

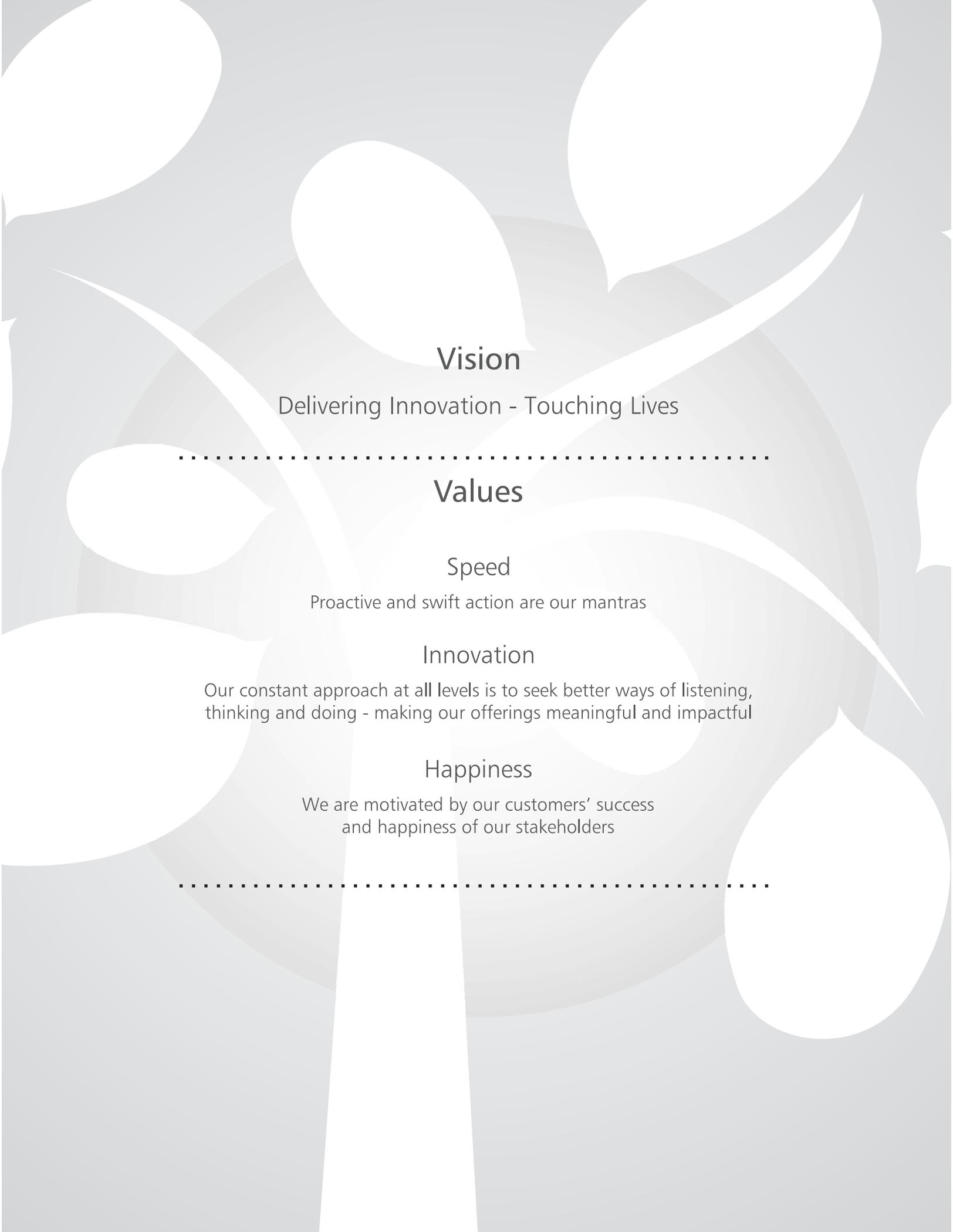


Annual Report 2012-13

Bilcare Limited



Reconfiguring growth



## Vision

Delivering Innovation - Touching Lives

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## Values

### Speed

Proactive and swift action are our mantras

### Innovation

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

### Happiness

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

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# Chairman's Letter

Dear Shareholders,

Bilcare's commitment to a more transparent and sustainable future is stronger than ever.

While the mission of your company continues to deliver customer centric innovation to the Global Pharmacos with wide range of its research based offerings, the consolidation and deleveraging activities persists to intensify. To fulfill our potential and aspirations, we need to operate in a new paradigm, making sustainability integral to our innovation and performance.

With its multi location manufacturing and R&D centers in Europe, USA and Asia and sales to over 120 countries, your company has emerged as a global leader with strong foundation in the solid dosage pharma packaging with 25% market share. Needless to mention- this business has a high entry barrier, considering the fact that entry into pharmaceutical domain takes minimum 2 to 3 years for qualification.

Our focus on value added products and services in the pharma sector along with strong research orientation has catapulted into incremental creation of knowledge based - Intellectual Property (IP). With 167 patent applications worldwide and 34 granted patents in the form of novel offerings further strengthens our business model.

Growth has its own challenges and if you are expanding prolific in overseas markets at a backdrop of sluggish global business scenario coupled with relatively shorter tenor of debt raised in Indian currency, it can be real a challenge! It is also evident that after growth comes consolidation as a natural process of sustenance.

Being a Company parented out of India, most of its debt is raised in Indian currency, with relatively shorter tenure which is a big disadvantage considering the current global business scenario. This has resulted in severe stress on operations, cash flows and creditor's commitment delays. Meanwhile, as a corrective measure, Bilcare has initiated a comprehensive restructuring and financial consolidation exercise.

In the ensuing year, the Company shall focus on reorganizing to suit its business requirements, improve margins and profusely arrest high debt through a series of deleverage drive.

As a process towards business reorganizing, the Company shall continue to stay focused on its core business by divesting all non-core business and commercialize nCID™ technology.

The world economy has slowed down during past few years. Sluggish market conditions

along with marathon downfall of the market sentiments coupled with policy paralysis at macro level has lead to rippling effect on the economy.

This economic turmoil has resulted in substantial demand slow down furthered by downfall of rupee compared to FOREX resulting from inflationary conditions has adversely affected supply side, leading to overall price rise.

In-spite of this, our European business EBIDTA margin has improved by twice. This is as a result of prudent product mix, operational efficiency and business restructuring that has been going on ever since the acquisition. However, our Asian business has suffered a severe setback during later part of the year. This was exacerbated due to cash flow crunch- a result of current market challenges. Sale of GCS business during the year may also be noted.

