

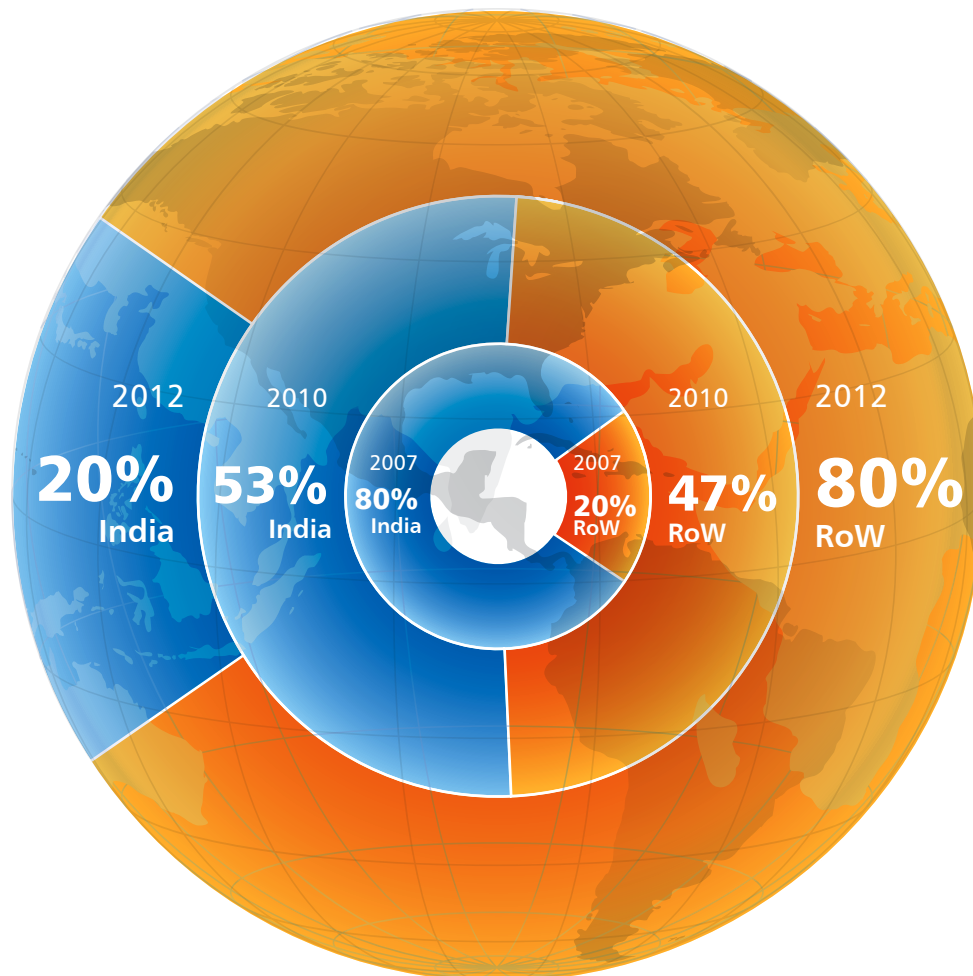


Annual Report 2011-2012

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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DELIVERING INNOVATION

Pharmaceutical Industry Overview

The international financial crisis continued to affect the world's economies in 2011 with sales in world pharmaceutical markets showing significant regional variations. However, big pharmaceutical companies are expected to experience continued growth, although this will be limited in mature markets compared to emerging markets. Despite continued operating headwinds in 2011, the global pharmaceuticals industry is expected to remain one of Fitch's highest-rated industries.

According to research agency IMS Health, the pharmaceutical industry grew by 5.1% in 2011 to USD 942 billion. The growth rate in Japan stood at 5.6% in 2011 compared to 0.1% in 2010. In absolute terms, the market size in North America is still the largest at USD 346.2 billion. Within the growth continents, Asia, Africa and Australia, which account for USD 163.1 billion of the USD 942.2 billion pharmaceutical market, delivered the best growth of 13.1%. However, growth rate remained slower in North America at 3% in 2011 compared to 2.2% in 2010. In addition, growth in Europe remains sluggish; growing at a slower 2.4% in 2011 compared to 2.9% in 2010. IMS Health has estimated Europe's pharmaceutical sales in 2011 to be approximately USD 255.1 billion. It is estimated there will be an accelerating shift in spending on generics from 20% in 2005 to 39% by 2015.

The Asia-Pacific pharmaceutical market comprising India, China, Malaysia, South Korea and Indonesia has emerged as one of the

fastest growing pharmaceutical markets. The past decade witnessed the industry undergoing a transformation with the expansion of big pharmaceutical companies in India, China, Brazil, Russia and Latin America. The high growth witnessed in emerging markets has led to a focus shift for large pharmaceutical companies from regulated markets to emerging markets. In addition, the product patent regime has provided abundant support to the industry to sustain growth despite the global economic downturn. Further, generics are emerging as one of the leading segments that will benefit when many drugs go off-patent in due course.

The number of counterfeited drugs has increased in recent years and has become a hazardous problem worldwide. Counterfeit medicines and diagnostic products often look identical to authentic adaptations and are difficult to detect, particularly by patients. While estimates differ, trafficking in counterfeit medicinal products is common and affects both developing and developed countries, protection and enforcement of IP rights remains a complex issue in many emerging markets, with counterfeit and first-copy products prevalent. The World Health Organization (WHO) has identified counterfeiting as a growing, often underestimated danger, citing in particular the problems of product toxicity, instability and ineffectiveness.

Global Pharmaceutical Sales

According to IMS Health's estimates, the global market for pharmaceuticals will grow by nearly USD 300 billion over the next five years, reaching

USD 1.1 trillion by 2014. Overall, IMS Health says, drug sales will grow at a compounded annual rate of 5-8%. Growth in emerging countries will help offset losses from a large number of leading products losing patent protection during this period. According to industry estimates, the total spending on healthcare in these markets is likely to grow from USD 151 billion to USD 285-315 billion by 2015, with most markets expected to register double-digit growth.

Besides the developed markets, Indian pharmaceutical companies have also been eyeing growth opportunities in other fast-growing markets, including Russia, South Africa, Brazil, Mexico and South-East Asia, where they have strengthened their presence.

While big pharmaceutical companies are well placed to develop affordable generic products for the regulated and semi-regulated markets globally, Indian companies too are likely to benefit from a low cost manufacturing base, growth in medical infrastructure, greater government spending on healthcare, good understanding of regulatory standards, and strong chemistry skills.

Global Pharmaceutical Sales by Region

Pharmaceutical sales in North America grew at 3.0% in 2011 to USD 346.2 billion. The growth of other continents led by Asia, Africa and Australia, has seen a further deterioration in the pharmaceutical positioning of North America.

The 3-A continents (Asia, Africa and Australia) showed a lower growth rate of 13.1% in 2011 compared to the previous year's growth rate of 14%. Europe grew by 2.4% in 2011, which was lower than the 2.9% growth posted by it in 2010.

In absolute terms, by market size Europe stood at USD 255.1 billion compared to USD 253.2 billion in 2010. Japan witnessed a growth of 5.6% in 2011 compared to 0.1% shown in 2010.

The trend of more products going off-patent in the developed world is likely to continue. Thus while growth may dampen in these markets it has the potential to cause a spike in requirements for generics.

Leading Therapy Class in 2011



Facility at Botzingen, Germany

Oncology remained the top therapy class in 2011 with 5.5% growth to USD 62.2 billion from USD 56.9 billion in 2010. In terms of the fast growing segments, anti-diabetics saw 11.4% growth at USD 39.2 billion. The anti-epileptic segment saw 10.1% growth at USD 14.1 billion. De-growth was seen in the anti-ulcerants segment, which slowed

almost 6.4% to USD 26.9 billion.

Respiratory agents stood as the second largest therapy class with nearly 7% growth. The year 2011 saw USD 38.7 billion worth lipid regulator sales worldwide. Auto-immune agents, which saw a sharp increase in usage, witnessed slower growth in 2011 compared to 2010. The year saw sales of nearly USD 24.4 billion worth of auto-immune agents. HIV anti-virals at USD 17.4 billion annual sales saw 9.5% growth.

IMS Health estimates that patents expiries are likely to peak through 2011 and 2012, putting almost USD 142 billion of sales under pressure. IMS Health expects six of the top 10 selling drugs to face competition from generics. Cholesterol regulators, antipsychotics and anti-ulcerants are segments that might come under pressure as well.

Alliance & Collaboration - an evolving business model

The global pharmaceutical packaging market was valued at USD 47.8 billion in 2010. The market is forecast to grow at a compound annual growth rate (CAGR) of 7.3% from 2010 to 2017, reaching a value of USD 78 billion by 2017. The increasing demand for drug delivery devices and blister packaging will strengthen the growth of the pharmaceutical packaging industry with sales of most packaging materials benefitting from the expanding healthcare penetration and the industry's focus to improve its international market presence.

As countries recuperate from the global economic crisis at different rates, there is a growing divergence in the pace of growth among major pharmaceutical markets. Many of these markets are benefiting from greater government spending on healthcare and broader private and public funding that is driving greater demand and access to medicines. The increasing demand for biologics will strengthen demand for innovative product packaging solutions in the global pharmaceutical packaging market.

Opportunities

Europe

The European pharma market grew at a healthy rate of approx. 5% from year 2007 -2011. It is expected that the growth would slow down in the coming few years.

North America

The North American pharma market grew at a rate of approx. 3.5% from year 2007-2011 and would continue to remain single largest pharmaceutical market, with an expected CAGR between 1% to

4% for the period 2012-16.

India

The Indian pharmaceutical market reached USD 10.04 billion in size, with a value-wise growth rate of 20.4% over the previous year. India's domestic pharmaceutical market was valued at approximately at USD 12 billion in 2010, and showed a strong growth of 21.3% for the 12 months ending September 2010. It is estimates that over the next 10 years, the domestic market will grow to USD 49 billion at a CAGR of 15%.



Facility at Delaware, USA

Risks & Concerns

Input Costs

Given the volatility in crude oil prices and rising demand for polymers for competing applications, the pressure on input costs can be expected to fluctuate. Packaging film manufacturers will continue to pass on this costs to the end consumers.

Forex Risk

A significant part of Bilcare Group's revenue, costs, assets and liabilities are denominated in foreign currency. However, Bilcare's presence across geographies helps in providing natural hedging by offsetting purchase and sales transactions amongst various currencies.

Other Challenges / Concerns

Globally, there are opportunities to expand the range of generic products, outsourcing, and above all, drug discovery. However, the pharmaceuticals industry may have to contend with several challenges, namely:

- Effects of new product patent
- Drug price control
- Regulatory reforms
- Infrastructure development and
- Quality management

Packaging Innovations

Bilcare is at the forefront of delivering sustainable, affordable and innovative packaging solutions to customers globally. As a research driven organization with single source capabilities, we follow a customer centric approach to fulfill packaging needs in the areas of pharmaceutical packaging, card solutions and specialty films. We have supplemented our research and development capabilities with broad production and application knowledge as a single source packaging solutions provider. We leverage the powerful synergy of our research capabilities in India, Singapore and Germany; State-of-the-art design and manufacturing facilities in US, Germany, Italy, Singapore & India and above all, our commitment to create sustainable competitive advantages for our customers.



Facility at Fucine, Italy

The acquisition we did in 2010 has helped Bilcare transform in two ways: Firstly our focus over the past year ensured that the businesses were successfully integrated and the expected cost synergies achieved; secondly, Bilcare improved its product range to offer high margin products and solutions. While it is still 'work in progress' to derive the full benefits from the acquisition, the businesses have advanced against the initial goals and the progress already achieved will underpin earnings growth for the next two years. Through this acquisition, the company now enjoys a strong base of over 2,000 customers spread across the globe.

Pharma Packaging Innovations (PPI)

The deep customer relationships with the Who's Who of pharma giants give Bilcare a critical advantage that will benefit us in the long term

through cross selling of Bilcare's patented Pharma Packaging Solutions to global players. We believe Bilcare will become a dominant player in the pharma packaging industry globally in three aspects: market (customer) leadership, geographic reach, and product & solutions offerings.

Currently, we are collaborating with global pharmaceutical companies to ensure market competitiveness for their products through brand protection, brand management and brand enhancement strategies in addition to our Optima®

services, Brandpack® - Innovative design solutions and 5C approach of strategic consulting in pharma packaging material sciences. This represents Bilcare's radical shift in the pharma packaging space and is a vital step towards delivering state-of-art innovations and establishing a global leadership position in the industry. Our key strategy is to push high-

margin products and solutions thereby positively contributing to the overall business growth.

The Company provides brand protection and better control over the movement of a product across the value/ supply chain through its nonClonableID® technology which also empowers retailers and consumers with an easy to use real time means for product verification.

Our aluminum foils, polymer films and anti-counterfeiting packaging solutions make us a force to reckon in the packaging industry and we remain a dominant player in the blister packaging market. Rapid advances in the pharmaceutical industry require innovative packaging solutions. Our material science experts create exclusive packaging with barrier properties and convenience features to protect the quality and integrity of pharmaceutical

products at optimal cost. Bilcare now aggressively focuses on its key business strategy of providing Solution based packaging material through its unique 5C program that addresses the key challenges of – Counterfeiting, Compliance, Communication, Convenience and Child Resistant packaging materials.

Packaging Films Solutions (PFS)

The developments in our pharma packaging division have also resulted in expanding our solutions base to the ever evolving FMCG and non-pharma markets. Using state-of-the-art technology and research, Bilcare meets the highly specialized demands of film packaging especially in the food packaging segment.

We provide a complete range of high-grade packaging films and flexible packaging solutions to suit varied product

and technical requirements. Our packaging film solutions serve diverse industry sectors such as food, meat, dairy, household products and automobiles and guarantee the highest levels of film quality through the utilization of selected raw materials, consistency of formulations and stringent quality control.

Cards Solutions (CS)

Bilcare is also a leading global producer of a vast array of rigid films for card solutions. Through our GMP-compliant manufacturing facilities in Europe and North America, we produce high-quality cores and overlays for various card applications.

Using high quality raw materials, advanced production technologies, and state-of-the-art computer controlled processing methods; our products adhere to minimal production tolerances.

Our films deliver consistent performance with superior lamination capability, printability, heat resistance, and yield. Our solutions also deploy anti-counterfeiting features through our unique nonClonableID® technology for identity, authentication and card security across banking cards, mobile cards, loyalty cards, contact-less and combination-card applications.

Specialty Films Solutions (SFS)

Through a wide range of film components encompassing several colors, surface finishes

and embossed effects, Bilcare designs customized solutions of the thermoformed packaging films for consumer goods, printing/decoration, visual packaging, shrink films, office/home furniture and other similar industries.

With access to dedicated specialties manufacturing sites (USA, Germany, Italy

and India) we meet customer demands globally, with regional and local expertise. Bilcare is focused on the highest product quality through the selection of high-grade raw materials, modern computer controlled calendar lines, and state-of-the-art coating and lamination lines under the control of highly qualified and committed packaging experts.



Facility at Staufen, Germany

Global Clinical Supplies (GCS)

According to Visiongain, a leading business information company, India and China have become major destinations for outsourcing of drug development by leading pharmaceutical companies world-wide. Ageing populations, increasing dominance of chronic diseases, growing demand for improved therapies and high growth of the pharmaceutical and biotechnology markets are the key factors driving the Clinical Trials market. In recent years, the market for clinical trial services has been increasing rapidly with a predicted market size of clinical trials outsourcing reaching over USD 70 billion by 2015.

Due to the above, India and China besides Asia provide a robust and dependable market for Clinical Trial outsourcing that include Clinical Trial Materials (CTM) outsourcing as well. Today, global pharmaceutical firms are deciding on clinical trial outsourcing based on the available patient pool and recruitments, affordability and on time completion of the trials, world class infrastructure to ensure efficacy of the process and regulatory, IPR and Government support. India is among the top destinations as an outsourcing country because of a huge and low cost patient base, improving infrastructure and completion of trial on time due to supportive Governmental and Regulatory Laws.

Faced with the business requirement of faster drug launches and increasing post-marketing compliance requirements, pharmaceutical companies have increasingly started outsourcing their processes with a view to cut costs and save time. Bilcare GCS, a preferred partner for top Global Pharmaceutical companies and Clinical Research Organisations for CTM, ensures clinical

trial objectives are met with flexibility, accuracy and speed. The Company offers services to help global healthcare and biotech industry achieve their drug discovery goals with CTM support and complete project management services.

Our services encompass pre-formulation research and development, analytical services and clinical supplies packaging and labelling, IVRS, controlled-temperature, cold and frozen chain, CTM storage, worldwide distribution, and returns and destruction accountability.



Facility at Pune, India

We have developed capabilities for storage of IMPs in several countries globally through our Starategic Business Partners to have global reach for their Clinical Trials. Our integrated business approach provides customers with seamless service to support the IMPs throughout the entire clinical trial life cycle. We

combine our technical expertise with clinical supply chain management to provide smart, proficient and innovative solutions to our customer.

