

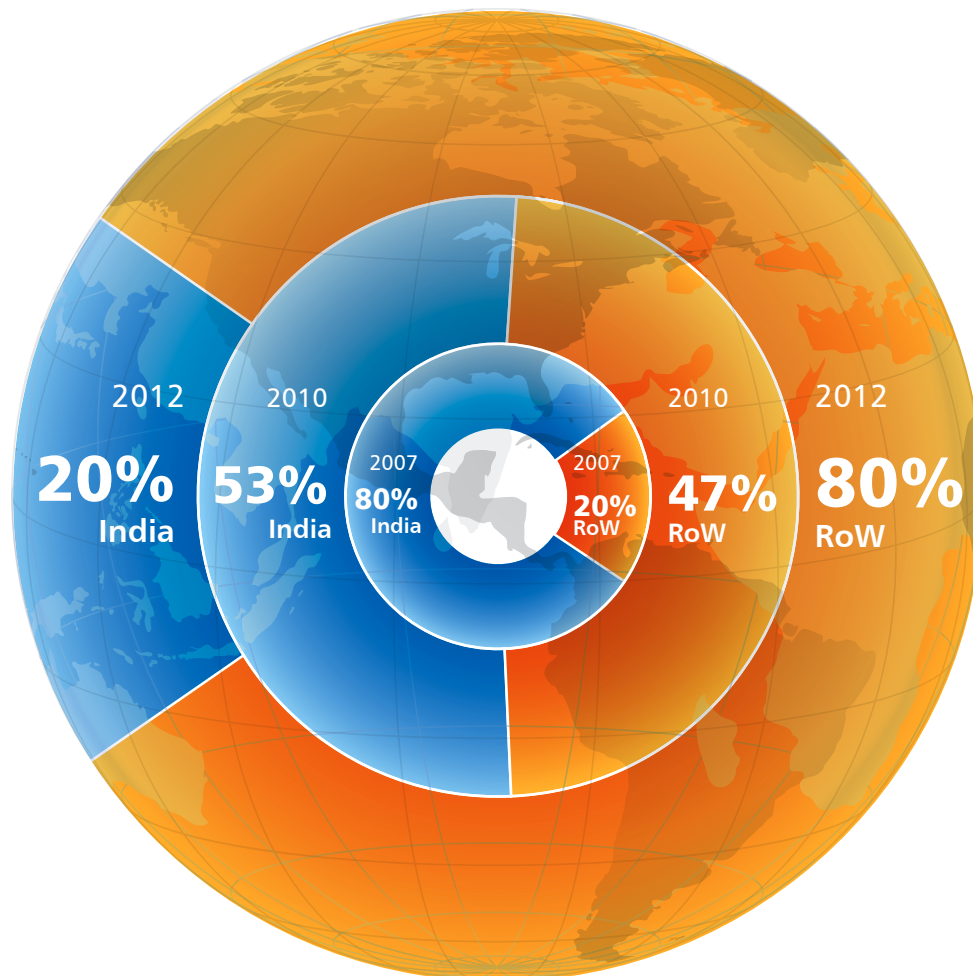


Annual Report 2011-2012

GROWING TOGETHER



Transformation to a Global company



FY 2007 Revenue ₹ 426 Cr.
FY 2012 Revenue ₹ 3650 Cr.

Global leader providing pharma brand growth solutions

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"The focus at Bilcare now is Consolidation"



BUILDING LEADERSHIP ECONOMICS

Dear Shareholders,

During FY11-12, pharmaceutical companies faced a tough marketplace and operating environment—deepening debt crises in US and Europe, chaotic currency markets and slower global economic growth having a profound impact on the business landscape. Increasing pressure on government budgets also weighed heavily on healthcare markets. Against this challenging background, Bilcare with disciplined execution, global footprint and focussed strategy of solutions based leadership initiatives, delivered a good performance.

Today, we are global leaders in the pharmaceutical packaging industry with a sound presence worldwide. We have expanded and deepened our solution offerings; especially, with Bilcare nonClonableID® Technologies, our offering is creating an impact as an integrated player for Pharma brand growth in the highly demanding global pharmaceutical markets.

We will continue our value creation and excellence through the pharmaceutical packaging business by working with

global Pharmacos on a wide range of specialty primary packaging materials and solutions including product-specific research and brand-building package designs. Through the European and American acquisition, we have strengthened our presence in key geographies and aggressively rebuilt our product and solutions pipeline. Our growth strategies have enabled us to emerge as one of the largest packaging solutions company in the world. Today, 80% of our revenues come from international markets and it gives me pride to share that we are now a truly global company.

Integrated operations have enabled us to move up the value chain into higher value-added products and services through vertical integration of various business lines. Through innovation, we have introduced new products in the market and our focus of continuously improving our processes and multiple technologies has resulted in increased revenues and improved margins. I firmly believe that we will continue our leadership through technology and innovation. We will leverage our local presence and customer proximity in our key markets to work more closely

with our customers in addressing jointly identified growth opportunities, providing enduring growth prospects for Bilcare and a win-win scenario for our customers.

