

Annual Report 2021-2022

Bilcare
Research



Vision

Transforming Health Outcomes,
Touching Lives

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 Information*

Board of Directors

Mr. Mohan Bhandari

Mr. Rajesh Devene

Mr. Ashwani Singh

Ms. Madhuri Vaidya

Ms. Diksha Tomar

Mr. Vijesh Mehra

Chief Financial Officer

Mr. Nilesh Tiwari

Company Secretary

Ms. Prabhavi Mungee

Registered Office and Works

1028, Shirol, Rajgurunagar, Pune – 410 505, India

Statutory Auditors

M/s. K.R. Miniyar & Associates,
Practicing Chartered Accountants

Secretarial Auditors

M/s Ghatpande & Ghatpande Associates.
Practicing Company Secretaries

Bankers

Multiple Banking under Security Trust Arrangement

Registrar and Transfer Agents

Link Intime India Pvt. Ltd. (Unit: Bilcare Limited)

Block No. 202, 2nd Floor, Akshay Complex,

Off Dhole Patil Road,

Pune 411 001, INDIA

Telefax: +91-20-26163503

Email: pune@linkintime.co.in

* As on 27th June, 2022



Director's Report

The Members,

Your Directors are pleased to present the 35th Annual Report and the Audited Statements of Account for the year ended 31 March 2022.

Performance of the Company and State of Company's Affairs

The Company's financial performance, for the year ended 31 March 2022 as per Ind AS is summarised below:

Particulars	INR in Crs			
	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations including other income	445.29	318.39	859.28	641.11
Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional Items	52.24	39.38	75.01	69.34
Profit/ (Loss) before Tax	(23.54)	(17.62)	(4.23)	(24.96)
Tax Expense (incl. Deferred Tax)	(5.76)	(19.39)	0.13	(13.80)
Profit/ (Loss) for the year	(17.78)	1.77	(12.59)	(21.08)
Non-controlling Interest	--	--	8.23	9.91
Profit/ (Loss) for the year	(17.78)	1.77	(4.36)	(11.17)

Management Discussion and Analysis

As required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Management Discussion and Analysis Report is part of this Report.

The state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis Report.

Directors & Key Managerial Personnel (KMP)

The following changes have been made to the Board of Directors of the Company during the year :

Ms. Diksha Tomar & Mr. Vijesh Mehra are appointed as Additional Independent Directors of the Company w.e.f. 30 December 2021. Necessary resolutions seeking approval of members of the Company for regularization of appointment of Ms. Diksha Tomar & Mr. Vijesh Mehra as Independent Directors will be set out in the Notice convening the ensuing Annual General Meeting.

Mr. Rahul Chouhan, Independent Director of the Company has resigned from the Board of Directors w.e.f 30 December 2021, before completion of his term as an Independent Director. He has resigned on account of his pre-occupation & other professional commitments and there being no material reasons other than those mentioned by him for his resignation as the Independent Director from the Board of Directors of the Company, the Board expressed and took on record its deep appreciation of the services rendered by Mr.Rahul Chauhan during his tenure as a Director of the Company.

Mr. Surendranath D. Gupte ceased to be an Independent Director w.e.f 13 February 2022 on account of completion of his term. The Board expressed and took on record its deep appreciation of the services rendered by Mr. Surendranath D. Gupte during his tenure as a Director of the Company.

Changes in Board Composition and KMP after the Balance Sheet date:

Mr. Mohan Bhandari has successfully shouldered his responsibilities during his term as Chairman & Managing Director of the Company which will be completing on 30th June, 2022. The Board expressed and took on record its deep appreciation of the services rendered by him during his tenure as Chairman & Managing Director of the Company. Being the founder of the Company and considering his experience and expertise it is proposed to appoint him as Chief Executive Officer of the Company (CEO) of the Company w.e.f 01st July, 2022.

Shreyans Bhandari is appointed as Chairman & Managing Director of the Company w.e.f. 1st July, 2022. He holds a Masters degree in Industrial & Product Design from Rhode Island School of Design, USA and a Bachelor of Science in Electrical Engineering & Environmental Studies from Jacobs University Germany. He brings knowledge & technology insights for healthcare innovation, product development and marketing to Pharma companies globally.