Our consolidated revenue stands at ₹ 3,547 Crores in FY 2013 against ₹ 3,642 Crores of FY 2012.

Consolidated EBIDTA stood at ₹ 391.8 Crores (11%) in FY 2013 against ₹ 484.0 Crores (13%) of FY 2012 due to lower contribution and higher fixed cost.

Q4 FY 2013 had set back on sales and margin in India and Asia, however, European business neutralized margin squeezed on annual basis and the overall consolidated gross margins for the year were 41.5% in FY 2013 as against 42.6% of FY 2012.

We are confident about Bilcare ncID™ Technology and have invested further to develop touch technology and on Government third party pilot projects. This unique technology has seen positive traction from Government of India's fertilizer

sector and from CSIR new millennium Indian technology leadership initiative. Similarly, our track-n-trace Technology was implemented for exports products of major pharmaceutical companies. Bilcare Technology also made in-roads to Bangladesh - one of most affected counterfeit markets in the world.

Growth reconfiguring is natural in life cycle of a growing Company, more so, for a global player like us. This surgical process may be painful but at the end will certainly yield healthy outcome.

With this note, I thank you all, customers, vendors & partners, bankers, regulators and team Bilcare for their continued confidence and support.

Regards,



Mohan H. Bhandari  
Chairman & Managing Director



# Board of Directors

## Board of Directors

Mr. Mohan H. Bhandari – Chairman and Managing Director

Dr. Praful R. Naik – Executive Director

Dr. Volker Huelck

Dr. R. V. Chaudhari

Mr. Rajendra Tapadia

## Company Secretary

Mr. Anil Tikekar

## Registered Office and Works

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

## Auditors

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

## Cost Auditors

M/s. Parkhi Limaye & Co., Pune

## Bankers

Multiple Banking for Term Debt and Working Capital facilities

## Registrar & Transfer Agents

Link Intime India Pvt. Ltd.,  
(Unit: Bilcare Limited)  
Block No. 202, 2<sup>nd</sup> Floor,  
Akshay Complex  
Off Dhole Patil Road,  
Pune – 411 001, India  
Telefax: +91– 20 – 26163503  
E-mail: [pune@linkintime.co.in](mailto:pune@linkintime.co.in)



# Management Discussion Analysis

## Global Pharmaceutical packaging market landscape

The global pharmaceutical packaging market continues to grow at a CAGR of 8% in the next five years as projected by pharmaceutical packaging market report. Further, the market is expected to be fueled by off-patenting of drugs and expanding the generics market. The global pharmaceutical industry is presently undergoing swift expansion, a lot of technology innovations and rapid advancements in manufacturing processes and integrations. These factors are foretelling growth of the pharmaceutical packaging industry globally. Due to increasing generic and contract manufacturing activities in Asian countries especially India and China, the emerging geographies are expected to register maximum growth.

The increasing demand for biologics will strengthen demand for innovative product packaging solutions in the global pharma packaging market. All these factors, along with the growing pharma industry, will continue to drive demand for packaging. However, the packaging industry will have to overcome challenges, such as the availability and price volatility of raw materials and changing health regulations, in order to meet increasing demand from the growing pharma industry.

The pharmaceutical packaging industry, as a provider of contract services, is not

surprisingly experiencing a corresponding market growth. As with the pharma industry, packagers are challenged to grow through innovation, by providing formats which satisfy pharma's expectation of enhanced drug integrity, safety and stability while delivering the convenience demanded by today's consumer.

Such growth is a clear indicator of the significant role pharmaceutical packaging will play in the pharmaceutical industry's quest for growth through innovation. Beyond that, pharma looks to packagers to improve bottom lines and brand distinction, a core focus of Bilcare 5 C offerings to the pharma sector worldwide.

## Opportunities

According to Freedonia, world demand for drug packaging products will increase 6.4 percent annually. Most demand will remain in the developed economies of Canada, Japan, the US, and Western Europe. Prefillable syringes and parenteral vials will lead growth as new injectable therapies are introduced.

## Risk and Concern Input Cost-

Given the volatility and rise of crude oil and polymer raw material cost, pressure on inputs cost for packaging players are going to fluctuate/rise, leading to passing of this cost to end customers.



## Forex Risk-

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

## Other Concerns-

- Long credit cycle demand by customers adding to woes of cash flow
- Tight cash flow in present scenario leading delay in on time purchase of raw material

**In addition pharmaceutical Industry may have to contend with several issues like:**

- Effects of new product patent
- Drug price control
- Regulatory reforms
- Quality issues

## Vantage Point

- Largest focused pharma packaging player in solid dosage market
- Focused around research and innovation in a business which often looked as commodity
- Global customers in 120 countries, multilocal manufacturing facility spread across US, Germany, Italy, Singapore, India.
- Have created gold standard in pharma packaging
- Diverse work force and best in class talent pool
- Unique business model- created blue ocean for itself, well appreciated by stakeholders, second to none in its class and competition

- Ahead of the curve- Bilcare nciD™ next generation track-n-trace and counterfeit technology having humongous opportunities.

## Packaging Innovation

Over the years Bilcare has unilaterally focused on science based packaging with innovation as its forte and tried to address key challenges of the pharmaceuticals through its brandpac and optima services. Pharmaceuticals grappled with rising cost pressure from regulator, growing menace of counterfeit drugs, compliance issues and brand stagnation, surrogating and pass of by retailers has always appreciated innovative solution from Bilcare -leading to strong identity and recall by end patient not only in urban marketplace but also in rural segments. Today, Bilcare has approx 25% market share in solid dosage packaging and presence in more than 120 countries, making is second to none in this niche segment. Bilcare acquisition of Ineos has not only lead to access to global customer with sound footing across various geographies and over 120 countries but also leverage this relationship to value add and pass-on Bilcare innovation to its new customers.

Other area of packaging such as packaging films services (PFS) for FMCG and food segment, card solution (CS) and specialty films solutions (SFS) in Europe and US, now part of Bilcare AG has also seen significant growth and improvement in margin due to business restructuring, right mix and synergy. The EBIDTA margin of Bilcare's European business has doubled. However, the focus continues to be more on high margin pharma sector, where next generation nciD™ counterfeit technology is on the anvil.

## Global Clinical Services

Bilcare Global Clinical Supplies is a leading provider of Clinical Trial Materials



(CTM) services to the pharmaceutical and biotechnology industries. From pre-formulation to global logistics and distribution, our integrated offerings are aimed at establishing critical success factor – speed-to-market. Our services bridge drug discovery with the manufacture of Clinical Trial Material with the speed and precision to accelerate market entry and drive profitability of large and mid-sized Pharma, Biotech, Institutions and CROs.

