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Bilcare
Research

September 26, 2016

The Secretary,
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
Fax No. 022 22723121

Subject: Submission of Annual Report of the Company for the year ended 31st March, 2016 under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have enclosed the Annual Report of the Company for the year ended 31st March, 2016, approved and adopted by the members in their Annual General Meeting held on 14th September, 2016.

Kindly take the above on record and oblige.

Thanking you.

Yours faithfully,
For Bilcare Limited



Anil Tikekar
Company Secretary & CFO

Encl : As above

Annual Report 2015-2016

Bilcare
Research





Vision

Transforming Health Outcomes, Touching Lives

Values

Speed

Proactive and swift action are our mantras

Innovation

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

Happiness

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



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CHAIRMAN'S LETTER

Road- to- Recovery!

The past is behind us and the future is unknown! We are living in the practical present. Bilcare presently is all about *restructuring, realigning, recovering and rethinking to resolve our current challenges*. This calendar year in many ways would be the defining moment for the Company as it continues the journey towards a sustainable growth.

“As we embark on a new journey and set new goals, let us focus not just on routine matters but also transform all areas and ideas that focus not just on creating waves but also creating values for our society. Not just on immediate gains but also long term benefits, not just implementing best practices but also shaping partnerships and not just on building a bright future for our people but in being a bridge to a more united and prosperous world. For the success of this journey, it is important to view this with new eyes and new sensitivity. The constraints of the past are behind us and the foundations of the future are in place”,

These lines taken from recent historic speech of our Honorable Prime Minister given to US Congress at Capitol Hill is perhaps most apt to describe Bilcare present situation and the way forward.

Bilcare, incorporated in the eighties as a start-up epitomizes the story of India in many ways. We are in fact following the same course and in the present would be at early stage of – what India stands today. Team Bilcare has shown relentless effort and grit as we embark our recovery journey resulting-in two key milestones: (1) Business repositioning done during the year under review, resulted in substantial performance improvement. As a part of global reorganization and customer convenience, the manufacturing facility of Bilcare Singapore Pte. Ltd. was brought under Bilcare Research AG. Since then, it has already started delivering positive EBIDTA which was earlier under

stress. (2) As you read our balance sheet, you will see, there are tangible improvements with over 60% resolution of debt. We are confident to restructure the balance debt in the coming financial year.

We are committed towards implementing the best accounting practices and also set the highest compliance system adhering to global governance standards by adopting International Financial Reporting Standards (IFRS). For the next financial year, we are working on transition from I-GAAP to IND-AS which will bring the accounting at par with the international standards with utmost transparency and will also act as an impetus for adherence to systems and processes leading to productivity and growth.

Bilcare Pharma Packaging Innovations (PPI) through its research and manufacturing facility in US, Europe and Asia has emerged as a preferred service provider for the global Pharmaceutical manufacturers and is strengthening its value offering year on year. Today, we cater to over 1000 pharmaceutical manufacturers spread across over 120 countries who look forward to Bilcare's innovative solutions to resolve their brand growth challenges as well as their patients' latent needs.

Bilcare PPI, India has established a new product range for Alu-Alu (Cold Form Foils) over the last few years with a state-of-the-art manufacturing facility having a clear edge for its quality and design. This year, PPI, India has expanded its market reach for this product into Europe and US. Alu-Alu forms 15% of Global Pharma Packaging with Europe being a major market on the rise. Bilcare Research AG will market this product range in Europe and US, where it has existing footprints and a loyal customer base. In the ensuing year, this strategic move will give the desired momentum to the PPI operations in India.

During the year Bilcare GCS set up two overseas subsidiaries in the US and UK and added 38 new

customers, resulting in revenue growth by 45%. Comparator sourcing business showed a growth of 74% due to the very nature of its business, market potential and opening of the overseas subsidiaries.

Bilcare Technology is providing Cloud Based SAAS platform using leading edge technologies. This platform will provide brand owners with very comprehensive, scalable and reliable services for ACF, Track-n-Trace, and digital marketing. Bilcare Technology team is now focused on evolving the solutions with compelling economics to B2B clients along with valuable market insights and delight to end consumers.

Despite, working capital constraints resulting in reduced utilization and having a low operating capacity, our sustained efforts on restructuring and realignment of the capital structure has led to reduction in the loss of India standalone by INR 35.82 Cr and EPS improvement by 19.5%.

Recently, The Indian Institute of Packaging (IIP) published its vision document 2024 with collation of views from Industry stalwarts and academicians on Pharmaceutical Packaging that resonated Bilcare mission and therefore,

I feel, strategically we are on the right track. I firmly believe, "Packaging 3.0 will be a brand differentiator, personalized, with real time digital consumer interface, and at the same time will ensure sustainability by reducing, reusing and recycling".

"The road to recovery will not always be easy, but I will take it one day at a time, focusing on the moments I've dreamed about for so long"
- Amanda Lindhout.

With this quote, I conclude by thanking you all, shareholders, investors, customers, bankers, regulators, vendors, partners and employees for your continued support and trust.

Best Wishes,

A handwritten signature in black ink, appearing to read 'Mohan H. Bhandari', with a long horizontal line extending from the end of the signature.

Mohan H. Bhandari
Chairman and Managing Director



CORPORATE INFORMATION

Board of Directors

Mr. Mohan H. Bhandari

Mr. Rajendra B. Tapadia

Mr. Avinash S. Joshi

Dr. Sankarshan Basu

Mrs. Nutan M. Bhandari

Company Secretary & CFO

Mr. Anil Tikekar

Registered Office and Works

1028, Shirol, Rajgurunagar, Pune - 410 505, India.

Auditors

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

Chartered Accountant

Secretarial Auditor

M/s. Shekhar Ghatpande & Co,

Practicing Company Secretaries

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



MANAGEMENT DISCUSSION AND ANALYSIS

Pharma Packaging Industry- Future Landscape:

As per IMS study, global use of medicines will reach 4.5 trillion doses by 2020 amounting to \$1.4 trillion. The largest user countries will be the pharmerging markets, accounting for two-thirds of the global medicine volumes, mostly comprised of generic medicines and reflecting an increase in utilization of medicines due to broad-based health system expansions.

Volumes in developed markets will remain relatively stable and the trend towards original branded products as use of specialty medicines will become more widespread. Generics, non-original branded and over the counter (OTC) products will account for 88% of the total medicine use in pharmerging markets by 2020, and be the largest contributors for access to medicines in those countries. Medicines will include a vast array of treatments ranging from those that provide symptom relief available without a prescription to lifesaving genetically personalized therapies unique to a single patient. Disease treatments will be transformed by the increased number and quality of new medicines in clusters of innovation around cancer, Hepatitis C, autoimmune disorders, heart disease and an array of rare diseases. Technology will be enabling more rapid changes to treatment protocols, increasing patient engagement and accountability, shifting patient-provider interaction, and accelerating the adoption of behavior changes that will improve patient adherence to treatments.

As per Fredonia latest report, Pharmaceutical packaging market will reach more than \$80 billion by 2020, witnessing a CAGR around 6.50% between 2015 and 2020. North America and Europe together accounted for around 70% of the pharmaceutical packaging market, in terms of value.

Due to rising spending capacity of consumers in the region, the pharmaceutical market is projected to witness a steady growth rate in Asia-Pacific and Rest of the World.

Advancements in drug delivery technology driving the pharmaceutical packaging market:

The growth of injectable drug delivery and solutions market, contributes significantly to the pharmaceutical packaging market in developed countries. Other factors responsible for growth are the aging of the world population, rising health awareness among consumers, the trend towards 'on-the-go' lifestyles and many more. As with most other packaged goods, pharmaceuticals need reliable and speedy packaging solutions that deliver a combination of product protection, quality, tamper evidence, patient comfort and security needs. Constant innovations in the pharmaceuticals themselves such as, Blow Fill Seal (BFS) vials, Anti-counterfeit measures, Plasma Impulse Chemical Vapor Deposition (PICVD) coating technology, Snap off ampoules, Unit dose vials, two-in-one Prefilled vial design, Prefilled syringes and child-resistant packs have a direct impact on the packaging industry growth. Pharmaceutical packaging has to balance a host of complex considerations. Beyond the relatively simple issues such as developing good designs and communicating with customers, pharmaceutical packagers are governed by more pressing concerns including fighting counterfeiting, encouraging patient compliance, ensuring drug integrity and balancing child-resistance and accessibility for the elderly.

Five important trends are going to shape up future of Pharma Packaging in both the Industry as well as Individual players:

- Non-invasive permeation testing
- Counterfeit Packaging
- CR Packaging
- Eco Friendly Pack
- Digital pack talking to patient

Embedded in Bilcare mission statement and its 5C philosophy are the reflection of the above trends:

Bilcare has made many a break-through on the non-invasive permeation for high barrier films and foils enabling medicine to breathe and release gasses within their pack- an advanced well researched packaging. Besides, our R&D has also

worked on a multilayer, overt and covert counterfeit security feature for medicine packs using print type and font, UV ink and various type of anti-counterfeit material- perhaps widest range and variety in the industry.

Bilcare nCiD nonclonable technology not only has a fool proof counterfeit technology for medicine but also other features on drug compliance and drug digital facilitation for end patient users through mobile cloud based technology, thereby making us one of the most futuristic companies on packaging even on a digital front.

For the pharmaceutical industry, a huge hurdle to designing a cost-effective, eco-friendly blister package exists due to conventional biodegradable materials which have problems withstanding the mechanical, thermal and biological stress undergone during a blister's forming and its in-market life cycle. With ECOmply, Bilcare has overcome this obstacle through an innovative formulation that breaks down only under favorable anaerobic conditions typically found in landfills. ECOmply films have the same thermoforming parameters as standard PVC films.

Risk and Concern:

The Company is subjected to various geo-politicos and external environmental risk affecting the financial health. Raw material input cost, crude prices, currency fluctuation; interest burden and financial costs are some of the major risks. Further Industry slow down due to regulator new policies such as price cap on drug formulation by NPPA and ban on fixed dosage drugs (FDC) also affects the packaging material suppliers.

Pharma Packaging Innovation (PPI):

As per IMS, Blister packaging comprising films and foils is estimated around USD 6.3 Bn. 70 % of drugs globally are orals and within orals, appox 70% drugs are oral solid dosage (OSD). Out of 49% OSD, 70 % are in blisters and 30 % in aluminum strips. Blister market is further fragmented with 40% in mono PVC, 35% in barrier (PVdC/Aclar), 10% in PP/other base films and 15% in cold form /Alu-Alu.

Over the years, Bilcare has maintained its market share dominance over the Blister Packaging- Solid Oral Dosage (OSD) market with many international research analysts even ranking us at a leading position.

Bilcare Research AG which constitutes more than 80% of revenue caters to Americas, European Union and Asia Pac including BRICKS nations and CIVETS (Columbia, Indonesia, Vietnam, Egypt, Turkey, and South Africa). Further, through Bilcare Research Singapore Pte. the high growth Chinese markets are also now being brought in the foray. In order to support the market growth and its customers Bilcare Research AG invested 15Mn Euro this year in a state-of-the-art extrusion- and stenter-line at the manufacturing site in Staufen, Germany. During the year with the realignment of manufacturing facility in Asia, i.e. (Bilcare Research Singapore Pte.), it also expanded the capacity at its premises in Bötzingen, Germany.

Looking at growth opportunity in the US market, Bilcare Research Inc. made an investment into a new laminator at its Wilmington, DE facility. The new investment marks a significant milestone in offering integrated solutions and supply chain advantages for the global pharmaceutical industry. It will allow Bilcare to offer best in class delivery of Aclar® laminates for stability packaging, line trial samples as well as full commercial volumes. Bilcare's range of Aclar® laminates provides the highest moisture barrier of any films of its type.

Domestic pharmaceutical market grew at a CAGR of 12% year-on-year basis in February 2016. However there were numerous constraints on the price cap on 376 drugs by NPPA and later this year the FDC ban on 344 drugs. This has led to the domestic market being conservative for barrier packaging films - the space Bilcare operates. With the Government of India intervening on the issue of anti-dumping with a ruling in favor of the pricing of the films & foils it is expected that the growth will be revived.

PPI India has launched the Alu-Alu product whose large market potential overseas will be tapped through Bilcare Research AG marketing channel in the coming years which will be the turnaround for the revenues of Bilcare India.

Among other innovations, Bilcare has been instrumental in helping packaging engineers optimize blister film barrier properties to match drug formulation requirements through their patented service - BilcareOptima™.

During the financial year, the company filed 2 new Patent applications related to its innovative products and technologies and 1 Patent applied earlier was

granted. Research & Development activities have been ongoing and some of the key highlights are as under:

- Developed an overt watermark anti-counterfeit feature for the Alu-Alu product by reverse printing methodology and using the UV ink.
- Supplied Packaging film for the stability study of the ophthalmic tablet for one of the reputed customers and modified the heating system of heat seal lacquer coating machine to minimise solvent residual in tune of lesser than the permissible limit.
- Developing the process for making Paper/Foil lamination and then heat seal lacquer coating in one pass on state of the art triplex machine.
- Installed pinhole detection system on cold form machine to detect pin holes in CFB film, which helps in assuring pin hole free film for packing highly sensitive medicines.
- Installed defect detection system on triplex laminator and advanced slit to slit CFB with in line tag detector that helps in defect free material supplies.

Global Clinical Services (GCS):

Clinical trial logistics is a fast-growing industry which largely depends on new technologies, market conditions and globalization of the clinical trial infrastructure. According to the forecast made by Evaluate Pharma, in the next 5 years the clinical trials market will show a stable but low growth of 2-2.5% per year, while being accompanied by a significant shift in the operational structure of cold-chain logistics and clinical trial supply. Biopharma Cold Chain 2012 Sourcebook says in 2016 up to 65% of growth in clinical research will come from studies conducted in emerging market counties: Asia Pacific, Eastern Europe and South America. The demand for bio pharma cold chain logistics services is growing, which in turn is generating the demand for new packaging and temperature monitoring technologies in a continuing effort to reduce pass-through costs.

Comparator Sourcing has doubled within the last three years. A recent report published by the Institute for Healthcare Informatics forecasts that the surge in cancer drug innovation is projected

to continue over the next five years, with oncology currently already making up 25% of the global late-stage pipeline. As the majority of drug candidates are being studied against the existing standard of care, the need for secure and transparent sourcing of comparator drugs and non-investigational medicinal products (NIMPs) on a global scale is likely to rise significantly.

During the year Bilcare GCS set up two overseas subsidiaries in the US and UK and added 38 new customers, resulting in revenue growth by 45%. Comparator sourcing business showed a growth of 74% due to the very nature of its business, market potential and opening of the overseas subsidiaries.

In the recent past, the Global Clinical Supplies business has initiated strategies to add more business portfolios to its kitty which mainly comprises of new Products and Services like Pharma product acquisition and sales in the niche and rare drugs segment, pharma dossier sales and pharma in-licensing & out-licensing to name a few. These business initiatives will be advantageous to strengthen the business relationships with current set of clients and also will be instrumental to open up vistas for new business and tap new geographies thereby bringing the various forms of requirements under one roof of the CTMS domain.

Bilcare GCS has received several accolades and international recognition from various international organizations, such as GHP Magazine, UK, APAC Insider magazine, UK, World Leadership Congress, Dubai, ABP New Channel health award for its service quality and contribution to the industry.

NCiD Technology:

Counterfeit has plagued almost every Industry and its challenges have been on the rise. Economic Times based on its survey, in a recent news article mentioned some alarming facts viz:

- Estimated Global Economic impact of counterfeiting in 2015 is USD 1.7 Trillion
- 44.4% increase in estimated loss to 7 manufacturing industry sectors due to counterfeiting from 2012 onwards
- Indian exchequer lost INR 40,000 Cr in 2014 due to illicit trade

Bilcare Technology is providing Cloud Based SAAS platform using leading edge technologies. This platform will provide brand owners with very comprehensive, scalable and reliable services for ACF, Track-n-Trace, and digital marketing. Bilcare Technology team is now focused on evolving the solutions with compelling economics to B2B clients along with valuable market insights and delight to end consumers.

Financial Highlights:

Standalone -

Despite, working capital constraints and having low operating capacity, our sustained efforts on restructuring and realignment of capital structures has led to a reduction in the loss for the year at INR (147.87) Cr and an EPS improvement by 19.5%. Though there was a sales drop of 23% from last year the gross margins were being maintained.

There was an improvement in the Profit/(Loss) before tax level of INR 36.5 Cr. (around 17%) largely due to interest impact on partial restructuring thereby bringing the loss down to INR 175.46 Cr from INR 211.98 Cr of last year. The Cash loss was reduced by INR 30 Cr. (around 40%).

Consolidated

Consolidated revenue for the quarter ended Q4FY16 stood at INR 655.19 as compared to INR 649.63 of the corresponding quarter, previous year (Q4FY15), showing a marginal improvement.

The loss at PBT level significantly reduced for the quarter to INR (7.64 Cr.) and for the year to INR (130.04 Cr.) showing an improvement in performance by INR 65.56 Cr. (about 30 %). Similarly the Cash Profit for the year ended stood at INR 17.86 Cr with a marked improvement in the EPS at INR (69.49).

Internal Controls Systems and Adequacy

The Company continues its endeavor of improving and upgrading its internal systems both in terms of bringing-in new teams and revamping the existing software infrastructure. This change will ensure accounting practice and governance at par with International standards and global system, process and compliance in place.

Cautionary Statements

Statements in this Management Discussion and

Analysis describing the Company's objective , projection, estimates, and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual outcome may differ substantially or material from those expressed or implied. Important developments that could affect the Company's operation include significant changes in the political and economical environment in India or overseas in key markets, applicable statutes, litigation, labor relations, exchange rate fluctuation, interest and other costs.

Human Resource:

New Business Leaders were inducted in US, Singapore and Bilcare Technology and teams across region, and geographies are aligning to go beyond boundaries to create synergy aimed at customer convenience and enhance performance and productivity. This approach and structure initiated will effectively utilize human resource capital and achieve leadership dominance in the ensuing years.

Corporate Citizen

Bilcare Corporate Citizen program stems from its very vision, mission and core value and is much beyond the statutory mandate of the recent years. Gram swatcha, water storage, primary school education aid, repair of old schools under Bilcare schemes , teachers, training, SSY Training, health care camp, library/education on wheels were few programs initiated this year.



CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. Strong leadership, effective corporate governance practices and transparency have been the Company's brand and going forward with the IndAS being mandatorily implemented the same will be maintained.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchanges. The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance. The Company submits a report on the matters mentioned in the said clause and also the practices followed by the Company as stated below:

Board of Directors

Composition of the Board

The composition of the Board of Directors of Bilcare Limited is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act. The Board comprises of Five (5) Directors, One (1) Executive Director, the Chairman and Managing Director, who is also a Promoter Director, one (1) Woman

Promoter Director, who is a Non- Executive Non-Independent Director and three (3) Non-Executive Independent Directors.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2016 have been made by the Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

Number of Board Meetings

The Board met six (6) times during the year. The Meetings were on 29 May, 1 July, 14 August, 30 September, 9 November, 2015 and 5 February 2016. All the meetings were held in such manner that the gap between two consecutive meetings was not more than 120 days.

Directors' Attendance Record and Directorships

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year 2015-16 and the last Annual General Meeting (AGM) held on 30 September 2015 and the number of Directorships and Committee Chairmanships/ Memberships held by them in other public companies as on 31 March 2016, are given in the following table.

| Name of the Director | Category | Particulars of Attendance | | No. of Directorships and Committee Memberships / Chairmanships in Public Limited Companies as on 31 March 2016 | | |
|--|--------------------------------|---------------------------|----------|--|-----------------------|-------------------------|
| | | Board Meetings | Last AGM | Directorships | Committee Memberships | Committee Chairmanships |
| Promoter Executive Director | | | | | | |
| Mr. Mohan H. Bhandari | Chairman and Managing Director | 6 | Present | 3 | 4 | 2 |
| Promoter Non-Executive Director | | | | | | |
| Mrs. Nutan M. Bhandari | Director | 6 | — | 1 | 2 | 1 |
| Independent Directors | | | | | | |
| Mr. Rajendra Tapadia | Director | 5 | — | 4 | 6 | 2 |
| Mr. Avinash S. Joshi | Director | 6 | Present | 1 | 6 | 1 |
| Dr. Sankarshan Basu | Director | 1 | — | 3 | — | — |
| • Apart from statutory committees, includes Nomination and Remuneration Committee, Corporate Social Responsibility Committee and two (2) Functional Committees | | | | | | |

Information supplied to the Board

During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

During the year, meeting of the Independent Directors was held on February 5, 2016. The Independent Directors, *inter-alia*, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

The details of the familiarisation programme of the Independent Directors are available on the website of the Company (www.bilcare.com).

CEO/MD and CFO Certification

The Chairman & Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of SEBI Listing Regulations. The said certificate is annexed and forms part of the Annual Report. The Chairman & Managing Director and the Chief Financial Officer also give quarterly certification on financial results, while placing the financial results before the Board in terms of SEBI Listing Regulations.

Code of Conduct

The Company has adopted a Code of Conduct (the Code) for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is available on the Company's website at www.bilcare.com.

The Board members and Senior Management personnel have affirmed their compliance with the code. A declaration to this effect signed by the Chairman and Managing Director of the Company is contained in this Annual Report.

Committees of the Board

As on 31 March 2016 the Company apart from functional committees, has Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee. The Board Committees are set-up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by the members of the respective Board Committees. The Company's guidelines relating to Board Meetings are applicable to Committee Meetings, as far as may be practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its work. Minutes of the proceedings of the Committee Meetings are placed before the Board meeting for perusal and noting. The Company Secretary acts as the secretary of all the Committees.

Audit Committee

The Audit Committee of the Company comprises of three Directors, viz. Mr. Avinash S. Joshi (Chairman of the Committee), Mr. Rajendra B. Tapadia and Mr. Mohan H. Bhandari, two-thirds of which are independent directors. All the members of the Audit Committee possess accounting, economic, legal and financial management expertise. The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations. Annual General Meeting (AGM) held on Wednesday, 30 September 2015 was attended by the Chairman of the Committee, Mr. Avinash S. Joshi, to answer shareholders' queries.

The Audit Committee assists the Board in discharging of its responsibility to oversee the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting statements, the appointment, independence, performance and remuneration of the Statutory Auditors, including the Cost Auditors and the performance of Internal Auditors of the Company.

Terms of reference

The terms of reference of the Committee, inter alia covers all the matters specified under SEBI Listing Regulations as well as those specified in Section 177 of the Companies Act, 2013. Besides, in additions to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company, seek legal and professional advice and to secure attendance

of outsiders with relevant expertise, if it considers necessary.

The Committee met six times, on 1 April, 29 May, 14 August, 30 September, 9 November 2015 and 5 February 2016.