Our presence in multiple locations together with partner depot network globally provides customers seamless CTM deliveries, capabilities backed by Regulatory knowledge to facilitate import/export of IMPs (Investigational Medicinal Products) to conduct Global Clinical Trials efficiently and effectively. This helps our customers to manage the trials within their timelines and budgeted cost thereby making Bilcare GCS there Preferred Partners in their drug development business.

Bilcare Technologies

According to WHO's International Medical Products Anti-Counterfeiting Taskforce, counterfeits make up about 10% of the global pharmaceutical market. According to various market research, approximately 30% of drugs in some developing countries and as much as 50% of medicines sold over the Internet, result in a major risk that can turn a potentially life-saving drug into a killer. Adding to the challenge is the fact that many counterfeiters use highly sophisticated technology, making it hard to detect the fakes by physical inspection or appearance. Other than this, most counterfeiting and pilferages happen during the movement of goods from the manufacturing facility to the market and hence tracking and tracing them through technology is critical.



Facility at Changi, Singapore

OECD believes that 75% of global counterfeits come from India and China. With nonClonableID® technology, the entire supply chain can be tracked and traced, creating huge savings for pharmaceutical companies. The technology comprises unique materials-based fingerprints that are hard to copy and can track and trace products, thus restraining counterfeiting of pharmaceutical products.

Bilcare's nonClonableID® technology enables a guarantee to be given to customers about the authenticity of an object with no risk of it being counterfeited. The ability to trace a product along the supply chain up to the point of sale delivers an extremely high level of security for customers, particularly for products with a limited shelf life, those that are important for health and well being, and for pharmaceutical products. The nonClonableID® technology is an enabler for

pharmaceutical and other industry sectors to track, trace and authenticate their goods in a definite and secure manner.

Our nonClonableID® technology addresses unmet needs in medical product authentication and patient safety. Besides ensuring effective supply chain management in the pharmaceutical market, Bilcare's track-and-trace technology is extendable to other industries, including high value/luxury products, agro chemicals, automotive and engineering.

Moreover, the company's authentication-based systems and applications are used as robust security solutions in various government-related activities, including enhanced currency security, authenticated registration of property-related documents, secured liquor revenue control and many more.

Bilcare Technologies is in talks with several central banks to implement its nonClonableID® technology in currency printing solutions to ensure that counterfeit currency is sucked out of the economy. This will have a positive impact on a nation's national security.

The company is also collaborating with several global Information Technology (IT) majors for using this technology across a wide range of industries to make product pilferage, counterfeiting and point-of-sale analytics easier to track and monitor centrally.

During the year, the company entered into an agreement with Beltron Telecom (Beltron), a Bihar Government undertaking engaged in providing public utility and renewable energy products

and services in Bihar. Under the deal, Beltron will use nonClonableID® technology for various security-related projects. It will also secure the e-government projects run in Bihar, Jharkhand, and India's north eastern regions. The service will include school boards, colleges and universities to provide authentic certificates and degrees to students and to provide identity cards to all government employees and minimize revenue loss. This has been widely appreciated and its acceptance in the next 12-24 months will set the foundation for the tremendous growth for the company.

In another major achievement, the company was awarded the project for 'Customized adaptation of nonClonableID® technology to establish authenticity of medical products' by the Council of Scientific & Industrial Research (CSIR) under the 'New Millennium Indian Technology Leadership Initiative'. The project deliverables also include use of nonClonableID® technology for facilitating medication compliance by patients.

With the government planning single source identification for its citizens and for tracking various benefit schemes, we believe our offering will deliver safe, secure and cost effective solutions especially in the rural areas where the volume of business is substantial. The nonClonableID® technology will be deployed to provide authentic certification in such sectors to curb counterfeiting and malpractices.

The Company is now looking to explore new avenues through channel partners and joint

collaboration that enables the target Industries to achieve greater flexibility, multi-channel delivery, and superior customer experience. This will aid collaboration on large global bids and R&D efforts to reinforce innovation and secure new business opportunities across all markets through our innovative, flexible and consultative approach.

Bilcare is at the forefront of delivering fully integrated nonClonableID® solutions enabling the manufacturers protect and grow their brands in the highly competitive market and significantly minimise revenue losses.



Our efforts have been widely appreciated and the willingness of various organizations to adopt this technology will ensure strong growth for the company.

Highlights of Financial Performance

Standalone

- Healthy growth in top line @ 14% from ₹ 663 crore in FY 10-11 to ₹ 759 crore in FY 11-12.
- EBITDA stood at ₹ 229 crore in FY 11-12 as against ₹ 205 crore in FY 10-11, growth of 12%.
- PBT was at ₹ 113 crore as against ₹ 126 crore, reduction of 10%, primarily on account of an increase in interest expense from ₹ 49 crore in FY 10-11 to ₹ 80 crore in FY 11-12.
- PAT was at ₹ 75 crore in FY 11-12 as against ₹ 87 crore in FY 11-12.
- EPS was at ₹ 31.75 in FY 11-12 as against ₹ 36.97 in FY 10-11.

Consolidated

- The acquisition of INEOS films operations for full year shot up the top line from ₹ 2286 crore in FY 10-11 to ₹ 3,642 crore in FY 11-12, almost an increase of 59%.
- EBITDA has lowered in FY 11-12 at 13% to sales as compared to 17% in FY 10-11, primarily on account of high raw material prices & increase in fixed overheads on account of the full year impact of the ex-INEOS Films operations.
- Consolidated Debt has increased to ₹ 1,371 crore in FY 11-12 as against ₹ 1,123 crore in FY 10-11 mainly on account of increase in working capital requirements. Debt to equity ratio has slightly reduced in current year as compared to last year.



Facility at Golzau, Germany

for the smooth conduct of its business. The Company has proper and adequate internal control systems to ensure that its assets are safeguarded and that transaction are properly authorised, reported and recorded. The Company has also a system of internal audit and management reviews to ensure compliance with the prescribed procedures and authority levels.

Cautionary Statement

The statements in this report, particularly those relating to Management Discussions and Analysis describing the Company's future plans, projections, estimates and expectations may constitute "Forward Looking" statements within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

Note:

The overall market intelligence data, industry forecast and predictions appearing in the MD&A section of this report have been sourced from:-

- IMS Health Market Prognosis, 2012
- IMS Health MIDAS, 2011
- GBI Reasearch - Pharmaceutical Packaging Industry, 2011 Yearbook
- E&Y Market Intelligence Report, 2011-12
- ICRA - Indian Pharmaceutical Industry Report, 2011-12
- BASCAP - Frontier Economics Ltd, London Report on 'Estimating the Global Economic and Social Impacts of Counterfeiting and Piracy', 2011

Internal Control Systems & Adequacy

The Company has instituted adequate internal control procedure(s) commensurate with the nature of its business and the size of its operations

CORPORATE GOVERNANCE

Company's philosophy on Code of Governance

Bilcare Limited is committed to implement the Corporate Governance norms specified in Clause 49 of the Listing Agreement. The Company is a growing organization, with global expansion, where systems are being developed and improved continuously for maximizing shareholder value and sustaining the ongoing growth.

Board of Directors

The Board of Directors of Bilcare Limited comprises of Eight Directors, one being the Chairman and Managing Director, who is a Promoter Director, an Executive Director and Six

Non- Executive Independent Directors. All Non- Executive Directors are persons of eminence and bring a wide range of expertise and experience to the Board.

None of the Directors is a member of more than ten Board level Committees of public limited companies in which they are Directors nor is the Chairman of more than five such Committees.

Number of Board Meetings

The Board met Seven times during the year. The Meetings were on 12 May, 11 July, 11 August, 23 September, 14 November, 24 November 2011 and 11 February 2012. All the meetings were held in such manner that the gap between two consecutive meetings was not more than four months.

Board of Directors and Attendance at Board Meetings and AGM

Name of the Director	Category	Particulars of Attendance	
		Board Meetings	Last AGM
Promoter Executive Director			
Mr. Mohan H. Bhandari	Chairman and Managing Director	7	Present
Non-Promoter Executive Directors			
Dr. Praful R. Naik	Executive Director	7	Present
Independent Directors			
Dr. Volker Huelck	Director	—	—
Dr. Kalyani Gandhi	Director	4	—
Dr. R. V. Chaudhari	Director	—	—
Mr. Rajendra Tapadia	Director	5	Present
Dr. Arthur J Carty	Director	—	—
Dr. Bhojraj Suresh	Director	—	—

Information supplied to the Board

Amongst others, the information supplied to the Board includes:

- Quarterly results of the Company
- Minutes of meetings of the Board of Directors, Audit Committee and other Committees
- Any joint venture or collaboration proposals
- Significant development in human resources and the industrial relations front
- Transfer of material nature of assets, which is not in the normal course of business
- The Board of Bilcare Limited is presented with the agenda papers well in advance of the meeting.

Committees of the Board

Audit Committee

The Audit Committee of the Company comprises of three Independent, Non- Executive Directors viz. Mr. Rajendra B. Tapadia (Chairman of the Committee), Dr. Kalyani Gandhi and Dr. Volker Huelck. The terms of reference stipulated by the Board are as contained under Clause 49 of the Listing Agreement. Mr. Anil Tikekar, Company Secretary, is the Secretary to the Committee.

The powers of the Audit Committee have been specified by the Board of Directors as under:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its

financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the

report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
9. Discussion with internal auditors on any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial

defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

13. Approval of appointment of CFO i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Committee met five times, on 12 April, 11 July and 4 August, 14 November 2011 and 11 February 2012. (Table No. 1)

Shareholders'/ Investors' Grievance Committee

The Board of the Company has constituted a Shareholders'/ Investors' Grievance Committee, comprising of Mr. Rajendra B. Tapadia (Chairman of the Committee), Mr. Mohan H. Bhandari and Dr. Praful Naik. Mr. Anil Tikekar, Company Secretary, is the Compliance Officer. The committee meets as and when a need arises. No meeting of the Committee was held and no complaint was received from the shareholders or investors during the financial year 2011-12. No complaints were pending at the end of the year. No requests for dematerialization and/or transfer were pending for approval as on 31 March 2012.

Attendance Record of Audit Committee Members for 2011-12 (Table No. 1)

Name of Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. Rajendra B. Tapadia	Independent	Chairman	5	5
Dr. Kalyani Gandhi	Independent	Member	5	5
Dr. Volker Huelck	Independent	Member	5	—

Remuneration Committee

Bilcare Limited does not have a Remuneration Committee. Detailed terms of the appointment of the Managing Director and other Executive Directors are governed under the Board and General Meeting resolutions.

Remuneration of Directors

The aggregate value of salary and perquisites for the year ended 31 March 2012 to Wholetime Directors is as follows: Mr. Mohan H. Bhandari - ₹ 180.00 Lacs and Dr. Praful R. Naik - ₹ 109.96 Lacs.

Management

Management Discussion and Analysis

This Annual Report has a detailed chapter on management discussion and analysis.

Code of Conduct

The Board of Bilcare has laid down a code of conduct for all Board members and Senior Management of the Company. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by Managing Director / Chief Executive Officer is given in this Annual Report.

Disclosures by the Management to the Board

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors do not participate in the discussion nor do they vote on such matters.

Shares and Convertibles held by Non Executive Directors as on 31 March 2012

Name of the Director	Category	Number of shares held
		Equity Shares of ₹10/- each
Dr. Volker Huelck	Independent	Nil
Dr. Kalyani Gandhi	Independent	Nil
Dr. R.V. Chaudhari	Independent	Nil
Dr. Arthur Carty	Independent	Nil
Dr. Bhojraj Suresh	Independent	Nil
Mr. Rajendra Tapadia	Independent	271,051

Non-executive directors' compensation

The non-executive directors of the Company were paid following sitting fees for meetings of the Board and its Committee thereof :

Name of Non-Executive Director	Amount * in ₹
Dr. Kalyani Gandhi	130,000/-
Mr. Rajendra Tapadia	150,000/-

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has not followed any differential treatment from the prescribed accounting standards, for preparation of financial statements during the year.

Code for Prevention of Insider-Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violations.

Appointment and Re-appointment of Directors:

Dr. Kalyani Gandhi, Dr. R.V. Chaudhari and Dr. Praful R. Naik are retiring by rotation and being eligible offer themselves for re-appointment. Their details are given below:

Dr. Kalyani Gandhi is the former Dean of the Indian Institute of Management (IIM), Bangalore. She is an MA in Industrial Psychology and has completed her Ed.D. and M.Ed. from Rutgers University, USA.

Dr. R. V. Chaudhari holds Ph.D. in Physical Chemistry and Research Fellowships of several scientific academies and societies. He has presented more than 100 papers in various international journals and holds 6 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. Dr. Chaudhari provides valued assistance to Bilcare's IPR initiatives.

Dr. Praful R. Naik has a Ph.D. in pharmaceuticals from IT-BHU. He has worked with various multinational companies including J&J and GSK and has over 22 years of experience in pharmaceutical science. With his in-depth understanding of medicines and their formulations, he initiates and leads the core research at Bilcare.

Material Disclosures and Compliance

None of the transactions with any of the related parties were in conflict with the interests of the Company. The Company has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last three years.

The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO Certification for the Financial Year ended 31 March 2012.

Compliance with Mandatory and Non-Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the Clause 49. It has not adopted any non-mandatory requirements.

Means of Communication

The Company puts forth vital information about the company and its performance, including quarterly results, official news releases, and communication to investors and analysts, on its website: www.bilcare.com regularly for the benefit of the public at large. The quarterly results are published in 'Business Standard', and 'Maharashtra Times'.

General Shareholder Information

General Body Meetings

Location and time for the last Three Annual General Meetings were:

Financial Year	Venue	Date	Time
2008-09	Registered Office of the Company	30 September 2009	11.00 a.m.
2009-10	Registered Office of the Company	30 September 2010	11.00 a.m.
2010-11	Registered Office of the Company	23 September 2011	11.00 a.m.

Details of Special Resolution passed through Postal Ballot

During the year, a special resolution was passed by way of postal ballot as contained in Notice dated 23 September 2011 for Alteration in Memorandum of Association of the Company to incorporate following powers:

1. Provide guarantee for performance of the Company as well as its subsidiary /associates.
2. Provide corporate guarantee for borrowings of the Company as well as its subsidiary / associates.

Mr. Vishwas Bokil, Company Secretary in whole-time practice, was appointed as the Scrutinizer for conducting the Postal Ballot process. The details of the voting pattern are as under :

within 7 days of the passing of the Resolution by the Board of Directors. After the last day for receipt of ballots, the Scrutinizer, after due verification, submits the results to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot. The same is displayed on the Notice Board.

Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28939PN1987PLC043953

Particulars	No. of Postal Ballot Forms	No. of Shares (Votes)	% on Total Shares (Votes received)
In favour of the Resolution	435	8,605,490	99.92
Against the Resolution	28	6,487	0.08
TOTAL	463	8,611,977	100.00

Number of Invalid Ballots (unsigned/unticked) were 45.

Procedure for Postal Ballot

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement, relevant documents, Postal Ballot Form and self-addressed postage envelopes are sent to the shareholders to enable them to consider and vote for and against the proposal within a period of 30 days from the date of dispatch. The calendar of events containing the activity chart is filed with the Registrar of Companies

Annual General Meeting

Date : 29 September 2012

Time : 11.00 a.m

Venue : Registered Office of the Company
1028, Shirol, Rajgurunagar,
Pune 410505, India

Financial Calendar

1 April to 31 March

For the year ended 31 March 2012, results were announced on –

- 11 August 2011 : First Quarter
- 14 November 2011 : Half yearly
- 11 February 2012 : Third Quarter
- 14 May 2012 : Fourth Quarter
- 12 July 2012 : Annual

Book Closure

The books will be closed from 22 September 2012 to 29 September 2012 for payment of dividend.

Dividend Date

The Board has recommended a dividend of 20% i.e. Rs 2.00 per Equity share of Rs 10/- each and the same would be payable on or before 15 October 2012.

Share Holding Pattern

The tables below give the pattern of shareholding by ownership and share class respectively.

Registrar and Transfer Agents and Share Transfer and Demat System

The Board's Share Transfer Committee generally meets twice a month for dealing with matters concerning securities/share transfers of the Company. The Company has appointed Link Intime India Pvt. Ltd. as the Registrar and Transfer Agents of the Company, to carry out the share transfer Agents of the Company, to carry out the share transfer work on behalf of the Company.

Address of the Registrar and Transfer Agent:

Link Intime India Pvt. Ltd.,
(Unit: Bilcare Limited)
Block No. 202, 2nd Floor, Akshay Complex
Off Dhole Patil Road. Pune – 411 001, India
Telefax : 020 – 26163503
E-mail : pune@linkintime.co.in

Listing

The Equity shares of Bilcare Limited are listed on Bombay Stock Exchange Limited.