Bilcare this year sold its Global Clinical Supplies (GCS) businesses in the US and the UK, to United Drug plc, a 1.7 billion revenue, a leading provider of healthcare services. As result of the sale, United Drug has acquired Bilcare's Global Clinical Supplies (GCS) businesses in the US and the UK for USD 61 million while Bilcare has retained its GCS business in Asia. Going forward, United Drug and Bilcare GCS Asia will work together to use their complementary resources to meet the needs of their global customers across US, Europe and Asia.

The business of GCS Asia for the year has grown by 46% and has acquired few more global customers for clinical services.

## Bilcare Technology

Focus of Bilcare Technology for the year was to find inroads in both Government and private sector for implementation of track-n-trace and nciD™ solutions. This unique technology has seen positive traction from various Government sectors.

This year, we implemented a pilot project for fertilizer sector and embarked on CSIR new millennium Indian technology leadership initiative. Similarly, our track-n-trace Technology was implemented for exports products of major pharmaceutical and biotech companies, complying with DGFT norms. Bilcare nciD™ Technology also made inroads to Bangladesh the one of most affected counterfeit markets in the world.

## Highlights of Financials

### Standalone:

India Standalone revenue for the year FY 2013 stood at ₹ 727 Crores as against ₹ 759 Crores of FY 2012. The Asian business suffered a severe setback on sales and margin during later part of the year. This was further aggravated due to cash flow crunch and working capital shortage amounting to loss of ₹ 75 Crores.

As a consequence PBT reduced by 56% at ₹ 33 Crores as against ₹ 75 Crores of last year.

### Consolidated:

Consolidated revenue stood at ₹ 3,547 Crores in FY 2013 against ₹ 3,642 Crores of FY 2012.

Consolidated EBIDTA is ₹ 391.8 Crores (11%) in FY 2013 against ₹ 484.0 Crores (13%) of FY 2012 due to lower contribution and higher fixed cost. The high margin GCS business sale in the US and Europe has also affected marginally to this year's performance.

Q4 FY 2013 had set back on sales and margin in India and Asia, however European business neutralized margin squeezed on annual basis and the overall consolidated gross margins for the year were 41.5% in FY 2013 as against 42.6% of FY 2012

### Internal controls Systems and Adequacy

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

## Cautionary Statements

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations.

Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include significant change in political and economic environment in India or key markets abroad, applicable statutes, litigations, labour relations, exchange rate fluctuation and interest and other costs.

## Unity in diversity - Human Resource

Today, Bilcare employs 2000 employees and talent pool spread across different geographies; with a diverse workforce coming from US, Europe, Singapore and India making it truly a multi dimensional and cultural organization with a quest of passion and innovation which unites all in team Bilcare to cater customers in over 120 countries.

## Economy, Societal and Environmental Value – Corporate Citizen

Our community supports endeavors are diverse and focused on building robust, collaborative relationship in the social and business communities in areas we operate while augmenting our own understanding of the people and places we serve leading to sustainable approach to community supports that benefits everyone.



# Corporate Governance

## Company's philosophy on Code of Governance

Bilcare Limited is committed to implement the Corporate Governance norms specified in Clause 49 of the Listing Agreement. The Company has grown substantially in last 5 years, with global expansion, where systems are being developed and improved continuously.

## Board of Directors

The Board of Directors of Bilcare Limited comprises of Seven Directors, one being the Chairman and Managing Director, who is a Promoter Director, an Executive Director and Five Non- Executive Independent Directors.

All Non- Executive Directors are persons of eminence and bring a wide range of expertise and experience to the Board. None of the Directors is a member of more than ten Board level Committees of public limited companies in which they are Directors nor is the Chairman of more than five such Committees.

## Number of Board Meetings

The Board met Eight times during the year. The Meetings were on 26 April, 14 May, 28 May, 12 July, 13 August, 29 September, 31 October 2012 and 14 February 2013. All the meetings were held in such manner that the gap between two consecutive meetings was not more than four months.

## Board of Directors and Attendance at Board Meetings and AGM

Name of the Director	Category	Particulars of Attendance		No. of Directorships and Committee Memberships / Chairmanships in Public Limited Companies		
		Board Meetings	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
Promoter Executive Director						
Mr. Mohan H. Bhandari	Chairman and Managing Director	8	Present	4	3	2
Non-Promoter Executive Directors						
Dr. Praful R. Naik	Executive Director	8	Present	2	3	-
Mr. Robin Banerjee*	Deputy Managing Director & CFO	5	Present	2	-	-
Independent Directors						
Dr. Volker Huelck	Director	—	—	1	2	-
Dr. Kalyani Gandhi	Director	6	—	1	-	-
Dr. R. V. Chaudhari	Director	—	—	1	2	-
Mr. Rajendra Tapadia	Director	7	Present	4	5	3
Dr. Arthur J Carty	Director	—	—	1	-	-

\* Resigned as Deputy Managing Director & CFO w.e.f. 31 December 2012

## Appointment and Re-appointment of Directors

Mr. Rajendra Tapadia and Dr. Volker Huelck are retiring by rotation and being eligible offer themselves for reappointment. Their details are given below:

Mr. Rajendra Tapadia provides support on process and product technology. He is an eminent industrialist with more than 30 years of experience in the industry. He served as chairman and managing director of Safepack Industries Limited. He holds a degree in Chemistry and a post-graduate diploma in Business Management from Pune University.

Dr. Volker Huelck offers guidance to the Material Science development team at our Group. He has over 40 years of experience in the chemical industry. He is the Chairman of the German Plastics Centre and a member of the Global Council at Lehigh University, USA. He holds a M.S. in Chemical Engineering and a Ph.D. in Interpreting Polymer Networks from Lehigh University.

## Board Procedure

### Information supplied to the Board

- Amongst others, the information supplied to the Board includes:
- Quarterly results of the Company
- Minutes of meetings of the Board of Directors, Audit Committee and other Committees, including minutes of subsidiary companies.
- Any joint venture or collaboration proposals
- Significant development in human resources and the industrial relations front
- Transfer of material nature of assets, which is not in the normal course of business

- The Board of Bilcare Limited is presented with the agenda papers well in advance of the meeting.