The meetings of the Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors, Internal Auditors and other Management representatives as special invitees as and when required. The Company Secretary acts as the secretary to the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company comprises of three Directors, viz. Mr. Rajendra B. Tapadia (Chairman of the Committee), Mr. Avinash S. Joshi and Mrs. Nutan M. Bhandari.

Terms of reference:

The Nomination & Remuneration Committee has been constituted to recommend / review the remuneration of Executive Directors of the Company, to identify persons who are qualified to become Directors and who may be appointed in Senior Management and to carry out such other duties and functions as stipulated in Section 178 of the Companies Act, 2013 read with rules framed thereunder and SEBI Listing Regulations.

No remuneration is paid to the Executive Directors during the year 2015-16.

The Non-executive Directors are paid sitting fees for attending each meeting of the Board and of the Committees thereof as specified by the Board.

The Committee met once on 29 May, 2015.

Attendance Record of Audit Committee Members for 2015-16

| Name of Director | Category | Status | No. of Meetings | |
|-------------------------|-----------------|----------|-----------------|----------|
| | | | Held | Attended |
| Mr. Avinash S. Joshi | Independent | Chairman | 6 | 6 |
| Mr. Rajendra B. Tapadia | Independent | Chairman | 6 | 6 |
| Mr. Mohan H. Bhandari | Non Independent | Member | 6 | 6 |

Attendance Record of Nomination and Remuneration Committee Members for 2015-16

| Name of Director | No. of Meetings | Meeting Attended |
|-------------------------|-----------------|------------------|
| Mr. Rajendra B. Tapadia | 1 | 1 |
| Mr. Avinash S. Joshi | 1 | 1 |
| Mr. Nutan M. Bhandari | 1 | 1 |

Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee of the Company comprises of three Directors, viz. Mrs. Nutan M. Bhandari (Chairperson of the Committee), Mr. Avinash S. Joshi and Mr. Rajendra B. Tapadia

Terms of reference:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy in terms of Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- To act in terms of any consequent statutory modification(s) / amendment(s) / revision(s) to any of the applicable provisions to the said Committee.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of CSR Policy.

During the year in review, there was no meeting of Corporate Social Responsibility (CSR) Committee.

Stakeholders Relationship Committee:

The 'Stakeholders Relationship Committee comprises of three Directors, viz. Mr. Rajendra B. Tapadia (Chairman of the Committee), Mr. Mohan H. Bhandari and Mr. Avinash S. Joshi. Mr. Anil Tikekar, Company Secretary is the Compliance Officer. Composition and the terms of reference meet with the requirements under the provisions of Section 178(5) of the Companies Act, 2013 and of SEBI Listing Regulations.

No meeting of the Committee was held as no complaint was received from the shareholders or investors during the financial year 2015-16. No requests for dematerialization and/or transfer were pending for approval as on 31 March 2016.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redressed system. The salient features of this system include Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing

by investors of action taken on the complaints and its current status.

Designated Exclusive Email-ID

The Company has also designated the email-ID Investors@bilcare.com exclusively for investor servicing.

Functional Committee

The Board is authorized to constitute one or more functional committees delegating thereto powers and duties with respect to specific purposes. Meeting of such committees are held, as and when the need arises. Time schedule for holding the meetings of such functional committees are finalized in consultation with committee members.

Remuneration of Directors

The aggregate value of salary and perquisites for the year ended 31 March 2016 to Whole time Directors is as follows:

Mr. Mohan H. Bhandari - Nil

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 | Sitting Fees* (in INR) |
|--|------------------------|
| Mr. Rajendra Tapadia | 2,05,000/- |
| Mr. Avinash S. Joshi | 2,25,000/- |
| Dr. Sankarshan Basu | 25,000/- |
| Mrs. Nutan M. Bhandari | 1,25,000/- |
| * Sitting fees include payment for board level committee meetings. | |

Shares and Convertibles held by Non Executive Directors as on 31 March 2016

| Name of the Director | Number of shares held Equity Shares of ₹10/- each |
|------------------------|---|
| Mr. Rajendra Tapadia | 271,051 |
| Mr. Avinash S. Joshi | 600 |
| Dr. Sankarshan Basu | Nil |
| Mrs. Nutan M. Bhandari | 12,05,122 |

Independent Directors

As mandated by Clause 49 of the Listing Agreement and the Companies Act, 2013, the Independent Directors on Company's Board:

- are person of integrity and possesses relevant expertise and experience;
 - (i) are not a promoter of the Company or its holding, subsidiary or associate company
 - (ii) are not related to promoters or directors in the Company, its holding, subsidiary or associate company;
- apart from receiving director's remuneration, has or had no material pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- who, neither himself nor any of his relatives:
 - » holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - » is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:
 - a. a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
 - b. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
 - c. holds together with his relatives two percent or more of the total voting power of the Company; or

- » is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the Company;
- » is a material supplier, service provider or customer or a lessor or lessee of the Company;
- » are not less than 21 years of age.

Familiarisation Programme for Independent Directors

The Board of Directors of the Company has adopted familiarisation program for Independent Directors. The details of such program are posted on the Company's Website www.bilcare.com. The program aims to provide insights into the Company to enable the Independent Directors to understand it's business in depth and contribute significantly to the Company.

Appointment and Re-appointment of Directors

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, following information is furnished about the Director proposed to be appointed/re-appointed at the ensuing Annual General Meeting:

Mrs. Nutan M. Bhandari (DIN 02198203)

Mrs. Nutan Bhandari is one of the promoters of the Company. She steers the CSR wing of the Company. Under her leadership, Company runs an initiative called 'Window to the World' where-in it has tied up with few schools around the manufacturing plant in Pune to provide children with adequate educational & extra-curricular opportunities. Some of the activities taken up are - conducting health & sports camps, yoga classes & science fairs etc.

Mrs. Bhandari has completed her graduation in Psychology from Pune University & is a Non-Executive, Non-Independent Director on the Board of the Company and holds 1,205,122 equity shares of the Company in her name as on 31 March 2016.

| Other Directorship | Committee Membership |
|---------------------|-----------------------|
| Name of the Company | Name of the Committee |
| NIL | NIL |

General Body Meetings

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

| Financial Year | Venue | Date | Time | Special Resolution |
|----------------|----------------------------------|-------------------|------------|---|
| 2012-13 | Registered Office of the Company | 30 September 2013 | 11.00 a.m. | Nil |
| 2013-14 | Registered Office of the Company | 30 September 2014 | 11.00 a.m. | a) Authority to the Board to create Charge. b) Authority to the Board to Borrow money. |
| 2014-15 | Registered Office of the Company | 30 September 2015 | 11.00 a.m. | Nil |

Postal Ballot

No resolution was passed through Postal Ballot during the year 2015-16.

At present, no special resolution is proposed to be passed through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution conducted through Postal Ballot.

Disclosures

Related Party Transactions:

Please refer to Note No. 41 of Notes to Accounts for significant related party transactions.

None of the transactions with any of the related parties were in conflict with the interests of the Company.

Management Discussion and Analysis

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

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.

Statutory compliance, Penalties and Strictures:

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.

Whistle Blower Policy

In accordance with requirement of Companies Act 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a vigil mechanism / whistle blower policy has been adopted by the Board of Directors and accordingly a Whistle Blower Policy has been formulated with a view to provide a mechanism for employees of the Company to approach the Audit Committee of the Company to report any grievance.

Compliance with Mandatory & Non-mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the Clause 49 of the erstwhile Listing Agreement as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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', 'Financial Express' and 'Loksatta'.

Press releases, official news and media releases are sent to the Stock Exchanges.

Website

The Company's website contains a separate dedicated section titled "Investors". The basic information about the Company, as called for in terms of SEBI Listing Regulations, is provided on the Company's website: www.bilcare.com and the same are updated from time to time.

Shareholders

Annual Report

Annual Report containing, inter alia, audited financial statement. Consolidated financial statement Boards' Report, Independent Auditors' Report and other important information, is

circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report and is displayed on the Company's website: www.bilcare.com.

Support Green Initiative of MCA

The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in the Corporate Governance by allowing paperless compliances by companies vide General Circular 17/2011 dated April 21, 2011, in terms of which the Company has been forwarding such documents through electronic mode. Company requests shareholders to provide their e-mail addresses to enable Company to forward the notices/documents through e-mail, to the maximum possible extent in order to support green initiative. Members are once again requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants and members who hold shares in physical form with the Company at pune@linkintime.co.in or at its registered office at 1028, Shirol, Rajgurunagar, Pune - 410 505, Maharashtra, India.

General Shareholder Information

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

Annual General Meeting

Date: 14 September 2016

Time: 11.00 a.m

Venue: Registered Office of the Company
1028, Shirol, Rajgurunagar,
Pune – 410 505, India

Financial Calendar

1 April 2015 to 31 March 2016

For the year ended 31 March 2016, results were announced on –

- 14 August 2015 : First Quarter
- 9 November 2015 : Half yearly

- 5 February 2016 : Third Quarter
- 30 May 2016 : Fourth Quarter and Annual

Key financial reporting dates for the financial year 2016-17

Quarter ending 30 June 2016: on or before
14 August 2016

Quarter ending 30 September 2016: on or before
14 November 2016

Quarter ending 31 December 2016: on or before
14 February 2017

Audited results for the financial year 2016-17: on or before 30 May 2017

Book Closure

The books will be closed from 9 September 2016 to 14 September 2016.

Shareholding Pattern

Pattern of shareholding by ownership as on 31 March 2016

| Category | Number of Shares held | Shareholding % |
|---|-----------------------|----------------|
| Promoters | 70,66,611 | 30.01 |
| Foreign Portfolio Investors | 10,000 | 0.05 |
| Corporate Bodies (India+ Foreign) | 26,70,473 | 11.34 |
| Non Resident Indians | 3,46,218 | 1.47 |
| Indian Public | 1,13,42,121 | 48.17 |
| Shares held by Custodians, against which Depository Receipts have been issued | 21,09,808 | 8.96 |
| Total | 2,35,45,231 | 100.00 |

Pattern of shareholding by Share Class as on 31 March 2016

| Shareholding Class | Number of Shareholders | Number of Shares | Shareholding % |
|--------------------|------------------------|------------------|----------------|
| Up to 500 | 17025 | 1894843 | 8.05 |
| 501 - 1,000 | 1144 | 912897 | 3.88 |
| 1,001 - 2,000 | 574 | 867857 | 3.68 |
| 2,001 - 3,000 | 233 | 605656 | 2.57 |
| 3,001 - 4,000 | 106 | 380637 | 1.62 |
| 4,001 - 5,000 | 92 | 434523 | 1.84 |
| 5,001 - 10,000 | 120 | 868261 | 3.69 |
| 10,001 & above | 130 | 17580557 | 74.67 |
| Total: | 19424 | 23545231 | 100.00 |

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 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

Stock Data

Table below gives the monthly high and low prices and volumes of Bilcare Limited at Bombay Stock Exchange Limited, Mumbai (BSE) for the year 2015-16.

| Month | Share Price | | BSE Sensex | |
|--------------|-------------|---------|------------|--------|
| | High (₹) | Low (₹) | High | Low |
| April-15 | 59.90 | 43.85 | 29,095 | 26,898 |
| May-15 | 54.00 | 46.00 | 28,071 | 26,424 |
| June-15 | 49.60 | 40.25 | 27,969 | 26,307 |
| July-15 | 55.90 | 42.30 | 28,578 | 27,416 |
| August-15 | 66.40 | 38.80 | 28,418 | 25,298 |
| September-15 | 48.35 | 39.15 | 26,472 | 24,834 |
| October-15 | 57.65 | 44.50 | 27,618 | 26,169 |
| November-15 | 58.00 | 43.05 | 26,824 | 25,451 |
| December-15 | 64.75 | 50.75 | 26,256 | 24,868 |
| January-16 | 64.50 | 44.00 | 26,197 | 23,840 |
| February-16 | 51.90 | 38.40 | 25,002 | 22,495 |
| March-16 | 45.80 | 38.65 | 25,480 | 23,133 |

Dematerialization

The equity shares of Bilcare Limited are under compulsory demat trading. As on 31 March 2016,

dematerialized shares accounted for 99.27% of the total equity.

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

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 2016, 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

Deposit holders Correspondence Address

For any query relating to Fixed Deposit:

Company Address

Bilcare Limited
18, D G Chambers, 1st Floor,
100-104 Nagindas Master Road,
Near BSE, Fort, Mumbai 400 001
Phone (022) 6531 2999

Registrar's Address

Kisu Corporate Services Pvt. Ltd.
186, Khetwadi Main Road,
1st Floor, Near Pitale Maruti Mandir
Mumbai – 400 004
Phone (022) 23810486/23886255

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I, Mohan H. Bhandari, Chairman & Managing Director 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, 2016.

Pune : 30 May 2016

Mohan H. Bhandari
Chairman & Managing Director

TO THE MEMBERS OF BILCARE LIMITED

CERTIFICATE BY AUDITORS ON CORPORATE GOVERNANCE

We have examined the compliance of the conditions of Corporate Governance by Bilcare Limited for the year ended 31 March 2016, as stipulated in Clause 49 of the Listing Agreement till 30th November 2015 and with effect from 1st December, 2015, the compliance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination 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 opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. Rathi & Co.
Firm Registration No. 108719W
Chartered Accountants

R. L. Rathi
Proprietor
Membership No. 14739
Pune : 30 May 2016

TO THE BOARD OF DIRECTORS OF BILCARE LIMITED

CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, the undersigned, in our respective capacities as Chairman & Managing Director and Chief Financial Officer, of Bilcare Limited, ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for 2015-16 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2015-16 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee, wherever applicable:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Anil Tikekar
Company Secretary & CFO
Pune: 30 May 2016

Mohan H. Bhandari
Chairman & Managing Director



DIRECTOR'S REPORT

To the Members,

Your Directors are pleased to present the 29th Annual Report and the Audited Statements of Account for the year ended 31 March 2016.

Performance of the Company

The Company's financial performance, for the year ended 31 March 2016 is summarised below:

| | INR in Crs | |
|----------------------------------|------------|----------|
| | 2015-16 | 2014-15 |
| Sales and Other Income | 257.45 | 335.60 |
| Profit / (Loss) before tax | (175.46) | (212.07) |
| Profit / (Loss) after tax | (147.87) | (183.68) |
| Balance in profit & loss account | (133.69) | 14.19 |

State of Company's Affairs

Please refer Management Discussion & Analysis dealing with the State of Company's Affairs, at length.

Consolidated Financial Statements

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Associates and AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is 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 2016, the consolidated revenue stood at INR 2,603 Crs against INR 2,737.88 Crs of previous year.

Extract of Annual Return

The extract of the Annual Return of the Company in Form MGT-9 is annexed herewith as Annexure "A" to this report.

Number of Meetings of the Board

During the Financial Year 2015-16, Six (6) Board

Meetings were held, details of which are given in the Corporate Governance Report section.

Directors' Responsibility Statement

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

- in the preparation of the annual accounts for the financial year ended 31 March 2016, the applicable accounting standards had been followed and there are no material deviations from the same;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2016 and of the loss of the Company for the year ended on that date;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the accounts for the financial year ended 31 March 2016 have been prepared on a 'going concern' basis;
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

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

Particulars of Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statement provided in this Annual Report. These

loans/guarantees are primarily granted for the furtherance of business of the borrowing companies.

Contracts and Arrangements with Related Parties

All contracts/ arrangements/ transactions entered by the Company with related parties were in the ordinary course of business and on an arm's length basis. Such transactions form part of the notes to the financial statements provided in this Annual Report.

During the year, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at www.bilcare.com.

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of such transactions are provided in Form AOC-2 which is annexed herewith as Annexure "B" to this report.

Dividend

In the absence of profits, the Directors are not recommending any Dividend for the financial year ended 31 March 2016.

Share Capital

The paid-up Equity Share Capital as on 31 March 2016 stood at INR 235,452,310. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31 March 2016, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

Material Changes and Commitments, if any, affecting the financial position of the Company

No material changes and commitments affecting the financial position of the Company have occurred from the end of the financial year 2015-16 till the date of this report. Further there was no change in the nature of business of the Company.

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

A. Conservation of Energy

i. Steps taken for Conservation of Energy:

- The effort to maintain the electrical power factor to unity was sustained and this has resulted in savings of ₹ 39.90 lacs per annum (Apr 15-Mar 16).
- Optimization of 105TR and 100TR chilling system and using cooling towers instead of chillers during the winter season has given a saving of ₹ 4.80 Lacs and ₹ 8.00 Lacs respectively in terms of electricity consumption.

ii. The Capital investment on energy conservation equipment:

No major investment was made during this financial year.

B. Technology Absorption, Adaptation and Innovation

Bilcare's R&D activities are ongoing and some of the benefits derived as a result of the R&D efforts not only comprise newer innovative products and technologies but also has yielded significant improvement in existing products and realization of cost reduction measures in the manufacturing processes as under:

- Developed and established overt UV ink with reverse printing anti-counterfeit features in Alu-Alu product
- Developed suppository film locally and ran successfully on the imported machine at one of the customers. Commercial order received for the same.
- Developed packaging film supplied for the stability study of the ophthalmic tablet for one of the reputed customers.
- Developed process for Bilcare patina using state of the art duplex lamination machine which is installed recently.
- Developed process of making Paper/Foil lamination and then heat seal lacquer coating in one pass on state of the art triplex machine.

Benefits derived:

- Improved version of Bilcare Armour having cost effective solution and properties are

comparable, with conventionally available and expensive material.

- Developed and commercialized solvent based offline primer system for PVDC coating which results in sparing the additional free capacity for PVDC coating machine without compromising the quality.

During the financial year, the company filed 2 new Patent applications related to its innovative products and technologies and 1 Patent applied earlier was granted.

Expenditure on Research & Development

| Particulars | ₹ in Crores |
|---|-------------|
| Capital | — |
| Recurring | 1.34 |
| Total | 1.34 |
| R&D expenditure as a percentage of total turnover | 0.52% |
| On a consolidated basis total R&D expenditure as a percentage of consolidated turnover is 0.05% | |

C. Foreign Exchange Earnings & Outgo

| | ₹ in Crores |
|-------------------------|-------------|
| Foreign exchange earned | 108.50 |
| Foreign exchange outgo | 144.64 |

Corporate Social Responsibility (CSR)

The Corporate Social Responsibility and Governance Committee (CSR & G Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy), which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link: www.bilcare.com. The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act.

The Annual Report on CSR activities is annexed herewith marked as Annexure "C".

Audit Committee

The audit committee comprises of Mr. Avinash S. Joshi (Chairman), Mr. Rajendra B. Tapadia, Mr. Mohan H. Bhandari as members. All the recommendations made by the committee were accepted by the Board.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board has

carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. Performance evaluation has been carried out as per the Nomination and Remuneration Policy.

Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI Listing Regulations, a meeting of the Independent Directors of the Company was held on 5 February 2016, without the attendance of Non-Independent Directors and Members of the Management.

Details of Directors & Key Managerial Personnel

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

As required under SEBI Listing Regulations, the information on the particulars of Directors proposed for appointment/re-appointment has been given in the Report on Corporate Governance.

Information about Subsidiary/JV/ Associate Company

During the year, two new wholly owned subsidiaries were formed viz. Bilcare GCS Limited, UK, Bilcare GCS Inc., USA. Bilcare Singapore Pte. Ltd. (BSPL) has been under judicial Management appointed by the Court in Singapore. The Judicial Managers formulated the Scheme of Arrangement with the BSPL creditors, by which there was an asset & business sale of BSPL and the amount received as consideration for such sale was distributed among creditors of BSPL.

As a part of this Scheme of Arrangement, all step-down subsidiaries of BSPL were transferred to Bilcare Packaging Limited, on September 2, 2015 for a consideration of SGD 1 each. Subsequently during the year these subsidiaries were closed and Bilcare Technologies Singapore Pte. Ltd. (BSTPL) was transferred to Bilcare Limited for a sale consideration of SGD 1 to become a directly owned subsidiary of Bilcare Limited.

Consolidated Financial Statements of the Company are inclusive of the results of the said subsidiaries. Further, a statement containing the particulars for each of the subsidiaries is also enclosed. Copies of

annual accounts and related information of all the subsidiaries can also be sought by any member of the Company or its subsidiaries by making a written request to the Company Secretary at the Registered Office of the Company. The annual accounts of the subsidiary companies are also available for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Company has Six (6) wholly owned subsidiaries viz. Bilcare Mauritius Ltd., Mauritius, Bilcare Packaging Limited, Mauritius, Bilcare Singapore Pte. Ltd., Singapore, Bilcare Technologies Singapore Pte. Ltd., Singapore, Bilcare GCS Limited, UK and Bilcare GCS Inc., USA. Some of these subsidiaries in turn have their respective step down subsidiaries.

A statement containing the salient features of the financial statement of the subsidiaries in the prescribed format AOC-1 is presented in a separate section forming part of the financial statement. The Policy for determining 'Material' subsidiaries has been displayed on the Company's website at www.bilcare.com.

Deposits

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

- i. Deposits accepted during the year: Nil
- ii. Deposits remaining unpaid or unclaimed as at the end of the year: ₹ 41,30,000/-
- iii. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved: The Company has obtained an order from the Honourable Company Law Board (CLB) for making payments on a deferred schedule. Hence there are no defaults in the deposits as stated below:
 - a. At the beginning of the year: Nil
 - b. Maximum during the year: Nil
 - c. At the end of the year: Nil

Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Internal Financial Controls

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

Vigil Mechanism

The Company has in place Whistle Blower Policy, wherein the Employees/ Directors/ Stakeholders of the Company are free to report any unethical or improper activity, actual or suspected fraud or violation of the Company's Code of Conduct. This mechanism provides safeguards against victimization of Employees, who report under the said mechanism. During the year under review, the Company has not received any complaints under the said mechanism. The Whistle Blower Policy may be accessed on the Company's website at www.bilcare.com

Corporate Governance

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

Auditors

Internal Auditors

The Internal Auditors, M/s. V.S. Rawat & Co., Chartered Accountants, Pune have conducted internal audits periodically and submitted their reports to the Audit Committee. Their reports have been reviewed by Statutory Auditors and the Audit Committee.

Statutory Auditors

At the Annual General Meeting held on 30 September 2014, M/s. R. L. Rath & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. R. L. Rath & Co., Chartered Accountants as Statutory Auditors of the Company, will be placed for ratification by the Shareholders. In this regard, the Company has received a certificate from the Auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The observations and comments given by the Statutory Auditors in their report read together with notes thereon are self-explanatory and hence, do not call for any further comments.

Cost Auditors

The Cost Audit Report under The Companies (Cost Audit Report) Rules, 2011 for the year 2014-15 was duly filed with the Ministry of Corporate Affairs on 27 October 2015.

Secretarial Auditor

The Board has appointed M/s. Shekhar Ghatpande & Co, Company Secretaries, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31 March 2016 is annexed herewith marked as Annexure "D" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Particulars of Employees & Related Disclosures

In terms of the provisions of Section 197(12) of the Companies Act (herein referred as Act), read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of the Annual Report.