Stock Code

BSE : 526853

Pattern of shareholding by ownership as on 31 March 2012

Category	Number of Shares held	Shareholding %
Promoters	7,678,611	32.61
Mutual Funds	1,404,431	5.97
Foreign Institutional Investors	1,427,810	6.06
Corporate Bodies	1,320,573	5.61
Non Resident Indians	588,546	2.50
Indian Public	9,015,452	38.29
Shares held by Custodians, against which Depository Receipts have been issued	2,109,808	8.96
Total	23,545,231	100.00

Pattern of shareholding by Share Class as on 31 March 2012

Shareholding Class	Number of Shareholders	Number of Shares	Shareholding %
Up to 500	22,361	1,951,697	8.29
501 - 1,000	811	635,328	2.70
1,001 - 2,000	375	563,341	2.39
2,001 - 3,000	173	447,880	1.90
3,001 - 4,000	55	193,228	0.82
4,001 - 5,000	48	224,189	0.95
5,001 - 10,000	72	514,423	2.19
10,001 & above	97	19,015,145	80.76
Total	23,992	23,545,231	100.00

Stock Data

Table no.2 and table no.3 gives the monthly high and low prices and volumes of Bilcare Limited at Bombay Stock Exchange Limited, Mumbai (BSE) for the year 2011-12.

Dematerialization

The equity shares of Bilcare Limited are under compulsory demat trading. As on 31 March 2012, dematerialized shares accounted for 99.22% of the total equity.

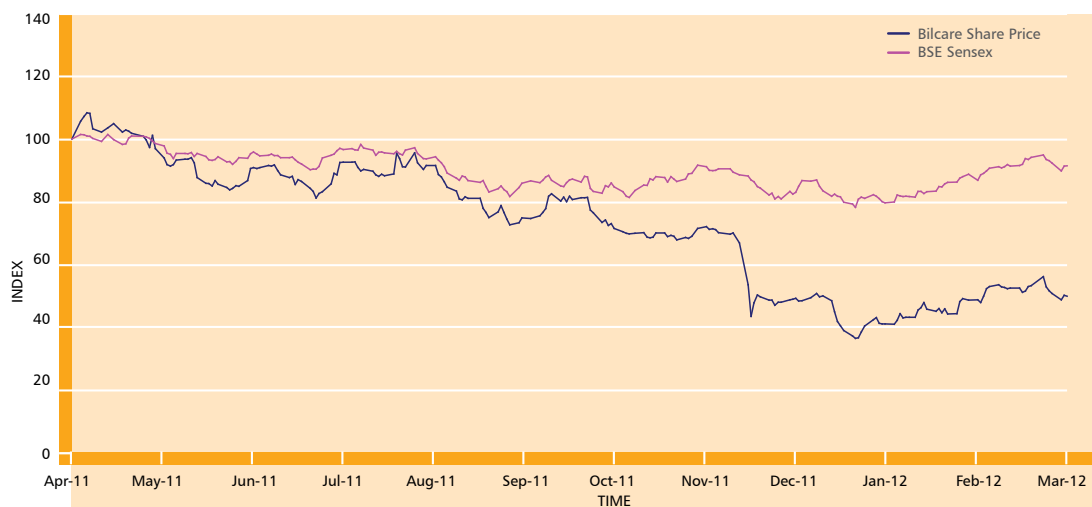
Demat ISIN numbers in NSDL & CDSL for Equity Shares: INE986A01012.

High and Low Prices and Trading Volumes at BSE: (Table No.2)

Month	High (₹)	Low (₹)	Volume (Nos.)
Apr-11	494.00	424.00	6,16,348
May-11	438.00	369.65	7,74,452
Jun-11	419.00	355.50	4,45,722
Jul-11	433.80	380.00	7,92,851
Aug-11	412.85	318.00	5,71,189
Sep-11	378.00	310.65	9,10,171
Oct-11	324.00	298.55	4,82,192
Nov-11	319.90	189.55	24,99,758
Dec-11	232.00	156.70	8,10,708
Jan-12	226.80	178.15	9,89,220
Feb-12	255.40	212.20	13,71,461
Mar-12	222.00	171.00	9,03,601

Stock performance (Table No.3)

Share price of Bilcare Limited versus BSE Sensex



Both BSE Sensex and Bilcare Limited share price are indexed to 100 as on 1 April 2012.

Liquidity

Bilcare Limited shares are part of the 'B' group on Bombay Stock Exchange Limited

Outstanding GDRs and likely impact on Equity

The Company on 12 January 2010, allotted 2,986,341 GDRs at USD11.15 per GDR (i.e. ₹ 515 per share at the exchange rate of ₹ 46.20 per USD), each GDR representing one equity share of ₹10 each in the share capital of the Company. As on 31 March 2012, 2,109,808 GDRs were outstanding, and represented an equal number of underlying equity shares. The Paid-up Share Capital of the Company stood at ₹ 235,452,310/- divided into 23,545,231 Equity Shares of ₹ 10/- each.

Plant Location

1028, Shirol, Rajgurunagar, Pune 410 505, India

Investor Correspondence Address

For transfer / dematerialisation of shares and any other query relating to the shares of the Company:

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

E-mail : pune@linkintime.co.in

To,

The Members of Bilcare Limited,

Declaration by the Chief Executive Officer (CEO)

I, Mohan H. Bhandari, Managing Director & CEO of Bilcare Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31 March 2012.

Place: Pune

Date : 12 July 2012

Mohan H. Bhandari

Managing Director & CEO

Certificate by the Auditors on Corporate Governance

To,

The Members of Bilcare Limited

Re: Report on Corporate Governance

We have reviewed the records concerning the Company's compliance of corporate governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited for the financial year ended on 31 March 2012.

The compliance of conditions of corporate governance is the responsibility of the management. Our review was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for examination and the information and explanations given to us by the Company.

Based on such review, and to the best of our information and according to the explanation given to us, in our opinion the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement of the Bombay Stock Exchange Limited.

We further state that such compliance is neither an assurance as to the future viability of the Company nor to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R.L. Rath & Co.

Firm Registration No. 108719W

Chartered Accountants

R.L.Rathi

Proprietor

Membership No. 14739

Place: Pune

Date: 12 July 2012

Diversity is at the heart of our businesses. With our employees coming from multi-cultural background and spread across US, Europe and Asia, unity and diversity is our DNA and also an important business asset.



Team Bilcare

BUILDING A DIVERSE CULTURE

Our motivation and passion comes from our ability to make a real difference to patient care and consumer safety. As a global company with a diverse and international workforce, we believe that our ability to attract, retain and grow the best minds and talent gives us a competitive advantage. With the INEOS Films business integration process nearly complete, we believe Bilcare's diverse workforce will be a key driver to future market leadership and critical scientific discoveries.

Diversity is at the heart of our business. With our employees in the US, Europe and Asia coming from multi-cultural backgrounds, we view diversity as an important business asset. We have a cohesive talent pool comprising of scientists, engineers, packaging specialists and business managers who deliver on a co-created effort. We have endeavoured to create a work environment that offers all our associates equal access to information, development and opportunity. We seek higher levels of commitment from our employees to deliver outstanding business results. We believe that engaged employees are highly productive, more customer-focused, and likely to stay longer with the organization. A key feature of our people strategy is the continued development of an open culture across the organization. By reinforcing our focus on setting high quality goals aligned to our business strategy and constant coaching and feedback, we want to ensure that employee performance at all levels of the organization delivers value.

In order to efficiently seek and leverage innovative ideas, we engage in frequent dialogues with our

associates around the world. Such dialogues provide us with important information, increase awareness, promote business strategies, share successes and opportunities, and solicit employee opinions. Our Key Performance Indicators (KPI) exercise provides a more lucid merit-based method to identify talent and creates a sense of fairness and objectivity. Our Organizational Development Programme is creating a lean, productive and competitive organization. To ensure superior competence and professional knowledge, we regularly invest in efficient and well-designed global learning programmes delivered through a blend of classroom training, e-learning, coaching, mentoring and on-the-job experience to meet our employees' improvement needs.

We recognize the need for strong leadership and management bandwidth to maintain our growth and innovation-led competitiveness. We lay great emphasis on encouraging entrepreneurial and leadership qualities within the organization and are committed to help people reach their full potential through training and development. Our employees come to work with the joy of creating and discovering something new and to make this world safer and healthier.

Our approach includes facilitating young minds to think beyond boundaries and text books.



Corporate Social Responsibility

BUILDING A HEALTHIER PLANET

Bilcare believes that child-like curiosity, an open mind and the joys of simple creations are the key to innovation and continuous learning. We are committed to giving back to the communities in which we live and work, with a special focus on empowering unprivileged children. Our philosophy is that if we can empower, educate and 'open the eyes of children to the outside world', they will grow up to become tomorrow's leaders. Currently, Bilcare Foundation runs various CSR programmes across its manufacturing plants in the US, Europe and Asia through employee volunteering programmes and collaborating local non-profits. Bilcare Foundation, our corporate social responsibility arm, collaborates with local communities and our employees contribute and participate in various social improvement programmes, especially those aimed at children. We consider that the value we can create for society is beyond business profits and shareholder value.

Our community support endeavours are diverse and focused on building robust, collaborative relationships in the social and business communities in areas we operate while augmenting our own understanding of the people and places we serve. The result is a sustainable approach to community support that benefits everyone.

Children's education to encourage long-term sustainable economic growth in a number of communities around the world is a major cause we uphold. Our education focus creates

scalable and self-sustaining initiatives. We aim to empower families to educate their children and gain meaningful livelihood in the future.

A key element of Bilcare Foundation's work is 'education outside the classroom', an approach that helps young minds to think beyond boundaries and textbooks. Some of our key initiatives under this approach are:

- Conducting health and sports camps
- Conducting personality and leadership courses
- Conducting yoga and karate classes
- Conducting science fares

'Window to the World' programme is an initiative we started in India. We have tied up with nearly 10 local municipal schools in and around our manufacturing plant in Pune to provide children adequate educational opportunities and introduce them to modern communication tools. Our efforts have garnered rave reviews and improvement among the participating children. Now we are working towards participating in similar local community programmes across the globe.

Bilcare employees participate in these education programmes for underprivileged children because we believe by associating with children at an early stage of their lives, we are contributing to create tomorrow's leaders who in turn, will protect this planet in a responsible and sustainable manner.

Board of Directors'

Mr. Mohan H. Bhandari – Chairman and Managing Director

Mr. Robin Banerjee – Deputy Managing Director & CFO

Dr. Praful R. Naik – Executive Director

Dr. Volker Huelck

Dr. R. V. Chaudhari

Mr. Rajendra Tapadia

Dr. Kalyani Gandhi

Dr. Arthur Carty

Company Secretary

Mr. Anil Tikekar

Registered Office and Works

1028, Shirol, Rajgurunagar,

Pune - 410 505, India.

Auditors

M/s. R. L. Rathi & Co., Pune

Bankers

Multiple Banking under the Security Trust Arrangement.

Registrar & 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

E-mail: pune@linkintime.co.in

Fixed Deposit Division

10, Hornby Building, 172/174, D.N. Road, Fort, Mumbai–400001.

Tel: +91 22 22071227/3484, Fax: +91 22 22070396

E-mail: fd@bilcare.com

DIRECTORS' REPORT

To the Members,

We are pleased to present the report on our business and operations for the financial year ended 31 March 2012.

Financials

The Company on a stand alone basis has achieved a turnover growth of over 14% vis-a-vis previous year.

	₹ Crores	
	2011-12	2010-11
Sales and Other Income	758.86	662.90
Profit before tax	113.19	125.85
Profit after tax	74.75	87.04
Profit available for appropriation	332.30	340.76
General Reserve	10.00	15.00
Dividend	4.71	7.06
Dividend Tax	0.76	1.15
Debenture Redemption Reserve	---	60.00
Balance in profit & loss account	316.83	257.55

Dividend

We recommend a Dividend of 20% i.e. ₹ 2/- per equity share of ₹ 10/- each for the financial year ended 31 March 2012.

Fixed Deposit

Pursuant to the provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, proposal for inviting deposits from

public was approved.

As on 31 March 2012, the Company has no overdue deposits other than the unclaimed deposits of ₹ 12.89 Lacs.

Consolidated Financial Statements

The Consolidated Financial Statements, pursuant to clause 32 of the Listing Agreement and in accordance with the Accounting Standard AS-21 on Consolidated Financial Statements and AS-27 on Financial Reporting of Interest in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

These consolidated financial statements provide financial information about the Company and its subsidiaries as a single economic entity and form part of this Annual Report. For the year ended 31 March 2012, the consolidated turnover of ₹ 3,649.43 Crores, was higher by 57% over the previous year's turnover of ₹ 2,325.57 Crores.

Subsidiary Companies

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of

the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

The Company has two wholly owned subsidiary companies, namely Bilcare Singapore Pte. Ltd., Singapore and Bilcare Mauritius Ltd., Mauritius. These in turn have their respective step down subsidiaries. The Company also has a 50% joint venture in International Labs, LLC, US.

Research & Development

Bilcare believes and recognizes its research initiatives to be the core and essential part of the integrated healthcare system. Bilcare's quality policy epitomizes, "excelling through continuous research". Bilcare is constantly on the strive to provide end-to-end solutions more innovatively, effectively and efficiently to the global pharmaceutical sector resulting in an ideal environment for creating unique products & services, brand growth and brand management technologies.

The continual effort to discover new knowledge that redefines excellence in healthcare industry has led to a series of core as well as specific research development programs and some of these highlighted below exemplify the sustained progress accomplished till date:-

- Introduction of packaging solutions for Active Pharmaceutical Ingredients (APIs)
- Development of various innovative test methods for assuring quality of packaging materials
- Development of innovative packaging materials for example, Bilcare Protect® & Bilcare Secure® in different colors, Nova® –SL, Nova® – MP, embedded image aluminum, special effect PVC substrates.
- Creating multi colour options in metallized films.
- Bilcare Crispak® registered for senior citizen

friendly package design and approved by UK testing agencies for child resistant compliance.

- Primer system for printing on Aluminium substrate using UV curable inks.
- Identification, design and evaluation of optimum packaging for various pharmaceutical formulations.

These are some of the representative examples of the many achievements of Bilcare researchers in the last few years. All the innovative films & foils developed in house and introduced to the global market have received US, European and Canadian DMF registrations. They reflect the diversity, depth and quality of our research and serve as measures of our success. It also helps us chart our future direction by using new knowledge to address new challenges.

Bilcare understandably takes tremendous pride in the research enterprise that has made notable contributions in the healthcare space. Although research by its definition is never complete, we view our achievements as marks of progress. In doing so, however the true importance of the research achievements lies in successfully applying its outcomes to the benefit of the global pharmaceutical industry. Each new insight fortifies our efforts to find new and better ways to care for the pharmaceutical and the healthcare industry.

Bilcare R & D is about the pursuit of new knowledge, about innovative research solutions in both packaging materials and its application to pharmaceutical formulations which continues to be our key growth factor. This year also R&D has signed several business agreements with global pharmaceutical customers for providing customized scientific solutions for addressing key challenges of their valuable brands. Successful completion of projects and solution deployment has resulted in significantly enhanced confidence levels of customers across the globe who see Bilcare as a complete solution provider. This has also led to substantial growth in the materials business arising from the conversion of

conventional packaging to more attractive and value added packaging solutions

The Bilcare Optima® service introduced for pharmaceutical formulation sensitivity profiling along with the advanced CAD and FEA based simulation processing for designing of primary packaging for dosage forms has gained tremendous customer interest across the globe resulting in increased number of customers signing for this novel service. The new developments at Bilcare has helped pharmaceutical industry in keeping their brands relevant, vibrant and valuable. These new developments from R&D continue to generate future growth opportunities to keep the company ahead of its global contemporary organizations. The technical collaborations of our R&D with global pharmaceutical leaders and packaging research organizations has benefited the pharmaceutical industry immensely in new product registrations, exports to developed markets and for countering the copycats and counterfeiters. Bilcare will leverage this special relation with pharmaceutical industry across the globe to accomplish continued robust business growth.

Benefits derived from R & D

- One of the CR foils has been approved by European Regulatory authority for pharmaceutical use.
- Successful implementation of Bilcare Protect film for major Indian and Overseas pharma clients helped them to increase their revenues by adding a combination of Overt and Covert anticounterfeit features.
- Commercialised Bilcare Protect® film in different colours has aided the pharmaceutical industry as an effective anti-counterfeit solution and has enabled them to significantly enhance their brand integrity and value.
- Bilcare Optima® research service successfully extended to Pesticide sector and used by a

leading brand in India.

- Developed and commercialized special effect film for pharma sector as an economical, overt anti counterfeit solution, resulting in a significant value addition for this range of products.
- Deployment of easy peelable paper based lidding foil for overseas markets.
- Deployment of PVC based lidding foil for Indian pharma sector, this composite attracts not only sizable business to Bilcare but also provides indigenous CR foil concept.
- Commercially established two different paper based composite CR lidding films for domestic market.
- Commercialized Super Nova as lidding material for US market.
- Modified existing manufacturing processes of some products to reduce overall production cost.
- Established cost effective alternatives for replacing existing adhesives & lacquers and raw materials.
- Pharmaceutical Exports Promotion Council conferred Silver Patent Award for FY 2010-11.

Future plan of action

Bilcare will continue to focus on R&D initiatives in providing innovative packaging solutions to the global pharmaceutical industry.