Declaration from Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub section (6) of Section 149 of the Companies Act, 2013 and under SEBI (LODR), 2015.

Annual Return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, Annual Return for FY-2021-22 is available on the website of the company at <https://www.bilcare.com/pdf/annual-returns/Annual-Return-2022.pdf>.

Number of Meetings of the Board

During the Financial Year 2021-22, Eight (8) Board Meetings were held, details of which are given in the Corporate Governance Report section.

Directors' Responsibility Statement

Pursuant to the requirement under the Section 134(5) of the Companies Act 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts for the financial year ended 31 March 2022, the applicable accounting standards had been followed and there are no material deviations from the same;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2022 and of the (Loss) of the Company for the year ended on that date;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the accounts for the financial year ended 31 March 2022 have been prepared on a 'going concern' basis;

- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

Particulars of Loans, Guarantees and Investments under section 186 of the Companies Act, 2013

Particulars of Loans, guarantees and investments form part of the notes to the financial statement provided in this Annual Report.

Contracts and Arrangements with Related Parties

During the year, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions and in accordance with the relevant provisions of Companies Act, 2013. All contracts/ arrangements/ transactions entered by the Company with related parties were in the ordinary course of business and on an arm's length basis. Such transactions form part of the notes to the financial statements provided in this Annual Report. Accordingly, the disclosure of RPTs as required under the provisions of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable.

The Policy on materiality of related party transactions may be accessed on the Company's website at www.bilcare.com.

Amount Transfer to Reserves

Your Board of Directors do not propose to transfer any amount to the reserves.

Dividend

Your Board of Directors do not recommend any Dividend for the financial year ended 31 March 2022.

Conservation of Energy, Technology Absorption and Foreign exchange earnings & outgo

A Conservation of Energy

- Steps taken for Conservation of Energy:

Bilcare Focused on Energy conservation measures and successfully implemented as follows:

- The effort to maintain the electrical power factor to unity and TOD tariff Incentive was sustained and this has resulted in savings of **16.88 Lakhs** per annum.
- Using of cooling towers instead of chillers during the winter season has given a saving in electricity consumption of Rs. **8.00 lakhs** per annum.

B Technology Absorption, Adaptation and Innovation

Company continued its innovations with its R&D activities by providing solutions through new product and process development and also added newer dimensions to its existing offerings. The efforts made towards technology absorption include:

Post immense Interest shown by the pharma companies for converting their existing packaging system, Company has developed customized prototypes of vinyl free Venus Elite for Top 100 Pharma Brands which are currently packed in Alu-strip there by providing value addition in terms of –

- Environmental friendliness
- Enhancement in Brand Image
- Anti-counterfeit Solution
- Improved Barrier
- Compact Package
- Improved Product Performance

Stability studies are in final stage of evaluation with formulations like Antacid, Multivitamin, Antibiotics, Anti-diabetic, Anti-allergy, Anti-inflammatory in Halogen free Venus Elite. Concurrently, discussions are also in progress for product commercialization with various phramacos.

Company developed Image based Embedded printing technology for Venus Elite to promote brand awareness.

Company has also developed variants in Venus Elite for range of barrier requirements of critical formulations.

Company has developed Optra, an alternative to PVC based blister films which is environmentally friendly in terms of zero dioxin emission, there by complying to Customer requirements.

By providing above solutions, Company is helping pharma companies to achieve their goal of sustainable packaging.

Company has developed patient friendly compliance pack for cold form-based products by providing register print which defines daily dose & repurchase pack after exhaust of current pack.

Company has developed improved version of peelable heat seal lacquer for Crispak structures for senior friendly and child resistant packaging system.

Company has designed robust process for printing and lamination of paper-based products for achieving consistency in quality and high productivity.

Company came up with customized range of UV resistant PVC based films for global pharmaceutical customers.