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 forms part of the Annual Report. However, as per the provisions of Section 136(1) of the Act, the Report and Accounts are being sent to the members, excluding the aforesaid information. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company during working hours up to the date of the Annual General Meeting.

For the financial year ended 31 March 2016, 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.

General

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

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

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

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

Acknowledgement

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

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

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

For and on behalf of the Board of Directors

Mohan H. Bhandari
Chairman & Managing Director

Pune: 30 May 2016

ANNEXURE - A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN As on the financial year ended on 31-03-2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Registration and Other Details:

| | | |
|-----|---|---|
| i | CIN | L28939PN1987PLC043953 |
| ii | Registration Date | 01-July-1987 |
| iii | Name of the Company | Bilcare Limited |
| iv | Category / Sub-Category of the Company | Public Company / Limited by shares |
| v | Address of the Registered office and contact details | 1028, Shirol, Rajgurunagar, Pune 410505 |
| vi | Whether listed company | Yes |
| vii | Name, Address and Contact details of Registrar and Transfer Agent, if any | 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 |

Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the Company are as stated below:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Articles of Plastics & Polymer | 3921 | 35% |
| 2 | Aluminium & Aluminium Products | 7607 | 42% |
| 3 | Global Clinical Services | — | 23% |

Particulars of Holding, Subsidiary and Associate Companies

| S. No. | Name Of The Company | Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|--------|---|---|-----------------------|--------------------------------|------------------|--------------------|
| 1 | Bilcare Mauritius Ltd. | C/o CIM Corporate Services Ltd, Les Cascade Building, Edith Cavell Street, Port Louis, Mauritius. | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 2 | Bilcare Research AG | Gewerbstrasse 12,4123 Allschwil,Switzerland | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 3 | Bilcare Research Holding AG | Gewerbstrasse 12,4123 Allschwil,Switzerland | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 4 | Bilcare Germany Management GmbH | Radebeulstrasse 1, 79219, Staufen,Germany | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 5 | Bilcare Research Singapore Pte. Ltd. | 45, Contonment Board, Singapore - 089748 | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 6 | Films Germany Holding GmbH | Radebeulstrasse 1 , 79219 Staufen, Germany | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 7 | Bilcare Agency GmbH | Gewerbstrasse 12,4123 Allschwil,Switzerland | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 8 | Bilcare Research SRL | VIA XXIV Maggio 1, 21043 Castiglione Olona (VA) | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 9 | Bilcare Research Inc | 1389, School House Road, Newcastle/Delaware city, DE 19706-0537 | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 10 | Bilcare Research GmbH | Radebeulstrasse 1, 79219, Staufen,Germany | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 11 | Caprihans India Limited | D Block, Shivsagar Estate, Dr. A B Road, Worli, Mumbai - 400018, India | L29150MH1946PLC004877 | SUBSIDIARY | 51% | 2(87)(ii) |
| 12 | Bilcare Packaging Ltd. | CIM Corporate Services Limited, Les Cascades Building, Edith Cavell Street, Port - Louis, Mauritius | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 13 | Bilcare Singapore Pte. Ltd. | 52 Changi South Street 1, King Wai Industrial Building, Singapore 486161 | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 14 | Bilcare GmbH | Industriepark Hochst, 65926 Frankfurt/Main, Germany | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 15 | Bilcare Inc | 2711 Centerville Road, Suite 400 City Wilmington, | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 16 | Bilcare Farmaceutica Embalagem E Pesquisas Ltda | Rua Caio Prado, Consolacao, Sao Paulo, Brazil | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 17 | Bilcare Switzerland SA | Rue de France 22 | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 18 | Bilcare Technologies Singapore Pte. Ltd. | 52 Changi South Street 1, King Wai Industrial Building, Singapore 486161 | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 19 | Bilcare Technologies Italia Srl. | Padova (PD) via UGO Foscolo 8 cap 35131 | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 20 | Bilcare GCS Limited | C/o. Kingston Smith LLP, Devonshire House, 60Goswell Road, EC1M 7AD, London UK | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |
| 21 | Bilcare GCS Inc. | 3500, South Dupont Highway, Dover, DE 19901, in the Country of Kent, USA. | N.A. | SUBSIDIARY | 100% | 2(87)(ii) |

Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

| | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|--|---|----------|----------|-------------------|---|----------|----------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) Shareholding of Promoter and Promoter Group | | | | | | | | | | |
| 1 | Indian | | | | | | | | | |
| (a) | Individual/ HUF | 7061611 | — | 7061611 | 29.99 | 7066611 | — | 7066611 | 30.01 | 0.02 |
| (b) | Central Government | — | — | — | — | — | — | — | — | — |
| (c) | State Government (s) | — | — | — | — | — | — | — | — | — |
| (d) | Bodies Corporate | — | — | — | — | — | — | — | — | — |
| (e) | Banks/Financial Institutions | | | | | | | | | |
| (f) | Any Other | | | | | | | | | |
| | Sub-Total (A)(1) | 7061611 | | 7061611 | 29.99 | 7066611 | | 7066611 | 30.01 | 0.02 |
| 2 | Foreign | | | | | | | | | |
| (a) | NRIs-Individuals | — | — | — | — | — | — | — | — | — |
| (b) | Other-Individuals | — | — | — | — | — | — | — | — | — |
| (c) | Bodies Corp. | — | — | — | — | — | — | — | — | — |
| (d) | Banks / FI | — | — | — | — | — | — | — | — | — |
| (e) | Any Other.... | | | | | | | | | |
| | Sub-Total (A)(2) | — | — | — | — | — | — | — | — | — |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 7061611 | — | 7061611 | 29.99 | 7066611 | | 7066611 | 30.01 | 0.02 |
| (B) Public Shareholding | | | | | | | | | | |
| 1 | Institutions | | | | | | | | | |
| (a) | Mutual Funds | — | — | — | — | — | — | — | — | — |
| (b) | Banks / FI | — | — | — | — | — | — | — | — | — |
| (c) | Central Govt | — | — | — | — | — | — | — | — | — |
| (d) | State Govt(s) | — | — | — | — | — | — | — | — | — |
| (e) | Venture Capital Funds | — | — | — | — | — | — | — | — | — |
| (f) | Insurance Companies | — | — | — | — | — | — | — | — | — |
| (g) | Foreign Portfolio Investor | 10000 | — | 10000 | 0.04 | 10000 | — | 10000 | 0.04 | — |
| (h) | Foreign Venture Capital Funds | — | — | — | — | — | — | — | — | — |
| (i) | Others (specify) | 2500 | — | 2500 | 0.01 | — | — | — | — | (0.01) |
| | Sub-Total (B)(1) | 12500 | — | 12500 | 0.05 | | | | | (0.01) |
| 2 | Non-institutions | | | | | | | | | |
| (a) | Bodies Corporate | 1137948 | — | 1137948 | 4.83 | 908853 | — | 908853 | 3.86 | (0.97) |
| (b) | Individuals | | | | | | | | | |
| 1 | Individuals holding nominal share capital <= ₹ 1 Lakh | 5343405 | 159482 | 5502887 | 23.37 | 5537993 | 156482 | 5694475 | 24.19 | 0.81 |
| 2 | Individuals holding nominal share capital > ₹ 1 Lakh | 5451743 | — | 5451743 | 23.15 | 5481227 | — | 5481227 | 23.28 | 0.13 |
| (c) | Others | | | | | | | | | |
| 1 | Trusts | 75000 | — | 75000 | 0.32 | 75000 | — | 75000 | 0.32 | — |
| 2 | Non Resident Indians (Repatriate) | 284315 | 15000 | 299315 | 1.27 | 271799 | 15000 | 286799 | 1.22 | (0.05) |
| 3 | Non Resident Indians (Non Repatriate) | 51034 | — | 51034 | 0.22 | 59419 | — | 59419 | 0.25 | 0.04 |
| 4 | Market Maker | 8470 | — | 8470 | 0.04 | 4442 | — | 4442 | 0.02 | (0.02) |
| 5 | Clearing Members | 72645 | — | 72645 | 0.31 | 86327 | — | 86327 | 0.37 | 0.06 |
| 6 | Foreign Corporate Bodies | 1761620 | — | 1761620 | 7.48 | 1761620 | — | 1761620 | 7.48 | — |
| 7 | Foreign Nationals | 650 | — | 650 | 0.00 | 650 | — | 650 | 0.00 | — |
| | Sub-Total (B)(2) | 14186830 | 174482 | 14361312 | 60.99 | 14187330 | 171482 | 14358812 | 60.98 | (0.01) |
| | Total Public Shareholding (B)= (B)(1)+ (B)(2) | 14199330 | 174482 | 14373812 | 61.05 | 14197330 | 171482 | 14368812 | 61.03 | (0.02) |
| | TOTAL (A)+(B) | 21260941 | 174482 | 21435423 | 91.04 | 2126394 | 171482 | 21435423 | 91.04 | — |
| (C) Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | | | | |
| 1 | Promoter and Promoter Group | — | — | — | — | — | — | — | — | — |
| 2 | Public | 2109808 | — | 2109808 | 8.96 | 2109808 | — | 2109808 | 8.96 | — |
| | Sub-Total (C) | 2109808 | — | 2109808 | 8.96 | 2109808 | — | 2109808 | 8.96 | — |
| | GRAND TOTAL (A+B+C) | 23370749 | 174482 | 23545231 | 100.00 | 23373749 | 171482 | 23545231 | 100.00 | — |

Shareholding of Promoters

| S. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|--------|---------------------------|---|----------------------------------|--|--------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Mohan Harakchand Bhandari | 5856489 | 24.87 | 0.42 | 5856489 | 24.87 | 0.42 | (1.69) |
| 2 | Nutan Mohan Bhandari | 1205122 | 5.12 | — | 1205122 | 5.12 | — | (0.93) |
| 3 | Ankita Jayesh Kariya* | — | — | — | 5000 | 0.02 | — | 0.02 |
| | Total | 7061611 | 29.99 | 0.42 | 7066611 | 30.01 | 0.42 | 0.02 |

Change in Promoters' Shareholding (please specify, if there is no change)

| S. No. | Name | Shareholding at the beginning of the year | | Increase/ (Decrease) in Shareholding | Shareholding at the end of the year | |
|--------|---------------------------|---|----------------------------------|--------------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | | No. of shares | % of total shares of the company |
| 1 | Mohan Harakchand Bhandari | 5856489 | 24.87 | — | 5856489 | 24.87 |
| 2 | Nutan Mohan Bhandari | 1205122 | 5.12 | — | 1205122 | 5.12 |
| 3 | Ankita Jayesh Kariya* | — | — | 5000 | 5000 | 0.02 |

*Included in the Promoter's category,

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| S. No. | Name | Shareholding at the beginning of the year | | Increase/ (Decrease) in Shareholding | Shareholding at the end of the year | |
|--------|--------------------------------|---|----------------------------------|--------------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | | No. of shares | % of total shares of the company |
| 1 | Monument PTE Limited | 1761620 | 7.48 | — | 1761620 | 7.48 |
| 2 | Jhunjhunwala Rakesh Radheshyam | 1735425 | 7.37 | — | 1735425 | 7.37 |
| 3 | Sharad Mohanlal Bhatewara | 400713 | 1.70 | — | 400713 | 1.70 |
| 4 | Shah Pradip Padamshi | 308761 | 1.31 | 46000 | 354761 | 1.51 |
| 5 | Surya Prakash Gupta | 341000 | 1.45 | 3607 | 344607 | 1.45 |
| 6 | Jhunjhunwala Rekha Rakesh | 267500 | 1.14 | — | 267500 | 1.14 |
| 7 | Fidelity Multitrade Pvt.ltd. | 245022 | 1.04 | -20000 | 225022 | 0.96 |
| 8 | Neha Gupta | 190000 | 0.81 | — | 190000 | 0.81 |
| 9 | Omkarnath Damodar Malpani HUF | 177083 | 0.75 | — | 177083 | 0.75 |
| 10 | Sanjay Omkarnath Malpani | 50000 | 0.21 | 51731 | 101731 | 0.43 |

Shareholding of Directors and Key Managerial Personnel

| S. No. | Name | Shareholding at the beginning of the year | | Increase/ (Decrease) in Shareholding | Shareholding at the end of the year | |
|--------|----------------------|---|----------------------------------|--------------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | | No. of shares | % of total shares of the company |
| 1 | Mr. Rajendra Tapadia | 271051 | 1.15 | — | 271051 | 1.15 |
| 2 | Mr. Avinash S. Joshi | 600 | 0.00 | — | 600 | 0.00 |
| 3 | Dr. Sankarshan Basu | — | 0.00 | — | — | 0.00 |
| 4 | Mr. Anil Tikekar | — | 0.00 | — | — | 0.00 |

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crores)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|-----------------|---------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 929.57 | 166.08 | 148.59 | 1,244.24 |
| ii) Interest due but not paid | — | — | — | — |
| iii) Interest accrued but not due | 138.93 | 25.75 | 14.37 | 179.05 |
| Total (i+ii+iii) | 1,068.49 | 191.83 | 162.96 | 1,423.28 |
| Change in Indebtedness during the financial year | | | | |
| Addition | — | 1.05 | 18.89 | 19.95 |
| Reduction | 121.96 | 82.16 | 14.33 | 218.45 |
| Net Change | (121.96) | (81.10) | 4.57 | (198.50) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 839.18 | 92.30 | 163.56 | 1,095.04 |
| ii) Interest due but not paid | — | — | — | — |
| iii) Interest accrued but not due | 107.35 | 18.43 | 3.97 | 129.75 |
| Total (i+ii+iii) | 946.53 | 110.73 | 167.52 | 1,224.78 |

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to Managing Director, Whole-time Directors and/or Manager:

A. During the year no remuneration is paid to the Managing Director

B. Remuneration to other directors:

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|------------|--|----------------------------|-------------------------|------------------------|---------------------------|-----------------|
| | | Mr. Rajendra B. Tapadia | Mr. Avinash S. Joshi | Dr. Sankarshan Basu | Mrs. Nutan M. Bhandari | |
| 1 | Independent Directors | | | | | |
| | · Fee for attending board committee meetings | 2,05,000 | 2,25,000 | 25,000 | — | 4,55,000 |
| | · Commission | — | — | — | — | — |
| | · Others, please specify | — | — | — | — | — |
| | Total (1) | 2,05,000 | 2,25,000 | 25,000 | — | 4,55,000 |
| 2 | Other Non-Executive Directors | | | | | |
| | · Fee for attending board committee meetings | | | | 1,25,000 | 1,25,000 |
| | · Commission | | | | — | — |
| | · Others, please specify | | | | — | — |
| | Total (2) | — | — | — | 1,25,000 | 1,25,000 |
| | Total (B)=(1 + 2) | 2,05,000 | 2,25,000 | 25,000 | 1,25,000 | 5,80,000 |
| | Total Managerial Remuneration (A) + (B) | 2,05,000 | 2,25,000 | 25,000 | 1,25,000 | 5,80,000 |
| | Overall Ceiling as per the Act | | | | | N.A. |

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ in Lacs

| Sl. No. | Particulars of Remuneration | Name of Key Managerial Personnel |
|---------|---|---|
| | | Mr. Anil Tikekar Company Secretary & CFO |
| 1 | Gross salary | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 12.63 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 11.52 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | |
| 2 | Stock Option | |
| 3 | Sweat Equity | |
| 4 | Commission | |
| | - as % of profit | |
| | - others, specify | |
| 5. | Others, please specify | |
| | Total (A) | 24.15 |

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

During the Financial Year, there is no incidence of any Penalty/Punishment/Compounding under the Companies Act, 2013 against any Director, Key Management Personnel and other Officer in Default.

ANNEXURE - B

FORM AOC-2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

- 1.) Details of contracts or arrangements or transactions not at arm's length basis;
N.A. as there were no transactions during the year which were not at arm's length.
- 2.) Details of material contracts or arrangements or transactions at arm's length basis;
During the financial year 2015-16, all the transactions entered into with related parties were at Arm's Length. However, these transactions were not material.

ANNEXURE - C

ANNUAL REPORT ON CSR ACTIVITIES

| | | |
|---|---|--|
| 1 | A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the weblink for the same is: www.bilcare.com |
| 2 | The Composition of the CSR Committee | Mrs. Nutan M. Bhandari - Chairperson Mr. Rajendra B. Tapadia Mr. Avinash S. Joshi |
| 3 | Average net profit of the company for last three financial years | — |
| 4 | Prescribed CSR Expenditure (two percent of the amount as in item 3 above) | — |
| 5 | Details of CSR spent during the financial year. Total amount to be spent for the financial year; Amount unspent, if any; Manner in which the amount spent during the financial year is detailed below: | N.A. |

The Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company, is reproduced below:

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."

Mohan H. Bhandari
Chairman & Managing Director

Nutan M. Bhandari
Chairperson – CSR Committee

ANNEXURE - D

(FORM MR-3)

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Bilcare Limited,
1028, Shirol, Rajgurunagar
Pune 410505

I have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Bilcare Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 upto 14th May, 2015 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 w.e.f. 15th May, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (*)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock

Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (*)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (*)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (*)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (*)

() There were no events/ actions occurred during the year under the report which attracts the provisions of these Act/Regulations/Guidelines, hence the same were not applicable.*

(vi) The Company is engaged in the business of Manufacturing and Research of Pharma Packaging, and we were informed that there were no other Acts and Regulations which are specifically applicable to the Company.

I have also examined compliance with the applicable Clauses of the following and have to report that:-

(i) Secretarial Standards with regard to Meeting of the Board of Directors [SS-1] and General Meetings [SS-2] issued by the Institute of Company Secretaries of India, and made effective from 1st July, 2015 have been complied with.

(ii) I have checked the compliance with the provisions of The Listing Agreement entered into by the Company with BSE Ltd., [Bombay Stock Exchange] and w.e.f. 1st December, 2015, SEBI [Listing Obligations and Disclosure Requirements] Regulations 2015, to the extent applicable during the Year under Review and to the best of my knowledge, belief and understanding I am of the view that Company has complied with the Secretarial functions and Board processes to comply with the applicable provisions thereof.

I report that, during the year under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the fact that in respect of Fixed Deposits accepted by the Company and its repayment, the Company has obtained Orders from the Company Law Board dated 18th September, 2013, 6th August, 2015 and 9th March, 2016. I have been informed by the Company that the Orders passed by the Company Law Board have been complied with.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the Laws which are specifically applicable to the Company.

I further report that based on the information provided by the Company, and also on the review of Statutory Compliance Reports submitted to the Board, in my opinion, adequate system and processes and Control Mechanism exist in the Company to monitor and ensure Compliance with applicable general laws like Factory Laws, Labour Law, Competition Laws, Environmental Laws, Intellectual Property Law, Consumer Laws, and other Miscellaneous Laws.

I further report that the Compliance by the Company of applicable financial laws, like Direct and Indirect Tax Laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and other Designated Professionals.

I further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors,

Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the year under review.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting.

All the Decisions in the Board Meetings were carried through by the majority and it was informed to us while there were no dissenting views of the members and hence not captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit period there is no event/action having a major bearing on the Company's affairs.

Date: 30 May 2016
Place: Pune

Shekhar S. Ghatpande
Practicing Company Secretary
FCS No. 1659/CP No. 782

This Report is to be read with my letter of even date which is annexed as Annexure-A and Forms an integral part of this report.

Annexure - A to the Secretarial Audit Report of Bilcare Limited

To,

The Members
Bilcare Limited,
1028 Shirol
Rajgurunagar
Pune 410505

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the processes and practices, followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Date: 30 May 2016
Place: Pune

Shekhar S. Ghatpande
Practicing Company Secretary
FCS No. 1659/CP No. 782

AUDITORS' REPORT

To,
The Members of
Bilcare Limited

Report on Financial Statements

We have audited the accompanying financial statements of Bilcare Limited ("the Company") which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with the notes 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 on 31st March, 2016
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

The overseas branch has been closed during the year, which was audited by other auditors till 31st March 2015. The write off of the assets included in Extraordinary Items (refer Note No. 44) pertains to the said financial statements of the overseas branch. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by us in this Report are in agreement with the books of account and with the audited report from the branch;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
(Refer Note 32(iv))
 - (ii) In our opinion and as per the information and explanations provides to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
 - (iii) There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Pune
Date: 30 May 2016

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

R. L. RATHI
Proprietor
Membership No. 14739

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Bilcare Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Place: Pune
Date: 30 May 2016

R. L. RATHI
Proprietor
Membership No. 14739

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Bilcare Limited ('the Company')

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except for the amount of Rs 9,585.67 lacs shown under Capital Work in Progress, which is in the nature of advance for purchase of land (refer Note No. 41).
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the sub-clauses (a) and (b) 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, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2016 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company. In respect of outstanding deposits matured and due as on 31 March 2016, amounting to ₹. 40 Cr., the company had applied to the CLB for an extension to repay. The CLB (New Delhi Bench) has granted the company an extension till September 2016 for periodic repayment of the above amount. Based on the information and explanation given to us, the company has complied and continues to comply with the order.
6. We have broadly reviewed the books of account maintained by the Company pursuant sub-section (1) of Section 148 of the Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, and Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities, except that the dues for TDS on salaries are in arrears as at the last day of the financial year under audit for a period of more than six months amounting to ₹. 1.87 Cr.
 - (b) 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.
8. 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 defaulted in repayment of dues to the financial institutions and banks. The delays have been summarized below indicating the principal amount, interest amount and period.

| Particulars | Principal (₹. Cr.) | Interest (₹. Cr.) | Delay in months |
|-----------------|--------------------|-------------------|-----------------|
| Loan from Banks | 305.76 | * 161.99 | 30 – 41 months |

*Excludes contingent liability as per Note No. 32(ii).

The Company is in negotiations with the respective banks for restructuring of the said dues.

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). 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 during the year under audit.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company or no fraud on the Company by its officers or employees of the Company has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has not paid / provided any managerial remuneration requiring requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and, not commented upon.
13. According to the information and explanations given by the Management, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
15. According to the information and explanations given by the Management, the Company has not entered into any non-cash transactions with its Directors or persons connected with them as referred to in Section 192 of the Act and hence, reporting requirements under clause 3(xv) of the Order are not applicable to the Company and, not commented upon.
16. According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly the provisions of clause 3 (xvi) of the Order are not applicable to the Company and, not commented upon.