Expenditure on R & D

	₹ Crores
Capital	1.54
Recurring	17.20
Total	18.74
R & D Expenditure as a percentage of Total Turnover	2.47%

On a consolidated basis, total R&D expenditure as a percentage of consolidated turnover is 1.28%

Conservation of Energy and Technology

Improved energy efficiency is one of the cheapest, fastest and most sustainable ways to save the world's environment. Energy storage is a key component in many energy efficient systems. Energy storages can be described by their storage capacity (stored energy per mass or volume), power (energy output per time), storage period (how long the energy should be stored) and size.

Some of the key initiatives along with the benefits derived during this year were-

- The power factor was consistently maintained at unity which has contributed to a saving of 6.83% amounting to ₹ 0.26 crores per annum of the total bill value.
- After the successful commissioning of the express feeder electricity power line, the usage of DG power reduced remarkably from 27% to 6% which has resulted in savings of ₹ 1.5 crores.
- The replacement of Light Diesel Oil (LDO) by Bio-Diesel, an environmental friendly fuel which is used in heating systems, has resulted in savings of ₹ 0.11 crores in the third and fourth quarter.

The energy audit was conducted and as per the auditors' observations, there is a good potential for savings in energy cost once the suggestions are implemented.

Technology Absorption, Adaptation and Innovation

Bilcare continues to invest on R&D and a large part of the spend is for innovative products and technologies for global market that are complex and require dedicated manufacturing sites. Investments have been made in creating research sites, employing scientifically skilled manpower, adding equipment and upgrading continuously the exposure and research understanding of the scientific team in the areas of our interest.

Bilcare filed 17 Patent applications related to its innovative products and technologies during the year and was granted 6 Patents.

Benefits derived as a result of the aforementioned efforts are product improvement, cost reduction and product development. Training the employees in various technical and management development programmes conducted by various agencies helped in, Shop-floor practices improvement resulting in greater customer satisfaction and loyalty.

The following are the areas where Bilcare has successfully absorbed, adapted technologies as well as led to technology innovations:

1. Trials for the technique developed to apply non uniform embossed pattern on aluminum based substrates, was successfully completed at customer end and is under stability study for commercialization. This makes it extremely difficult to reproduce fake material which in turn significantly enhances the security of various pharma brands.
2. On completion of standardization of incorporation of multiple anti counterfeiting features in the form of Nano, Micro and 3D images in soft aluminum foil, the product is now under stability study. Incorporation of these features leads to offering unique products which significantly enhances pharma product security resulting in an overall patient safety.
3. Child Resistant foils has been developed in-house with a unique technique and commercialized successfully.
4. Bilcare Protect® is successfully commercialized for highest selling brand of Sanofi Aventis, India with an overt and covert anti-counterfeiting feature on the film as well as on the lidding foil.
5. Development of eco-friendly heat seal lacquer for non Pharma applications.
6. The research and development initiatives on processing of heat seal lacquers has resulted in enhancing the consistency in the quality of the aluminum based products and its compatibility with different grades of polymeric materials.

7. Continued development and adaptation of new technologies for the Bilcare Zenith series of products has resulted in production process optimization leading to enhanced productivity without compromising on quality.

Foreign Exchange Earnings & Outgo

	₹ Crores
Foreign exchange earned	79.55
Foreign exchange outgo	165.25

Directors

Dr. Kalyani Gandhi, Dr. R.V. Chaudhari and Dr. Praful R. Naik are retiring by rotation and being eligible offer themselves for re-appointment. Dr. Bhojraj Suresh resigned as Director of the company with effect from 03 July 2012. The directors placed on record their appreciation for the services and contributions made by Dr. Bhojraj Suresh during his association with the Company.

Directors' Responsibility Statement

Pursuant to the requirement under the Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that :

- In the preparation of the annual accounts for the year ended 31 March 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed along with proper explanations relating to material departures, if any.
- The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at

the end of the financial year and of the profit of the Company for the year under review.

- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 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 2012 have been prepared on a 'going concern' basis.

Corporate Governance

A report on Corporate Governance is given in this Annual Report.

Auditors

M/s. R. L. Rathi & Co., Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment.

Statutory Disclosures

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However, in terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts is being sent to all Shareholders of the Company excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of said Annexure may write to the Company Secretary at the Registered Office of the Company.

Particulars regarding technology absorption, conservation of energy and foreign exchange earning and outgo required under section 217 (1) (e) of the Companies Act, 1956 and Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 have been given in the preceding paras. For the fiscal year 2012, the compliance report is provided in the Corporate Governance section of this Annual Report. The Auditors' Certificate on compliance with the mandatory recommendations of the committee is annexed to this report.

Acknowledgement

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

We place on record our appreciation of the contribution made by the employees at all levels worldwide. Our consistent growth was made possible by their hard work, solidarity, commitment and unstinted efforts.

We thank the Governments of various countries where we have our operations and also thank Government of India 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 and Managing Director

Place: Pune

Date : 12 July 2012

AUDITORS' REPORT

To,
The Members of
Bilcare Limited

We have audited the attached Balance Sheet of **Bilcare Limited** as at 31 March 2012, the Statement of Profit and Loss and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. The Branch Auditors' reports have been forwarded to us and have been appropriately dealt with;
- (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account and with the audited returns from the branch;
- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
- (v) On the basis of written representations received from the directors, as on 31 March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of section 274 (1) (g) of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us and the separate reports of other / branch auditors, the said accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2012
 - (b) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - (c) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

For **R. L. RATHI & CO.**
Firm Registration No. 108719W
Chartered Accountants

Place: Pune
Date: 12 July 2012

R. L. RATHI
Proprietor
Membership No. 14739

ANNEXURE TO AUDITORS' REPORT

1. (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of all fixed assets.
 (b) All the fixed assets have not been physically verified by the management during the year but there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 (c) During the year the Company has not disposed off a substantial part of its fixed assets.
2. (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 (c) The Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
3. (a) As informed to us and the records produced to us for our verifications, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
 (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
5. (a) According to the information and explanations provided by the management, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been entered.
 (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements and exceeding the value of ₹. 500,000 have been entered during the financial year at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other provisions of the Companies Act, 1956 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
9. (a) The Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, there are NIL dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess on account of any dispute.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current or in the immediately preceding financial year.
 11. Based on the audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
 12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 15. In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are, prima facie, not prejudicial to the interest of the Company.
 16. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
 17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
 18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
 19. According to the information and explanations given to us, no debentures have been issued during the year.
 20. The Company has not raised any money through a public issue during the year.
 21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **R. L. RATHI & CO.**
Firm Registration No. 108719W
Chartered Accountants

Place: Pune
Date: 12 July 2012

R. L. RATHI
Proprietor
Membership No. 14739

BALANCE SHEET AS ON 31 MARCH 2012

	Notes	As on 31 March 2012		As on 31 March 2011	
		₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUND					
Share capital	2	2,354.52		2,354.52	
Reserves & surplus	3	93,129.41		87,683.40	
			95,483.93		90,037.92
NON-CURRENT LIABILITIES					
Deferred tax liabilities (net)	4	11,253.81		10,176.59	
Long-term borrowings	5	62,497.32		52,272.17	
Long-term provisions	6	96.39		93.17	
			73,847.52		62,541.93
CURRENT LIABILITIES					
Trade payables		2,349.07		1,269.17	
Short-term borrowings	7	2,399.76		2,000.00	
Other current liabilities	8	11,698.51		6,706.40	
Short-term provisions	9	2,689.70		1,370.49	
			19,136.04		11,346.06
TOTAL			188,468.49		163,925.91
ASSETS					
NON-CURRENT ASSETS					
Fixed assets					
Tangible assets	10	53,766.02		47,242.19	
Intangible assets	11	3,701.71		3,343.34	
Capital work in progress		3,351.29		524.72	
		60,819.02		51,110.25	
Non-current investments	12	67,935.20		65,710.31	
Long-term loans and advances	13	220.66		245.00	
Other non-current assets	14	4,968.04		5,286.59	
			133,942.92		122,352.15
CURRENT ASSETS					
Inventories	15	12,912.82		9,294.59	
Trade receivables	16	34,608.04		23,924.18	
Cash and cash equivalents	17	2,678.70		6,951.84	
Short-term loans and advances	18	4,326.01		1,403.15	
			54,525.57		41,573.76
TOTAL			188,468.49		163,925.91
Summary of Significant Accounting Policies	1				

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

R. L. Rathi & Co.

Firm Registration No.108719W

Chartered Accountants

R. L. Rathi

Proprietor

Membership No.14739

Place : Pune

Date :12 July 2012

For and on behalf of Board of Directors

Mohan H. Bhandari

Managing Director

Anil Tikekar

Company Secretary

Robin Banerjee

Dy Managing Director & CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2012

	Notes	Year ended 31 March 2012 ₹. Lacs	Year ended 31 March 2011 ₹. Lacs
INCOME			
Revenue from operations	19	75,259.69	65,859.45
Other income	20	625.99	430.76
Total revenue (i)		75,885.68	66,290.21
EXPENDITURE			
Cost of materials consumed	21	46,111.68	39,747.81
Changes in inventories of finished goods, work-in-progress and stock in trade	22	517.16	(85.32)
Employee benefits expense	23	2,500.74	2,466.69
Other expenses	24	3,868.64	3,659.68
Total expenses (ii)		52,998.22	45,788.86
Profit before interest, depreciation and tax (EBIDTA) (i-ii)		22,887.46	20,501.35
Finance costs	25	7,969.38	4,947.33
Depreciation and amortisation expense	26	3,599.24	2,969.28
Profit / (Loss) before tax		11,318.84	12,584.74
Tax expense:			
Current tax		2,766.35	2,838.62
Deferred tax		1,077.23	1,041.77
Profit / (Loss) after tax carried to Balance Sheet		7,475.26	8,704.35
Earnings per share of ₹. 10/- each: (computed on the basis of continuing operation)	27		
Basic (₹.)		31.75	36.97
Diluted (₹.)		31.75	36.97
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

R. L. Rathi & Co.

Firm Registration No.108719W

Chartered Accountants

R. L. Rathi

Proprietor

Membership No.14739

Place : Pune

Date :12 July 2012

Anil Tikekar

Company Secretary

For and on behalf of Board of Directors

Mohan H. Bhandari

Managing Director

Robin Banerjee

Dy Managing Director & CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

	Year ended 31 March 2012 ₹. Lacs	Year ended 31 March 2011 ₹. Lacs
A Cash flow from Operating Activities		
Profit after tax	7,475.26	8,704.35
Adjustments For:		
Depreciation	3,599.23	2,969.28
Interest / Dividend (net)	7,771.72	4,606.44
(Profit) / Loss on sale of fixed assets	2.91	–
Foreign Currency Monetary Items Translation Difference Account	(1,481.96)	541.23
Operating profit before Working Capital changes	17,367.16	16,821.30
Deferred Tax Liability	1,077.23	1,041.77
Adjustments for:		
Trade & other receivables	(13,263.82)	(3,676.07)
Inventories	(3,618.24)	(616.50)
Trade payables	7,079.77	1,994.34
Cash generated from operations	8,642.10	15,564.84
Interest paid	(7,969.38)	(4,955.42)
Direct taxes paid	588.27	(258.82)
Net cash from operating activities	1,260.99	10,350.60
B Cash flow from Investing Activities		
Purchase of fixed assets	(13,313.31)	(9,590.24)
Sale of fixed assets	2.40	–
Investments	(2,224.89)	(17,758.90)
Interest received	118.62	62.99
Dividend received	79.03	277.89
Net cash used in investing activities	(15,338.15)	(27,008.26)
C Cash flow from Financing Activities		
Proceeds from issue of share capital	–	85.73
Proceeds from share premium (net)	–	3,360.78
Proceeds from term borrowings	29,261.77	28,836.94
Repayment of term borrowings	(18,636.80)	(13,328.13)
Conversion of FCCB	–	(5,319.95)
Dividend paid including tax	(820.95)	(661.40)
Net cash used in financing activities	9,804.02	12,973.97
Net increase in cash & cash equivalents (A+B+C)	(4,273.14)	(3,683.69)
Cash and cash equivalents as on 01.04.2011	6,951.84	10,635.53
Cash and cash equivalents as on 31.03.2012	2,678.70	6,951.84

As per our report of even date

R. L. Rathi & Co.

Firm Registration No.108719W

Chartered Accountants

R. L. Rathi

Proprietor

Membership No.14739

Place : Pune

Date :12 July 2012

Anil Tikekar

Company Secretary

For and on behalf of Board of Directors

Mohan H. Bhandari

Managing Director

Robin Banerjee

Dy Managing Director & CFO

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE - 1

SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared this financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

ii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

iii) Fixed assets

- a. Tangible fixed assets: Tangible fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price net of discounts and rebates, borrowing costs and directly attributable costs of bringing the asset to its working condition for the intended use. The Company adjusts exchange differences arising on translation / settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciate the same over the remaining life of the asset. Trial run income and expenses are directly capitalized to the respective assets.
- b. Research and development costs: Research costs are expensed as incurred. Development expenditure incurred resulting into enduring benefits are capitalized.
- c. Depreciation on tangible fixed assets: Depreciation is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed by Schedule XIV to the Companies Act, 1956, whichever is higher. In respects of assets added / disposed off during the year, depreciation has been calculated on pro-rata basis with reference to the number of days in use.
- d. Intangible assets: Intangible assets acquired are measured on initial recognition at cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized over their estimated economic life.

iv) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost.

v) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. Where the carrying amount of an asset or the CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken into revaluation reserve. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exists or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount.

vi) Inventories

Raw materials, components, stores and spares, work-in-progress and finished goods are valued at lower of cost and net realizable value and is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

vii) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods: Revenue from sale of goods is recognized based on billed and dispatch of goods to the customer. Sales are net of discounts, sales tax, excise duty and sales returns.

Income from services: Revenues from services are recognized pro-rata over the period as and when services are rendered net of taxes.

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend: Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

viii) Duties and taxes

Sales tax: The Company opted for the Sales Tax Incentives by way of deferral under Government of Maharashtra Package Scheme of Incentive 1993. The period for deferment of tax liability is 9 years and payable thereafter in five equal annual installments.

Excise duty: Excise duty is accounted for on sale of goods. No provision is made for goods manufactured and lying in factory premises.

ix) Retirement and other employee benefits

Provident fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than contribution payable to the provident fund.

Gratuity: The costs of providing gratuity are determined on the basis of actuarial valuation at each year end and actuarial gains / losses are recognized in full in the period in which they occur in the statement of profit and loss. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Accumulated leave: The Company presents the entire accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

x) Borrowing costs

Borrowing cost includes interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising out of foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction, modernization and expansion or production of an asset are capitalized as part of the cost to the respective asset.

xi) Income taxes

Current tax: Current income tax is measured at the amount expected to be paid in accordance with the Income Tax Act, 1961 and the tax laws prevailing in the respective tax jurisdiction and the tax rates used to compute the amount are those that are enacted at the reporting date.