By using advanced technology viz. auto defect detection & GSM measurement system, company has developed unique process for water based heat seal lacquer coating, creating additional capacity for other products.

Company has recently commissioned high speed 6 color gravure printing line having auto registration system and online repeat length monitoring with printing view camera system there by offering unique printing features and enhanced productivity.

During the financial year, 4 new patent applications have been filed and 4 patents applied earlier were granted.

Expenditure on Research & Development

Particulars	Rs. in Crores
Capital	—
Recurring	2.19
Total	2.19

*R&D expenditure as a percentage of total turnover 0.49%
On a consolidated basis total R&D expenditure as a percentage of consolidated turnover is 0.35%*

Foreign Exchange Earnings & Outgo

Particulars	Rs. in Crores
Foreign exchange earned	97.60
Foreign exchange outgo*	139.15

**includes CIF value of Raw material imports Rs.132.74 cr*

Corporate Social Responsibility (CSR)

The Company has Corporate Social Responsibility Policy as per the Provisions of Companies Act, 2013 and Rules made thereunder and is available on the website of the Company.

The Annual Report on CSR acclivities is annexed as Annexure "A".

Audit Committee

The audit committee comprises of Mr. Rajesh Devene (Chairman of the Committee), Mrs.Madhuri Vaidya and Mr. Mohan H. Bhandari as members. All the recommendations made by the committee were accepted by the Board.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. Performance evaluation has been carried out as per the Nomination and Remuneration Policy.

Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI Listing Regulations, a meeting of the Independent Directors of the Company was held on 14 February 2022 without the attendance of Non-Independent Directors and Members of the Management.

Information about Subsidiary/JV/ Associate Company

Consolidated Financial Statements of the Company are inclusive of the results of all the subsidiaries. Further, a statement containing the particulars for each of the subsidiaries is also enclosed. Copies of annual accounts and related information of all the subsidiaries can be sought by any member of the Company by making a written request to the Company at the Registered Office. Above information is available for inspection at the Registered Office & on website of the Company. A statement containing the salient features of the financial statement of the subsidiaries in the prescribed format is presented in a separate section forming part of the financial statement. The Policy for determining 'Material' subsidiaries has been displayed on the Company's website at www.bilcare.com.

During the year, the Company incorporated a step-down subsidiary – Bilcare Inc, USA under Bilcare Mauritius Limited.

The Company has three wholly owned subsidiaries viz. Bilcare Mauritius Ltd., Mauritius, Bilcare Technologies Singapore Pte. Ltd., Singapore and Bilcare GCS Limited, UK. of which Bilcare Technologies Singapore Pte. Ltd. was closed during the year.

Bilcare Inc., USA, Bilcare GCS Inc., USA, Bilcare GCS Ireland Limited and Caprihans India Limited, are the subsidiaries of Bilcare Mauritius Limited.

Bilcare Technologies Italia, Srl, the step-down subsidiary of Bilcare Technologies Singapore Pte Limited was closed during the year.

Deposits

Given below are the details of deposits, covered under Chapter V of the Companies Act, 2013:

The Company has not invited/accepted deposits from public/members during the year under review.

As on 31 March 2022, deposits outstanding stood at Rs.126.08 Crores.

Company has been declared as a Relief Undertaking by the State Government vide the notification dated 4th January, 2022. By virtue of this notification, any liabilities accrued or incurred before this date including the repayment of the deposits and all pending proceedings related thereto are stayed till 3rd January, 2023. However, the Company is regular in payment of interest to the deposit holders and has made payment of matured and claimed deposits to the extent permitted by the liquidity.

Significant and Material Orders

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Vigil Mechanism

The Company has in place Whistle Blower Policy, wherein the Employees/ Directors/ Stakeholders of the Company are free to report any unethical or improper activity, actual or suspected fraud or violation of the Company's Code of Conduct. This mechanism provides safeguards against victimization of Employees, who report under the said mechanism. During the year under review, the Company has not received any complaints under the said mechanism. Your Directors hereby affirm that no personnel has been denied access to the audit committee. The Whistle Blower Policy may be accessed on the Company's website at www.bilcare.com

Secretarial Standards Of ICSI

The Company is in compliance with relevant provisions of the Secretarial Standards issued by The Institute of Company Secretaries of India.