## Code of Conduct

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

## Committees of the Board

### Audit Committee

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

### Terms of reference

The terms of reference of the Committee, inter alia covers all the matters specified under Clause 49 of the Listing Agreement with the Stock Exchange as well as those specified in Section 292 (A) of the Companies Act, 1956. 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 and seek legal and professional advice.

The Committee met five times, on 14 May, 12 July, 13 August, 30 October 2012 and 8 January 2013.

## Attendance Record of Audit Committee Members for 2012-13

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. Rajendra B. Tapadia	Independent	Chairman	5	5
Dr. Kalyani Gandhi*	Independent	Member	4	4
Dr. R. V. Chaudhari**	Independent	Member	1	1
Dr. Volker Huelck	Independent	Member	5	—

\* Resigned w.e.f. 31 October 2012

\*\* Appointed w.e.f. 31 October 2012

### Shareholders'/ Investors' Grievance Committee

The Board of the Company has constituted a Shareholders'/ Investors' Grievance Committee, comprising of Mr. Rajendra B. Tapadia (Chairman of the Committee), Mr. Mohan H. Bhandari and Dr. Praful Naik. Mr. Anil Tikekar, Company Secretary is the Compliance Officer. The committee meets as and when a need arises. No meeting of the Committee was held as no complaint was received from the shareholders or investors during the financial year 2012-13. No requests for dematerialization and/or transfer were pending for approval as on 31 March 2013.

### Remuneration Committee

The Remuneration Committee has been constituted to recommend / review the remuneration packages of the Executive Director(s). The Remuneration Committee of Directors consists of three independent

directors, namely Mr. Rajendra Tapadia, Dr. R.V. Chaudhari and Dr. Volker Huelck. No meeting of Remuneration Committee was held during the year 2012-13.

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.

### Remuneration of Directors

The aggregate value of salary and perquisites for the year ended 31 March 2013 to Wholetime Directors is as follows:

Mr. Mohan H. Bhandari - ₹180.00 Lacs  
 Dr. Praful R. Naik - ₹ 120.00 Lacs  
 Mr. Robin Banerjee - ₹ 128.36 Lacs

### Management

#### Management Discussion and Analysis

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

### 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 ₹)
Mr. Rajendra Tapadia	240,000/-
Dr. Kalyani Gandhi	160,000/-
Dr. R.V. Chaudhari	10,000/-

\* Sitting fees include payment for board level committee meetings.

## Shares and Convertibles held by Non Executive Directors as on 31 March 2013

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

### 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.

### Disclosures

#### Disclosure of Accounting Treatment in Preparation of Financial Statements

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

#### Code for Prevention of Insider-Trading Practices

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

#### Other Material Disclosures and Compliance

None of the transactions with any of the related parties were in conflict with the interests of the Company. The Company has complied with all the requirements

of regulatory authorities. No penalties/ strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last three years. The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/ CFO Certification for the Financial Year ended 31 March 2013.

#### Compliance with Mandatory and Non-Mandatory Requirements

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

#### Means of Communication

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

### 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

## General Body Meetings

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

### Annual General Meeting

Financial Year	Venue	Date	Time
2009-10	Registered Office of the Company	30 September 2010	11.00 a.m.
2010-11	Registered Office of the Company	23 September 2011	11.00 a.m.
2011-12	Registered Office of the Company	29 September 2012	11.00 a.m.

Date : 30 September 2013

Time : 11.00 a.m.

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

### Financial Calendar

1 April to 31 March

For the year ended 31 March 2013, results were announced on –

- 13 August 2012 : First Quarter
- 31 October 2012 : Half yearly
- 14 February 2013 : Third Quarter
- 29 May 2013 : Fourth Quarter and Annual

### Book Closure

The books will be closed from 25 September 2013 to 30 September 2013.

### Share Holding Pattern

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

### Registrar and Transfer Agents and Share Transfer and Demat System

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

### Pattern of share holding by ownership as on 31 March 2013

Category	Number of Shares held	Share holding %
Promoters	7,678,611	32.61
Mutual Funds	341,798	1.45
Foreign Institutional Investors	849,261	3.61
Corporate Bodies (India+Foreign)	3,719,055	15.80
Non Resident Indians	627,716	2.67
Indian Public	8,218,982	34.91
Shares held by Custodians, against which Depository Receipts have been issued	2,109,808	8.96
Total	23,545,231	100.00

### Pattern of share holding by Share Class as on 31 March 2013

Share holding Class	Number of Shareholders	Number of Shares	Share holding %
Up to 500	21,357	1,992,263	8.46
501 - 1,000	967	757,602	3.22
1,001 - 2,000	464	695,539	2.95
2,001 - 3,000	233	592,930	2.52
3,001 - 4,000	79	284,392	1.21
4,001 - 5,000	49	228,222	0.97
5,001 - 10,000	100	689,666	2.93
10,001 & above	96	18,304,617	77.74
Total	23,345	23,545,231	100.00

## 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](mailto: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 2012-13.

Month	High (₹)	Low (₹)	Volume Nos.
Apr-2012	206.00	168.00	626,979
May-2012	175.85	132.10	513,923
Jun-2012	155.00	132.50	421,495
Jul-2012	175.90	142.00	709,044
Aug-2012	192.00	144.70	2,022,848
Sep-2012	213.95	160.00	3,575,422
Oct-2012	267.30	209.50	3,718,592
Nov-2012	248.90	203.00	983,524
Dec-2012	239.90	213.10	947,174
Jan-2013	237.00	165.30	838,020
Feb-2013	180.00	145.00	504,503
Mar-2013	158.50	67.60	3,738,368

## Dematerialization

The equity shares of Bilcare Limited are under compulsory demat trading. As on 31 March 2013, dematerialized shares accounted for 99.24% of the total equity. Demat ISIN numbers in NSDL & CDSL for Equity Shares: INE986A01012.

## Liquidity

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

## Outstanding GDRs and likely impact on Equity

The Company on 12 January 2010, allotted 2,986,341 GDRs at USD11.15 per GDR (i.e. ₹ 515 per share at the exchange rate of ₹ 46.20 per USD), each GDR representing one equity share of ₹ 10 each in the share capital of the Company. As on 31 March 2013, 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](mailto: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 by the Chief Executive Officer (CEO) under clause 49 of the listing agreement

To  
The Members of Bilcare Limited,

I, Mohan H. Bhandari, Managing Director & CEO of Bilcare Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31<sup>st</sup> March, 2013.