Deferred tax: Deferred tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years and is measured using the tax rates and tax laws enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities if they relate to the same taxable entity and the same taxation authority.

xii) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

xiii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

xiv) Measurement of EBIDTA

As permitted by the Guidance Note on the Revised Schedule VI of the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBIDTA) as a separate line item on the face of the statement of profit and loss.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012		As on 31 March 2011	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
NOTE - 2				
SHARE CAPITAL				
AUTHORISED				
i) 40,000,000 (31 March 2011 : 40,000,000) Equity Shares of ₹. 10/- each		4,000.00		4,000.00
ii) 5,000,000 (31 March 2011 : 5,000,000) Preference Shares of ₹. 10/- each		500.00		500.00
		<u>4,500.00</u>		<u>4,500.00</u>
ISSUED SUBSCRIBED AND PAID UP				
i) 23,545,231 (31 March 2011 : 23,545,231) Equity Shares of ₹. 10/- each		2,354.52		2,354.52
TOTAL		<u>2,354.52</u>		<u>2,354.52</u>
a. Reconciliation of the shares outstanding (No. of shares)				
At the beginning of the period		23,545,231		23,545,231
Add / (Less) : Movement during the year		—		—
At the end of the period		23,545,231		23,545,231
b. Terms / rights attached to equity shares				
The Company has only one class of equity shares having a par value of ₹. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
During the year ended 31 March 2012, the amount of per share dividend recognized as distributions to equity shareholders was ₹. 2/- (31 March 2011 : ₹. 3/-).				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
c. Details of Shareholders holding more than 5% shares in the Company				
	No. of Shares	% Holding in the Class	No. of Shares	% Holding in the Class
Equity shares of ₹. 10/- each fully paid				
i. Mohan H. Bhandari	6,253,489	26.56	6,531,274	27.74
ii. Deutsche Bank Trust Company Americas (Custodian of shares against GDR's have been issued)	2,109,808	8.96	2,109,808	8.96
iii. Monument Pte. Ltd.	1,761,620	7.48	1,761,620	7.48
iv. Rakesh R. Jhunjhunwala	1,735,425	7.37	1,735,425	7.37
v. Nutan M. Bhandari	1,425,122	6.05	1,500,000	6.37

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
NOTE - 3		
RESERVES & SURPLUS		
i) Securities Premium		
Balance as per last Financial Statement	51,034.41	47,673.63
Add: Premium on conversion of FCCB	—	4,057.62
Less: Redemption Premium on FCCB	—	696.84
	51,034.41	51,034.41
ii) General Reserve		
Balance as per last Financial Statement	4,622.47	3,122.47
Add: Transfer from Statement of Profit and Loss	1,000.00	1,500.00
Add: Transfer from Debenture Redemption Reserve	6,000.00	—
	11,622.47	4,622.47
iii) Capital Redemption Reserve	271.63	271.63
iv) Debenture Redemption Reserve		
Balance as per last Financial Statement	6,000.00	—
Add: Additions during the year	—	6,000.00
Less: Transferred to General Reserve	6,000.00	—
	—	6,000.00
v) Foreign Currency Monetary Items Translation Difference Account		
Balance as per last Financial Statement	—	(541.23)
Add: Additions during the year	(1,481.96)	—
Less: Transferred to Statement of Profit and Loss	—	(541.23)
	(1,481.96)	—
vi) Surplus in the Statement of Profit and Loss		
Balance as per last Financial Statement	25,754.89	25,371.49
Add: Net Profit for the year	7,475.26	8,704.35
Less: Transfer to General Reserve	1,000.00	1,500.00
Transfer to Debenture Redemption Reserve	—	6,000.00
Proposed Dividend	470.90	706.36
Tax on Dividend	76.39	114.59
	31,682.86	25,754.89
TOTAL	93,129.41	87,683.40
NOTE - 4		
DEFERRED TAX LIABILITIES		
Difference between Book and Tax Depreciation	11,253.81	10,176.59

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
NOTE - 5		
LONG-TERM BORROWINGS		
i) Secured Loans:		
Term loan from banks	61,314.35	45,116.01
Debentures / Bonds	—	6,000.00
	61,314.35	51,116.01
ii) Unsecured Loans:		
Deferred sales tax loans	1,170.08	1,143.17
Fixed deposits	12.89	12.99
	1,182.97	1,156.16
TOTAL	62,497.32	52,272.17

- The rupee term loan from banks / financial institutions carries interest @ 11% to 14% p.a.
- The foreign currency loan from banks carries interest @ LIBOR plus 4% to 6%.
- Term loans to banks / financial institutions are repayable within a period from 3 to 5 years in quarterly / half yearly installments as per terms of the respective loans.
- Term loan from banks / financial institutions are secured by first charge on the immovable and movable properties and second charge on current assets, both present and future, under security trustee arrangement.
- Deferred sales tax loan is interest free and is repayable in yearly installments till 2023.
- Fixed deposits from public carries interest @ 12% p.a. and is already due for repayment but not claimed.

NOTE - 6

LONG-TERM PROVISIONS

Provisions for employee benefits	96.39	93.17
TOTAL	96.39	93.17

NOTE - 7

SHORT-TERM BORROWINGS

i) Secured:		
Working capital loan from banks	1,199.76	2,000.00
ii) Unsecured:		
Loans and advances from related parties	500.00	—
Loans and advances from others	700.00	—
	1,200.00	—
TOTAL	2,399.76	2,000.00

- The working capital facilities from banks carries interest rate from 11% to 14% p.a.
- The working capital facilities are secured by first charge on current assets and second charge on immovable and movable properties, both present and future, under security trustee arrangement.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
NOTE - 8		
OTHER CURRENT LIABILITIES		
i) Current maturities of long term borrowings	11,554.66	6,640.07
ii) Interest accrued and due on borrowings	3.98	3.99
iii) Withholding tax payable	139.87	62.34
TOTAL	11,698.51	6,706.40
NOTE - 9		
SHORT-TERM PROVISIONS		
i) Provision for taxes on income	636.22	47.94
ii) Provision for employee benefits	57.30	35.58
iii) Dividend payable	470.90	706.36
iv) Provision for dividend tax	76.39	114.59
v) Other short term provisions	1,448.89	466.02
TOTAL	2,689.70	1,370.49

NOTE - 10

TANGIBLE ASSETS

₹ Lacs

Sr. No.	Items of Asset	Gross Block at Cost or Book Value				Depreciation				Net Block	
		As on 01/04/2011	Additions during the year	Deductions during the year	As on 31/03/2012	As on 01/04/2011	For the year	Deductions	As on 31/03/2012	As on 31/03/2012	As on 31/03/2011
01	Land	227.20	—	—	227.20	—	—	—	—	227.20	227.20
02	Building	5,191.42	499.69	—	5,691.11	959.40	181.27	—	1,140.67	4,550.44	4,232.02
03	Plant & Machinery	48,585.20	9,009.78	—	57,594.98	7,935.24	2,590.46	—	10,525.70	47,069.28	40,649.96
04	Vehicles	154.99	—	11.60	143.39	80.77	13.83	6.29	88.31	55.08	74.22
05	Electric Fitting	1,697.90	0.50	—	1,698.40	442.39	75.98	—	518.37	1,180.03	1,255.51
06	Furniture & Fixture	707.75	4.10	—	711.85	233.87	46.51	—	280.38	431.47	473.88
07	Office Equipments	831.34	16.25	—	847.59	501.94	93.14	—	595.07	252.52	329.40
	TOTAL	57,395.79	9,530.32	11.60	66,914.52	10,153.60	3,001.19	6.29	13,148.50	53,766.02	47,242.19
	Previous Year	46,512.65	10,883.14	—	57,395.79	7,759.07	2,394.53	—	10,153.60	47,242.19	38,753.58

NOTE - 11

INTANGIBLE ASSETS

₹ Lacs

Sr. No.	Items of Asset	Gross Block at Cost or Book Value				Depreciation				Net Block	
		As on 01/04/2011	Additions during the year	Deductions during the year	As on 31/03/2012	As on 01/04/2011	For the year	Deductions	As on 31/03/2012	As on 31/03/2012	As on 31/03/2011
01	Patent and Trademarks	1,463.33	716.07	—	2,179.40	506.78	146.93	—	653.71	1,525.69	956.55
02	Other Intangible Assets	3,925.02	240.35	—	4,165.37	1,538.23	451.12	—	1,989.35	2,176.02	2,386.79
	TOTAL	5,388.35	956.42	—	6,344.77	2,045.01	598.05	—	2,643.06	3,701.71	3,343.34
	Previous Year	4,214.62	1,173.73	—	5,388.35	1,470.26	574.75	—	2,045.01	3,343.34	2,744.36

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
NOTE - 12		
NON-CURRENT INVESTMENTS		
Unquoted Equity Instruments		
i) Investment in subsidiaries		
Bilcare Singapore Pte Ltd. 1.45 million (31 March 2011: 1.45 million) Equity Shares of SGD 1 each fully paid-up	51,548.39	52,484.30
Bilcare Mauritius Limited 20,255 (31 March 2011: 20,255) Equity Shares of USD 1,000 each fully paid-up	<u>12,628.56</u>	<u>9,468.76</u>
	64,176.95	61,953.06
ii) Investment in joint venture 50% (31 March 2011 : 50%) share in International Labs LLC, USA	3,757.25	3,757.25
iii) Other non-current investments :		
Equity Shares:		
Cosmos Bank	1.00	—
TOTAL	<u>67,935.20</u>	<u>65,710.31</u>
NOTE - 13		
LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Security deposits	220.66	245.00
TOTAL	<u>220.66</u>	<u>245.00</u>
NOTE - 14		
OTHER NON-CURRENT ASSETS		
Deposits with Government Authorities	4,968.04	5,286.59
TOTAL	<u>4,968.04</u>	<u>5,286.59</u>
NOTE - 15		
INVENTORIES		
(valued at lower of cost and net realizable value)		
i) Raw material	11,043.66	6,906.57
ii) Work-in-progress	1,164.61	1,326.27
iii) Finished goods	590.19	945.69
iv) Stores & spares, consumables	114.36	116.06
TOTAL	<u>12,912.82</u>	<u>9,294.59</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
NOTE - 16		
TRADE RECEIVABLES		
Secured, considered good		
i) Outstanding for more than six months from due date	22.09	4.01
ii) Others	526.55	454.11
	548.64	458.12
Unsecured, considered good		
i) Outstanding for more than six months from due date	1,062.30	968.24
ii) Others	32,997.10	22,497.82
	34,059.40	23,466.06
TOTAL	34,608.04	23,924.18
Trade receivable due from directors and officers of the Company - NIL		
NOTE - 17		
CASH AND CASH EQUIVALENTS		
i) Cash on Hand	6.67	3.01
ii) Deposits with Bank		
On current account	964.61	1,005.22
On term deposit account	1,707.42	5,943.61
	2,672.03	6,948.83
TOTAL	2,678.70	6,951.84
Term deposits with bank include earmarked deposits ₹. 952.58 lacs (31 March 2011: ₹. 700.47 lacs) as margin money for letter of credits, guarantees etc.		
NOTE - 18		
SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
i) To related parties	—	—
ii) To directors and officers of the Company	—	—
iii) To others	4,326.01	1,403.15
TOTAL	4,326.01	1,403.15

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
NOTE - 19		
REVENUE FROM OPERATIONS		
i) Sales of goods	72,175.66	64,572.74
ii) Sale of services	3,084.03	1,286.71
TOTAL	75,259.69	65,859.45
NOTE - 20		
OTHER INCOME		
i) Interest received	118.62	62.99
ii) Dividend income	566.78	277.89
iii) Lease rental income	700.00	700.00
iv) Exchange differences, net income	(792.06)	(675.56)
v) Miscellaneous income from non-operating activities	32.65	65.44
TOTAL	625.99	430.76
NOTE - 21		
COST OF MATERIALS CONSUMED		
Opening stock of raw material	6,906.57	6,393.46
Add: Purchases (net)	50,248.77	40,260.92
Less: Closing stock of raw material	11,043.66	6,906.57
TOTAL	46,111.68	39,747.81
NOTE - 22		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
Stock in trade (at the commencement)		
Semi finished goods / work-in-progress	1,326.27	1,209.87
Finished goods	945.69	976.77
TOTAL	2,271.96	2,186.64
Stock in Trade (at the end)		
Semi finished goods / work-in-progress	1,164.61	1,326.27
Finished goods	590.19	945.69
TOTAL	1,754.80	2,271.96
Increase / Decrease (–)	517.16	(85.32)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
NOTE - 23		
EMPLOYEE BENEFITS EXPENSE		
i) Salaries, wages, allowance and bonus	2,371.40	2,355.06
ii) Contribution to retirement benefits for employees	78.52	72.30
iii) Staff welfare expenses	50.82	39.33
TOTAL	2,500.74	2,466.69
NOTE - 24		
OTHER EXPENSES		
i) Consumables, Spares and Loose Tools Consumed	70.66	204.30
ii) Power and Fuel	754.14	663.16
iii) Repairs and Maintenance		
Plant and Machinery	109.07	139.19
Buildings	18.89	25.57
Others	66.37	84.43
iv) Rent / Lease of Premises	56.84	103.65
v) Rates and Taxes	53.42	53.85
vi) Insurance	73.79	50.58
vii) Selling Expenses	1,215.22	1,049.73
viii) Travelling, Conveyance and Vehicle Expenses	371.69	345.38
ix) Communication Expenses	53.01	64.55
x) Consultancy Charges	539.94	354.09
xi) Loss on Sale of Assets	2.91	–
xii) Office Expenses, Administrative and Other Miscellaneous Expenses	482.69	521.20
TOTAL	3,868.64	3,659.68
NOTE - 25		
FINANCE COSTS		
i) Interest Expenses	6,476.19	3,937.75
ii) Other Borrowing Costs	690.58	546.63
iii) Bank Charges	802.61	462.95
TOTAL	7,969.38	4,947.33

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
NOTE - 26		
DEPRECIATION AND AMORTISATION EXPENSE		
i) Depreciation on Tangible Assets	3,001.19	2,394.53
ii) Amortisations of Intangible Assets	598.05	574.75
TOTAL	3,599.24	2,969.28
NOTE - 27		
EARNINGS PER SHARE (EPS)		
i) Net Profit as per Statement of Profit & Loss	7,475.26	8,704.35
ii) Weighted average number of equity shares for basic / diluted EPS	23,545,231	23,545,231
iii) Nominal value of equity per share (₹.)	10	10
iv) Basic / diluted Earning per share (₹.)	31.75	36.97
NOTE - 28		
CONTINGENT LIABILITIES		
i) Claims against the Company, not acknowledged as debts:		
Corporate guarantees given	61,954.55	69,251.05
Disputed income tax matters in appeal (Liability u/s. 153 of the Income Tax Act, 1961 may accrue on account of the Search, amount not crystalised)	—	165.39
ii) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	2,086.95	823.00
NOTE - 29		
AUDITOR'S REMUNERATION		
i) As auditor:		
– Audit fee	7.30	5.52
– Tax audit fee	1.69	1.10
– Taxation matters	1.69	1.10
– Other services	0.56	0.55
TOTAL	11.24	8.27
NOTE - 30		
RESEARCH AND DEVELOPMENT EXPENDITURE		
i) Capital	154.45	815.92
ii) Revenue	1,720.02	1,812.14
TOTAL	1,874.47	2,628.06

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE - 31

DUES TO MICRO AND SMALL ENTERPRISES

There are no amounts that need to be disclosed pertaining to Micro and Small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

As at 31 March 2012, no supplier has intimated the Company about its status as Micro or Small enterprises or its registration with the appropriate authority under MSMED Act, 2006.

NOTE - 32

SEGMENT INFORMATION

The Company is engaged in pharma packaging research solutions which is considered the only reporting business segment for disclosure in the financial statements by the management in the light of the dominant source and nature of risks and returns, location of its production facilities and assets of the group and relied upon by the auditors as per accounting standard AS-17.

NOTE - 33

DEFERRAL / CAPITALISATION OF EXCHANGE DIFFERENCES

The Ministry of Corporate Affairs (MCA) has issued the amendment dated 29 December 2011 to **AS-11 The Effects of Changes in Foreign Exchange Rates**, to allow companies deferral / capitalization of exchange differences arising on long term foreign currency monetary items. In accordance with the amendment, the Company has deferred the exchange loss arising on long term foreign currency loans amounting to ₹.1,481.96 lacs (31 March 2011 : NIL). As the Company does not have any other long term foreign currency monetary item, the same is reflected in the "Foreign Currency Monetary Items Translation Difference Account (FCMITDA)"

NOTE - 34

GRATUITY PLAN

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
i) Statement of Profit and Loss		
Net Employee benefit expense recognised in Employee Cost		
Current / Past Service Cost	46.92	96.90
Interest cost on benefit obligation	14.30	10.61
Expected return on plan assets	(15.45)	(12.23)
Net Actuarial (gain) / Loss	(10.97)	(33.45)
Net Benefit Expense	34.80	61.83
ii) Balance Sheet		
Benefit asset / (liability)		
Present value of defined benefit obligation	199.41	192.95
Fair value of plan assets	183.44	167.09
Plan asset / (liability)	(15.97)	(25.86)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
Changes in the present value of the defined benefit obligation		
Opening Defined Benefit Obligation	192.95	131.73
Current Service Cost	46.92	96.90
Interest Cost	14.30	10.61
Benefits Paid	(41.26)	(10.82)
Actuarial (gains) / losses on obligation	(13.50)	(35.47)
Closing defined benefit obligation	199.41	192.95
Changes in the fair value of plan assets		
Opening fair value of plan assets	167.09	110.52
Expected return	15.45	12.23
Contribution by employer	44.69	57.18
Benefits paid	(41.26)	(10.82)
Actuarial gains / (losses)	(2.53)	(2.02)
Closing fair value of plan assets	183.44	167.09

- iii) Principal assumptions used in determining gratuity and leave encashment obligations for the Company's plans are as below:

	Gratuity	Leave encashment	Gratuity	Leave encashment
Discount rate	8.50%	8.50%	8.30%	8.30%
Expected rate of return	9.15%	—	9.15%	—
Salary escalation rate	10.00%	10.00%	10.00%	10.00%

NOTE - 35

FOREIGN CURRENCY EXPOSURES

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction and monetary items denominated in foreign currencies at the year-end not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate of forward exchange contract.

Details of un-hedged foreign currency exposures at the reporting date:

Sr. No.	Particulars	Currency	Foreign Currency	₹. Lacs	Foreign Currency	₹. Lacs
i)	Bank Balances	USD	0.54	27.59	1.70	75.46
ii)	Trade Payables	EURO	12.84	865.26	12.16	768.91
		USD	218.01	10,606.73	222.05	9,914.36
		GBP	0.18	14.78	—	—
iii)	Trade Receivables	EURO	3.84	262.94	6.51	411.39
		USD	29.65	1,518.14	30.68	1,367.66
iv)	Foreign Currency Loans	USD	222.66	11,390.42	397.20	17,635.58
	Conversion rates (INR to foreign currency)	EURO		68.34		63.24
		USD		51.16		44.40
		GBP		81.46		—

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE - 36

RELATED PARTY DISCLOSURES

Disclosure as required by Accounting Standard (AS) - 18 "Related party disclosures" as prescribed u/s. 211 (3C) of the Companies Act, 1956.

i) Names of related parties and related party relationship

Related parties where control exists

Ultimate holding Company

Holding Company

Subsidiaries

Bilcare Limited

Bilcare Singapore Pte. Ltd.