Corporate Governance

A report on Corporate Governance is given in this Annual Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

Auditors

Statutory Auditors

M/s. K. R. Miniyar & Associates, Chartered Accountants are the Statutory Auditors of the Company. The observations and comments given by the Statutory Auditors in their report read together with notes thereon are self explanatory & addressed by Board of Directors, wherever required.

Cost Auditors

At the 34th Annual General Meeting (AGM) held on 27 September 2021, M/s. Parkhi Limaye & Co., Cost Accountants (Firm Registration No: 000191) were appointed as Cost Auditors of the Company for the financial year 2021-22 for conducting cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

Secretarial Auditor

The Board had appointed Ghatpande & Ghatpande Associates, Company Secretaries, to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year ended 31 March 2022 is annexed herewith marked as Annexure "B" to this Report.

Management's explanation to the observations and comments given by the Auditors

Due to the continued financial stress, the Company was not able to repay the deposits on time and could not comply with certain FD compliances, owing to which Registrar of Companies disqualified some of the Company's directors under section 164(2) of the Companies Act, 2013. However, Company is regular in payment of interest to deposit holders and has also made payment of matured & claimed deposit to the extent permitted by the liquidity. With the business environment improving, the Company has planned to repay the deposit holders on priority.

Company has been declared as a Relief Undertaking by the State Government vide the notification dated 4th January, 2022. By virtue of this notification, any liabilities accrued or incurred before this date including the repayment of the deposits and all pending proceedings related thereto are stayed till 3rd January, 2023.

The Company has appointed Mrs. Madhuri Vaidya as the

Woman Independent Director w.e.f 26 April 2021. Mrs. Madhuri Vaidya's appointment is made after complying with due process of law. The Company has also endeavored to file the Form DIR 12 intimating her appointment to the Registrar of Companies in compliance of Section 152(5) of the Companies Act, 2013. Due to technical problems on the website of the Ministry of Corporate Affairs, the Form DIR 12 was not taken on record. Hence, the name of Mrs. Madhuri Vaidya is not reflected on the Master Data of the Company exhibited on the website of the Ministry of Corporate Affairs. However, the Corporate Information segment of the Company on the website of the Bombay Stock Exchange records her appointment as a Woman Independent Director.

The working capital constraints & the cash flows have not supported the repayment of loans to the lenders, hence a default in the amount payable. The Company is already in negotiations with the lenders for re-schedulement of its outstanding dues.

While the financial ratios indicate stress, the Company is in the process of realigning its liabilities by way of reschedulement of the obligations.

In respect of the notice received from SFIO purported to have been issued u/s 212 of the Companies Act, 2013, the Company has approached Hon'ble Bombay High Court by way of a Writ Petition. The matter is Sub-judice.

Details in respect of fraud reported by auditors

During the year under review, the Statutory Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

Particulars of Employees & Related Disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as Annexure-C to this Report.

A statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as a separate annexure forming part of this Report. However, the Annual Report is being sent to the members excluding the said annexure. The said information is available for electronic inspection during working

hours and any member interested in obtaining such information may write to the Company Secretary or Registrar and Transfer Agent, and the same will be furnished on request.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
3. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries.

Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace.

Your Directors state that during the year under review, there were no complaints filed & there were no complaints pending at the end of the year pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgement

All other stakeholders

We thank our domestic and international customers, vendors, investors, banking community and investment bankers for their continued support during the year.

Your Directors also wish to place on record their deep sense of appreciation for the committed services of the employees at all levels worldwide.

We thank the Governments of various countries where we have our operations and also thank Central Government, various State Governments and other Government agencies for their positive co-operation and look forward to their continued support in future. Finally, we wish to express our gratitude to the members and shareholders for their trust and support.

For and on behalf of the Board of Directors

Mohan H. Bhandari
Chairman & Managing Director

Pune : 27 June 2022