Place: Pune  
Date : 28 May 2013

Mohan H. Bhandari  
Managing Director & CEO

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## Auditors' Certificate on Corporate Governance

To,  
The Members of Bilcare Limited

We have reviewed the compliance of the conditions of Corporate Governance by Bilcare Limited for the year ended 31 March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our review was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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 above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor 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

Place: Pune  
Date: 28 May 2013

# Director's Report

## To the Members,

We are pleased to present the report on our business and operations for the financial year ended 31 March 2013.

## Financials

The Company's Standalone revenue for the year FY 2013 stood at ₹ 727 Crores as against ₹ 759 Crores of FY 2012 due to break down of coating line in India for a month amounting to loss of ₹ 75 Crores. There was also severe shortage of working capital in India resulting to further loss.

	₹ Crores	
	2012-13	2011-12
Sales and Other Income	726.64	758.86
Profit before tax	37.74	113.19
Profit after tax	6.58	74.75
Profit available for appropriation	323.41	332.30
General Reserve	--	10.00
Dividend	--	4.71
Dividend Tax	--	0.76
Debenture Redemption Reserve	--	--
Balance in profit & loss account	323.41	316.83

Being a Company parented out of India, most of its debt is raised in Indian currency, with relatively shorter tenure which is a big disadvantage considering the current global business scenario. This has resulted in severe stress on operations, cash flows and

creditor's commitment delays. Meanwhile, as a corrective measure, Company has initiated a comprehensive restructuring and financial consolidation exercise.

## Dividend

In absence of adequate profits, your Directors are unable to recommend Dividend for the financial year ended 31 March 2013.

## Fixed Deposit

Fixed deposits received from the shareholders and the public as on 31 March 2013 stood at ₹ 16,370.54 Lacs.

As on 31 March 2013, the Company has no overdue deposits other than the unclaimed deposits of ₹ 12.79 Lacs.

## Consolidated Financial Statements

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

These consolidated financial statements provide financial information about the Company and its subsidiaries as a single economic entity and form part of this Annual Report. For the year ended

31 March 2013, the consolidated revenue stood at ₹ 3,547 Crores against ₹ 3,642 Crores of previous year.

## Subsidiary Companies

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. The Company has four subsidiary companies, namely Bilcare Singapore Pte. Ltd., Singapore, Bilcare Mauritius Ltd., Mauritius, Bilcare International (formerly Nazilla Limited), Mauritius and B A Technologies Limited, India. Some of these subsidiaries in turn have their respective step down subsidiaries. The Company also has a 50% joint venture in International Labs, LLC, US.

## Research & Development

Bilcare's firm belief in long-term value creation from continual investments in Research & Development has enabled the expansion of its horizon of Innovation pipeline which has successfully yielded a rich portfolio of newer products, process and services this year as well. Bilcare continued investing significantly in R&D activities leading to the creation of new innovations and also invested in protecting these innovations through intellectual property rights in major regions of the world for ensuring sustained business expansion and growth. Some of the key R&D activities in

FY 2013 include:

- Newer packaging solutions for Active Pharmaceutical Ingredients (APIs')
- Development of innovative packaging materials viz. Venus Protect, Printed Venus Protect.
- In-house development of PVC and Aclar lamination.
- In-house development of tri-laminate film comprising PVC, EVOH and Aclar for Oxygen sensitive formulations.
- PVdC based high barrier films for highly sensitive formulations as viable alternative to high cost barrier films for use in low value pharmaceutical products.
- In-house development of Suppository films.
- Development of unique printed features on film substrates.
- Development of paper based extrusion laminates having surlyn as sealant layer.
- Development of unique complexes based on co-extrusion process.
- Development of various complexes with unique printing features for confectionary products.
- Stabilization and Scale up of image embedded transparent colored high barrier composite as overt anti-counterfeit features for packaging of multivitamin products.
- Development of various aluminum foil based complexes to pack ORS with the help of special adhesive system.
- Development of robust Bilcare Protect-L with the help of special adhesive and process.

Bilcare also continued focused research and development activities on its path-breaking nonClonableID™ technologies. Some of the key development activities accomplished include:

- Research and development activities on the project entitled “Customized adaptation of nonClonableID™ technology to establish authenticity of medical products approved by CSIR under its prestigious New Millennium Indian Technology Leadership Initiative (NMITLI) program comprising:
  - a. Core nclD™ chip adaptation design and development
  - b. nclD™ chip applicator system
  - c. Secure track and trace cum authentication application system
  - d. Securitization of developed IT architecture
  - e. BATS-PTA™ track and trace mobile application
  - f. Medication compliance mobile application
  - g. Patient compliance and Doctor monitoring system
  - h. Project plan mapping
  - i. Quality management system
  - j. Touch reader adaptation design and development
  - k. System integration testing
- Successfully completed the design and development of secured track and trace cum authentication management system for pharmaceutical products manufactured for exports.
- Designed and developed “Secured fertilizer supply chain control and direct to farmer subsidy management system”.

- Design and development of Duty planning management system for the Delhi Police for continued enhancement of the nonClonableID™ based Secured Identity Management system which has been successfully implemented for Delhi Police personnel.
- Designed and developed the “Secured Identification and Authorisation solution for B.Twill jute bales”.
- Initiated and completed the Design and development of the Build & Operate Secured Exported Drugs Traceability & Authentication System for Drugs Manufactured in and Exported from India.
- Initiated the Design and development of the “Local Authentication based NREGA Management Solution using nclD™ Technology” for ensuring non-disruption of Activities in areas / regions with Poor and or No Network Connectivity.
- Initiated the Design and Development of nonClonableID™ Technology for Secured Smart card based solution for Targeted Public Distribution Management System.

Bilcare Research and Development activities have remained focused on innovative research solutions in both packaging materials and its application to pharmaceutical formulations and this continues to be our key growth factor. This has led to substantial growth in the materials business arising from the conversion of conventional packaging to more attractive and value added packaging solutions. The novel Bilcare Optima service continues to generate newer alliances with global pharmaceutical companies in not only the developing regions but also the developed regions of the world resulting from the hugely successful outcomes of the innovative and completely accurate fast-track study results. These Research initiatives has enabled Bilcare not only to continue generate future growth opportunities to

keep the company ahead of its global contemporary organizations but also gainfully leverage the special relation with pharmaceutical industry across the globe and continue accomplishing robust and sustainable business growth. Bilcare also devoted significant time and resources on doing application research initiatives on our path-breaking nCID™ technology to enable create novel solutions which had immense value for not only the pharmaceutical sectors but also in several key e-governance initiatives of our country. Successful completion of development projects in the nCID™ technology domain has resulted in significantly enhanced confidence levels of pharma customers across the globe that now see Bilcare as a complete solution provider. The development initiatives in nCID™ technology also has resulted in significant interests from the government sector for use of the nCID™ technology solution in addressing the key challenges in securitization of critical e-governance projects.