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

Place: Pune
Date: 30 May 2016

R. L. RATHI
Proprietor
Membership No. 14739

BALANCE SHEET AS ON 31 MARCH 2016

| | Notes | As on | | As on | |
|--|-------|---------------|------------|---------------|------------|
| | | 31 March 2016 | | 31 March 2015 | |
| | | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| EQUITY AND LIABILITIES | | | | | |
| SHAREHOLDERS' FUNDS | | | | | |
| Share capital | 2 | 2,354.52 | | 2,354.52 | |
| Reserves & surplus | 3 | 49,559.95 | | 64,347.23 | |
| | | | 51,914.47 | | 66,701.75 |
| NON-CURRENT LIABILITIES | | | | | |
| Deferred tax liabilities (net) | 4 | - | | 7,230.11 | |
| Long-term borrowings | 5 | 84,207.62 | | 94,923.25 | |
| Other Long-term liabilities | 6 | 9,905.00 | | 9,905.00 | |
| Long-term provisions | 7 | 211.22 | | 134.91 | |
| | | | 94,323.84 | | 112,193.27 |
| CURRENT LIABILITIES | | | | | |
| Trade payables | | 5,593.74 | | 2,633.97 | |
| Short-term borrowings | 8 | 23,311.04 | | 20,220.18 | |
| Other current liabilities | 9 | 37,454.39 | | 54,929.49 | |
| Short-term provisions | 10 | 624.64 | | 5,395.84 | |
| | | | 66,983.81 | | 83,179.48 |
| TOTAL | | | 213,222.12 | | 262,074.50 |
| ASSETS | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Fixed assets | | | | | |
| Tangible assets | 11 | 107,145.14 | | 119,284.67 | |
| Intangible assets | 12 | 2,435.04 | | 2,447.09 | |
| Capital work in progress | | 9,929.18 | | 12,465.89 | |
| | | 119,509.36 | | 134,197.65 | |
| Non-current investments | 13 | 68,243.46 | | 68,242.51 | |
| Deferred tax assets (net) | 14 | 4,276.06 | | - | |
| Long-term loans and advances | 15 | 300.56 | | 327.98 | |
| Other non-current assets | 16 | 2,777.89 | | 4,172.76 | |
| | | | 195,107.33 | | 206,940.90 |
| CURRENT ASSETS | | | | | |
| Inventories | 17 | 4,508.51 | | 14,150.92 | |
| Trade receivables | 18 | 6,554.62 | | 7,258.45 | |
| Cash and cash equivalents | 19 | 1,121.50 | | 1,701.33 | |
| Short-term loans and advances | 20 | 5,869.22 | | 31,916.81 | |
| Other current assets | 21 | 60.94 | | 106.09 | |
| | | | 18,114.79 | | 55,133.60 |
| TOTAL | | | 213,222.12 | | 262,074.50 |
| Summary of Significant Accounting Policies | 1 | | | | |

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of Board of Directors

R. L. Rathi & Co.

Firm Registration No.108719W

Chartered Accountants

R. L. Rathi

Proprietor

Membership No.14739

Place : Pune

Date : 30 May 2016

Mohan H. Bhandari

Chairman & Managing Director

Avinash Joshi

Director

Anil Tikekar

Company Secretary & CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

| | Notes | Year ended 31 March 2016 ₹. Lacs | Year ended 31 March 2015 ₹. Lacs |
|--|-------|--|--|
| INCOME | | | |
| Revenue from operations | 22 | 25,597.96 | 33,133.44 |
| Other income | 23 | 147.34 | 426.87 |
| Total revenue (i) | | 25,745.30 | 33,560.31 |
| EXPENDITURE | | | |
| Cost of materials consumed | 24 | 17,554.35 | 24,383.61 |
| Changes in inventories of finished goods, work-in-progress and stock in trade | 25 | 284.85 | (310.40) |
| Employee benefits expense | 26 | 2,739.94 | 2,407.61 |
| Other expenses | 27 | 3,950.47 | 4,549.92 |
| Total expenses (ii) | | 24,529.61 | 31,030.74 |
| Profit before interest, depreciation and tax (EBIDTA) (i-ii) | | 1,215.69 | 2,529.57 |
| Finance costs | 28 | 8,734.91 | 13,184.03 |
| Depreciation and amortisation expense | 29 | 10,027.27 | 10,552.10 |
| Profit / (Loss) before tax | | (17,546.49) | (21,206.56) |
| Tax expense | 30 | (11,506.17) | (2,828.94) |
| Profit / (Loss) from continuing operations | | (6,040.32) | (18,377.62) |
| Prior Period Expenses | 43 | 53.74 | – |
| Exceptional Items | | – | (9.37) |
| Extraordinary Items | 44 | 8,693.22 | – |
| Profit / (Loss) after tax carried to Balance Sheet | | (14,787.28) | (18,368.25) |
| Earnings per share of ₹. 10/- each: (computed on basis of continuing operation) | 31 | | |
| Basic (₹.) | | (62.80) | (78.01) |
| Diluted (₹.) | | (62.80) | (78.01) |
| 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 : 30 May 2016

Mohan H. Bhandari

Chairman & Managing Director

Anil Tikekar

Company Secretary & CFO

For and on behalf of Board of Directors

Avinash Joshi

Director

CASH FLOW FOR THE YEAR ENDED 31 MARCH 2016

| | Year ended 31 March 2016 ₹. Lacs | Year ended 31 March 2015 ₹. Lacs |
|--|--|--|
| A Cash flow from Operating Activities | | |
| Profit / (Loss) after tax | (14,787.28) | (18,368.25) |
| Adjustments For: | | |
| Depreciation | 10,027.27 | 10,552.10 |
| Interest / Dividend (net) | 8,610.61 | 12,986.90 |
| Profit / (Loss) on sale of fixed assets | (8.98) | (0.51) |
| Profit / (Loss) on sale of Investment | — | 9.37 |
| Operating profit before Working Capital changes | 3,859.58 | 5,161.89 |
| Deferred Tax Liability | (11,506.17) | (2,828.94) |
| Adjustments for: | | |
| Trade & other receivables | 28,218.87 | (6,058.69) |
| Inventories | 9,642.41 | (2,751.95) |
| Trade & Other Payables | (14,247.96) | 10,482.90 |
| Cash generated from operations | 15,966.73 | 4,005.21 |
| Interest paid | (13,665.02) | (5,621.86) |
| Direct taxes paid | (32.15) | (51.06) |
| Net cash from / (used in) operating activities | 2,269.56 | (1,667.71) |
| B Cash flow from Investing Activities | | |
| Purchase of fixed assets (includes transfer from CWIP) | 1,931.44 | (1,716.65) |
| Sale of fixed assets | 2,720.60 | 0.51 |
| Investments | (0.95) | 80.00 |
| Interest received | 117.93 | 164.37 |
| Dividend received | 6.36 | 32.76 |
| Net cash from / (used in) investing activities | 4,775.38 | (1,439.01) |
| C Cash flow from Financing Activities | | |
| Proceeds from term borrowings | (5,587.24) | 14,723.00 |
| Repayment of term borrowings | (2,037.53) | (12,467.68) |
| Net cash from / (used in) financing activities | (7,624.77) | 2,255.32 |
| Net increase in cash & cash equivalents (A+B+C) | (579.83) | (851.40) |
| Opening balance of cash & cash equivalents | 1,701.33 | 2,552.73 |
| Closing balance of cash & cash equivalents | 1,121.50 | 1,701.33 |

* Proceeds from term borrowings are shown net of assignment of the loans to Invent Assets Securitisation Reconstruction Pvt. Ltd. and One Time Settlement (OTS) with Axis Bank.

As per our report of even date

For and on behalf of Board of Directors

R. L. Rathi & Co.

Firm Registration No.108719W

Chartered Accountants

R. L. Rathi

Proprietor

Membership No.14739

Place : Pune

Date : 30 May 2016

Mohan H. Bhandari

Chairman & Managing Director

Avinash Joshi

Director

Anil Tikekar

Company Secretary & CFO

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 these financial statements to comply in all material respects with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. 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 depreciates 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 in Schedule II to the Companies Act, 2013, whichever is higher. In respect 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 non-current 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 assets' recoverable amount. An asset's recoverable amount is the higher of an assets' or cash-generating units' (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 assets' or CGUs' 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.

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 10 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 of the respective asset.

xi) Income taxes

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 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 per the Guidance Note on Revised Schedule VI of the Companies Act, 1956, issued by ICAI, (now applicable to Schedule IV of the Companies Act, 2013) 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 2016

| | As on 31 March 2016 | | As on 31 March 2015 | |
|--|------------------------|------------------------|------------------------|------------------------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| NOTE - 2 | | | | |
| SHARE CAPITAL | | | | |
| AUTHORISED | | | | |
| 40,000,000 (31 March 2015 : 40,000,000) Equity Shares of ₹. 10/- each | | 4,000.00 | | 4,000.00 |
| 5,000,000 (31 March 2015 : 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 2015 : 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 period | | — | | — |
| 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 2016, the amount of per share dividend recognized as distributions to equity shareholders was ₹.NIL (31 March 2015 : ₹. NIL). | | | | |
| 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 | 5,856,489 | 24.87 | 5,856,489 | 24.87 |
| ii. Deutsche Bank Trust Company Americas (Custodian of shares against GDR's 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 | 1,205,122 | 5.12 | 1,205,122 | 5.12 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 | | As on 31 March 2015 | |
|---|------------------------|------------------|------------------------|------------------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| NOTE - 3 | | | | |
| RESERVES & SURPLUS | | | | |
| Securities Premium | | 51,034.41 | | 51,034.41 |
| General Reserve | | | | |
| Balance as per last Financial Statement | 11,622.47 | | 11,622.47 | |
| Add: Transfer from Statement of Profit and Loss | — | | — | |
| | | 11,622.47 | | 11,622.47 |
| Capital Redemption Reserve | | 271.63 | | 271.63 |
| Surplus in the statement of profit and loss account | | | | |
| Balance as per last Financial Statement | 1,418.72 | | 20,195.02 | |
| Add: Net Profit / Loss for the year | (14,787.28) | | (18,368.25) | |
| Less: Transfer to General Reserve | — | | — | |
| Adjustment relating to Fixed Assetst | — | | 408.05 | |
| | | (13,368.56) | | 1,418.72 |
| | | <u>49,559.95</u> | | <u>64,347.23</u> |
| NOTE - 4 | | | | |
| DEFERRED TAX LIABILITIES (NET) | | | | |
| Deferred Tax Liabilities | | | | |
| — Related to Fixed Assets | | — | | 15,019.17 |
| Deferred Tax Assets | | | | |
| — Related to Business Loss | | — | | (7,789.06) |
| | | <u>—</u> | | <u>7,230.11</u> |
| NOTE - 5 | | | | |
| LONG-TERM BORROWINGS | | | | |
| i) Secured Loans: | | | | |
| Term Loan from Banks / FI | | 77,262.76 | | 87,995.66 |
| ii) Unsecured Loans: | | | | |
| Deferred sales tax loans | 1,176.18 | | 1,070.78 | |
| Term Loan from Banks / FI | 5,000.00 | | 5,000.00 | |
| Others | 768.68 | | 856.81 | |
| | | 6,944.86 | | 6,927.59 |
| | | <u>84,207.62</u> | | <u>94,923.25</u> |

- Refer Annexure A to Notes to Financial Statements for the detailed terms of the loans.
- Term loans of Andhra Bank, State Bank of India, State Bank of Hyderabad, State Bank of Bikaner & Jaipur, The Karnataka Bank Ltd & Dhanlaxmi Bank have been assigned to 'Invent Assets Securitisation & Reconstruction Pvt. Ltd.' at a value of ₹. 20,950.00 lacs and Term loan of Axis Bank was settled as a One Time Settlement at a value of ₹. 2,100.00 lacs in Secured Loans. (Refer Note No. 32 (iii))
- Term loans are secured by first charge on the immovable and movable properties and second charge on current assets, both present and future, under the Security Trustee Arrangement.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 ₹. Lacs | As on 31 March 2015 ₹. Lacs |
|--|-----------------------------------|-----------------------------------|
| NOTE - 6 | | |
| OTHER LONG TERM LIABILITIES | | |
| Other long-term liabilities (Refer Note No 41) | 9,905.00 | 9,905.00 |
| | <u>9,905.00</u> | <u>9,905.00</u> |
| NOTE - 7 | | |
| LONG TERM PROVISIONS | | |
| Provisions for employee benefits | 211.22 | 134.91 |
| | <u>211.22</u> | <u>134.91</u> |
| NOTE - 8 | | |
| SHORT-TERM BORROWINGS | | |
| i) Secured: | | |
| Working capital loan from banks | 6,655.14 | 4,960.97 |
| ii) Unsecured: | | |
| Fixed deposits from public | 16,355.90 | 14,859.21 |
| Loans and advances from related parties (Refer Note No. 41) | <u>300.00</u> | <u>400.00</u> |
| | 16,655.90 | 15,259.21 |
| | <u>23,311.04</u> | <u>20,220.18</u> |

- The Working capital facilities from banks carries interest rate ranging from 12% to 15% 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.
- Fixed deposits from public carries interest @ 11% to 12% p.a. The above figure of ₹. 16,355.90 lacs includes interest on deposits matured during the year of ₹. 1,837.46 lacs and the principal amount is ₹. 14,518.44 lacs. The repayment of matured deposits has been deferred as per the extension Order passed by the CLB.

NOTE - 9

OTHER CURRENT LIABILITIES

| | | |
|---|------------------|------------------|
| LC Acceptances | 1,985.17 | 9,280.18 |
| Interest accrued but not due on borrowings [Refer Note - 32(ii)] | 12,974.51 | 17,904.62 |
| Withholding tax payable | 431.43 | 221.78 |
| Unclaimed Dividend* | 8.80 | 11.54 |
| Advance - Others (Including Related Parties - Refer Note No. 41) | 22,054.48 | 27,511.37 |
| | <u>37,454.39</u> | <u>54,929.49</u> |

* This figure does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 ₹. Lacs | As on 31 March 2015 ₹. Lacs |
|--|-----------------------------------|-----------------------------------|
| NOTE - 10 | | |
| SHORT TERM PROVISIONS | | |
| Provision for taxes on income (Net of Advance Tax) | (259.92) | (227.76) |
| Provision for employee benefits | 29.87 | 67.94 |
| Other short term provisions | 854.69 | 5,555.66 |
| | <u>624.64</u> | <u>5,395.84</u> |

NOTE - 11

TANGIBLE ASSETS

(₹. Lacs)

| Sr. No. | Items of Asset | Gross Block at Cost or Book Value | | | | Depreciation | | | | Net Block | | |
|---------|---------------------|-----------------------------------|---------------------------|----------------------------|-------------------|------------------|----------------------------|-----------------|----------------------------|------------------|-------------------|-------------------|
| | | As on 01/04/2015 | Additions during the year | Deductions during the year | As on 31/03/2016 | As on 01/04/2015 | Adjustment During The Year | For The Year | Deductions during the year | As on 31/03/2016 | As on 31/03/2016 | As on 31/03/2015 |
| 01 | Land | 227.20 | — | — | 227.20 | — | — | — | — | — | 227.20 | 227.20 |
| 02 | Building | 5,839.60 | 4.23 | — | 5,843.83 | 1,686.34 | — | 170.59 | — | 1,856.93 | 3,986.89 | 4,153.26 |
| 03 | Plant & Machinery | 74,139.19 | 109.89 | 5,156.81 | 69,092.27 | 22,355.71 | — | 4,644.19 | 2,427.24 | 24,572.66 | 44,519.61 | 51,783.48 |
| 04 | Vehicles | 149.80 | — | 21.38 | 128.42 | 121.43 | — | 8.77 | 21.38 | 108.82 | 19.60 | 28.37 |
| 05 | Electric Fitting | 1,732.53 | — | — | 1,732.53 | 1,208.69 | — | 228.56 | — | 1,437.25 | 295.28 | 523.84 |
| 06 | Furniture & Fixture | 725.06 | 2.73 | — | 727.79 | 478.17 | — | 85.88 | — | 564.05 | 163.74 | 246.89 |
| 07 | Office Equipments | 915.84 | 18.87 | 0.10 | 934.61 | 833.48 | — | 21.38 | 0.09 | 854.77 | 79.84 | 82.36 |
| 08 | Tools & Equipments | 68,536.70 | — | — | 68,536.70 | 6,297.43 | — | 4,386.30 | — | 10,683.73 | 57,852.97 | 62,239.27 |
| | TOTAL | 152,265.92 | 135.72 | 5,178.29 | 147,223.35 | 32,981.25 | — | 9,545.67 | 2,448.71 | 40,078.21 | 107,145.14 | 119,284.67 |
| | Previous Year | 145,198.36 | 7,087.97 | 20.40 | 152,265.92 | 22,376.76 | 604.03 | 10,019.91 | 19.38 | 32,981.25 | 119,284.67 | 122,821.66 |

NOTE - 12

INTANGIBLE ASSETS

| Sr. No. | Items of Asset | Gross Block at Cost or Book Value | | | | Depreciation | | | | Net Block | | |
|---------|-------------------------|-----------------------------------|---------------------------|----------------------------|------------------|------------------|----------------------------|---------------|----------------------------|------------------|------------------|------------------|
| | | As on 01/04/2015 | Additions during the year | Deductions during the year | As on 31/03/2016 | As on 01/04/2015 | Adjustment During The Year | For the year | Deductions during the year | As on 31/03/2016 | As on 31/03/2016 | As on 31/03/2015 |
| 01 | Patent and Trademarks | 2,860.74 | 464.93 | — | 3,325.67 | 1,359.35 | — | 221.27 | — | 1,580.62 | 1,745.05 | 1,501.39 |
| 02 | Other Intangible Assets | 4,481.09 | 4.62 | — | 4,485.71 | 3,535.39 | — | 260.33 | — | 3,795.72 | 689.99 | 945.70 |
| | TOTAL | 7,341.83 | 469.55 | — | 7,811.38 | 4,894.74 | — | 481.60 | — | 5,376.34 | 2,435.04 | 2,447.09 |
| | Previous Year | 7,018.34 | 323.49 | — | 7,341.83 | 4,362.55 | — | 532.19 | — | 4,894.74 | 2,447.09 | 2,655.78 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 | | As on 31 March 2015 | |
|--|------------------------|-----------|------------------------|-----------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| NOTE - 13 | | | | |
| NON-CURRENT INVESTMENTS | | | | |
| Unquoted Equity Instruments | | | | |
| i) Investment in subsidiaries | | | | |
| Bilcare Singapore Pte Ltd. 173.35 million (31 March 2015: 173.35 million) Equity Shares of SGD 1 each fully paid-up | 52,972.30 | | 52,972.30 | |
| Bilcare Mauritius Limited 27,255 (31 March 2015: 27,255) Equity Shares of USD 1,000 each fully paid-up | 15,238.11 | | 15,238.11 | |
| Bilcare Technologies Singapore Pte. Ltd. 125,000 Ordinary shares (31 March 2015: NIL) of SGD 0.01 each, fully paid-up. 78,332 Preference shares (31 March 2015 : NIL) | — | | — | |
| Bilcare GCS Limited, UK 1000 (31 March 2015 : NIL) Ordinary shares of GBP 1 each fully paid-up | 0.95 | | — | |
| Bilcare GCS Inc., USA. Common stock - 200 shares no par value (31 March 2015 : NIL) | — | | — | |
| Bilcare Packaging Limited 50 (31 March 2015 : 50) Equity shares of USD 1000 each fully paid-up) | 31.10 | | 31.10 | |
| | | 68,242.46 | | 68,241.51 |
| ii) Other non-current investments : | | | | |
| Equity Shares: Cosmos Bank 1,000 (31 March 2015 : 1,000) shares of ₹. 100 each | | 1.00 | | 1.00 |
| | | 68,243.46 | | 68,242.51 |
| NOTE - 14 | | | | |
| DEFERRED TAX ASSETS (NET) | | | | |
| Deferred Tax Liability Related to Fixed Assets | (10,620.67) | | — | |
| Deferred Tax Assets Related to Business Loss | 14,896.73 | | — | |
| | 4,276.06 | | — | |
| NOTE - 15 | | | | |
| LONG TERM LOANS AND ADVANCES | | | | |
| Unsecured, considered good | | | | |
| Security deposits | 300.56 | | 327.98 | |
| | 300.56 | | 327.98 | |
| NOTE - 16 | | | | |
| OTHER NON CURRENT ASSETS | | | | |
| Deposits with Government Authorities | 2,777.89 | | 4,172.76 | |
| | 2,777.89 | | 4,172.76 | |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 | | As on 31 March 2015 | |
|---|------------------------|-----------------|------------------------|------------------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| NOTE - 17 | | | | |
| INVENTORIES | | | | |
| (valued at lower of cost or net realizable value) | | | | |
| Raw Material | | 3,089.61 | | 12,441.91 |
| Work-in-process | | 920.32 | | 1,228.12 |
| Finished Goods | | 369.16 | | 346.21 |
| Stores & Spares, Consumables | | 129.42 | | 134.68 |
| | | <u>4,508.51</u> | | <u>14,150.92</u> |
| NOTE - 18 | | | | |
| TRADE RECEIVABLES | | | | |
| Secured, considered good | | | | |
| Outstanding for more than six months from due date | — | | — | |
| Others | <u>120.04</u> | | <u>40.09</u> | |
| | | 120.04 | | 40.09 |
| Unsecured, considered good | | | | |
| Outstanding for more than six months from due date | <u>365.06</u> | | <u>2,578.66</u> | |
| Others | <u>6,069.52</u> | | <u>4,639.70</u> | |
| | | <u>6,434.58</u> | | <u>7,218.36</u> |
| | | <u>6,554.62</u> | | <u>7,258.45</u> |
| NOTE - 19 | | | | |
| CASH AND CASH EQUIVALENTS | | | | |
| Cash on hand | | 11.54 | | 13.56 |
| Deposits with Bank | | | | |
| Current account | <u>835.97</u> | | <u>638.22</u> | |
| Term deposit account* | <u>273.99</u> | | <u>1,049.55</u> | |
| | | <u>1,109.96</u> | | <u>1,687.77</u> |
| | | <u>1,121.50</u> | | <u>1,701.33</u> |
| * Term deposits with banks include earmarked deposits ₹. 267.43 lacs (31 March 2015 : ₹. 879.85 lacs) as margin money for LC's, guarantees etc. | | | | |
| NOTE - 20 | | | | |
| SHORT TERM LOANS AND ADVANCES | | | | |
| Unsecured considered good | | | | |
| To Others (Including Related Parties - Refer Note No. 41) | | <u>5,869.22</u> | | <u>31,916.81</u> |
| | | <u>5,869.22</u> | | <u>31,916.81</u> |
| NOTE - 21 | | | | |
| OTHER CURRENT ASSETS | | | | |
| Prepaid expenses | | 60.94 | | 106.09 |
| | | <u>60.94</u> | | <u>106.09</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 | | As on 31 March 2015 | |
|---|------------------------|------------------|------------------------|------------------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| NOTE - 22 | | | | |
| REVENUE FROM OPERATIONS | | | | |
| Sale of goods | | 24,150.54 | | 31,409.48 |
| Sale of services | | 1,447.42 | | 1,723.96 |
| | | <u>25,597.96</u> | | <u>33,133.44</u> |
| NOTE - 23 | | | | |
| OTHER INCOME | | | | |
| Interest received | | 117.93 | | 164.37 |
| Dividend income | | 6.36 | | 32.76 |
| Lease rental income (Refer Note No. 41) | | 875.00 | | 175.00 |
| Exchange differences, net income | | (866.09) | | 47.83 |
| Miscellaneous income from non-operating activities | | 14.14 | | 6.91 |
| | | <u>147.34</u> | | <u>426.87</u> |
| NOTE - 24 | | | | |
| COST OF MATERIAL CONSUMED | | | | |
| Opening stock of raw material * | | 3,541.58 | | 9,990.08 |
| Add: Purchases | | 17,102.38 | | 26,835.44 |
| Less: Closing stock of raw material | | 3,089.61 | | 12,441.91 |
| | | <u>17,554.35</u> | | <u>24,383.62</u> |
| * Net of Stock written off during the year ₹. 8,900.33 lacs (considered under Extraordinary items) | | | | |
| NOTE - 25 | | | | |
| CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE | | | | |
| Opening stock in trade (at the beginning) | | | | |
| Semi finished goods / work in progress | 1,228.12 | | 879.34 | |
| Finished goods | <u>346.21</u> | | <u>384.59</u> | |
| | | 1,574.33 | | 1,263.93 |
| Closing stock in trade (at the end) | | | | |
| Semi finished goods / work in progress | 920.32 | | 1,228.12 | |
| Finished goods | <u>369.16</u> | | <u>346.21</u> | |
| | | 1,289.48 | | 1,574.33 |
| (Increase) / Decrease | | <u>284.85</u> | | <u>(310.40)</u> |
| NOTE - 26 | | | | |
| EMPLOYEE BENEFIT EXPENSES | | | | |
| Salaries, wages, allowance and bonus | | 2,532.10 | | 2,179.60 |
| Contribution to retirement benefits for employees | | 151.00 | | 160.35 |
| Staff welfare expenses | | 56.84 | | 67.66 |
| | | <u>2,739.94</u> | | <u>2407.61</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 | | As on 31 March 2015 | |
|--|------------------------|-------------|------------------------|-------------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| NOTE - 27 | | | | |
| OTHER EXPENSES | | | | |
| Consumables, Stores & Sprares Consumed | | 224.31 | | 248.94 |
| Power and Fuel | | 900.20 | | 1,087.36 |
| Repairs and Maintenance | | | | |
| Plant & Machinery | 41.18 | | 60.79 | |
| Buildings | 31.92 | | 17.44 | |
| Others | 55.57 | | 48.19 | |
| | | 128.67 | | 126.42 |
| Rent / Lease of Premises | | 105.01 | | 103.49 |
| Rates and Taxes | | 5.91 | | 5.08 |
| Insurance | | 73.80 | | 97.14 |
| Selling Expenses | | 875.00 | | 1,048.56 |
| Travelling, Conveyance and Vehicle Expenses | | 275.43 | | 298.90 |
| Communication Expenses | | 49.96 | | 54.91 |
| Consultancy Charges | | 713.75 | | 676.91 |
| Loss on Sale of Assets | | 8.98 | | 0.51 |
| Donations | | 1.22 | | 0.33 |
| Office Expenses, Administrative and Other Miscellaneous Expenses | | 588.23 | | 801.37 |
| | | 3,950.47 | | 4,549.92 |
| NOTE - 28 | | | | |
| FINANCE COSTS | | | | |
| Interest expense | | 5,306.84 | | 10,318.27 |
| Other borrowing costs | | 2,975.93 | | 2,608.68 |
| Bank charges & commision/brokerage | | 452.14 | | 257.08 |
| | | 8,734.91 | | 13,184.03 |
| NOTE - 29 | | | | |
| DEPRECIATION AND AMORTISATION EXPENSES | | | | |
| Depreciation on Tangible assets (Refer Note No. 11) | | 9,545.67 | | 10,019.91 |
| Amortisation of Intangible assets (Refer Note No. 12) | | 481.60 | | 532.19 |
| | | 10,027.27 | | 10,552.10 |
| NOTE - 30 | | | | |
| TAX EXPENSE | | | | |
| Current Tax: | | — | | — |
| Deferred Tax | | (11,506.17) | | (2,828.94) |
| | | (11,506.17) | | (2,828.94) |
| NOTE - 31 | | | | |
| EARNINGS PER SHARE (EPS) | | | | |
| Net Profit / (Loss) statement as per statement of Profit & Loss | | (14,787.28) | | (18,368.25) |
| 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 (₹.) | | (62.80) | | (78.01) |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 ₹. Lacs | As on 31 March 2015 ₹. Lacs |
|---|-----------------------------------|-----------------------------------|
| NOTE - 32 | | |
| CONTINGENT LIABILITIES | | |
| i) Claims against the Company, not acknowledged as debts: | | |
| – Corporate guarantees given on behalf of subsidiaries | – | 42,884.12 |
| – Stand By Letter of Credit (SBLC) | 25,891.72 | 34,616.77 |
| – Liability to suppliers written back during the year on account of pending legal cases | 1,978.40 | – |
| ii) Interest on bank loans (NPA accounts) has been charged at 10% p.a. being average base rate of lending. The contingent liability for unprovided interest on account of difference between the sanctioned rate of interest and the base rate, which is subject to negotiation with individual banks as a part of the restructuring undertaken by the Company. | 6246.12 | 9888.20 |
| iii) During the year, some of the terms loans were assigned/ one time settled at a value of ₹. 20,950.00 lacs and ₹. 2,100.00 lacs respectively. (Refer Note No. 5 (b)). The total value of these outstanding loans prior to assignment was ₹. 51,676.12 lacs. As per the settlement agreements in case of default in the in the repayment of the assigned /one time settled value of loans, the company would be liable to repay the total outstanding loan prior to the assignment. Hence, the remission amount has been considered as a contingent liability and includes interest of ₹. 1,212.42 lacs of Andhra Bank. (Refer Note No. 44) | 28,626.12 | – |
| iv) The Commissioner of Income Tax (Central), Pune has filed a Writ Petition in the honourable High Court of Judicature at Mumbai against Income Tax Settlement Commission(ITSC) & the Company. The Writ Petition is filed challenging the order of the ITSC u/s 245D(4) passed on 14th October 2013 in favour of the Company allowing the Company's claim of certain expenditure. Thus, the Company may have a possible obligation based on the outcome of the Writ petition which is currently not possible to estimate. | | |