Bilcare GmbH

Bilcare Inc

Bilcare Farmaceutica Embalagem E Pesquisas Ltda

Bilcare SA

Bilcare (UK) Ltd

Bilcare GCS (Europe) Ltd

Bilcare Technologies Singapore Pte. Ltd.

Bilcare Technologies Italia Srl.

Bilcare Mauritius Ltd.

Bilcare Research AG

Bilcare Germany Management GmbH

Bilcare Germany GmbH & Co KG

Films Germany Holding GmbH

Bilcare Agency GmbH

Bilcare Research Srl.

Bilcare Fucine Srl.

Bilcare Research Inc

Bilcare Research GmbH

Caprihans India Limited

Holding Company

Subsidiaries

Related parties - Joint venture

Key Management Personnel

50% holding in International Labs LLC. USA

Mr. Mohan H. Bhandari (Managing Director)

Dr. Praful R. Naik (Executive Director)

ii) Related Party Transactions

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
Subsidiaries		
Sale	161.87	992.41
Purchases	296.00	34.55
Lease Income	700.00	700.00
ICD	500.00	—
Dividend Received	487.85	—
Others	12.22	—
Directors & relatives		
Purchase of land	2,804.00	—
Remuneration to key management personnel		
Mr. Mohan H. Bhandari (Managing Director)		
Basic Salary	120.00	105.00
Perquisites	60.00	54.00
Dr. Praful R. Naik (Executive Director)		
Basic Salary	71.40	66.30
Perquisites	38.56	36.18
Mr. C. P. Jaggi (Executive Director)		
Basic Salary	—	10.50
Perquisites	—	10.50

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
NOTE - 37		
OPERATING LEASES		
The Company has entered into commercial leases on property and items of machinery. These leases have an average life of between three and five years and there are no restrictions placed upon the Company by entering into these leases.		
i) As lessee		
Within one year	334.01	240.29
After one year but not more than five years	367.47	399.28
More than five years	—	—
ii) Lease Rental Income		
Within one year	700.00	700.00
After one year but not more than five years	2,800.00	2,800.00
More than five years	3,092.50	3,792.50
NOTE - 38		
EXPENDITURE IN FOREIGN CURRENCY (actual payment basis)		
i) Value of imports on CIF basis		
Raw materials	14,924.09	15,914.05
ii) Other expenses		
Traveling Expenses	66.46	106.26
Interest	1,229.53	428.98
Other	305.20	205.29
NOTE - 39		
NET DIVIDEND REMITTED IN FOREIGN EXCHANGE		
i) Number of non-resident shareholders	—	—
ii) Number of equity shares held on which dividend was due	—	—
iii) Amount remitted	—	—
NOTE - 40		
EARNINGS IN FOREIGN CURRENCY (actual receipt basis)		
i) Export of Goods	7,466.95	4,332.70
ii) Lease Rent	—	700.00
iii) Dividend (from joint venture)	487.75	—
iv) Other	—	6.54

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE - 41

PREVIOUS YEAR FIGURES

Till the year ended 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company.

The Company has re-classified the previous year figures to conform to this year's classification. Except accounting for dividend on investments in subsidiaries, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

NOTE - 42

The financial statements are presented in ₹. Lacs and decimal thereof except for per share information or as otherwise stated.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No. 4 3 9 5 3 State Code 1 1
 Balance Sheet Date 3 1 0 3 2 0 1 2

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹. LACS)

Public Issue N I L Right Issue N I L
 Bonus Issue N I L Private Placement N I L

III POSITION OF MOBILISATION AND DEPOLYMENT OF FUNDS (AMOUNT IN ₹. LACS)

Total Liabilities 1 8 8 4 6 8 Total Assets 1 8 8 4 6 8

EQUITY AND LIABILITIES

Shareholders' Funds 9 5 4 8 4 Non current liabilities 7 3 8 4 8

Current Liabilities 1 9 1 3 6

ASSETS

Non Current Assets 1 3 3 9 4 3 Current Assets 5 4 5 2 5

IV PERFORMANCE OF COMPANY (AMOUNT IN ₹. LACS)

Income 7 5 8 8 6 Expenditure 5 2 9 9 8

EBIDTA 2 2 8 8 7

Profit / (Loss) before Tax 1 1 3 1 9 Profit / (Loss) after Tax 7 4 7 5

Earning Per Share in ₹. 3 1 . 7 5 Dividend rate % 2 0

V GENERIC NAMES OF THREE PRINCIPAL/PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No (ITC Code) 3 9 2 1 . 9 0

Product Description P V D C C O A T E D F I L M S

For and on behalf of Board of Directors

Mohan H. Bhandari
Managing Director

Place : Pune
Date : 12 July 2012

Anil Tikekar
Company Secretary

Robin Banerjee
Dy Managing Director & CFO

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiaries

Sr. No.	Name of the Subsidiary	Reporting Currency	Country	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover including Other Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
													₹. Lacs
1.	Bilcare Singapore Pte Ltd.	SGD	Singapore	69,888.15	20,449.16	118,506.13	118,506.13	43,717.53	48,076.08	8,979.69	–	8,979.69	–
2.	Bilcare GmbH	Euro	Germany	16.97	188.90	370.85	370.85	–	239.44	(488.76)	–	(488.76)	–
3.	Bilcare Inc.	USD	USA	24,311.99	10,497.64	42,061.13	42,061.13	–	21,734.52	2,750.40	686.75	2,063.66	–
4.	Bilcare Farmaceutica Embalagem E Pesquisas Ltda	Brl	Brazil	145.69	–	146.05	146.05	–	–	–	–	–	–
5.	Bilcare (UK) Ltd.	GBP	UK	1,221.83	(534.65)	2,516.44	2,516.44	2,509.77	–	(120.54)	–	(120.54)	–
6.	Bilcare GCS (Europe) Limited	GBP	UK	19.96	1,323.38	2,537.52	2,537.52	–	4,748.44	797.04	164.29	632.74	–
7.	Bilcare Technologies Singapore Pte. Ltd.	SGD	Singapore	4,290.97	(4,007.81)	5,399.75	5,399.75	–	84.07	(1,966.98)	–	(1,966.98)	–
8.	Bilcare Technologies Italia Srl.	Euro	Italy	13.58	23.93	23.69	23.69	–	–	(59.45)	–	(59.45)	–
9.	Bilcare Switzerland SA	CHF	Switzerland	56.38	(19.64)	38.52	38.52	–	0.05	(4.19)	–	(4.19)	–
10.	Bilcare Mauritius Ltd.	USD	Mauritius	13,943.03	(1,264.16)	12,679.53	12,679.53	12,618.35	–	(1,253.34)	–	(1,253.34)	–
11.	Bilcare Research AG	Euro	Switzerland	13,983.23	(7,098.49)	87,379.28	87,379.28	67,137.11	1,439.87	(3,810.48)	66.76	(3,877.24)	–
12.	Bilcare Germany Management GmbH	Euro	Germany	17.09	(17.13)	18.41	18.41	–	1.30	(7.65)	–	(7.65)	–
13.	Bilcare Germany GmbH & Co. KG	Euro	Germany	55,098.79	622.74	55,854.72	55,854.72	55,082.28	513.42	430.59	(186.31)	616.90	–
14.	Films Germany Holding GmbH	Euro	Germany	17.09	1,598.33	1,626.58	1,626.58	1,609.52	9.51	(234.99)	2.50	(237.49)	–
15.	Bilcare Agency GmbH	CHF	Switzerland	11.28	(8.01)	3.27	3.27	–	0.00	(3.44)	–	(3.44)	–
16.	Bilcare Research Srl	Euro	Italy	341.70	4,441.34	13,858.54	13,858.54	–	24,189.03	2,076.13	(968.86)	3,044.99	–
17.	Bilcare Fucine Srl	Euro	Italy	341.70	5,516.15	13,457.71	13,457.71	–	19,262.60	1,312.42	112.36	1,200.06	–
18.	Bilcare Research Inc	USD	USA	25.58	13,275.38	19,949.06	19,949.06	–	22,428.99	(2,370.01)	–	(2,370.01)	–
19.	Bilcare Research GmbH	Euro	Germany	6,237.51	43,514.81	74,252.53	74,252.53	7,741.57	119,327.88	4,988.05	389.51	4,598.53	–
20.	Caprihans India Limited	INR	India	1,313.40	8,890.84	13,069.54	13,069.54	–	19,790.73	1,067.84	354.00	713.84	197.01

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT

To
The Board of Directors
Bilcare Limited

1. We have audited the attached consolidated Balance Sheet of **Bilcare Limited**, its subsidiaries Bilcare Singapore Pte Ltd., Bilcare Mauritius Ltd., and joint venture International Labs LLC as at 31 March 2012 and also related Statement of Profit and Loss and Cash Flow statement for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the subsidiary companies Bilcare Singapore Pte Ltd., Bilcare Mauritius Ltd. and their respective subsidiaries, all ending on 31 March 2012 except Bilcare SA which is 31 December 2011 and joint venture International Labs LLC for the year ended on 31 March 2012. These statements were audited by other auditors whose reports have been furnished to us, and our opinion, so far as it relates to these companies is based solely on the report of the other auditors.
2. We conducted the audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, on the basis of the individual financial statements of Bilcare Limited and its subsidiaries included in the aforesaid consolidation.
4. In our opinion, based on our audit and the separate report of other auditors, the consolidated financial statements referred to above give true and fair view of the financial position of Bilcare Limited and its aforesaid subsidiaries as at 31 March 2012 and of the result of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles in India.

For **R. L. RATHI & CO.**
Firm Registration No. 108719W
Chartered Accountants

Place: Pune
Date: 12 July 2012

R. L. RATHI
Proprietor
Membership No. 14739

CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2012

	Notes	As on 31 March 2012		As on 31 March 2011	
		₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUND					
Share capital	2	2,354.52		2,354.52	
Reserves & surplus	3	128,268.89		104,231.98	
			130,623.41		106,586.50
SHARE APPLICATION MONEY PENDING ALLOTMENT			2,836.81		—
MINORITY INTEREST			5,205.97		4,880.57
NON-CURRENT LIABILITIES					
Deferred tax liabilities (net)	4	18,020.37		15,719.91	
Long-term borrowings	5	130,335.65		110,322.05	
Other long-term liabilities	6	11,069.91		9,650.52	
Long-term provisions	7	9,150.11		855.21	
			168,576.04		136,547.69
CURRENT LIABILITIES					
Trade payables		37,195.49		30,404.10	
Short-term borrowings	8	6,722.04		2,000.00	
Other current liabilities	9	14,966.27		6,805.55	
Short-term provisions	10	11,744.10		24,711.50	
			70,627.90		63,921.15
TOTAL			377,870.13		311,935.91
ASSETS					
NON-CURRENT ASSETS					
Fixed assets					
Tangible assets	11	131,607.01		122,627.63	
Intangible assets	12	11,484.83		8,138.90	
Goodwill on consolidation		15,117.67		10,066.41	
Capital work-in-progress		5,508.27		3,559.40	
		163,717.78		144,392.34	
Non-current investments	13	8.96		22.58	
Long-term loans and advances	14	509.59		329.41	
Other non-current assets	15	9,500.50		7,905.89	
			173,736.83		152,650.22
CURRENT ASSETS					
Inventories	16	51,928.42		43,414.51	
Trade receivables	17	115,208.48		82,275.17	
Cash and cash equivalents	18	17,254.94		17,778.29	
Short-term loans and advances	19	16,959.35		12,922.10	
Other current assets	20	2,782.11		2,895.62	
			204,133.30		159,285.69
TOTAL			377,870.13		311,935.91
Summary of Significant Accounting Policies	1				

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

R. L. Rathi & Co.

Firm Registration No.108719W

Chartered Accountants

R. L. Rathi

Proprietor

Membership No.14739

Place : Pune

Date :12 July 2012

For and on behalf of Board of Directors

Mohan H. Bhandari

Managing Director

Anil Tikekar

Company Secretary

Robin Banerjee

Dy Managing Director & CFO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2012

	Notes	Year ended 31 March 2012 ₹. Lacs	Year ended 31 March 2011 ₹. Lacs
INCOME			
Revenue from operations	21	364,178.62	228,658.26
Other income	22	764.38	3,899.16
Total revenue (i)		<u>364,943.00</u>	<u>232,557.42</u>
EXPENDITURE			
Cost of materials consumed	23	210,701.83	131,535.29
Changes in inventories of finished goods, Work-in-Progress and stock in trade	24	(1,787.94)	(1,048.44)
Employee benefits expense	25	53,998.53	33,067.93
Other expenses	26	53,627.94	30,576.44
Total expenses (ii)		<u>316,540.36</u>	<u>194,131.22</u>
Profit before interest, depreciation and tax (EBIDTA) (i - ii)		48,402.64	38,426.20
Finance Costs	27	16,449.55	9,909.92
Depreciation and amortisation expense	28	13,106.30	8,591.09
Profit / (Loss) before tax		<u>18,846.79</u>	<u>19,925.19</u>
Tax expense:			
Current tax		3,720.95	3,108.31
Deferred tax		1,119.86	1,871.12
Profit / (Loss) from continuing operations		<u>14,005.98</u>	<u>14,945.76</u>
Minority interest		349.78	194.48
Profit / (Loss) after tax carried to Balance Sheet		<u>13,656.20</u>	<u>14,751.28</u>
Earnings Per Share of ₹. 10/- each : (computed on the basis of continuing operation)	29		
Basic (₹.)		59.49	63.48
Diluted (₹.)		59.49	63.48
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

R. L. Rathi & Co.

Firm Registration No.108719W

Chartered Accountants

R. L. Rathi

Proprietor

Membership No.14739

Place : Pune

Date :12 July 2012

Anil Tikekar

Company Secretary

For and on behalf of Board of Directors

Mohan H. Bhandari

Managing Director

Robin Banerjee

Dy Managing Director & CFO

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

	Year ended 31 March 2012 ₹. Lacs	Year ended 31 March 2011 ₹. Lacs
A Cash flow from Operating Activities		
Profit after tax	13,656.20	14,751.28
Adjustments for:		
Depreciation	19,978.90	90,947.98
Interest / Dividend (Net)	15,468.12	9,445.33
(Profit) / Loss on sale of fixed assets	(57.25)	(98.53)
Foreign Currency Monetary Items Translation Difference Account	(1,481.96)	541.23
Exchange Difference (Foreign Currency Translation Reserves)	12,421.94	1,271.62
Operating Profit before Working Capital Changes	59,985.95	116,858.91
Deferred Tax Liability	2,300.46	4,009.88
Adjustments for:		
Trade & other receivables	(39,451.59)	(53,908.94)
Inventories	(8,513.90)	(26,360.64)
Trade Payables	9,989.03	48,154.21
(Increase) / Decrease in Preliminary Expenses	819.73	296.22
Cash generated from operations	25,129.68	89,049.64
Interest Paid	(16,388.10)	(9,988.46)
Direct Taxes paid	502.78	(264.46)
Net cash from operating activities	9,244.36	78,796.72
B Cash flow from Investing Activities		
Purchase of fixed assets	(39,895.17)	(147,030.79)
Sale of fixed assets	648.13	579.82
Investments	13.62	(22.58)
Interest received	415.00	186.70
Dividend received	566.43	277.89
Net cash used in investing activities	(38,251.99)	(146,008.96)
C Cash flow from Financing Activities		
Proceeds from issue of Share Capital	—	85.73
Proceeds from Share Premium (Net)	—	3,360.78
Increase in Share Application Money	2,836.81	—
Increase in Minority Interest	325.41	4,880.57
Increase in General Reserve on Acquisition	—	50.00
Recoupment from Revaluation Reserve	(12.00)	(12.00)
Increase in Profit and Loss Account on Acquisition	—	87.89
Proceeds from Long Term Borrowings	45,455.27	81,919.30
Repayment of Long Term Borrowings	(19,300.26)	(14,558.57)
Conversion / Buyback of FCCB	—	(5,319.95)
Dividend Paid Including Tax	(820.95)	(661.40)
Net Cash from financing activities	28,484.28	69,832.35
Net increase in cash & cash equivalents (A+B+C)	(523.35)	2,620.11
Cash and cash equivalents as at 01.04.2011	17,778.29	15,158.18
Cash and cash equivalents as at 31.03.2012	17,254.94	17,778.29

As per our report of even date

R. L. Rathi & Co.

Firm Registration No.108719W

Chartered Accountants

R. L. Rathi

Proprietor

Membership No.14739

Place : Pune

Date :12 July 2012

For and on behalf of Board of Directors

Mohan H. Bhandari

Managing Director

Anil Tikekar

Company Secretary

Robin Banerjee

Dy Managing Director & CFO

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE - 1

SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared this financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

ii) Principles of consolidation

The consolidated financial statements for the year ended 31 March 2012 of the Company and its subsidiaries (the "Group") are prepared in accordance with generally accepted accounting principles in India, and the Accounting Standard 21 (AS-21) on 'Consolidated Financial Statements', notified by Companies (Accounting Standards) Rules, 2006 (as amended) ("Accounting Standards") to the extent possible in the same format as that adopted by the Company for its separate financial statements.