## Benefits derived from R & D

- Venus Protect, Bilcare Printed Venus Protect submitted to the customer for trial purpose and it is under study which can give the customer anti counterfeit solution for highly sensitive formulation.
- Bilcare developed Suppository laminate is successfully running on the machine in Asia-Pacific region. This kind of development is considered as the first film development out of Europe that runs smoothly on special kind of thermoformed, fill and seal machine for suppository applications
- Bilcare developed printed PVdC composite helped the pharmaceutical customer for the brand identity in the market for the non sensitive to high sensitive products.
- Bilcare developed high barrier PVdC complexes are economical as compare

to the existing complexes which are using for the highly sensitive formulation.

- Bilcare developed laminates which are Surlyn based benefits the customer to pack their temperature sensitive formulations at lower temperature.
- Developed new anti-counterfeit concept for the pharma and non-pharma sector for establishing distinct brand identity.
- Development of unique and complex print features for confectionary business on their demand proves the first in its kind in the world with the help of Flexographic printing techniques and we as Bilcare are proud with this remarkable development.
- Aluminum/PVC based CR foils has been approved by European Regulatory authority for pharmaceutical use.
- Successful completion of the design and development activities on the nCID technology solution for CSIR - NMITLI project has now taken the project into the last phase of field deployment.
- The secured track and trace cum authentication management system developed has been commercially deployed for use in the tertiary and secondary product packages by 7 pharmaceutical manufacturers who are manufacturing pharmaceutical products for exports.
- Based on the developed solution, the Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India awarded a pilot project to Telecommunications Consultants India Limited (TCIL), a Government of India Enterprise under the Ministry of Communications & IT, Government of India which has been successfully completed and a detailed project completion report has been submitted to the Department of Fertilizers by TCIL.

- Based on the developed solution, a commercial pilot project was awarded to Bilcare by the National Jute Board (NJB) and the Directorate General of Supplies and Disposals (DGS&D), Ministry of Commerce and Industries, Government of India which has been successfully completed and a detailed project completion report has been submitted which has been acknowledged and accepted by NJB & DGS&D.
- Based on the developed solution, a detailed techno-commercial proposal has been submitted by Telecommunications Consultants India Limited (TCIL), a Government of India Enterprise under the Ministry of Communications & IT, Government of India to the Ministry of Commerce and Industries, Government of India for being the Nodal agency to Build & Operate Secured Exported Drugs Traceability & Authentication System for Drugs Manufactured in and Exported from India.
- Telecommunications Consultants India Limited (TCIL), a Government of India Enterprise under the Ministry of Communications & IT, Government of India has submitted a detailed techno-commercial proposal to the Department of Rural Development, Ministry of Rural Development, Government of India on “ Local Authentication based NREGA Management Solution using nCID™ Technology” for ensuring non-disruption of Activities in areas / regions with Poor and or No Network Connectivity
- Delhi Police has initiated the execution of the Duty planning management system proposed by Bilcare.
- Bilcare is working with Centre for Development of Advanced Computing (C-DAC), an autonomous scientific society of Department of Information Technology, Ministry of Communications & Information Technology, Government

of India for development and validation of nCID™ technology based local authentication system. A techno-commercial proposal is being formulated by Telecommunications Consultants India Limited (TCIL), a Government of India Enterprise under the Ministry of Communications & IT, Government of India for the Government of Arunachal Pradesh on nonClonableID™ Technology for Secured Smart card based solution for Targeted Public Distribution Management System.

## Future plan of action

Bilcare will continue to focus on R&D initiatives in providing innovative packaging solutions and the nonClonableID™ technology solution for secured identity, authenticity and track and trace of pharmaceutical products to the global pharmaceutical industry. The significant interest evinced by a host of government agencies in the use of the nonClonableID™ technology for securitization of various e-governance projects will drive continued application based research initiatives on customized adaptation of nonClonableID™ technology solution.

## Expenditure on R & D

	₹ Crores
Capital	–
Recurring	14.89
Total	14.89
R & D Expenditure as a percentage of Total Turnover	2.05%

On a consolidated basis, total R&D expenditure as a percentage of consolidated turnover is 1.05%.

## Conservation of Energy and Technology

Energy being a key component in the cost of the product every effort was made to reduce the losses incurred. The major

contributor for the reduction in the energy cost is maintaining the power factor to unity. The consistent effort in this category contributed to a saving of 6.6 % amounting to ₹ 0.31 crores per annum of the annual bill value in FY 2013.

In the third quarter of FY 2013, a pilot project was initiated by installing an energy saving device called the articomaster in the air conditioning unit of the Flexo printing plant. This articomaster device has resulted in saving of 10% of electrical units consumed by the Flexo plant air conditioning system.

In the financial year 2013-14 -

1. We intend to install the Regenerative Thermal Oxidizer (RTO) which helps the eco system in great way. The basic concept is to oxidize or burn the volatile organic compound vapours (VOC) at high temp by secondary burning system (which provides burning heat to VOC). In this way the calorific value of VOC is utilized & no fumes are left in exhaust of various processes machines. We intend to utilize this heat from oxidizer for preheating of thermic fluid heater, which will reduce the fuel consumption.
2. We intend to replace the fuel being used in the new thermic fluid heater from Light Diesel oil (LDO) to Furnace Oil (FO). This change will save us ₹ 50 lacs for the year and will be effective from Sept 2013.

## Technology Absorption, Adaptation and Innovation

Bilcare continues to invest on R&D activities and effectively utilize its investments made on creation of research sites resulting in successful addition of newer products, processes services and technologies to its innovation portfolio.

During the financial year, Bilcare filed 24 Patent applications related to its innovative products and technologies and were granted 3 Patents.

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.