NOTE - 33

AUDITOR'S REMUNERATION

| | | |
|------------------------|--------------|--------------|
| i) As auditor: | | |
| Audit fee | 10.00 | 10.00 |
| Tax audit fee | 2.00 | 2.00 |
| ii) In other capacity: | | |
| Taxation matters | 2.00 | 2.00 |
| Other services | 1.00 | 1.00 |
| | <u>15.00</u> | <u>15.00</u> |

The above figures are provided net of service tax

NOTE - 34

RESEARCH & DEVELOPMENT EXPENDITURE

| | | |
|---------|---------------|---------------|
| Revenue | 134.32 | 839.01 |
| | <u>134.32</u> | <u>839.01</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

NOTE - 35

DUES TO MICRO AND SMALL ENTERPRISES

Trade payables include ₹114.72 lacs (31 March 2015 : ₹. 38.31 lacs) payable to Micro and Small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). No amount is overdue for payment to such undertakings.

NOTE - 36

GRATUITY PLAN

| | As on 31 March 2016 | | As on 31 March 2015 | |
|--|------------------------|----------|------------------------|---------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| i) Statement of Profit and Loss | | | | |
| Net employee benefit expense recognised in | | | | |
| Employee cost | | | | |
| Current / past service cost | | 43.90 | | 42.25 |
| Interest cost on benefit obligation | | 19.86 | | 17.68 |
| Expected return on plan assets | | (13.88) | | (15.34) |
| Net actuarial (gain) / loss | | (2.35) | | 35.31 |
| Net benefit expense | | 47.53 | | 79.90 |
| ii) Balance Sheet | | | | |
| Benefit asset / (liability) | | | | |
| Present value of defined benefit obligation | | 294.29 | | 274.78 |
| Fair value of plan assets | | 157.98 | | 181.00 |
| Plan asset / (liability) | | (136.31) | | (93.78) |
| Changes in the Present Value of the Defined Benefit Obligation | | | | |
| Opening defined benefit obligation | | 274.78 | | 202.75 |
| Current service cost | | 43.90 | | 42.25 |
| Interest cost | | 19.86 | | 17.68 |
| Benefits paid | | (40.29) | | (21.20) |
| Actuarial (gains) / losses on obligation | | (3.96) | | 33.30 |
| Closing defined benefit obligation | | 294.29 | | 274.78 |
| Changes in the Fair Value of Plan Assets | | | | |
| Opening fair value of plan assets | | 181.00 | | 173.16 |
| Expected return | | 13.88 | | 15.34 |
| Contribution by employer | | 5.00 | | 15.71 |
| Benefits paid | | (40.29) | | (21.20) |
| Actuarial gains / (losses) | | (1.61) | | (2.01) |
| Closing fair value of plan assets | | 157.98 | | 181.00 |

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 | 8.00% | 8.00% | 7.80% | 7.80% |
| Expected rate of return | 8.50% | — | 9.00% | — |
| Salary escalation rate | 10.00% | 10.00% | 10.00% | 10.00% |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

NOTE - 37

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 | As on 31 March, 2016 | | As on 31 March, 2015 | |
|---------|-----------------------------|--|--------------------------------|-----------|--------------------------------|------------|
| | | | Foreign Currency in lacs | ₹. Lacs | Foreign Currency in lacs | ₹. Lacs |
| i) | Bank Balances | USD | 2.12 | 140.01 | 0.69 | 43.17 |
| | | EURO | — | — | 4.94 | 331.04 |
| | | GBP | 0.03 | 2.57 | — | — |
| ii) | Trade Payables | EURO | 0.29 | 21.82 | (0.15) | (10.26) |
| | | USD | 118.08 | 7,813.83 | 64.96 | 4,049.61 |
| | | GBP | 0.02 | 1.89 | (0.85) | (78.29) |
| | | JPY | 0.67 | 0.40 | — | — |
| | | SGD | — | — | (7.26) | (329.93) |
| iii) | Trade Receivables | EURO | 0.61 | 45.85 | (4.80) | (321.67) |
| | | USD | 41.23 | 2,728.73 | (24.44) | (1,523.17) |
| | | GBP | 0.19 | 18.40 | 0.10 | 9.51 |
| iv) | Short Term Loans & Advances | EURO | (3.54) | (267.04) | (27.75) | (1,858.12) |
| | | USD | 2.67 | 176.71 | (115.00) | (7,168.64) |
| | | GBP | — | 0.28 | 1.01 | 93.27 |
| | | SGD | — | — | 0.39 | 17.83 |
| v) | Other Current Liabilities | EURO | 19.94 | 1,502.68 | (7.53) | (504.48) |
| | | USD | 371.44 | 24,579.87 | 513.90 | 32,034.02 |
| | | GBP | — | 0.10 | — | 0.10 |
| | | SGD | — | — | 0.03 | 1.39 |
| vi) | Other Long-Term Liabilities | EURO | 131.42 | 9,905.00 | 147.91 | 9,905.00 |
| | | Conversion rates (INR to foreign currency) | | | | |
| | | EURO | | 75.37 | | 66.97 |
| | | USD | | 66.18 | | 62.34 |
| | | GBP | | 95.16 | | 92.55 |
| | | SGD | | 49.15 | | 45.43 |
| | | JPY | | 0.59 | | 0.52 |

NOTE - 38

LEASE DETAILS

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

As lessee

| | | |
|---|--------|--------|
| Within one year | 103.44 | 102.26 |
| After one year but not more than five years | 457.80 | 446.13 |
| More than five years | 352.11 | 477.91 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 ₹. Lacs | As on 31 March 2015 ₹. Lacs |
|---|-----------------------------------|-----------------------------------|
| NOTE - 39 | | |
| EXPENDITURE IN FOREIGN CURRENCY (actual payment basis) | | |
| Value of imports on CIF basis | | |
| Raw materials | 13,988.56 | 13,826.95 |
| Other expenses | | |
| Traveling Expenses | 20.97 | 34.75 |
| Other | 454.47 | 402.18 |
| NOTE - 40 | | |
| EARNINGS IN FOREIGN CURRENCY (actual receipt basis) | | |
| Export of Goods | 10,846.27 | 5,396.77 |
| Others-Interest | 3.58 | 2.10 |

NOTE - 41

RELATED PARTY DISCLOSURES

Disclosure as required by Accounting Standard (AS) - 18 "Related party disclosures" are given below:

i) Names of related parties and related party relationship

Related parties where control exists

Ultimate holding Company

Holding Company – wholly owned subsidiary

Wholly owned subsidiary

Step down subsidiaries

Bilcare Limited

Bilcare Singapore Pte. Ltd., Singapore

Bilcare Packaging Ltd., Mauritius

Bilcare GCS Limited, UK

Bilcare GCS Inc., USA

Bilcare Technologies Singapore Pte. Ltd., Singapore

Bilcare Technologies Italia Srl. , Italy

Bilcare Mauritius Ltd., Mauritius

Bilcare Research Holding AG

Bilcare Research AG

Bilcare Germany Management GmbH

Bilcare Research Singapore Pte.Ltd.

Films Germany Holding GmbH

Bilcare Agency GmbH

Bilcare Research SRL

Bilcare Research Inc

Bilcare Research GmbH

Caprihans India Limited

Bil Leasing Verwaltungs GMBH & Co

Key management personnel

Mr. Mohan H. Bhandari (Chairman & Managing Director)

Mr. Anil Tikekar (Company Secretary & CFO)

Relative of Key management personnel

Ankita J. Kariya

Nutan M. Bhandari

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Balances as at 31 March 2016:
(Amount in ₹. Lacs)

| Related Party | Other Current Liabilities | Short Term Provisions | Unsecured Loans | Other Long-Term Liabilities | Trade Payables | Short Term Loans & Advances | Fixed Assets* | Investment | Corporate Guarantees Given | Contingent Liability - SBL |
|---|---------------------------|-----------------------|-----------------|-----------------------------|----------------|-----------------------------|---------------|------------|----------------------------|----------------------------|
| Bilcare GMBH | - | - | - | - | - | - | - | - | - | - |
| Bilcare Inc | - | - | - | - | - | 187.35 | - | - | - | - |
| Bilcare Research AG | - | - | - | - | - | 209.89 | - | - | - | - |
| | (0.80) | - | - | (9,905.00) | (157.86) | (312.87) | - | - | - | - |
| Bilcare Research GMBH | (78.34) | - | - | (9,905.00) | - | (2,770.37) | - | - | - | - |
| | (75.96) | - | - | - | - | 45.36 | - | - | - | - |
| Bilcare Research Inc | - | - | - | - | - | 1.94 | - | - | - | - |
| | - | - | - | - | - | 110.29 | - | - | - | - |
| Bilcare Singapore Pte. Ltd. | - | - | - | - | - | 957.02 | - | - | - | - |
| | 2,492.46 | - | - | - | - | (6,607.42) | - | 52,972.30 | 4,859.47 | 4,051.81 |
| Bilcare Mauritius Ltd | - | - | - | - | (1,654.69) | - | - | 15,238.11 | - | - |
| Bilcare Packaging Ltd | (21,725.14) | - | - | - | (517.42) | - | - | 15,238.11 | - | - |
| | (29,935.97) | - | - | - | - | - | - | 31.10 | - | 25,891.72 |
| Bilcare Technologies Singapore Pte. Limited | - | - | - | - | 6.41 | - | - | 31.10 | - | 30,564.97 |
| | - | - | - | - | - | 393.98 | - | - | - | - |
| Caprihans India Limited | - | - | (300.00) | - | (382.03) | - | - | - | - | - |
| | - | - | (400.00) | - | (173.41) | - | - | - | - | - |
| Bilcare Research Singapore Pte. Limited | - | - | - | - | - | 36.80 | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| Bilcare GCS Limited | - | - | - | - | - | 17.53 | - | 0.95 | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| Bilcare GCS Inc. | - | - | - | - | - | 54.83 | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Balances as at 31 March 2016:
(Amount in ₹. Lacs)

| Related Party | Other Current Liabilities | Short Term Provisions | Unsecured Loans | Other Long-Term Liabilities | Trade Payables | Short Term Loans & Advances | Fixed Assets* | Investment | Corporate Guarantees Given | Contingent Liability - SBL |
|---|---------------------------|-----------------------|-----------------|-----------------------------|-------------------|-----------------------------|-----------------|------------------|----------------------------|----------------------------|
| Key Management Personnel | | | | | | | | | | |
| Mohan H. Bhandari | | (4.01) | | | | (222.00) | 7,227.29 | | | |
| | | (4.01) | | | | (222.00) | 6,951.29 | | | |
| Praful Naik # | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | (3.43) | - | - | - | - |
| Relative of Key Management Personnel | | | | | | | | | | |
| Nutan M. Bhandari | - | - | - | - | - | - | 2,358.38 | - | - | - |
| | - | - | - | - | - | - | 2,358.38 | - | - | - |
| Total | (21,803.48) | (4.01) | (300.00) | (9,905.00) | (2,188.17) | (270.06) | 9,585.67 | 68,242.46 | - | 25,891.72 |
| | (27,520.27) | (4.01) | (400.00) | (9,905.00) | (690.83) | (7,853.04) | 9,309.67 | 68,241.51 | 4,859.47 | 34,616.78 |

Note:

Figures in bold & italic represent Previous Year's amounts.

* includes Capital WIP

Employed for part of the year in previous FY

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Transactions during the year with related parties:
(Amount in ₹. Lacs)

| Related Party | Short Term Loans & Advances | Other Current Liabilities | Other Long-Term Liabilities | Short Term Provisions | Unsecured Loans | Sale of Goods | Purchase of Goods / Services | Purchase of Land | Investment Purchased / (Sold) | Remuneration Paid | Lease Rent - Expense / (Income) | Interest - Expense / (Income) | Others - Expense / (Income) - Reimbursement |
|---|-----------------------------|---------------------------|-----------------------------|-----------------------|------------------|-------------------------|------------------------------|------------------|-------------------------------|-------------------|---------------------------------|-------------------------------|---|
| Bilcare GMBH | (187.35) (75.95) | - | - | - | - | - | - | - | - | - | - | - | - |
| Bilcare Inc | (209.89) (23.96) | - | - | - | - | - | - | - | - | - | - | - | - |
| Bilcare International | - | - | - | - | - | - | - | - | (70.63) | - | - | - | - |
| Bilcare Research AG | 2,457.50 (4.01) | 0.80 | - | - | - | - | 325.32 | - | - | - | - | - | - |
| Bilcare Research GMBH | 43.42 1.94 | (2.38) 2.31 | (9,905.00) | - | - | 11.11 375.55 1.94 | - | - | - | - | - | - | - |
| Bilcare Research Inc | (846.72) 327.15 | - | - | - | - | 995.63 1,126.13 | - | - | - | - | - | - | 13.76 |
| Bilcare Singapore Pte. Ltd. | 6,607.42 5,825.39 | (2,492.46) (132.47) | - | - | - | 104.07 487.86 | - | - | - | - | 875.00* 175.00 | - | - |
| Bilcare Mauritius Ltd. | - | - | - | - | - | - | 1,684.77 517.42 | - | - | - | - | - | - |
| Bilcare Packaging Ltd. | - | 8,210.83 (7,083.88) | - | - | - | - | - | - | - | - | - | - | - |
| Bilcare Technologies Singapore Pte. Limited | (393.98) 260.68 | - | - | - | - | - | 24.74 29.79 | - | - | - | - | - | - |
| Caprihans India Limited | - | - | - | - | 100.00 100.00 | 1.44 | 879.58 0.35 | - | - | - | - | 44.78 65.55 | (14.35) |
| Bilcare Research Singapore Pte. Ltd. | 36.80 | - | - | - | - | 61.43 | - | - | - | - | - | - | - |
| Bilcare GCS Limited | 17.53 | - | - | - | - | - | (11.11) | - | 0.95 | - | - | - | (6.43) |
| Bilcare GCS Inc. | 54.83 | - | - | - | - | 18.46 | (17.68) | - | - | - | - | - | (37.15) |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Transactions during the year with related parties:
(Amount in ₹. Lacs)

| Related Party | Short Term Loans & Advances | Other Current Liabilities | Other Long-Term Liabilities | Short Term Provisions | Unsecured Loans | Sale of Goods | Purchase of Goods / Services | Purchase of Land | Investment Purchased / (Sold) | Remuneration Paid | Lease Rent - Expense / (Income) | Interest - Expense / (Income) | Others - Expense / (Income) - Reimbursement |
|---|-----------------------------|-------------------------------|-----------------------------|-----------------------|-------------------------|-----------------------------|------------------------------|-------------------------|-------------------------------|-----------------------|---------------------------------|-------------------------------|---|
| Key Management Personnel | | | | | | | | | | | | | |
| Mohan H. Bhandari | - (222.00) | - | - | - | - | - | - | 276.00 276.00 | - | - | - | - | - |
| Praful Naik # | 3.43 19.11 | - | - | - | - | - | - | - | - | - | - | - | - |
| Anil Tikekar | - | - | - | - | - | - | - | - | - | 24.15 23.83 | - | - | - |
| Relative of Key Management Personnel | | | | | | | | | | | | | |
| Ankita J. Kariya | - | - | - | - | - | - | - | - | - | 16.96 11.28 | - | - | - |
| Total | 7,582.98 6,108.35 | 5,716.79 (7,214.04) | - (9,905.00) | - 6.09 | 100.00 100.00 | 1,556.58 1,627.04 | 2,885.62 547.56 | 276.00 276.00 | 0.95 (70.63) | 41.11 35.11 | 875.00 175.00 | 44.78 65.55 | (43.58) (0.59) |

Note:

Figures in Bold & Italic represent previous FY amounts.

* Includes previous FY - ₹. 525.00 lacs

Employed for part of the year in previous FY

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

NOTE - 42

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 - 43

PRIOR PERIOD EXPENSES

Prior period items include reversal / write off of:

- a) Excess provision of expenses – ₹. (1,978.40) lacs
- b) Advances & deposits – ₹. 333.17 lacs
- c) Excess claim of credit in duties & taxes – ₹. 606.90 lacs
- d) Net Revenue of comparator sales booked in earlier years amounting to ₹. 1,092.07 lacs.