Our investments in innovation, R&D and technology during the year led to strengthening our patent portfolio and addressing the critical challenges of our customers. Our products and solutions enable the end-user to verify genuineness of the products they have purchased, eliminating brand infiltration and enhanced control over supply chain and logistics. We are confident of our research applications reaching the common man given its tamper-proof nature and ease-of-use. Though the success of the go-to-market strategy has had its initial teething trouble, the newly evolved model will now empower the patients directly to check the medicine authentication and I see immense prospects for its growth as well as benefit to patients.

We believe that Bilcare Technologies' pioneering nonClonableID® technology solution's affordability, security and ease of use and deployment will be a potent tool available to global companies in their fight against counterfeiting. We are aggressively forging new partnerships and sales alliances to penetrate the markets and have effective geographic reach.

We continue to derive higher revenues from international business, reaching out to over 50 countries, with manufacturing and R&D operations in the US, Europe and Asia. With a presence across regulated as well as emerging markets, we are positioned to take advantage of opportunities arising from across the market place. I am sure pricing pressures will be offset by our lean manufacturing gains, and restructuring some of our offerings towards high margin products in the coming years.

In our Global Clinical Supplies business, which offers clinical trial services to the innovator pharma companies, we are in active discussion with potential alliance partners to align our strengths and complimentary expertise. This is one part of the ongoing consolidation process which we have initiated at Bilcare.

Our consolidated revenue stands at ₹ 3,649 Crore, showing a 57% growth. EBIDTA stood ₹ 484 Crore while PAT was ₹ 140 Crore. The Directors have recommended a dividend of 20% amounting to ₹ 2.00 per share.

As with any thought leadership and innovation fostering company, our global talent-pool is one of our biggest strengths. Our capability to connect with a diverse and multi-cultural workforce and enable delivery

of superior service and products to customers is at the core of our success. Our investments in people, innovation and manufacturing assets across the globe will enable us to deliver customer-centric solutions as a strategic partner, independent of the client locations. We believe knowledge and insight sharing is a key advantage we have with our global leadership team.

As we look to the future, we are clearly aware of the pressures in the current global business environment. However, we continue to expect to drive further shareholder returns as we consolidate our business globally and improve operational and financial efficiency to deliver strong cash generation and stakeholder returns.

I thank Team Bilcare for their contributions to our success, our stakeholders and partners for their collaboration and our shareholders for their confidence and continued support.

Regards,



Mohan H. Bhandari
Chairman & Managing Director

Board of Directors

BOARD OF DIRECTORS



Mohan H. Bhandari

Founder, Chairman and Managing Director

Mohan Bhandari is the founder of Bilcare and spearheads the company as Chairman and Managing Director. He has almost 31 years experience in the global pharmaceutical packaging industry. Under his leadership, the Company has grown exponentially in the both the domestic and international arena. A first generation technocrat entrepreneur, he received the Lifetime Achievement Award in 2007, during the 59th 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

Robin Banerjee

Deputy Managing Director & CFO

Robin Banerjee is a Master of Commerce (M Com), Chartered Accountant, Cost Accountant and a Member of the Institute of Company Secretaries of India. He has more than 25 years of experience, having worked in several countries in the world. In his initial career, he served in Hindustan Unilever in various senior positions. Between 1999 and 2004, he worked with Arcelor-Mittal, as the Managing Director and CFO for their German operations. Having returned to India in 2005, he served in Thomas Cook (I) Ltd, as an Executive Director, in Essar Steel Ltd. as a member of their global Board, and Suzlon Energy Ltd as their Group CFO, and member of the Board.



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 316 journal publications and five patents. He has served as Canada's first National Science Advisor to the Prime Minister and the Government of Canada from 2004 to 2008. He also served as the President of the National Regional Council (NRC), Canada from 1994 to 2004.



Dr. Praful R. 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 22 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 Pharmaceuticals from the Institute of Technology, Banaras Hindu University. He represents the Indian pharmaceutical industry on the International Medical Products Anti – Counterfeiting Taskforce of WHO.

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Rajendra Tapadia
Director

Rajendra Tapadia provides support to Bilcare on process and product technology. He is an eminent industrialist with over three decades of experience in the industry. Mr. Tapadia holds a degree in Chemistry from Pune University and a postgraduate diploma in Business Management.



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Dr. Volker Huelck
Director

Dr. Volker Huelck offers guidance to the Material Science development team at Bilcare. He is the Chairman of the German Plastics Centre and a member of the Global Council at Lehigh University, USA. Dr. Huelck holds an M.S. in Chemical Engineering and a Ph.D. in Interpreting Polymer Networks.

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Dr. Kalyani Gandhi
Director

Dr. Kalyani Gandhi provides leadership and direction to the human resource team at Bilcare. She has over 33 years of experience in teaching and is the former Dean of the Indian Institute of Management, Bangalore. She holds a Master's degree in Industrial Psychology and has completed her Ed.D. and M.Ed. from Rutgers University, USA



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Dr. R. V. Chaudhari
Director

Dr. R. V. Chaudhari, a renowned polymer catalysis scientist, provides valued insight and guidance to Bilcare's IP strategy and R&D initiatives. He 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. He holds a Ph.D. in Physical Chemistry and Research Fellowships of several scientific academies and societies.

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Our objective is to consolidate our position in the packaging solutions space, achieving cost synergies, improved product portfolio and deep customer relationship

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