Some of the key accomplishments leading to successful absorption and adaptation of technologies include:

1. Trials for the non-uniform embossed pattern on alu-alu substrates, was successfully completed and also incorporated with printing. This makes it extremely difficult to reproduce and therefore useful as an effective anti-counterfeit solution for brand protection.
2. New Process has been developed for making Aclar based laminates in-house which results in delivering the products to the domestic customer in time and saving the cost in logistics.
3. Innovative PVdC based laminates for the highly sensitive formulations have been developed.
4. Unique printing pattern on PVdC substrate has been successfully developed and commercialized for the packaging of highly sensitive formulations requiring distinctive brand identity.
5. Developed and commercialized paper based extrusion laminates having surlyn as sealant layer to pack temperature sensitive liquid as well as solid dosage formulations at lower temperature.
6. Trials for development have been successfully conducted for creation of unique complexes based on co-extrusion process to pack contraceptives for healthcare segment.
7. Trails for development have been successfully conducted for commercialization of various complexes



- with unique printing features for meeting the requirement of the confectionary sector.
8. Commercialized image embedded films in transparent color as effective anti-counterfeit feature for packaging of multivitamins.
  9. Developed various aluminum foil based complexes to pack ORS with the help of special adhesive system which can give good protection during shelf life of the product.
  10. Developed a new, robust Bilcare Protect-L with the help of special adhesive and process..
  11. Developed a new analytical method for analysis of packaging materials which can enable establish conformity to compliances of the packaging material to regulatory requirements.
  12. Developed and commercialized unique aclar based composites with EVOH as sandwich structure to enhance oxygen barrier of composites along with the moisture barrier.
  13. Successfully commercialized the unique complex printing process for polymeric substrates for use in confectionary as well as pharmaceutical segments.
  14. Successfully completed development and standardization of incorporation of multiple anti-counterfeiting features in the form of Nano, Micro and 3D images in soft aluminum foil. Product is currently under stability testing. Incorporation of these features will lead to offering unique products which will significantly enhance pharma product security and enabling enhanced patient safety.
  15. New Child Resistant foil has been developed in-house with a unique technique and commercialized successfully.
  16. Bilcare Protect® is successfully commercialized for highest selling brand with a combination of overt and covert anti-counterfeiting features on the blister film as well as lidding foil.
  17. Successfully developed eco-friendly heat seal lacquer for non-pharma applications.
  18. The development initiatives on processing of heat seal lacquers has resulted in enhancing the consistency in the quality of lacquer coating on aluminum based products as well as its sealing compatibility with different grades of polymeric materials.
  19. Continued development and adaptation of new technologies for the Bilcare Zenith series of products has resulted in significant production process optimization without compromising on quality.

## Foreign Exchange Earnings & Outgo

	₹ Crores
Foreign exchange earned	87.50
Foreign exchange outgo	197.30

## Directors

Mr. Rajendra Tapadia and Dr. Volker Huelck are retiring by rotation and being eligible offer themselves for re-appointment. Mr. Robin Banerjee resigned as Deputy Managing Director of the Company, with effect from 31 December 2012. The directors placed on record their appreciation for the services and contributions made by Mr. Robin Banerjee during his association with the Company. Dr. Kalyani Gandhi resigned as Director of the Company, with effect from 5 April 2013. The directors placed on record their appreciation for the services and contributions made by Dr. Kalyani Gandhi during her association with the Company.

## Directors' Responsibility Statement

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

- i. In the preparation of the annual accounts for the year ended 31 March 2013, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed along with proper explanations relating to material departures, if any.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The accounts for the financial year ended 31 March 2013 have been prepared on a 'going concern' basis.

## Corporate Governance

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

## Auditors

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

In respect of the Emphasis of Matter by the Auditors in their report, it has been explained in the Notes forming part of said Financial Statements which are self-explanatory and therefore do not call for any further comments.

## COST AUDITORS

The Compliance Report under The Companies (Cost Accounting Records) Rules, 2011 for the year 2012 was duly filed with the Ministry of Corporate Affairs on 24 December 2012.

The Central Government had approved appointment of M/s. Parkhi Limaye & Co., Cost Accountants as Cost Auditors of the Company under Section 233B of the Companies Act, 1956 for the year 2013. The Cost Audit Report for the year 2013 is due for filing with the Ministry of Corporate Affairs on 27 September 2013.

Your Company has re-appointed them as Cost Auditors of the Company for the year 2013-14.

## Statutory Disclosures

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

Particulars regarding technology absorption, conservation of energy and foreign exchange earning and outgo required under section 217 (1) (e) of the Companies Act, 1956 and Companies (Disclosure



of Particulars in the Report of Board of Directors) Rules, 1988 have been given in the preceding paras.

For the FY 2013, the compliance report is provided in the Corporate Governance section of this Annual Report. The Auditors' Certificate on compliance with the mandatory recommendations of the committee is annexed to this report.

## **Acknowledgement**

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

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

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

For and on behalf of the Board of Directors

Mohan H. Bhandari  
Chairman and Managing Director

Place: Pune  
Date : 28 May 2013

## AUDITOR'S REPORT

To,  
The Members of  
Bilcare Limited

### Report on financial statements

We have audited the attached Balance Sheet of **Bilcare Limited** as on 31 March 2013, the Statement of Profit and Loss and the Cash Flow statement for the year ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for 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 referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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 31 March 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit 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.

### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have 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. The Branch Auditors reports have been forwarded to us and have been appropriately dealt with;
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the audited report from the branch;
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act to the extent applicable;
  - e. On the basis of the written representations received from the directors as on 31 March 2013, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 25 441A of the Act, nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

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

Place: Pune  
Date: 28 May 2013

R. L. RATHI  
Proprietor  
Membership No. 14739



## **Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirement” of our report of even date**

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

11. Based on the audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has 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 (Rs. Cr.)	Interest (Rs. Cr.)	Delay in days
Loan from Banks	189.83	33.40	Various days

In view of these defaults, the Company has applied to Corporate Debt Restructuring cell for its debt restructuring.

12. According to the information and explanations given to us and based on the documents and records produced before us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order as amended are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order (as amended) are not applicable to the company.
15. According to the information and explanations given to us, the company has given guarantee for loans taken by others from banks or financial institutions are, prima facie, not prejudicial to the interest of the Company.
16. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. In respect of secured bonds issued by the company and outstanding during the year, the company has duly created security or charge.
20. The company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