NOTE - 44

EXTRAORDINARY ITEMS

- a. Restructuring of Loans – During the year, the outstanding loans were assigned by some of the banks and restructured under a settlement, whereas one of the banks did a One Time Settlement. The total remission of ₹. 33,523.60 lacs comprising of principle amount of ₹. 27,413.70 lacs & related unpaid interest provided in the earlier years of ₹. 6,109.90 lacs that has been derived from this restructuring has been written back.
- b. The Company has written off obsolete and non moving inventory amounting to ₹. 8,994.47 lacs (including ₹. 8,900.33 lacs pertaining to the overseas branch which has been closed during the year).
- c. The Company has written off non recoverable Loans & Advances of ₹. 32,379.54 lacs (including ₹. 31,586.02 lacs pertaining to the overseas branch, which has been closed during the year).
- d. The Company has written off non recoverable debtors of ₹. 618.97 lacs and deposits of ₹. 223.84 lacs

NOTE - 45

PREVIOUS YEAR FIGURES

Figures for the previous year have been regrouped / reclassified wherever necessary to conform with the current year's classification.

NOTE - 46

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

ANNEXURE A TO NOTES TO FINANCIAL STATEMENTS

| | As on 31 March 2016 | | As on 31 March 2015 | |
|---|------------------------|----------|------------------------|-----------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| NOTE - 5 | | | | |
| LONG TERM BORROWINGS | | | | |
| – Invent Assets Securitisation & Reconstruction Pvt. Ltd. (State Bank of India) (Payable from 31.12.2015 in 17 quarterly installments) | | 7,585.00 | | 15,137.48 |
| – SREI Equipment Finance Pvt. Ltd. (Payable from 22.10.2012 in 54 equal monthly installments, rate of interest 14.25%p.a.) (Default in payment from Dec'15 till date, ₹. 59.28 lacs) | | 287.15 | | 439.16 |
| – Punjab National Bank (Payable from 31.03.2013 in 9 quarterly installments, rate of interest 14.50% p.a.) (Default in payment from March 2013 till date, ₹. 5,664.86 lacs) | | 5,664.86 | | 5,664.86 |
| – Invent Assets Securitisation & Reconstruction Pvt. Ltd. (State Bank of Hyderabad) (Payable from 30.09.2016 in 25 quarterly installments, | | 2,575.00 | | 5,000.30 |
| – Central Bank of India (Payable from 31.07.2012 in 6 monthly installments, rate of interest 15% p.a.) (Default in payment from August 2012 till date, ₹. 4,347.00 lacs) | | 4,635.62 | | 4,635.62 |
| – Axis Bank (Payable by 30.06.2016) | | 1,700.00 | | 8,195.29 |
| – United Bank of India (Payable from 31.12.2012 in 12 quarterly installments, rate of interest 13% p.a.) (Default in payment from December 2012 till date, ₹. 4642.00 lacs) | | 4,642.41 | | 4,842.41 |
| – Invent Assets Securitisation & Reconstruction Pvt. Ltd. (The Karnataka Bank Ltd.) (Payable from 30.09.2016 in 28 quarterly installments). | | 2,575.00 | | 5,666.86 |
| – Canara Bank (Payable from 30.01.2013 in 10 monthly installments, rate of interest 12.95% p.a.) (Default in payment from January 2013 till date, ₹. 4,412.00 lacs) | | 6,030.90 | | 6,030.90 |
| – Invent Assets Securitisation & Reconstruction Pvt. Ltd. (Andhra Bank) (Payable from 30.09.2016 in 26 quarterly installments) | | 2,700.00 | | 7,058.88 |
| – Federal Bank (Payable from 30.06.2015 in 20 quarterly installments, rate of interest 11% p.a.) (Default in payment from June 2015 till date, ₹. 1,000.00 lacs) | | 5,282.98 | | 5,047.15 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

ANNEXURE A TO NOTES TO FINANCIAL STATEMENTS

| | As on 31 March 2016 | | As on 31 March 2015 | |
|--|------------------------|------------------|------------------------|-------------------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| – Federal Bank – FITL (Funded Interest Term Loan) (Payable from 30.06.2015 in 20 quarterly installments, rate of interest 11% p.a.) (Default in payment from June 2015 till date, ₹. 220.00 lacs) | | 1,163.06 | | 1,073.54 |
| – Invent Assets Securitisation & Reconstruction Pvt. Ltd. (Dhanlaxmi Bank) (Payable from 30.09.2016 in 27 quarterly installments) | | 2,725.00 | | 5,017.58 |
| – Bank of Baroda (Payable from 30.04.2013 in 72 monthly installments, rate of interest 12.75% p.a.) (Default in payment from July 2013 till date, ₹. 5,176.55 lacs) | | 15,571.55 | | 15,571.55 |
| – Invent Assets Securitisation & Reconstruction Pvt. Ltd. (State Bank of Bikaner & Jaipur) (Payable from 30.09.2016 in 25 quarterly installments) | | 2,575.00 | | 4,688.16 |
| – Indusind Bank Ltd. (Bullet repayment on 31.12.2018, rate of interest 10.85% p.a.) | | 4,945.76 | | – |
| – J & K Bank Ltd. (Loan on account of Devolvement of SBLC (on 04.12.2015), rate of interest 15.50% p.a.) | | 6,603.47 | | – |
| – Deferred Sales Tax Loan (Payable in yearly installments till 2023, interest free) | | 1,176.18 | | 1,070.78 |
| – Corporation Bank (Payable from 31.01.2013 in 3 installments, rate of interest 13.25% p.a.) (Default in payment from January 2013 till date, ₹. 5,000.00 lacs) | | 5,000.00 | | 5,000.00 |
| – CSIR Loan (Payable from 01.10.2014 in 10 yearly installments, rate of simple interest 3% p.a.) (Default in payment from October 2015 till date, ₹. 53.92 lacs) | | 768.68 | | 856.81 |
| | | <u>84,207.62</u> | | <u>100,997.33</u> |

Note: Previous FY figures have been regrouped to include LC acceptances for settled banks viz. State Bank of India, Axis Bank and State Bank of Bikaner & Jaipur of ₹. 6,074.08 lacs

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No. State Code

Balance Sheet Date

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

Public Issue Right Issue

Bonus Issue Private Placement

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

Total Liabilities Total Assets

EQUITY AND LIABILITIES

Shareholders' Funds Non current liabilities

Current Liabilities

ASSETS

Non Current Assets Current Assets

IV PERFORMANCE OF COMPANY (AMOUNT IN ₹. LACS)

Income Expenditure

EBIDTA

Profit / (Loss) before Tax Profit / (Loss) after Tax

Earning Per Share in ₹. Dividend rate %

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

Item Code No (ITC Code)

Product Description

For and on behalf of Board of Directors

Mohan H. Bhandari
Chairman & Managing Director

Avinash Joshi
Director

Place : Pune
Date : 30 May 2016

Anil Tikekar
Company Secretary & CFO

Statement Containing Salient Features Of Financial Statements Of Subsidiary/ Associates/Joint Ventures As Per Companies Act,2013

(Pursuant To First Proviso To Sub-Section (3) Of Section 129 Of The Companies Act,2013, Read With Rule 5 Of Companies (Accounts) Rules, 2014 - AOC-1)

Part "A": Subsidiaries

₹. Lacs

| Sr. No. | Name of the Subsidiary | Reporting Currency | Country | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Details of Investments | Turnover including Other Income | Profit before Taxation ** | Provision for Taxation | Profit after Taxation | Proposed Dividend | % of Shareholding |
|---------|--|--------------------|-------------|---------------|--------------------|--------------|-------------------|------------------------|---------------------------------|---------------------------|------------------------|-----------------------|-------------------|-------------------|
| 1. | Bilcare Singapore Pte Ltd. * | SGD | Singapore | 85,196.32 | (11,293.51) | 73,902.81 | 73,902.81 | - | 2,042.77 | (20,917.63) | - | (20,917.63) | - | 100% |
| 2. | Bilcare GmbH* | Euro | Germany | 18.77 | (18.77) | - | - | - | - | 99.46 | - | 99.46 | - | 100% |
| 3. | Bilcare Inc. * | USD | USA | 5,622.96 | (5,622.96) | - | - | - | - | (12,291.34) | - | (12,291.34) | - | 100% |
| 4. | Bilcare Farmaceutica Embalagem E Pesquisas Ltda* | BRL | Brazil | 97.42 | (97.42) | - | - | - | - | - | - | - | - | 100% |
| 5. | Bilcare Switzerland SA * # | CHF | Switzerland | 69.08 | (69.08) | - | - | - | - | (30.39) | - | (30.39) | - | 100% |
| 6. | Bilcare Mauritius Ltd. * | USD | Mauritius | 21,064.41 | 12,108.72 | 34,925.86 | 34,925.86 | 28,858.98 | 1,833.00 | (1,817.52) | - | (1,817.52) | - | 100% |
| 7. | Bilcare Research AG | Euro | Switzerland | 8,536.06 | 19,440.28 | 142,245.08 | 142,245.08 | 11,297.73 | 11,415.73 | 2,095.04 | 865.39 | 1,229.65 | - | 100% |
| 8. | Bilcare Germany Management GmbH | Euro | Germany | 18.77 | (9,402.09) | 69,722.72 | 69,722.72 | 69,025.41 | 6,726.13 | (0.54) | 3,915.40 | (3,915.94) | - | 100% |
| 9. | Bilcare Research Singapore Pte.Ltd. * | SGD | Singapore | 245.74 | (1,715.46) | 20,097.43 | 20,097.43 | - | 5,136.17 | (1,683.28) | (30.66) | (1,652.62) | - | 100% |
| 10. | Films Germany Holding GmbH * | Euro | Germany | 18.77 | 2,049.50 | 2,075.53 | 2,075.53 | 2,027.58 | 17.96 | 6.61 | 5.59 | 1.02 | - | 100% |
| 11. | Bilcare Agency GmbH* | CHF | Switzerland | 13.82 | (11.09) | 7.41 | 7.41 | - | - | (4.75) | - | (4.75) | - | 100% |
| 12. | Bilcare Research Srl | Euro | Italy | 375.48 | 6,531.11 | 15,182.30 | 15,182.30 | - | 31,633.56 | 1,998.71 | 751.29 | 1,247.42 | - | 100% |
| 13. | Bilcare Research Inc | USD | USA | 33.17 | 10,735.17 | 21,917.56 | 21,917.56 | - | 31,880.77 | 401.42 | (15.73) | 417.15 | - | 100% |
| 14. | Bilcare Research GmbH | Euro | Germany | 6,854.07 | 64,610.05 | 106,812.81 | 106,812.81 | 8,510.55 | 145,851.29 | 11,495.13 | (168.97) | 11,664.10 | - | 100% |
| 15. | Caprihans India Limited | INR | India | 1,313.40 | 10,408.83 | 16,346.67 | 16,346.67 | - | 24,402.36 | 1,049.80 | 397.00 | 652.80 | 197.01 | 51% |
| 16. | Bilcare Research Holding AG* | Euro | Switzerland | 5,117.98 | 17,743.52 | 25,879.08 | 25,879.08 | 25,868.60 | (0.03) | (599.75) | 20.92 | (620.67) | - | 100% |
| 17. | Bilcare Pacaking Limited* | USD | Mauritius | 33.17 | (1,801.13) | 24,639.48 | 24,639.48 | - | 0.01 | (73.50) | - | (72.53) | - | 100% |
| 18. | Bilcare Technologies Singapore Pte. Ltd.* | SGD | Singapore | 1,795.81 | 1,612.47 | 3,408.28 | 3,408.28 | - | 26.11 | 8,143.69 | - | 8,143.69 | - | 100% |
| 19. | Bilcare Technologies Italia Srl.* | Euro | Italy | 15.02 | (15.02) | - | - | - | - | - | - | - | - | 100% |
| 20. | Bilcare GCS Inc | USD | USA | - | 118.53 | 1,012.20 | 1,012.20 | - | 2,058.03 | 173.78 | 56.81 | 116.97 | - | 100% |
| 21. | Bilcare GCS Ltd | GBP | UK | 0.95 | 16.57 | 201.58 | 201.58 | - | 313.24 | 21.51 | 4.30 | 17.21 | - | 100% |

NOTES:

- # Company having 31 December as a reporting date.
- * Financial information is based on Unaudited results.
- Name of Subsidiary which has become direct subsidiary of Bilcare Limited
- Bilcare Research Singapore Pte. Ltd.
- Name of Subsidiary which have been closed during the year
- Bilcare GMBH
- Bilcare Farmaceutica Embalagem E Perquisa Ltda.
- Bilcare Switzerland SA
- Bilcare Inc.
- Exchange rate used in case of foreign subsidiaries are given below:

| Currency | SGD | EURO | GBP | BRL | USD | CHF |
|--------------|---------|---------|---------|---------|---------|---------|
| Closing Rate | 47.3469 | 72.3079 | 98.7645 | 18.2273 | 65.4611 | 67.1962 |
| Average rate | 49.1470 | 75.0955 | 95.0882 | 18.6169 | 66.3329 | 69.0821 |

- **Profit after considering Extraordinary &/or Exceptional Items.
- ^ Tax on dividend not considered

Part "B": Associates and Joint Ventures - None

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of
Bilcare Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bilcare Limited (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as on 31 March 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors, on the financial statements / consolidated financial statements of the subsidiaries and associates and unaudited financial statements of subsidiaries and associates as approved by the Company's Directors as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as on 31 March 2016;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statements / consolidated financial statements of certain overseas subsidiaries whose financial statements / consolidated financial statements reflect total assets (net) of ₹. 1,25,883.02 lacs as on 31 March 2016, total revenues (net) of ₹. 254,281.11 lacs and net cash inflows amounting to ₹. (3,258.47) lacs for the year ended on that date. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements/ consolidated financial statements of certain overseas subsidiaries, whose financial statements reflect total assets (net) of ₹. 1,32,179.03 lacs as on 31 March 2016, total revenues (net) of ₹. 9,055.99 lacs and net cash inflows amounting to ₹. (283.94) lacs for the year ended on that date. These unaudited financial statements as approved by the respective Board of Directors of these companies (except for Bilcare Singapore Pte. Ltd.) and certified under Indian GAAP by a firm of Chartered Accountants in India in respect of majority of the revenues/assets have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of such subsidiaries is based solely on such approved unaudited financial statements / consolidated financial statements.

The above figures include total assets (net) of ₹. 73,902.81 lacs as on March 31, 2016, total revenues (net) of ₹. 2,042.77 lacs and net cash inflows amounting to ₹. (781.22) lacs pertaining to Bilcare Singapore Pte. Ltd., which is under Judicial Management by the Court of Singapore. (Refer Note No. 39).

Our opinion on the consolidated financial statements is not modified in respect of the above other matters with respect to our reliance on the work done and the reports of the other auditors.

For R. L. RATHI & CO.

Firm Registration No. 108719W

Chartered Accountants

R. L. RATHI

Proprietor

Membership No. 14739

Place: Pune

Date: 30 May 2016

CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2016

| | Notes | As on 31 March 2016 ₹. Lacs | As on 31 March 2015 ₹. Lacs |
|--|-------|-----------------------------------|-----------------------------------|
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUND | | | |
| Share capital | 2 | 2,354.52 | 2,354.52 |
| Reserves & surplus | 3 | 76,000.49 | 107,257.39 |
| | | 78,355.01 | 109,611.91 |
| SHARE APPLICATION MONEY PENDING ALLOTMENT | | | |
| | | — | — |
| MINORITY INTEREST | | | |
| | | 6,230.14 | 4,940.62 |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liabilities (net) | 4 | — | 4,639.90 |
| Long-term borrowings | 5 | 198,083.58 | 208,452.54 |
| Other long-term liabilities | 6 | 81.04 | 307.68 |
| Long-term provisions | 7 | 10,546.08 | 9,435.11 |
| | | 208,710.70 | 222,835.23 |
| CURRENT LIABILITIES | | | |
| Trade payables | | 32,376.65 | 26,953.81 |
| Short-term borrowings | 8 | 25,320.14 | 22,683.35 |
| Other current liabilities | 9 | 14,591.60 | 27,658.23 |
| Short-term provisions | 10 | 16,456.50 | 19,321.81 |
| | | 88,744.89 | 96,617.20 |
| TOTAL | | 382,040.74 | 434,004.96 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | | | |
| Tangible assets | 11 | 150,388.21 | 168,583.09 |
| Intangible assets | 12 | 16,342.00 | 8,230.63 |
| Goodwill on consolidation | | 6,365.38 | 15,764.50 |
| Capital work-in-progress | | 24,437.26 | 21,840.85 |
| | | 197,532.85 | 214,419.07 |
| Non-current investments | 13 | 31.55 | 34.04 |
| Deferred tax assets (net) | 14 | 3,304.85 | — |
| Long-term loans and advances | 15 | 1,857.28 | 10,653.41 |
| Other non-current assets | 16 | 2,778.72 | 4,172.76 |
| | | 205,505.25 | 229,279.28 |
| CURRENT ASSETS | | | |
| Inventories | 17 | 42,575.04 | 41,181.08 |
| Trade receivables | 18 | 82,174.23 | 92,134.84 |
| Cash and cash equivalents | 19 | 11,470.22 | 15,627.13 |
| Short-term loans and advances | 20 | 29,205.15 | 49,238.27 |
| Other current assets | 21 | 11,110.85 | 6,544.36 |
| | | 176,535.49 | 204,725.68 |
| TOTAL | | 382,040.74 | 434,004.96 |

Summary of Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of Board of Directors

R. L. Rathi & Co.

Firm Registration No.108719W

Chartered Accountants

R. L. Rathi

Proprietor

Membership No.14739

Place : Pune

Date : 30 May 2016

Mohan H. Bhandari

Chairman & Managing Director

Avinash Joshi

Director

Anil Tikekar

Company Secretary & CFO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

| | Notes | Year ended 31 March 2016 ₹. Lacs | Year ended 31 March 2015 ₹. Lacs |
|---|-------|--|--|
| INCOME | | | |
| Revenue from operations | 22 | 256,337.54 | 269,230.26 |
| Other income | 23 | 3,962.23 | 4,558.09 |
| Total revenue (i) | | 260,299.77 | 273,788.35 |
| EXPENDITURE | | | |
| Cost of materials consumed | 24 | 137,997.19 | 138,321.22 |
| Changes in inventories of finished goods, work-in-progress and stock in trade | 25 | (6,548.94) | 5,104.71 |
| Employee benefits expense | 26 | 51,851.82 | 54,756.66 |
| Other expenses | 27 | 49,820.98 | 52,489.57 |
| Total expenses (ii) | | 233,121.05 | 250,672.16 |
| Profit before interest, depreciation and tax (EBIDTA) (i - ii) | | 27,178.72 | 23,116.19 |
| Finance Costs | 28 | 21,350.36 | 23,574.42 |
| Depreciation and amortisation expense | 29 | 18,152.29 | 19,110.92 |
| Profit / (Loss) before tax | | (12,323.93) | (19,569.15) |
| Tax expense | 30 | (5,704.82) | (1,591.34) |
| Profit / (Loss) from continuing operations | | (6,619.11) | (17,977.81) |
| Prior period expenses | | 53.74 | — |
| Exceptional Items | | 680.68 | (9.37) |
| Extraordinary Items | | 8,693.22 | 3,638.97 |
| Minority interest | | 319.87 | (2.84) |
| Profit / (Loss) after tax carried to Balance Sheet | | (16,366.62) | (21,604.57) |
| Earnings Per Share of ₹. 10/- each : (computed on the basis of continuing operation) | 31 | | |
| Basic (₹.) | | (69.51) | (91.76) |
| Diluted (₹.) | | (69.51) | (91.76) |
| Summary of Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of Board of Directors

R. L. Rathi & Co.

Firm Registration No.108719W
Chartered Accountants

R. L. Rathi

Proprietor
Membership No.14739

Place : Pune

Date : 30 May 2016

Mohan H. Bhandari

Chairman & Managing Director

Anil Tikekar

Company Secretary & CFO

Avinash Joshi

Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

| | Year ended 31 March 2016 ₹. Lacs | Year ended 31 March 2015 ₹. Lacs |
|--|--|--|
| A Cash flow from Operating Activities | | |
| Profit / Loss after tax | (16,366.62) | (21,604.57) |
| Adjustments for: | | |
| Depreciation (including Exchange Fluctuation) | 28,530.34 | 321.57 |
| Interest / Dividend (Net) | 20,171.41 | 22,604.27 |
| Profit / (Loss) on sale of fixed assets | 1,693.26 | (22.51) |
| Profit / (Loss) on sale of investment | – | 20.94 |
| Exchange Difference (Foreign Currency Translation Reserves) | 5,953.47 | (580.49) |
| Operating Profit before Working Capital Changes | 36,595.34 | 742.35 |
| Deferred Tax Liability | (7,944.75) | (3,603.84) |
| Adjustments for: | | |
| Trade & other receivables | 35,617.41 | (22,566.74) |
| Inventories | (1,393.95) | 5,984.96 |
| Trade & other Payables | (5,246.13) | 4,893.38 |
| Cash generated / (used in) from operations | 57,627.92 | (14,549.89) |
| Interest Paid | (26,551.73) | (16,974.82) |
| Direct Taxes paid | 1,049.37 | 10.50 |
| Net cash from / (used in) operating activities | 32,125.56 | (31,514.21) |
| B Cash flow from Investing Activities | | |
| Purchase of fixed assets (Includes transfer from (C.WIP) | (47,377.32) | 24,027.60 |
| Sale of fixed assets | 37,426.44 | 85.00 |
| Investments | 2.49 | (423.39) |
| Profit / (Loss) on sale of Investments/assets (refer Note no 38) | (17,668.47) | – |
| Interest received | 1,074.23 | 817.88 |
| Dividend received | 104.72 | 152.28 |
| Net cash from / (used in) investing activities | (26,437.91) | 24,659.37 |
| C Cash flow from Financing Activities | | |
| Adjustment of Exchange Fluctuation in Share Premium | (3,175.27) | (160.60) |
| Increase in Minority Interest | 1,289.53 | (319.34) |
| Proceeds from Term Borrowings* | (183.29) | 66,589.25 |
| Repayment of Term Borrowings | (7,775.53) | (54,229.56) |
| Net cash from / (used in) financing activities | (9,844.56) | 11,879.75 |
| Net increase in cash & cash equivalents (A+B+C) | (4,156.91) | 5,024.91 |
| Opening balance of cash & cash equivalents | 15,627.13 | 10,602.22 |
| Closing balance of cash & cash equivalents | 11,470.22 | 15,627.13 |

* Proceeds from term borrowings are shown net of assignment of the loans to Invent Assets Securitisation & Reconstruction Pvt Ltd'. and the One Time Settlement with Axis Bank.

As per our report of even date

For and on behalf of Board of Directors

R. L. Rath & Co.

Firm Registration No.108719W
Chartered Accountants

R. L. Rath

Proprietor
Membership No.14739

Place : Pune

Date : 30 May 2016

Mohan H. Bhandari

Chairman & Managing Director

Anil Tikekar

Company Secretary & CFO

Avinash Joshi

Director

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 these financial statements to comply in all material respects with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. 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 2016 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 'Consolidation of 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 (short fall) 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 / capital reserve and recognized separately as an asset / Liability 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 depreciates 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 in Schedule II to the Companies Act, 2013, whichever is higher. In respect 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 non-current 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 assets' recoverable amount. An assets' recoverable amount is the higher of an assets' or cash-generating units' (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 exist or may have decreased. If such indication exists, the company estimates the assets' or CGUs' 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.