The financial statements of the Company and its subsidiary companies have been combined on line by line basis by adding together the book value of line items of assets and liabilities, income and expenditure after eliminating intra group balances and intra group transactions except where cost cannot be recovered. Any excess of the cost to the Company of its investment in a subsidiary and the Company's portion of equity of subsidiary at the date, at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the consolidated financial statements.

iii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

iv) Fixed assets

a. **Tangible fixed assets:** Tangible fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price net of discounts and rebates, borrowing costs and directly attributable costs of bringing the asset to its working condition for the intended use. The Company adjusts exchange differences arising on translation / settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciate the same over the remaining life of the asset. Trial run income and expenses are directly capitalized to the respective assets.

b. **Research and development costs:** Research costs are expensed as incurred. Development expenditure incurred resulting into enduring benefits are capitalized.

c. **Depreciation on tangible fixed assets:** Depreciation is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed by Schedule XIV to the Companies Act, 1956, whichever is higher. In respects of assets added / disposed off during the year, depreciation has been calculated on pro-rata basis with reference to the number of days in use.

d. **Intangible assets:** Intangible assets acquired are measured on initial recognition at cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized over their estimated economic life.

v) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost.

vi) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. Where the carrying amount of an asset or the CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken into revaluation reserve. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exists or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount.

vii) Inventories

Raw materials, components, stores and spares, work-in-progress and finished goods are valued at lower of cost and net realizable value and is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

viii) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods: Revenue from sale of goods is recognized based on billed and dispatch of goods to the customer. Sales are net of discounts, sales tax, excise duty and sales returns.

Income from services: Revenues from services are recognized pro-rata over the period as and when services are rendered net of taxes.

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend: Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

Translation of integral and non-integral foreign operations: The Group classifies all its foreign operations either as "integral foreign operations" or "non-integral foreign operations". The financial statements of the integral foreign operations are translated as if the transactions of the foreign operations have been those of the group itself. The assets and liabilities of the non-integral operations are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the date of transactions. The exchange differences arising on translation are accumulated in the foreign currency translation reserve.

ix) Duties and taxes

Sales tax: The Company opted for the Sales Tax Incentives by way of deferral under Government of Maharashtra Package Scheme of Incentive 1993. The period for deferment of tax liability is 9 years and payable thereafter in five equal annual installments.

Excise duty: Excise duty is accounted for on sale of goods. No provision is made for goods manufactured and lying in factory premises.

x) Retirement and other employee benefits

Provident fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than contribution payable to the provident fund.

Gratuity: The costs of providing gratuity are determined on the basis of actuarial valuation at each year end and actuarial gains / losses are recognized in full in the period in which they occur in the statement of profit and loss. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Accumulated leave: The Company presents the entire accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

xi) Borrowing costs

Borrowing cost includes interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising out of foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction, modernization and expansion or production of an asset are capitalized as part of the costs to the respective asset.

xii) Income taxes

Current tax: Current income tax is measured at the amount expected to be paid in accordance with the Income Tax Act, 1961 and the tax laws prevailing in the respective tax jurisdiction and the tax rates used to compute the amount are those that are enacted at the reporting date.

Deferred tax: Deferred tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years and is measured using the tax rates and tax laws enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities if they relate to the same taxable entity and the same taxation authority.

xiii) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

xiv) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

xv) Measurement of EBIDTA

As permitted by the Guidance Note on the Revised Schedule VI of the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBIDTA) as a separate line item on the face of the statement of profit and loss.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012		As on 31 March 2011	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
NOTE - 2				
SHARE CAPITAL				
AUTHORISED				
i) 40,000,000 (31 March 2011: 40,000,000) Equity Shares of ₹. 10/- each		4,000.00		4,000.00
ii) 5,000,000 (31 March 2011: 5,000,000) Preference Shares of ₹. 10/- each		500.00		500.00
		<u>4,500.00</u>		<u>4,500.00</u>
ISSUED SUBSCRIBED AND PAID UP				
i) Equity Shares 23,545,231 (31 March 2011: 23,545,231) Equity Shares of ₹.10/- each		2,354.52		2,354.52
TOTAL		<u>2,354.52</u>		<u>2,354.52</u>
NOTE - 3				
RESERVES & SURPLUS				
i) Securities Premium				
Balance as per last Financial Statement	51,048.14		47,687.36	
Add: Premium on Conversion of FCCB	—		4,057.62	
Less: Redemption Premium on FCCB	—		696.84	
		51,048.14		51,048.14
ii) General Reserve				
Balance as per last Financial Statement	4,674.44		3,124.44	
Add: Transfer from Statement of Profit & Loss	1,000.00		1,500.00	
Add: Addition on acquisition	—		50.00	
Add: Transfer from Debenture Redemption Reserve	6,000.00		—	
		11,674.44		4,674.44
iii) Capital Redemption Reserve		271.63		271.63
iv) Debenture Redemption Reserve				
Balance as per last Financial Statement	6,000.00		—	
Add: Additions during the year	—		6,000.00	
Less: Transferred to General Reserve	6,000.00		—	
		—		6,000.00
v) Revaluation Reserve				
Balance as per last Financial Statement	88.00		100.00	
Less: Transferred to Statement of Profit and Loss	12.00		12.00	
		76.00		88.00
vi) Foreign Currency Monetary Items Translation Difference Account				
Balance as per last Financial Statement	—		(541.23)	
Add: Additions During the Year	(1,481.96)		—	
Less: Transferred to Statement of Profit and Loss	—		541.23	
		(1,481.96)		—

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012		As on 31 March 2011	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
vii) Foreign Currency Translation Reserve on Consolidation		15,721.09		3,299.13
viii) Surplus in the Statement of Profit and Loss				
Balance as per last Financial Statement	38,850.64		32,332.42	
Add: Addition on acquisition	—		87.89	
Net Profit for the year	13,656.20		14,751.28	
Less: Transfer to General Reserve	1,000.00		1,500.00	
Transfer to Debenture Redemption Reserve	—		6,000.00	
Proposed Dividend	470.90		706.36	
Tax on Dividend	76.39		114.59	
		50,959.55		38,850.64
TOTAL		128,268.89		104,231.98
NOTE - 4				
DEFERRED TAX LIABILITIES				
Difference between Book and Tax Depreciation		18,020.37		15,719.91
TOTAL		18,020.37		15,719.91
NOTE - 5				
LONG-TERM BORROWINGS				
i) Secured Loans:				
Term Loan from Banks	126,067.41		101,417.61	
Financial Lease Obligations	2,190.33		—	
Debentures / Bonds	—		6,000.00	
		128,257.74		107,417.61
ii) Unsecured Loans:				
Deferred Sales Tax Loans	1,170.08		1,143.17	
Fixed Deposits	12.89		12.99	
Others	894.94		1,748.28	
		2,077.91		2,904.44
		130,335.65		110,322.05
NOTE - 6				
OTHER LONG-TERM LIABILITIES				
Other long-term Liabilities		11,069.91		9,650.52
TOTAL		11,069.91		9,650.52

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
NOTE - 7		
LONG-TERM PROVISIONS		
Provisions for Employee Benefits	9,150.11	855.21
TOTAL	9,150.11	855.21
NOTE - 8		
SHORT-TERM BORROWINGS		
i) Secured:		
Working capital loan from banks	6,022.04	2,000.00
ii) Unsecured:		
Term Loan from Banks	700.00	—
TOTAL	6,722.04	2,000.00
NOTE - 9		
OTHER CURRENT LIABILITIES		
i) Current Maturities of Long Term Borrowings	13,952.77	6,640.07
ii) Interest Accrued but not Due on Borrowings	226.93	165.48
iii) Withholding Tax Payable	786.57	—
TOTAL	14,966.27	6,805.55
NOTE - 10		
SHORT-TERM PROVISIONS		
i) Provision for Taxes on Income	545.62	42.83
ii) Provision for Employee Benefits	57.30	35.58
iii) Dividend Payable	470.90	706.36
iv) Provision for Dividend Tax	76.39	114.59
v) Other Short Term Provisions	10,593.89	23,812.14
TOTAL	11,744.10	24,711.50

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE - 11

TANGIBLE ASSETS

Sr. No.	Items of Asset	Gross Block at Cost or Book Value						Depreciation					Net Block	
		As on 01/04/2011	Addition on Acquisition	Exchange Fluctuation	Additions	Deductions	As on 31/03/2012	As on 01/04/2011	Addition on Acquisition	Exchange Fluctuation	For the Year	Deductions	As on 31/03/2012	As on 31/03/2011
01	Freehold Land	7,840.69	—	213.90	—	—	8,054.59	—	—	—	—	—	8,054.59	7,840.69
02	Leasehold Land	1,453.30	—	214.37	—	—	1,667.67	34.48	—	4.81	32.09	—	1,596.29	1,418.82
03	Building	31,692.30	—	2,427.33	698.37	585.21	34,232.79	13,669.36	—	1,049.75	1,110.17	384.54	18,788.05	18,022.94
04	Plant & Machinery	168,023.05	—	10,223.86	12,163.10	184.58	190,225.43	77,404.62	—	5,208.77	8,112.10	44.02	99,543.97	90,618.43
05	Vehicles	1,279.64	—	86.27	9.81	23.88	1,351.85	1,031.64	—	73.73	55.42	17.28	208.35	248.00
06	Electric Fitting	1,697.90	—	—	0.50	—	1,698.40	442.39	—	—	75.98	—	1,180.03	1,255.51
07	Furniture & Fixture	1,544.21	—	58.17	78.74	5.39	1,675.74	513.59	—	15.64	117.36	3.10	1,032.24	1,030.62
08	Office Equipments	3,683.81	—	49.23	77.63	734.54	3,076.12	1,491.19	—	330.47	445.33	394.37	1,203.50	2,192.62
	TOTAL	217,214.90	—	13,273.14	13,028.15	1,533.59	241,982.60	94,587.27	—	6,683.17	9,948.45	843.31	131,607.01	122,627.63

NOTE - 12

INTANGIBLE ASSETS

Sr. No.	Items of Asset	Gross Block at Cost or Book Value						Depreciation					Net Block	
		As on 01/04/2011	Addition on Acquisition	Exchange Fluctuation	Additions	Deductions	As on 31/03/2012	As on 01/04/2011	Addition on Acquisition	Exchange Fluctuation	For the Year	Deductions	As on 31/03/2012	As on 31/03/2011
01	Patent and Trademarks	1,463.33	—	—	716.07	—	2,179.40	506.78	—	—	146.93	—	1,525.69	956.55
02	Other Intangible Assets	16,006.13	—	3,624.14	1,372.27	23.35	20,979.18	8,823.78	—	1,258.87	1,060.14	122.75	9,959.14	7,182.35
	TOTAL	17,469.46	—	3,624.14	2,088.33	23.35	23,158.58	9,330.56	—	1,258.87	1,207.07	122.75	11,484.83	8,138.90
	Previous Year*	89,377.68	120,272.72	1,603.35	24,373.09	942.48	234,684.36	14,039.79	82,763.06	71.91	7,504.23	461.18	130,766.55	75,337.89

* Tangible & Intangible

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012		As on 31 March 2011	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
NOTE - 13				
NON-CURRENT INVESTMENTS				
i) Other non current investments :				
Equity Shares:				
Cosmos Bank		8.96		22.58
TOTAL		<u>8.96</u>		<u>22.58</u>
NOTE - 14				
LONG-TERM LOANS AND ADVANCES				
Unsecured, considered good				
i) Security Deposits		509.59		329.41
		<u>509.59</u>		<u>329.41</u>
NOTE - 15				
OTHER NON CURRENT ASSETS				
i) Unamortized Expenses	1,607.20		2,426.93	
ii) Deposits with Government Authorities	<u>7,893.30</u>		<u>5,478.96</u>	
		9,500.50		7,905.89
TOTAL		<u>9,500.50</u>		<u>7,905.89</u>
NOTE - 16				
INVENTORIES				
(valued at lower of cost and net realizable value)				
i) Raw Material		31,380.04		24,894.92
ii) Work-in-progress		4,577.69		4,913.14
iii) Finished Goods		11,717.78		9,594.39
iv) Stores & Spares, Consumables		4,252.91		4,012.06
TOTAL		<u>51,928.42</u>		<u>43,414.51</u>
NOTE - 17				
TRADE RECEIVABLES				
Secured, considered good				
i) Outstanding for more than six months from due date	22.09		4.01	
ii) Others	<u>526.55</u>		<u>454.11</u>	
TOTAL		548.64		458.12
Unsecured, considered good				
i) Outstanding for more than six months from due date	2,841.21		3,274.36	
ii) Others	111,818.63		78,542.69	
		114,659.84		81,817.05
TOTAL		<u>115,208.48</u>		<u>82,275.17</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
NOTE - 18		
CASH AND CASH EQUIVALENTS		
i) Cash on Hand	17.06	20.07
ii) Deposits with Bank		
On Current account	13,276.70	10,089.82
On Term Deposit Account	3,961.18	7,668.40
	17,237.88	17,758.22
TOTAL	17,254.94	17,778.29
NOTE - 19		
SHORT-TERM LOANS AND ADVANCES		
Unsecured considered goods		
i) Balances with Government Authorities	799.22	3,268.79
ii) Advances others	16,160.13	9,653.31
TOTAL	16,959.35	12,922.10
NOTE - 20		
OTHER CURRENT ASSETS		
Prepaid Expenses	2,782.11	2,895.62
TOTAL	2,782.11	2,895.62
NOTE - 21		
REVENUE FROM OPERATIONS		
i) Sales of Goods	341,435.89	214,526.29
ii) Sale of Services	22,742.73	14,131.97
TOTAL	364,178.62	228,658.26
NOTE - 22		
OTHER INCOME		
i) Interest Received	415.00	186.70
ii) Dividend Income	566.43	277.89
iii) Profit on Assets Sold / Discarded	65.02	98.53
iv) Exchange Differences, Net Income	(482.37)	2,554.83
v) Miscellaneous income from non-operating activities	200.30	781.21
TOTAL	764.38	3,899.16

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
NOTE - 23		
COST OF MATERIALS CONSUMED		
Opening Stock of Raw Material	24,894.92	13,987.88
Add: Purchases (net)	217,186.95	142,442.33
Less: Closing stock of Raw Material	31,380.04	24,894.92
TOTAL	210,701.83	131,535.29
NOTE - 24		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
i) Stock in trade (at commencement)		
Semi finished goods / work-in-progress	4,913.14	1,491.74
Finished goods	9,594.39	1,362.49
Addition on Acquisition	—	10,604.86
	14,507.53	13,459.09
ii) Stock in Trade (at the end)		
Semi finished goods / work-in-progress	4,577.69	4,913.14
Finished goods	11,717.78	9,594.39
	16,295.47	14,507.53
Increase / Decrease (-)	(1,787.94)	(1,048.44)
NOTE - 25		
EMPLOYEE BENEFITS EXPENSE		
i) Salaries, wages, allowance and bonus	42,457.65	30,653.33
ii) Contribution to retirement benefits for employees	10,223.20	1,871.07
iii) Staff welfare expenses	1,317.68	543.53
TOTAL	53,998.53	33,067.93
NOTE - 26		
OTHER EXPENSES		
i) Consumables, Spares and Loose Tools Consumed	3,482.20	3,127.48
ii) Power and Fuel	12,787.40	5,255.52
iii) Repairs and Maintenance		
Plant and Machinery	2,409.88	1,785.92
Buildings	106.82	109.77
Others	303.28	1,622.71
iv) Rent / Lease of Premises	2,872.44	1,953.16
v) Rates and Taxes	265.81	230.81

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
NOTE - 26 (Continued)		
OTHER EXPENSES		
vi) Insurance	748.72	513.96
vii) Selling Expenses	18,495.12	8,725.76
viii) Travelling, Conveyance and Vehicle Expenses	1,419.97	1,144.65
ix) Communication Expenses	1,262.36	816.20
x) Consultancy Charges	3,213.10	1,317.30
xi) Donations	4.47	0.82
xii) Office Expenses, Administrative and other miscellaneous expenses	6,248.60	3,972.38
xiii) Loss on Assets Sold / Discarded	7.77	—
TOTAL	53,627.94	30,576.44
NOTE - 27		
FINANCE COSTS		
i) Interest Expenses	11,588.31	6,319.89
ii) Other Borrowing Costs	1,020.59	2,855.53
iii) Bank Charges	3,840.65	734.50
TOTAL	16,449.55	9,909.92
NOTE - 28		
DEPRECIATION AND AMORTISATION EXPENSE		
i) Depreciation on Tangible Assets	9,948.45	7,287.84
ii) Amortisation of Intangible Assets	1,207.07	216.39
iii) Amortisation of pre-operative expense	1,962.78	1,098.86
iv) Less: Recoupment from Revaluation Reserve	12.00	12.00
TOTAL	13,106.30	8,591.09
NOTE - 29		
EARNINGS PER SHARE (EPS)		
Net Profit as per Statement of Profit & Loss	14,005.98	14,945.76
Weighted Average Number of Equity Shares for Basic / Diluted EPS	23,545,231	23,545,231
Nominal Value of Equity per Share (₹.)	10	10
Basic / Diluted Earning per Share (₹.)	59.49	63.48

