and the international arena. A first generation technocrat entrepreneur, he received the Life-time Achievement Award in 2007 during the 59<sup>th</sup> Indian Pharmaceutical Conference in recognition of the spirit of business excellence he exemplifies. He holds a degree in Physics from the University of Pune and a postgraduate diploma in both Management Studies and Packaging Science.



**Chandra Prakash Jaggi**  
**Director**

Chandra Prakash Jaggi has over 38 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.

**Dr. Arthur Carty**  
**Director**

Dr. Arthur Carty has over four decades of experience in research in different fields of science. He brings to the Bilcare Board, deep insights on R&D and specifically nanotechnology expertise. Dr. Carty currently holds office as Executive Director, Waterloo Institute for Nanotechnology at the University of Waterloo. He is also a Research Professor with the department of Chemistry at the University of Waterloo. Dr. Carty has to his credit over 300 journal publications and

five patents. He has served as Canada's first National Science Advisor to the Prime Minister of Canada from 2004 to 2008. He also served as the President of the National Regional Council of Canada from 1994 to 2004.

**Dr. Praful Naik**  
**Executive Director**

Dr. Praful Naik leads the core research initiatives at Bilcare and is the Company's Chief Scientific Officer. An expert in medicines and their formulations, he has over 20 years of experience in pharmaceutical science from his prior association with pharmaceutical companies like Johnson & Johnson, and Smithkline Beecham. Dr. Naik holds a Ph.D. in Pharmaceutics from the Institute of Technology, Banaras Hindu University. He represents the Indian pharmaceutical industry on the International Medical Products Anti – Counterfeiting Taskforce of WHO.

Mohan Bhandari

Chandra Prakash Jaggi

Dr. Arthur Carty

Dr. Praful Naik