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 is 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 10 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 cost of the respective asset.

xii) Income taxes

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 per the Guidance Note on Revised Schedule VI of the Companies Act, 1956, issued by ICAI, (now applicable to Schedule IV of the Companies Act, 2013) 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 2016

| | As on 31 March 2016 | | As on 31 March 2015 | |
|---|------------------------|------------------|------------------------|--------------------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| NOTE - 2 | | | | |
| SHARE CAPITAL | | | | |
| AUTHORISED | | | | |
| 40,000,000 (31 March 2015: 40,000,000) Equity Shares of ₹. 10/- each | | 4,000.00 | | 4,000.00 |
| 5,000,000 (31 March 2015: 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 | | | | |
| Equity Shares 23,545,231 (31 March 2015: 23,545,231) Equity Shares of ₹.10/- each | | 2,354.52 | | 2,354.52 |
| | | <u>2,354.52</u> | | <u>2,354.52</u> |
| NOTE - 3 | | | | |
| RESERVES & SURPLUS | | | | |
| Securities Premium | | | | |
| Balance as per last Financial Statement | 54,209.68 | | 54,370.28 | |
| Add: Additions / Deductions during the Year | <u>(3,175.27)</u> | | <u>(160.60)</u> | |
| | | 51,034.41 | | 54,209.68 |
| General Reserve | | | | |
| Balance as per last Financial Statement | 11,674.44 | | 11,674.44 | |
| Add: Transfer from Statement of Profit and Loss | <u>—</u> | | <u>—</u> | |
| | | 11,674.44 | | 11,674.44 |
| Capital Redemption Reserve | | 271.63 | | 271.63 |
| Foreign currency translation reserve on consolidation | | 38,057.11 | | 31,866.53 |
| Surplus in the Statement of Profit and Loss | | | | |
| Balance as per last Financial Statement | 9,235.11 | | 31,264.72 | |
| Add: Net Profit / Loss for the year | <u>(16,366.62)</u> | | <u>(21,604.57)</u> | |
| Add: Minority Interest | — | | — | |
| Less: Transfer to General Reserve | — | | — | |
| Profit / (Loss) on sale of Investments / assets (Refer Note No. 39) | <u>(17,668.47)</u> | | <u>—</u> | |
| Adjustment relating to fixed assets | — | | 425.04 | |
| Proposed Dividend | 197.01 | | — | |
| Tax on Dividend | <u>40.11</u> | | <u>—</u> | |
| | | (25,037.10) | | 9,235.11 |
| | | <u>76,000.49</u> | | <u>107,257.39</u> |
| NOTE - 4 | | | | |
| DEFERRED TAX LIABILITIES (NET) | | | | |
| Deferred Tax Liability | | — | | 15,202.56 |
| Deferred Tax Assets | | — | | <u>(10,562.66)</u> |
| | | <u>—</u> | | <u>4,639.90</u> |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 | | As on 31 March 2015 | |
|------------------------------------|------------------------|------------|------------------------|------------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| NOTE - 5 | | | | |
| LONG-TERM BORROWINGS | | | | |
| i) Secured Loans: | | | | |
| Term Loan from Banks | 103,154.48 | | 194,232.79 | |
| Financial Lease Obligations | 87,984.24 | | 699.69 | |
| | | 191,138.72 | | 194,932.48 |
| ii) Unsecured Loans: | | | | |
| Deferred Sales Tax Loans | 1,176.18 | | 1,070.78 | |
| Term Loans from Banks | 5,000.00 | | 5,000.00 | |
| Others | 768.68 | | 7,449.28 | |
| | | 6,944.86 | | 13,520.06 |
| | | 198,083.58 | | 208,452.54 |
| NOTE - 6 | | | | |
| OTHER LONG-TERM LIABILITIES | | | | |
| Other long-term Liabilities | | 81.04 | | 307.68 |
| | | 81.04 | | 307.68 |
| NOTE - 7 | | | | |
| LONG-TERM PROVISIONS | | | | |
| Provisions for Employee Benefits | | 10,546.08 | | 9,435.11 |
| | | 10,546.08 | | 9,435.11 |
| NOTE - 8 | | | | |
| SHORT-TERM BORROWINGS | | | | |
| i) Secured: | | | | |
| Working capital loan from banks | | 7,392.91 | | 6,569.83 |
| ii) Unsecured: | | | | |
| Fixed deposits from Public | 16,355.90 | | 14,859.21 | |
| Others | 1,571.33 | | 1,254.31 | |
| | | 17,927.23 | | 16,113.52 |
| | | 25,320.14 | | 22,683.35 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 ₹. Lacs | As on 31 March 2015 ₹. Lacs |
|---|-----------------------------------|-----------------------------------|
| NOTE - 9 | | |
| OTHER CURRENT LIABILITIES | | |
| LC Acceptances | 1,985.17 | 9,636.28 |
| Interest accrued but not due on borrowings [Refer Note-32 (iii)] | 14,051.24 | 19,252.61 |
| Withholding Tax Payable | 431.43 | 1,260.36 |
| Advance - Others | (1,876.24) | (2,491.02) |
| | <u>14,591.60</u> | <u>27,658.23</u> |
| NOTE - 10 | | |
| SHORT-TERM PROVISIONS | | |
| Provision / (Refund) for Taxes on Income | 1,300.02 | 250.65 |
| Provision for Employee Benefits | 1,536.52 | 2,603.26 |
| Dividend payable | 197.01 | — |
| Provision for dividend tax | 40.11 | — |
| Other short term provisions | 13,382.84 | 16,467.90 |
| | <u>16,456.50</u> | <u>19,321.81</u> |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

NOTE - 11

TANGIBLE ASSETS

| Sr.No. | Items of Asset | Gross Block at Cost or Book Value | | | | | Depreciation | | | | | Net Block | |
|--------|---------------------|-----------------------------------|-------------------------|-----------|------------|---------------------|---------------------|-------------------------|-------------------------------|-----------------|------------|---------------------|---------------------|
| | | As on 01/04/2015 | Exchange Fluctuation | Additions | Deductions | As on 31/03/2016 | As on 01/04/2015 | Exchange Fluctuation | Adjustment During the Year | For the Year | Deductions | As on 31/03/2016 | As on 31/03/2015 |
| 01 | Freehold Land | 2,109.46 | 169.69 | — | 199.98 | 2,079.17 | — | — | — | — | — | 2,079.17 | 2,109.46 |
| 02 | Leasehold Land | 1,860.61 | 151.76 | — | 2,008.07 | 4.30 | 170.91 | 14.26 | — | 11.81 | 194.91 | 2.23 | 1,689.70 |
| 03 | Building | 32,358.41 | 2,392.08 | 8,292.11 | 3,135.44 | 39,907.16 | 18,618.27 | 1,603.25 | — | 1,091.03 | 1,709.02 | 20,303.63 | 13,740.14 |
| 04 | Plant & Machinery | 192,641.75 | 16,722.90 | 6,561.77 | 34,564.27 | 181,362.15 | 107,842.12 | 9,548.69 | — | 9,460.13 | 14,837.17 | 69,348.38 | 84,799.65 |
| 05 | Vehicles | 1,444.11 | 76.41 | 1.37 | 56.34 | 1,465.55 | 1,281.58 | 98.42 | — | 48.59 | 55.05 | 92.01 | 162.53 |
| 06 | Electric Fitting | 1,852.61 | 13.49 | 6.50 | — | 1,872.60 | 1,208.69 | 52.32 | — | 242.24 | — | 369.35 | 643.92 |
| 07 | Furniture & Fixture | 1,773.32 | 97.19 | 51.25 | 240.68 | 1,681.08 | 1,339.86 | 68.77 | — | 232.23 | 98.78 | 139.00 | 433.46 |
| 08 | Office Equipments | 6,428.32 | (4,946.43) | 130.55 | 304.15 | 1,308.29 | 3,663.34 | (2,160.99) | — | 95.98 | 491.51 | 201.45 | 2,764.98 |
| 09 | Tools & Equipments | 68,536.70 | — | — | — | 68,536.70 | 6,297.43 | — | — | 4,386.30 | — | 57,852.97 | 62,239.27 |
| | TOTAL | 309,005.29 | 14,677.09 | 15,043.55 | 40,508.93 | 298,217.00 | 140,422.20 | 9,224.72 | — | 15,568.31 | 17,386.44 | 150,388.21 | 168,583.09 |
| | PREVIOUS YEAR | 320,127.57 | (21,898.96) | 13,422.35 | 2,645.67 | 309,005.29 | 141,669.50 | (17,637.24) | 630.09 | 18,277.81 | 2,517.96 | 168,583.09 | 178,458.07 |

NOTE - 12

INTANGIBLE ASSETS

| Sr.No. | Items of Asset | Gross Block at Cost or Book Value | | | | Depreciation | | | | | Net Block | | |
|--------|-------------------------|-----------------------------------|-------------------------|-----------|------------|---------------------|---------------------|-------------------------|----------------------------------|-----------------|------------|---------------------|---------------------|
| | | As on 01/04/2015 | Exchange Fluctuation | Additions | Deductions | As on 31/03/2016 | As on 01/04/2015 | Exchange Fluctuation | Adjustment During the Year | For the Year | Deductions | As on 31/03/2016 | As on 31/03/2015 |
| 02 | Other Intangible Assets | 20,676.14 | 1,524.02 | 8,063.22 | 3,017.17 | 27,246.21 | 14,199.11 | 1,090.53 | — | 1,484.30 | 1,351.58 | 11,823.85 | 6,477.03 |
| | TOTAL | 24,046.64 | 1,581.29 | 11,932.98 | 3,328.48 | 34,232.43 | 15,816.01 | 1,153.33 | — | 2,583.98 | 1,662.89 | 16,342.00 | 8,230.63 |
| | PREVIOUS YEAR | 26,864.12 | (1,962.90) | (854.58) | — | 24,046.64 | 16,785.31 | (1,806.63) | 24.43 | 833.11 | 20.21 | 15,816.01 | 10,078.81 |

₹. Lacs

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 | | As on 31 March 2015 | |
|---|------------------------|------------------|------------------------|------------------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| NOTE - 13 | | | | |
| NON-CURRENT INVESTMENTS | | | | |
| Other non current investments : | | | | |
| Non-trade investment | | 31.55 | | 34.04 |
| | | <u>31.55</u> | | <u>34.04</u> |
| NOTE - 14 | | | | |
| DEFERRED TAX ASSETS (NET) | | | | |
| Deferred Tax Liability | | (13,357.32) | | — |
| Deferred Tax Assets | | 16,662.17 | — | |
| | | <u>3,304.85</u> | | <u>—</u> |
| NOTE - 15 | | | | |
| LONG TERM LOANS AND ADVANCES | | | | |
| Unsecured, considered good | | | | |
| Security deposits | | 484.74 | | 654.37 |
| Other Loans and Advances | | 1,372.54 | | 9,999.04 |
| | | <u>1,857.28</u> | | <u>10,653.41</u> |
| NOTE - 16 | | | | |
| OTHER NON CURRENT ASSETS | | | | |
| Deposits with Government Authorities | | 2,778.72 | | 4,172.76 |
| | | <u>2,778.72</u> | | <u>4,172.76</u> |
| NOTE - 17 | | | | |
| INVENTORIES | | | | |
| (valued at lower of cost or net realizable value) | | | | |
| Raw Material | | 14,995.53 | | 20,793.96 |
| Work-in-progress | | 6,026.57 | | 4,666.95 |
| Finished Goods | | 16,853.47 | | 11,664.15 |
| Stores & Spares, Consumables | | 4699.47 | | 4,056.02 |
| | | <u>42,575.04</u> | | <u>41,181.08</u> |
| NOTE - 18 | | | | |
| TRADE RECEIVABLES | | | | |
| Secured, considered good | | | | |
| i) Outstanding for more than six months from due date | — | | — | |
| ii) Others | 120.04 | | 332.06 | |
| | | 120.04 | | 332.06 |
| Unsecured, considered good | | | | |
| i) Outstanding for more than six months from due date | 56,396.38 | | 66,714.34 | |
| ii) Others | <u>25,657.81</u> | | <u>25,088.44</u> | |
| | | 82,054.19 | | 91,802.78 |
| | | <u>82,174.23</u> | | <u>92,134.84</u> |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 | | As on 31 March 2015 | |
|--|------------------------|------------|------------------------|------------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| NOTE - 19 | | | | |
| CASH AND CASH EQUIVALENTS | | | | |
| Cash on Hand | | 17.24 | | 24.54 |
| Deposits with Bank | | | | |
| Current Account | 7,332.85 | | 11,936.03 | |
| Term Deposit Account | 4,120.13 | | 3,666.56 | |
| | | 11,452.98 | | 15,602.59 |
| | | 11,470.22 | | 15,627.13 |
| Term deposits with banks include earmarked deposits ₹. 841.66 lacs (31 March 2015 : ₹.1,040.11 lacs) as margin money for LC's, guarantees etc. | | | | |
| NOTE - 20 | | | | |
| SHORT-TERM LOANS AND ADVANCES | | | | |
| Unsecured, considered good | | | | |
| Balances with Government Authorities | 538.79 | | 1,276.52 | |
| Advance others | 28,666.36 | | 47,961.75 | |
| | | 29,205.15 | | 49,238.27 |
| | | 29,205.15 | | 49,238.27 |
| NOTE - 21 | | | | |
| OTHER CURRENT ASSETS | | | | |
| Prepaid expenses | | 208.02 | | 175.72 |
| Others | | 10,902.83 | | 6,368.64 |
| | | 11,110.85 | | 6,544.36 |
| NOTE - 22 | | | | |
| REVENUE FROM OPERATIONS | | | | |
| Sales of Goods | | 254,733.10 | | 267,453.98 |
| Sale of Services | | 1,604.44 | | 1,776.28 |
| | | 256,337.54 | | 269,230.26 |
| NOTE - 23 | | | | |
| OTHER INCOME | | | | |
| Interest Received | | 1,074.23 | | 817.88 |
| Dividend Income | | 104.72 | | 152.28 |
| Exchange differences (net) | | (2,738.31) | | 3,023.45 |
| Profit on Sale of Investment | | — | | 11.57 |
| Miscellaneous income from non-operating activities (Refer Note No. 40 (a)) | | 5,521.59 | | 552.91 |
| | | 3,962.23 | | 4,558.09 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 | | As on 31 March 2015 | |
|---|------------------------|-------------------|------------------------|-------------------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| NOTE - 24 | | | | |
| COST OF MATERIALS CONSUMED | | | | |
| Opening Stock of Raw Material* | | 11,774.52 | | 20,859.15 |
| Add: Purchases | | 141,218.20 | | 138,256.03 |
| Less: Closing stock of Raw Material | | 14,995.53 | | 20,793.96 |
| | | <u>137,997.19</u> | | <u>138,321.22</u> |
| * Net of Stock written off during the year ₹. 9,019.44 lacs (includes ₹. 8,900.33 Lacs considered under Extraordinary items) | | | | |
| NOTE - 25 | | | | |
| CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE | | | | |
| Opening Stock in trade (at the beginning) | | | | |
| Semi finished goods / work-in-progress | 4,666.95 | | 5,951.40 | |
| Finished goods | <u>11,664.15</u> | | <u>15,484.41</u> | |
| | | 16,331.10 | | 21,435.81 |
| Closing stock (at the end) | | | | |
| Semi finished goods / work-in-progress | 6,026.57 | | 4,666.95 | |
| Finished goods | <u>16,853.47</u> | | <u>11,664.15</u> | |
| | | 22,880.04 | | 16,331.10 |
| (Increase) / Decrease | | <u>(6548.94)</u> | | <u>5,104.71</u> |
| NOTE - 26 | | | | |
| EMPLOYEE BENEFIT EXPENSE | | | | |
| Salaries, wages, allowance and bonus | | 39,533.87 | | 41,586.68 |
| Contribution to retirement benefits for employees | | 11,232.58 | | 12,199.67 |
| Staff welfare expenses | | 1,085.37 | | 970.31 |
| | | <u>51,851.82</u> | | <u>54,756.66</u> |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 | | As on 31 March 2015 | |
|--|------------------------|-------------------|------------------------|-------------------|
| | ₹. Lacs | ₹. Lacs | ₹. Lacs | ₹. Lacs |
| NOTE - 27 | | | | |
| OTHER EXPENSES | | | | |
| Consumables, Store & Spares Consumed | | 4,332.59 | | 3,976.06 |
| Power and Fuel | | 12,308.42 | | 13,050.78 |
| Repairs and Maintenance | | | | |
| Plant & Machinery | 3,659.12 | | 3,370.40 | |
| Buildings | 89.84 | | 89.71 | |
| Others | 96.66 | 3,845.62 | 101.50 | 3,561.61 |
| Rent / Lease of Premises | | 1,864.25 | | 2,039.71 |
| Rates and Taxes | | 228.50 | | 324.09 |
| Insurance | | 781.73 | | 777.53 |
| Selling Expenses | | 14,714.84 | | 14,703.80 |
| Travelling, Conveyance and Vehicle Expenses | | 1,701.19 | | 1,649.39 |
| Communication Expenses | | 1,525.73 | | 1,680.07 |
| Consultancy Charges | | 3,473.14 | | 3,325.94 |
| Donations | | 6.52 | | 6.02 |
| (Profit) / Loss on Assets Sold / Discarded (Refer Note No. 40 (b)) | | (1,693.26) | | 22.51 |
| Office Expenses, Administrative and other miscellaneous expenses | | 6731.71 | | 7,372.06 |
| | | <u>49,820.98</u> | | <u>52,489.57</u> |
| NOTE - 28 | | | | |
| FINANCE COSTS | | | | |
| Interest Expenses | | 7,300.22 | | 12,394.03 |
| Other Borrowing Costs | | 11,776.54 | | 8,220.91 |
| Bank Charges & Commission/Brokerage | | 2,273.60 | | 2,959.48 |
| | | <u>21,350.36</u> | | <u>23,574.42</u> |
| NOTE - 29 | | | | |
| DEPRECIATION AND AMORTISATION EXPENSES | | | | |
| Depreciation on Tangible assets (Refer Note No. 11) | | 15,568.31 | | 18,277.81 |
| Amortisation of Intangible assets (Refer Note No. 12) | | 2,583.98 | | 833.11 |
| | | <u>18,152.29</u> | | <u>19,110.92</u> |
| NOTE - 30 | | | | |
| TAX EXPENSE | | | | |
| Income Tax | | 3,393.30 | | 2,288.26 |
| Deferred Tax | | (9,098.12) | | (3,879.60) |
| | | <u>(5,704.82)</u> | | <u>(1,591.34)</u> |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| | As on 31 March 2016 ₹. Lacs | As on 31 March 2015 ₹. Lacs |
|---|-----------------------------------|-----------------------------------|
| NOTE - 31 | | |
| EARNINGS PER SHARE (EPS) | | |
| Net Profit / (Loss) as per Statement of Profit and Loss | (16,366.62) | (21,604.57) |
| 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 (₹.) | (69.51) | (91.76) |
| NOTE - 32 | | |
| CONTINGENT LIABILITIES | | |
| i) Claims against the Company, not acknowledged as debts: | | |
| Corporate Guarantees given | 105,156.10 | 171,587.14 |
| Disputed Income Tax Matters in Appeal | — | 400.00 |
| Excise & Others | 1567.13 | 2,125.14 |
| Liability to suppliers written back during the year on account of pending legal cases | 1,978.40 | — |
| ii) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) | 772.18 — | 311.77 — |
| iii) Interest on bank loans (NPA accounts) has been charged at 10% p.a. being average base rate of lending. The contingent liability for unprovided interest on account of difference between the sanctioned rate of interest and the base rate, which is subject to negotiation with individual banks as a part of the restructuring undertaken by the Company. | 6,246.12 | 9,888.20 |
| iv) During the year, some of the terms loans were assigned/ one time settled at a value of ₹. 20,950.00 lacs and ₹. 2,100.00 lacs respectively. (Refer Note No.5 (b) of standalone notes). The total value of these outstanding loans prior to assignment was ₹. 51,676.12 lacs. As per the settlement agreements in case of default in the in the repayment of the assigned /one time settled value of loans, the company would be liable to repay the total outstanding loan prior to the assignment. Hence, the remission amount has been considered as a contingent liability and includes interest of ₹ 1,212.42 lacs of Andhra Bank. (Refer Note No. 38) | 28,626.12 | — |
| v) The Commissioner of Income Tax (Central), Pune has filed a Writ Petition in the honourable High Court of Judicature at Mumbai against Income Tax Settlement Commission(ITSC) & the Company. The Writ Petition is filed challenging the order of the ITSC u/s 245D(4) passed on 14th October 2013 in favour of the Company allowing the Company's claim of certain expenditure. Thus, the Company may have a possible obligation based on the outcome of the Writ Petition which is currently not possible to estimate. | | |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

NOTE - 33

COMPANIES INCLUDED IN CONSOLIDATION

| Name of the Company | Country of incorporation | % holding | Relationship |
|--|--------------------------|-----------|---------------------------------|
| Bilcare Limited | India | – | Ultimate Holding Company |
| Bilcare Packaging Ltd | Mauritius | 100.0% | Wholly owned subsidiary |
| 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 Switzerland SA* | Switzerland | 100.0% | Stepdown subsidiary |
| Bilcare Technologies Singapore Pte. Ltd. | Singapore | 100.0% | Wholly owned subsidiary |
| Bilcare Technologies Italia Srl. | Italy | 100.0% | Stepdown subsidiary |
| Bilcare GCS Limited | UK | 100.0% | Wholly owned subsidiary |
| Bilcare GCS Inc. | USA | 100.0% | Wholly owned subsidiary |
| Bilcare Mauritius Ltd. | Mauritius | 100.0% | Wholly owned subsidiary |
| Bilcare Research Holding AG | Switzerland | 100.0% | Stepdown Subsidiary |
| Bilcare Research AG | Switzerland | 100.0% | Stepdown subsidiary |
| Bilcare Germany Management GmbH | Germany | 100.0% | Stepdown Subsidiary |
| Bilcare Research GmbH | Germany | 94.9% | Stepdown subsidiary |
| Bilcare Research Inc | USA | 100.0% | Stepdown Subsidiary |
| Bilcare Agency GmbH | Switzerland | 100.0% | Stepdown subsidiary |
| Bilcare Research SRL | Italy | 100.0% | Stepdown Subsidiary |
| Bilcare Research Singapore Pte. Ltd. | Singapore | 100.0% | Stepdown Subsidiary |
| Films Germany Holding GmbH | Germany | 100.0% | Stepdown Subsidiary |
| Bilcare Research GmbH | Germany | 5.1% | Stepdown Subsidiary |
| Caprihans India Limited | India | 51% | Stepdown subsidiary |
| BIL Leasing Verwaltungs GmbH & Co | Germany | 94.0% | Stepdown Subsidiary |

* For only part year as these subsidiaries were closed during the year

NOTE - 34

RELATED PARTY DISCLOSURES

i) Names of related parties and related party relationship

- Key management personnel
 - Mr. Mohan H. Bhandari (Chairman & Managing Director)
 - Mr. Anil Tikekar (Company Secretary & CFO)
- Relative of Key management personnel
 - Ankita J. Kariya
 - Nutan Bhandari

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

ii) Balances as at 31 March 2016:

(Amount in ₹. Lacs)

| Related Party | Short Term Provisions | Short Term Loans & Advances | Fixed Assets* |
|---|-------------------------|-----------------------------|-----------------------------|
| Key Management Personnel | | | |
| Mohan H. Bhandari | (4.01) | (222.00) | 7,227.29 |
| | (4.01) | (222.00) | 6,951.29 |
| Praful Naik # | - | - | - |
| | - | (3.43) | - |
| Relative of Key Management Personnel | | | |
| Nutan M. Bhandari | - | - | 2,358.38 |
| | - | - | 2,358.38 |
| Total | (4.01) (4.01) | (222.00) (225.43) | 9,585.67 9,309.67 |

Note:

Figures in Bold & Italic represent previous FY amounts.