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs	
NOTE - 30			
CONTINGENT LIABILITIES			
i) Claims against the Company, not acknowledged as debts:			
Corporate Guarantees Given	20,911.10	19,924.43	
Disputed Income Tax Matters in Appeal (Liability u/s.153 of the Income Tax Act, 1961 may accrue on account of the Search, the amount is not yet crystalised)	400.00	165.39	
Excise & Others	1,971.45	1,913.59	
ii) Estimated Amount of contracts remaining to be executed on capital account not provided for (net of advances)	2,227.39	823.00	
NOTE - 31			
RELATED PARTY DISCLOSURES			
Related Party Transactions			
Subsidiaries			
Lease Income	700.00	700.00	
ICD	500.00	—	
Dividend Received	487.85	—	
Others	67.14	—	
NOTE - 32			
COMPANIES INCLUDED IN CONSOLIDATION			
Name of the Company	Country of incorporation	% holding	Relationship
Bilcare Limited	India	—	Ultimate Holding Company
Bilcare Singapore Pte. Ltd.	Singapore	100.0%	Wholly owned Subsidiary
Bilcare GmbH	Germany	100.0%	Stepdown Subsidiary
Bilcare Inc	USA	100.0%	Stepdown subsidiary
Bilcare Farmaceutica Embalagem	Brazil	100.0%	Stepdown subsidiary
E Pesquisas Ltda			
Bilcare SA	Switzerland	100.0%	Stepdown subsidiary
Bilcare (UK) Ltd	UK	100.0%	Stepdown Subsidiary
Bilcare GCS (Europe) Ltd	UK	100.0%	Stepdown Subsidiary
Bilcare Technologies Singapore Pte. Ltd.	Singapore	100.0%	Stepdown Subsidiary
Bilcare Technologies Italia Srl.	Italy	92.5%	Stepdown Subsidiary
Bilcare Mauritius Ltd.	Mauritius	100.0%	Wholly Owned Subsidiary
Bilcare Research AG	Switzerland	100.0%	Stepdown Subsidiary
Bilcare Germany Management GmbH	Germany	100.0%	Stepdown Subsidiary

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE - 32 (Continued)

COMPANIES INCLUDED IN CONSOLIDATION

Name of the Company	Country of incorporation	% holding	Relationship
Bilcare Germany GmbH & Co KG	Germany	100.0%	Stepdown Subsidiary
Films Germany Holding GmbH	Germany	94.9%	Stepdown Subsidiary
Bilcare Agency GmbH	Switzerland	100.0%	Stepdown Subsidiary
Bilcare Research Srl.	Italy	100.0%	Stepdown Subsidiary
Bilcare Fucine Srl.	Italy	100.0%	Stepdown Subsidiary
Bilcare Research Inc	USA	100.0%	Stepdown Subsidiary
Bilcare Research GmbH	Germany	94.9%	Stepdown Subsidiary
Caprihans India Limited	India	51.0%	Stepdown Subsidiary
International Labs LLC	USA	50.0%	Joint Venture

NOTE - 33

OPERATING LEASES

The Company has entered into commercial leases on property and items of machinery. These leases have an average life of between three and five years and there are no restrictions placed upon the Company by entering into these leases.

	As on 31 March 2012 ₹. Lacs	As on 31 March 2011 ₹. Lacs
i) As Lessee		
Within one year	974.44	2,335.55
After one year but not more than five years	1,878.94	7,576.13
More than five years	1,363.00	3,983.94
ii) Lease Rental Income		
Within one year	700.00	700.00
After one year but not more than five years	2,800.00	2,800.00
More than five years	3,092.50	3,792.50

NOTE - 34

PREVIOUS YEAR FIGURES

Till the year ended 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company.

The Company has re-classified the previous year figures to conform to this year's classification. Except accounting for dividend on investments in subsidiaries, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

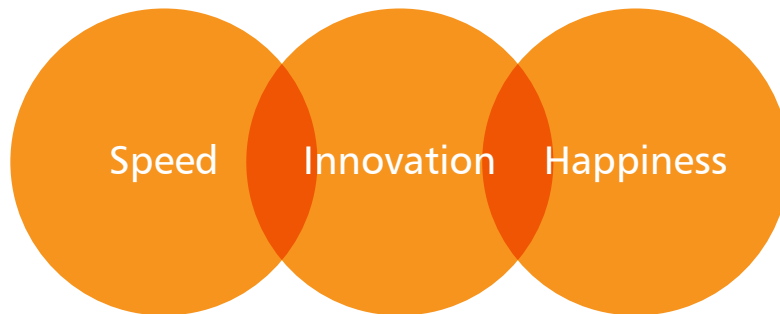
NOTE - 35

The financial statements are presented in ₹. Lacs and decimal thereof except for per share information or as otherwise stated.

Vision

Delivering Innovation - Touching Lives

Values

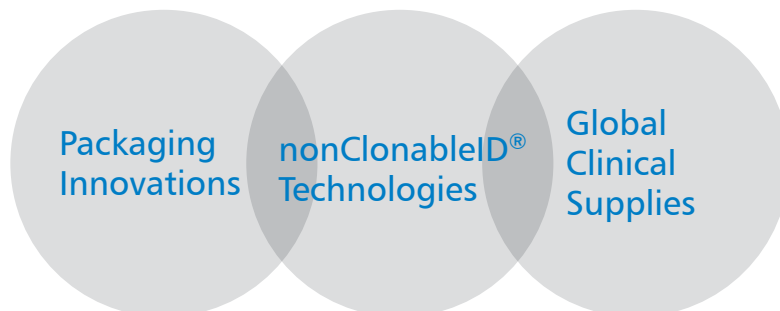


Proactive and
swift action are
our mantras

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

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

Offerings



Pharma
Packaging
Innovations
Specialty Films
Solutions
Packaging Films
Solutions
Cards
Solutions

Anti-counterfeit
Technologies
for Authentication
and Track 'n' Trace
of people and
products -
anywhere,
any time

Research
Process
Outsourcing
for new drug
discovery in
clinical trials;
Facilitating
speed-to-
market



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Pune 410505, India.
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www.bilcare.com

Bilcare Limited

Regd. Office: 1028, Shirol, Rajgurunagar, Pune - 410 505, India

Notice

Notice is hereby given that the 25th Annual General Meeting of the Members of Bilcare Limited will be held on Saturday, the 29 day of September 2012, at 11.00 a.m. at the Registered Office of the Company at 1028, Shirol, Rajgurunagar, Pune - 410 505 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31 March 2012, the statement of Profit and Loss for the year then ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Dr. Kalyani Gandhi, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Dr. R.V. Chaudhari, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Praful R. Naik, who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED that the Company's Auditors, M/s. R. L. Rathi & Co., Chartered Accountants, Pune, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorised to fix their remuneration for the period."

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that Mr. Robin Banerjee, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company subject to retirement by rotation under the Articles of Association of the Company."
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Robin Banerjee be and is hereby appointed as Deputy Managing Director of the Company, for a period of Three years w.e.f. 14 May 2012 on the following terms and conditions:
 - a) Remuneration: Salary, Allowance and Incentive taken together shall not exceed ₹. 25,000,000 (Rupees Two Crores Fifty Lacs only) per annum.
 - b) Perquisites: In addition to the above, Mr. Robin Banerjee shall be entitled to Perquisites which shall include Unfurnished Residential Accommodation together with gas, electricity and water or House Rent Allowance, Reimbursement of Medical Expenses, Leave Travel Assistance for self and family, Club Fees, Premium on Personal Accident Insurance, Contribution to Provident Fund, Super Annuation Fund or Annuity Fund and Gratuity, Encashment of Leave and such other benefits and allowances as are available to other employees in the senior management cadre of the Company alongwith Performance Linked Incentive, the monetary value of which shall not exceed annual salary and allowances.
 - c) The remuneration comprising Salary, Perquisites, and other benefits and allowances of Mr. Robin Banerjee shall be as specified by the Board of Directors from time to time and further subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956 or any modification or re-enactment thereof.

- d) In the event of absence or inadequacy of profits in any year, Mr. Robin Banerjee would be entitled to above as minimum remuneration subject to ceiling as laid down under Schedule XIII of the Companies Act, 1956 as amended from time to time.
- e) So long as he functions as the Deputy Managing Director & CFO of the Company, he shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things which are necessary and incidental to give effect to the above Resolution."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Mohan H. Bhandari be and is hereby re-appointed as the Managing Director of the Company, not liable to retire by rotation, for a further period of five years w.e.f 1 July 2012 on the same terms and conditions which are as follows:

Salary and allowance: taken together shall not exceed ₹. 1,000,000/- (Rupees Ten Lacs Only) per month, with the authority to the Board of Directors to fix, determine, increase or revise the same, so that the above shall not exceed ₹. 1,500,000/- (Rupees Fifteen Lacs Only) per month.

Bonus/Commission: Performance linked Bonus / Commission on Profits, alongwith Salary, Allowance and Perquisites, not exceeding 5% of the Net Profit of the Company in any financial year, as the Board may determine.

Perquisites: Mr. Mohan H. Bhandari shall be entitled to Perquisites which shall include unfurnished residential accommodation or House Rent Allowance together with gas, electricity and water, reimbursement of Medical Expenses incurred, Leave Travel Assistance for self and family, Club Fees, Premium on personal accident insurance, contribution to Provident Fund, Super Annuation Fund or Annuity Fund and Gratuity, encashment of leave at the end of the tenure and such other benefits and allowances as are available to other employees in the senior management cadre of the Company, the monetary value of which shall not exceed annual salary and allowances.

The Company shall also provide Car with Driver to the Managing Director for Company's business and also telephone at his residence.

The remuneration comprising of Salary, Bonus/Commission, Perquisites and other benefits and allowances of Mr. Mohan H. Bhandari shall be as specified by the Board of Directors from time to time and further subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956 or any modification or re-enactment thereof. In the event of absence or inadequacy of profits in any year, Mr. Mohan H. Bhandari would be entitled to above as minimum remuneration (except Bonus/ Commission) subject to ceiling as laid down under Schedule XIII of the Companies Act, 1956 as amended from time to time.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things which are necessary and incidental to give effect to the above Resolution."

By Order of the Board of Directors
For Bilcare Limited

Mohan H. Bhandari
Chairman and Managing Director

Pune : 13 August 2012

Notes:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of business under Item Nos. 7 to 9 is annexed hereto.
2. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.**

3. Members who hold shares in dematerialised form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the Meeting.
4. Members are requested to bring their copy of Annual Report for the Meeting.
5. The documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except holidays, between 3.00 p.m. to 5.00 p.m. upto the date of the Annual General Meeting.
6. The Register of Members and the Transfer Books will remain closed from Saturday, 22 September 2012 to Saturday 29 September 2012, (both days inclusive) for payment of dividend on equity shares, if declared at the Meeting. In respect of shares held in Electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
7. The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched on or before 15 October, 2012 to those members whose names shall appear on the Company's Register of Members on 21 September, 2012; in respect of shares held in Electronic form, the dividend will be paid to members whose names are furnished by the Depositories as beneficial owners as on that date.
8. Pursuant to the provisions of Section 205A of the Companies Act, 1956 as amended, dividend for the financial year ended 31 March 2005 and thereafter which remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed the demand draft(s) so far for the financial year ended 31 March 2005 or any subsequent financial years are requested to make their claim. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof with the company.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd.
10. Equity Shares of the Company are under compulsory demat trading by all the investors. Members are advised to dematerialise their shareholdings, to avoid inconvenience.
11. Members holding shares in dematerialised form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their demand draft(s)/dividend warrant(s) as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
12. To avoid loss of demand drafts in transit and undue delay in respect of receipt of demand draft(s) / dividend warrant(s), the Company has provided a facility to the Members for remittance of dividend through the National Electronic Clearing Service (NECS). The NECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents, M/s.Link Intime India Pvt. Ltd.
13. The Ministry of Corporate Affairs (MCA), Government of India, had taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and had issued circulars stating that service of notice / documents including Annual Report can be done by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialised holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form should send e-mail at bilcaregogreen@linkintime.co.in to update their e-mail address.
14. Disclosure of Shareholding of Directors recommended by the Board of Directors for Re-appointment / Appointment at the Annual General Meeting pursuant to Clause 49 of the Listing Agreement :

S.No.	Name of the Director	No. of Shares Held
1.	Dr. Praful R. Naik	25,000

15. The Company has appointed Link Intime India Pvt. Ltd. as the Registrar and Transfer Agents of the Company to carry out the share transfer work on behalf of the Company and all communications be addressed to the following address:

Address of the 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

E-mail: pune@linkintime.co.in

Explanatory Statement under Section 173 of the Companies Act, 1956

The following Explanatory Statement for item Nos. 7 to 9 of the accompanying Notice set out hereinabove is as under:

Item Nos. 7 & 8:

Mr. Robin Banerjee was appointed as Additional Director of the Company w.e.f. 14 May 2012. Pursuant to Section 260 of the Companies Act, 1956, Mr. Banerjee holds office as Additional Director upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing, under the provisions of Section 257 of the Companies Act, 1956, from a member proposing the candidature of Mr. Banerjee for the office of Director of the Company, subject to retirement by rotation.

Mr. 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, including India, Germany, France, Romania, USA, Mexico, Trinidad, amongst others. In his initial career, Robin served in Hindustan Unilever in various senior positions. Between 1999 and 2004, he worked with Arcelor- Mittal, the largest steel company in the world, as the Managing Director and CFO for their German operations. Having returned to India in 2005, Robin 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 in several international operations. Robin has written several books on Indirect Taxation, including Modvat (on Value Added Tax), which went into 10 editions. He is connected with several educational and Management Institutes in India and abroad, including being an elected Board Member of the International School of Düsseldorf, Germany.

The Board of Directors have, decided to appoint Mr. Banerjee as Deputy Managing Director of the Company for a period of Three years w.e.f. 14 May 2012, on the terms of remuneration as detailed in Resolution at Item No. 8. The Company will be immensely benefited because of varied experience of Mr. Banerjee. The Resolutions are recommended for your approval.

Save and except Mr. Banerjee, none of the Directors are concerned or interested in the Resolutions.

The above along with the Resolution at item No. 8 of this Notice may be regarded as an 'Abstract of the terms of appointment and Memorandum of interest' under Section 302 of the Companies Act, 1956.

Item No. 9:

In the Annual General Meeting held on 28 September 2007, Mr. Mohan H. Bhandari was re-appointed as Managing Director for a period of five years w.e.f. 1 July 2007. His term of appointment has expired on 30 June 2012. In the Annual General Meeting held on 23 September 2011, his remuneration was revised w.e.f. 1 April 2011.

The Board of Directors at its meeting held on 12 July 2012, has re-appointed Mr. Mohan H. Bhandari as Managing Director for a further period of five years w.e.f. 1 July 2012, on the same Salary and Allowances, Bonus / Commission and Perquisites as detailed in the resolutions at Item No. 9 of the notice.

Mr. Mohan H. Bhandari may be regarded as concerned or interested in the Resolution relating to his re-appointment. No other Director is concerned with or interested in the resolutions under item No.9.

The Resolution is recommended for approval of the members.

This along with the Resolution may be treated as an 'Abstract of the terms of appointment and Memorandum of interest' under Section 302 of the Companies Act, 1956.

By Order of the Board of Directors
For Bilcare Limited

Mohan H. Bhandari
Chairman and Managing Director

Pune : 13 August 2012

Bilcare Limited

Regd. Office: 1028, Shiroli, Rajgurunagar, Pune - 410 505, India

25th ANNUAL GENERAL MEETING

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE

Name of the Member / Proxy
(in BLOCK LETTERS)

Regd. Folio No. DP ID* Client ID*

No. of Shares held

I hereby record my presence at the 25th Annual General Meeting of the Company on Saturday, 29 September 2012.

Signature of the Member / Proxy

* Applicable for investors holding shares in electronic form.

NOTE: Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting and hand it over at the entrance of the Meeting Hall. No attendance slip will be issued at the time of meeting.

Bilcare Limited

Regd. Office: 1028, Shiroli, Rajgurunagar, Pune - 410 505, India

25th ANNUAL GENERAL MEETING

PROXY

I/We..... of..... being a member/
members of Bilcare Limited, hereby appoint of or failing him
..... of as my/our Proxy to vote for me/us and on
my/our behalf at the 25th Annual General Meeting of the Company on Saturday, 29 September 2012 and at any adjournment
thereof.

AS WITNESS my/our hand(s) this _____ day of _____ 2012.

Signature of the Member

Affix
₹ 1
Revenue
Stamp

Regd. Folio No. _____

DP ID* _____ Client ID* _____

* Applicable for investors holding shares in electronic form.

NOTES

1. The Proxy need not be a Member.
2. The Proxy Form must be submitted so as to reach the Registered Office of the Company not less than 48 hours before time for holding the aforesaid meeting.