* Includes Capital WIP

Employed for part of the year in previous FY

iii) Transactions during the year with related parties:

(Amount in ₹. Lacs)

| Related Party | Short Term Provisions | Short Term Loans & Advances | Purchase of Land | Remuneration Paid |
|---|-----------------------|-----------------------------|-------------------------|-----------------------|
| Key Management Personnel | | | | |
| Mohan H. Bhandari | - | - | 276.00 | - |
| | 6.09 | (222.00) | 276.00 | - |
| Praful Naik # | - | 3.43 | - | - |
| | - | 19.11 | - | - |
| Anil Tikekar | - | - | - | 24.15 |
| | - | - | - | 23.83 |
| Relative of Key Management Personnel | | | | |
| Ankita J. Kariya | - | - | - | 16.96 |
| | - | - | - | 11.28 |
| Total | - 6.09 | 3.43 (202.89) | 276.00 276.00 | 41.11 35.11 |

Note:

Figures in Bold & Italic represent previous FY amounts

Employed for part of the year in previous FY

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

NOTE - 35

LEASE DETAILS

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

| | | |
|---|----------|----------|
| As Lessee | | |
| Within one year | 2,051.34 | 4,774.67 |
| After one year but not more than five years | 3402.38 | 4,792.60 |
| More than five years | 519.58 | 744.59 |

NOTE - 36

PRIOR PERIOD EXPENSES

Prior period items include reversal / write off of:

- Excess provision of expenses – ₹. (1,978.40) lacs
- Advances & deposits – ₹. 333.17 lacs
- Excess claim of credit in duties & taxes – ₹. 606.90 lacs
- Net Revenue of Comparator Sales booked in earlier years amounting to ₹. 1,092.07 lacs

NOTE - 37

EXCEPTIONAL ITEMS

In the current financial year Caprihans India Ltd., a step down subsidiary of Bilcare Research AG (BRAG), has made a provision of receivables, ICD and interest thereon, of ₹. 682.03 lacs from Bilcare Ltd. as an abundant precaution, which is included in Exceptional Items on consolidation. Bilcare Ltd. proposes to repay the said amount and hence no reciprocating provision is made by Bilcare Ltd. in its financial statements. The previous year figure of ₹. 9.37 lacs pertained to the profit on the sale of investment of Bilcare International.

NOTE - 38

EXTRAORDINARY ITEMS

- Restructuring of Loans – During the year, the outstanding loans were assigned by some of the banks and restructured under a settlement, whereas one of the banks did a One Time Settlement. The total remission of ₹. 33,523.60 lacs comprising of principle amount of ₹. 27,413.70 lacs & related unpaid interest provided in the earlier years of ₹. 6,109.90 lacs that has been derived from this restructuring has been written back.
- The Company has written off obsolete and non moving inventory amounting to ₹. 8,994.47 lacs (including ₹. 8,900.33 lacs pertaining to the overseas branch which has been closed during the year).
- The Company has written off non recoverable Loans & Advances of ₹. 32,379.54 lacs (including ₹. 31,586.02 lacs pertaining to the overseas branch, which has been closed during the year).
- The Company has written off non recoverable debtors of ₹. 618.97 lacs and deposits of ₹. 223.84 lacs
- Previous year figure is the net charge of ₹. 3,638.97 lacs which include terminal costs and excess provision of tax for step down subsidiaries.

NOTE - 39

BILCARE SINGAPORE PTE LIMITED

Bilcare Singapore Pte Limited (BSPL) is under Judicial Management and as per the Scheme of Arrangement by the Court of Singapore, Management has taken a view to write off the assets and liabilities of BSPL in the Consolidated Accounts. It includes ₹. 17,668.47 lacs loss on sale of investment/assets which has been written off against the balance in surplus in the statement of profit and loss under Note No. 3. Further, the investment of BSPL in its step down subsidiaries has also been written off as these step down subsidiaries have been closed during the year, as per the Scheme of Arrangement, except Bilcare Technologies Singapore Pte Ltd., which has become a direct subsidiary of Bilcare Limited.

NOTE - 40

- Miscellaneous Income mainly comprises of a one time transactional income of ₹. 3,405.38 lacs due to customer stock being valued at DCF method as BRAG has stopped its activity of being a distributor of the said products and treated this as other non-trade income; ₹. 1,701.21 lacs of interest capitalised and payables written back; and ₹. 301.80 lacs as income from bad debts recovery of the step down subsidiaries of BRAG.
- During the year, the profit from the sale of business assets of BSPL to BRAG of ₹. 1,072.53 lacs and profit on sale of asset of ₹. 629.06 lacs by step down subsidiary of BRAG has been considered under Other Expenses.

NOTE - 41

PREVIOUS YEAR FIGURES

Figures for the previous year have been regrouped / reclassified wherever necessary to conform with the current year's classification.

NOTE - 42

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

Bilcare Limited

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

Phone : +91 2135 304200 Fax: +91 2135 304370

Website: www.bilcare.com Email: investors@bilcare.com

CIN: L28939PN1987PLC043953

Notice

Notice is given that the 29th Annual General Meeting of the Members of Bilcare Limited will be held on Wednesday, the 14th day of September 2016, at 11.00 a.m. at the Registered Office of the Company at 1028, Shiroli, Rajgurunagar, Pune - 410 505 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the year ended 31 March 2016, together with the Report of the Board of Directors attached thereto and Auditors' Report thereon.
2. To appoint a director in place of Mrs. Nutan M. Bhandari [DIN 02198203], who retires by rotation and being eligible, seeks re-appointment.
3. 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 Section 139, 142 and other applicable provisions, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the resolution passed by the Members at the 27th Annual General Meeting held on 30 September 2014, the appointment of M/s. R. L. Rath & Co., (Firm Registration No. 108719W) Chartered Accountants, Pune, as Statutory Auditors of the Company, made to hold the office till the conclusion of 30th Annual General Meeting of the Company to be held in the year 2017, be and is hereby ratified for the financial year 2016-17 and that the Board of Directors be and is hereby authorised to fix their remuneration for the period, as may be determined by the Audit Committee in consultation with the Auditors."

SPECIAL BUSINESS

4. 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 Section 148 (3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit & Auditors) Rules 2014 and as per the recommendation of the Audit Committee and approved by the Board of Directors, the remuneration of Rs. 1,50,000/- (Rupees One Lac Fifty Thousand only) plus taxes as applicable, conveyance and other out of pocket expenses at actuals, payable to M/s. Parkhi Limaye & Co., Cost Accountants (Firm Registration No: 000191) appointed as Cost Auditors for the financial year 2016-17 be and is hereby ratified and confirmed.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 73 and section 76 of Companies Act, 2013 and provisions of Companies (Acceptance of Deposits) Rules, 2014, consent of shareholders of the Company be and is hereby accorded to the Board of Directors of the Company including any committee thereof, for inviting and accepting deposits from public up to an amount not exceeding Rs. 129.79 Crores or

such amount representing 25% of the aggregate of paid-up share capital, free reserves and Securities Premium Account as per the latest audited balance sheet as reduced by the amount of deposits accepted from public and which are outstanding on the date of acceptance, whichever is less, AND for inviting and accepting deposits from its members up to an amount not exceeding Rs. 51.91 Crores or such amount representing 10% of the aggregate of paid-up share capital, free reserves and Securities Premium Account as per the latest audited balance sheet, as reduced by the amount of deposits accepted from members and which are outstanding on the date of acceptance, whichever is less.

FURTHER RESOLVED THAT the Board of Directors including a committee thereof be and is hereby authorized to obtain credit rating, taking insurance, appointing trustees and to take all other necessary steps as may be required for the above mentioned purpose.”

By Order of the Board of Directors
For Bilcare Limited

Mohan H. Bhandari
Chairman & Managing Director

Pune : 17th August 2016

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the special business under item Nos. 4 and 5 of the notice is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company duly completed and signed not less than 48 (forty eight) hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten percent) of the total share capital of the Company. In case, a proxy is proposed to be appointed by a Member holding more than 10% (Ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
4. Corporate Members are requested to send board resolution duly certified, authorising their representative to attend and vote on their behalf at the AGM.
5. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 23.
6. The Company's Share Transfer Books and the Register of Members will remain closed from Friday, 9 September, 2016 to Wednesday, 14 September 2016 (both days inclusive).
7. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depositories Participants and those holding shares in physical form are requested to intimate the above mentioned changes to the Secretarial Department at the Registered Office of the Company / Registrar and Transfer Agent of the Company.
8. Equity Shares of the Company are under compulsory demat trading by all investors. Those Members who have not dematerialised their shareholding are advised to dematerialise their shareholding to avoid any inconvenience in future.

9. Members who hold shares in electronic form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio number/s in the Attendance Slip for attending the meeting to facilitate identification of Membership at the meeting.
10. Members are requested to bring their Attendance Slip alongwith the copy of Annual Report to the Meeting.
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names in the Register of Members of the Company will be entitled to vote.
12. In terms of the Articles of Association of the Company, read with Section 152 of the Companies Act, 2013, Mrs. Nutan M. Bhandari, Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible, offers herself for re-appointment. The Board of Directors of the Company recommends her re-appointment.
13. Promoter Non-Executive Director, Mrs. Nutan M. Bhandari is holding 12,05,122 Equity Shares of Rs.10/- each of the Company.
14. Brief Profile of Directors proposed to be appointed/ re-appointed, names of Companies in which they hold Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Report on Corporate Governance forming part of the Annual Report.
15. Those Members who have not encashed/received their Dividend Warrants for the previous year(s), may approach to the Registrar & Transfer Agent of the Company for claiming unpaid / unclaimed Dividend.
16. Dividends which remain unclaimed/unencashed for a period of 7 (Seven) years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government under the provisions of Sections 124 (5) of the Companies Act, 2013. No claim by the Members shall lie for the unclaimed dividend once the same is transferred to IEPF.
17. Non-Resident Indian Members are requested to inform the Company/Depository Participant, immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, MICR number, account number and address of the bank with pin code number, if not furnished earlier.
18. 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 / Registrar and Transfer Agent of the Company.
19. Members, who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names, are requested to send the Share Certificate(s) to the Company / Registrar and Transfer Agent of the Company for consolidation into a single folio.
20. Green initiative in Corporate Governance:

The Ministry of Corporate Affairs has taken a Green Initiative in the Corporate Governance by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its Members. To further Company's environment friendly agenda and to participate in MCA's Green Initiative, members who have not registered their e-mail addresses so far are requested to register their e-mail address

for receiving all the communications including Annual Report, Notices, Circulars, etc. from the Company electronically.

21. The Notice of the AGM alongwith the annual report for the year 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for the physical copy of the same.
22. Road Map showing directions to reach the venue of the AGM is given at the end of this Notice.
23. Voting through electronic means:
 - a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services Limited (CDSL), on all the resolutions set forth in this Notice.
 - b) Mr. Shekhar Ghatpande, Practicing Company Secretary (Membership No. FCS 1659), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - c) The facility for voting through Ballot Paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
 - d) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - e) The e-voting facility will be available during the following voting period:

| Commencement of e-voting | End of e-voting |
|---|---|
| Sunday, 11th September 2016, 9.00 A.M.IST | Tuesday, 13 September 2016, 5.00 PM IST |

- f) During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Wednesday, 7th September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- g) Instructions and other information relating to e-voting are as under:
 - i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - ii) Click on Shareholders.
 - iii) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - iv) Next enter the Image Verification as displayed and Click on Login.

- v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii). |

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN for Bilcare Limited on which you choose to vote.
- xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix) In case you have any queries or issues regarding e-voting, you may refer the frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- xx) Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 7th September, 2016 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- xxi) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- xxii) The voting rights of shareholders shall be in proportion to their shares of the paid equity capital of the Company as on 7th September, 2016.
- xxiii) The results shall be declared on or after the Annual General Meeting of the Company. The results declared alongwith the Scrutinizers' Report shall be placed on the Company's website www.bilcare.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange.

24. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

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

Website: www.linkintime.co.in

E-mail: pune@linkintime.co.in

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under items 4 to 5 of the accompanying Notice dated 17th August 2016.

Item No. 4

The Board of Directors, at its meeting held on 17th August, 2016 as per the recommendation of the Audit Committee, approved the appointment of M/s. Parkhi Limaye & Co., Cost Accountants (Firm Registration No: 000191) appointed as the Cost Auditors, for the Financial year 2016-17 at a fee of Rs. 150,000/- plus applicable taxes and other out of pocket expenses, for conducting the audit of the cost accounting records of the Company for the financial year ending 31st March, 2017. Pursuant to section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 members of the Company are required to ratify the remuneration to be paid to the Cost Auditors of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No 4 of the notice for ratification of remuneration payable to the Cost Auditors of the Company for the year ending 31st March, 2017.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the Resolution at Item No 4.

Board recommends the Resolution at item No. 4 for approval of the Members.

Item No. 5

Bilcare Limited has been accepting deposits from the general public since the year 1998. It has raised Deposits from Public during the years 1998 to 2005 and repaid them along with interest by the year 2007-2008 as per their terms and conditions. There is no default on the part of the Company in this regard.

The Company launched its latest Fixed Deposit scheme in the month of August 2012. Total deposits accepted by the Company as on 31st March 2013 were Rs. 163.71 Crores (Principal Amount).

The Hon'ble Company Law Board vide its order dated 18th September 2013 granted extension of a period of 2 years for repayment of Fixed deposits maturing till 31st March 2014.

Post extension the Company was regular in repayment of the fixed deposits along with interest due thereon.

The Hon'ble Company Law Board vide its order dated 7th August, 2015 granted the time period of 15 months from the date of Order for repayment of entire amount of fixed deposits along with interest and amount of Rs. 40 Crores to be paid in 7 months from the said date of the Order.

Hon'ble Company Law Board based on Company's proposal, sanctioned the monthly schedule of payment vide Order dated 9th March 2016. The Company is following the Order and making all the payments as per the schedule provided in the Order along with the interest.

The Company may accept further deposits from public, including directors and members as per the provisions of Section 73 and Section 76 and as per the provisions of Companies (Acceptance of Deposits) Rules, 2014.

The amount proposed to be accepted by way of deposits exceeds the aggregate of paid up share capital and free reserves. For the above mentioned purpose a Special Resolution is required to be passed by shareholders for authorizing the Board of Directors to accept the deposits from public and members.

The purpose for accepting / renewing unsecured deposits from the public including directors and members is to meet the operational requirements, repay the earlier deposits and to fulfill the growing financial needs for the business of the Company and the Company is confident about making all the repayments through its operations, partial disinvestment of property and launch of new fixed deposit scheme.

The Directors recommend the resolution for members' approval as a **Special Resolution**.

None of the Directors, Key Managerial Persons, Managers of the Company or their relatives have any concern or interest, financial or otherwise in the above resolution except to the extent of their Shareholding.

Copies of the Orders of the Hon'ble Company Law Board are available for inspection during 11.00 a.m. to 2.00 p.m. at the Registered Office of the Company, upto the date of the meeting.

Form No. MGT-11**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L28939PN1987PLC043953

Name of the Company: Bilcare Limited

Registered Office: 1028, Shiroli, Rajgurunagar, Pune - 410 505

| | |
|-------------------------------|--|
| Name of the Member(s) | |
| Registered Address | |
| Email ID | |
| DP ID & Client ID / Folio No. | |

I/We, being the member (s) of shares of the above named company, hereby appoint

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____

and whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Nin-th Annual General Meeting of the company, to be held on the Wednesday, the 14th day of September, 2016 At 11.00 a.m. at the Registered Office of the Company at 1028, Shiroli, Rajgurunagar, Pune - 410 505 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Description | For * | Against* |
|--|-------|----------|
| 1. Receive, consider and adopt the audited Financial Statements of the Company together with the reports of Board of Directors and the Auditors thereon. | | |
| 2. Re-appointment of Mrs.Nutan, M.Bhandari [DIN 02198203] as a Director, who retires by rotation and being eligible, offers herself for re-appointment. | | |
| 3. Ratification of Appointment of Statutory Auditors and authorizing Board to fix their remuneration. | | |
| 4. Ratification of Remuneration of Cost Auditor. | | |
| 5. Acceptance of Deposits | | |

Signed this _____ day of _____ 2016.

Affix
Revenue
Stamp

Signature of shareholders

Signature of first proxy holder

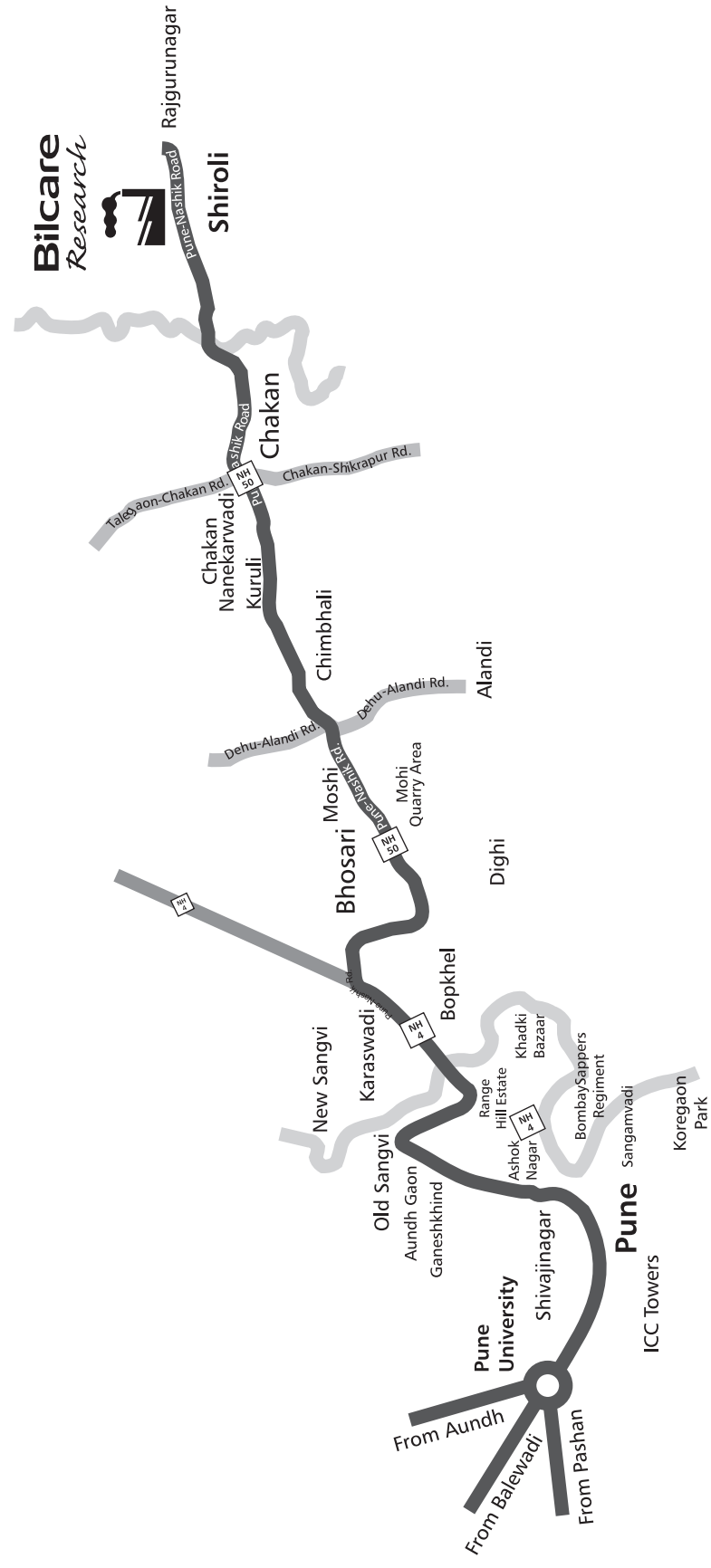
Signature of second proxy holder

Signature of third proxy holder

Note:

- *1. Please put 'x' in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Road Map to AGM Venue



Bilcare Limited
Regd. Office: 1028 Shiroli Rajgurunagar Pune 410 505 India
CIN : L28939PN1987PLC043953

Bilcare
Research

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Sr No:

| | |
|--|--|
| Registered Folio No./ DP ID & Client ID | |
| Name and address of the Member(s) | |
| Joint Holder 1 Joint Holder 2 | |
| No. of Shares | |

I/We record my/our presence at the `29th **Annual General Meeting**' of the Company to be held on Wednesday, 14 September 2016 at 11.00 a.m. at the Registered Office of the Company at 1028, Shiroli, Rajgurunagar, Pune - 410 505.

Member's/ Proxy's name in Block letters

Member's/ Proxy's Signature

Note: Please fill in the name and sign this Attendance Slip and deposit the same with the Company Officials at the venue of the Meeting.

ELECTRONIC VOTING PARTICULARS

| | |
|---|----------------------|
| EVSN (Electronic Voting Sequence Number) | *Sequence No. |
| | |

* Only Members who have not updated their PAN with the Company/ Depository Participant shall use sequence no. in the PAN field.

Notes :

1. Please read the instructions printed under the Notes to the Notice of the 29th Annual General Meeting of the Company to be held on Wednesday, 14 September 2016 at 11.00 a.m.
2. The remote e-Voting period starts from 9.00 a.m. IST on Sunday, 11 September 2016 and ends at 5.00 p.m. IST on Tuesday, 13 September 2016. The Voting module shall be disabled by Central Depository Services (India) Limited (CDSL) for voting thereafter.



Bilcare Limited
1028, Shirol, Rajgurunagar
Pune 410505, India.

investors@bilcare.com
www.bilcare.com