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

Place: Pune  
Date: 28 May 2013

R. L. RATHI  
Proprietor  
Membership No. 14739

## BALANCE SHEET AS ON 31 MARCH 2013

	Notes	As on	
		31 March 2013	31 March 2012
		₹. Lacs	₹. Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUND</b>			
Share capital	2	2,354.52	2,354.52
Reserves & surplus	3	94,446.09	93,129.41
		96,800.61	95,483.93
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities (net)	4	11,748.51	11,253.81
Long-term borrowings	5	115,292.71	62,484.43
Long-term provisions	6	127.25	96.39
		127,168.47	73,834.63
<b>CURRENT LIABILITIES</b>			
Trade payables		6,479.67	2,349.07
Short-term borrowings	7	21,378.51	2,412.65
Other current liabilities	8	17,040.44	11,718.41
Short-term provisions	9	(173.70)	2,689.70
		44,724.92	19,169.83
TOTAL		268,694.00	188,488.39
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	10	60,092.00	53,766.02
Intangible assets	11	3,575.16	3,701.71
Capital work in progress		78,513.42	3,351.29
		142,180.58	60,819.02
Non-current investments	12	69,436.69	67,935.20
Long-term loans and advances	13	524.32	220.66
Other non-current assets	14	5,450.97	4,968.04
		217,592.56	133,942.92
<b>CURRENT ASSETS</b>			
Inventories	15	13,872.53	12,912.82
Trade receivables	16	27,547.54	34,608.04
Cash and cash equivalents	17	3,240.41	2,698.60
Short-term loans and advances	18	6,440.96	4,326.01
		51,101.44	54,545.47
TOTAL		268,694.00	188,488.39
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

For and on behalf of Board of Directors

**R. L. Rathi**

Proprietor

Membership No.14739

**Mohan H. Bhandari**

Managing Director

**Dr. Praful R. Naik**

Executive Director

Place : Pune

Date : 28 May 2013

**Anil Tikekar**

Company Secretary

## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2013

	Notes	Year ended 31 March 2013 ₹. Lacs	Year ended 31 March 2012 ₹. Lacs
<b>INCOME</b>			
Revenue from operations	19	72,743.04	75,259.69
Other income	20	(78.55)	625.99
Total revenue (i)		<u>72,664.49</u>	<u>75,885.68</u>
<b>EXPENDITURE</b>			
Cost of materials consumed	21	47,778.17	46,111.68
Changes in inventories of finished goods, work-in-progress and stock in trade	22	(322.70)	517.16
Employee benefits expense	23	2,637.00	2,500.74
Other expenses	24	4,348.71	3,868.64
Total expenses (ii)		<u>54,441.18</u>	<u>52,998.22</u>
Profit before interest, depreciation and tax (EBIDTA) (i-ii)		18,223.31	22,887.46
Finance costs	25	10,249.44	7,969.38
Depreciation and amortisation expense	26	4,199.53	3,599.24
Profit / (Loss) before tax		3,774.34	11,318.84
Tax expense:	27	494.70	3,843.58
Profit / (Loss) from continuing operations		3,279.64	7,475.26
Prior Period Expenses		309.36	–
Extraordinary Items		2,312.46	–
Profit / (Loss) after tax carried to Balance Sheet		<u>657.82</u>	<u>7,475.26</u>
Earnings per share of ₹. 10/- each: (computed on basis of continuing operation)	28		
Basic (₹.)		2.79	31.75
Diluted (₹.)		2.79	31.75
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

For and on behalf of Board of Directors

**R. L. Rathi**

Proprietor

Membership No.14739

**Mohan H. Bhandari**

Managing Director

**Dr. Praful R. Naik**

Executive Director

Place : Pune

Date : 28 May 2013

**Anil Tikekar**

Company Secretary

## CASH FLOW FOR THE YEAR ENDED 31 MARCH 2013

	Year ended 31 March 2013 ₹. Lacs	Year ended 31 March 2012 ₹. Lacs
<b>A Cash flow from Operating Activities</b>		
Profit after tax	657.82	7,475.26
Adjustments For:		
Depreciation	4,199.53	3,599.23
Interest / Dividend (net)	9,612.65	7,283.97
(Profit) / Loss on sale of fixed assets	31.70	2.91
Foreign Currency Monetary Items Translation Difference Account	658.86	(1,481.96)
Operating profit before Working Capital changes	15,160.56	16,879.41
Deferred Tax Liability	494.70	1,077.23
Adjustments for:		
Trade & other receivables	4,158.95	(13,263.82)
Inventories	(959.71)	(3,618.24)
Trade payables	7,601.58	7,099.67
Cash generated from operations	26,456.08	8,174.25
Interest paid	(8341.69)	(7,969.38)
Direct taxes paid	(2,341.90)	588.27
Net cash from operating activities	15,772.49	793.14
<b>B Cash flow from Investing Activities</b>		
Purchase of fixed assets	(85,596.15)	(13,313.31)
Sale of fixed assets	3.32	2.40
Investments	(1,501.49)	(2,224.89)
Interest received	335.46	118.62
Dividend received	301.33	566.78
Net cash used in investing activities	(86,457.53)	(14,850.40)
<b>C Cash flow from Financing Activities</b>		
Proceeds from issue of share capital	-	-
Proceeds from share premium (net)	-	-
Proceeds from term borrowings	79,633.42	29,261.77
Repayment of term borrowings	(7,859.27)	(18,636.80)
Conversion of FCCB	-	-
Dividend paid including tax	(547.30)	(820.95)
Net cash used in financing activities	71,226.85	9,804.02
Net increase in cash & cash equivalents (A+B+C)	541.81	(4,253.24)
Cash and cash equivalents as on 01.04.2012	2,698.60	6,951.84
Cash and cash equivalents as on 31.03.2013	3,240.41	2,698.60

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 : 28 May 2013

**Mohan H. Bhandari**

Managing Director

**Anil Tikekar**

Company Secretary

**Dr. Praful R. Naik**

Executive Director

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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### NOTE - 1

#### SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

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

ii) Use of estimates

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

iii) Fixed assets

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

iv) Investments

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

v) Impairment of assets

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

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

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

vi) Inventories

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

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

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 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 the respective asset.

xi) Income taxes

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

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

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

xii) Provisions

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

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

xiii) Contingent liabilities

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

xiv) Measurement of EBIDTA

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

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013 ₹. Lacs	As on 31 March 2012 ₹. Lacs
<b>NOTE - 2</b>		
<b>SHARE CAPITAL</b>		
AUTHORISED		
i) 40,000,000 (31 March 2012 : 40,000,000) Equity Shares of ₹. 10/- each	4,000.00	4,000.00
ii) 5,000,000 (31 March 2012 : 5,000,000) Preference Shares of ₹. 10/- each	500.00	500.00
	4,500.00	4,500.00
ISSUED SUBSCRIBED AND PAID UP		
i) 23,545,231 (31 March 2012 : 23,545,231) Equity Shares of ₹. 10/- each	2,354.52	2,354.52
<b>TOTAL</b>	<b>2,354.52</b>	<b>2,354.52</b>
a. Reconciliation of the shares outstanding (No. of shares)		
At the beginning of the period	23,545,231	23,545,231
Add / (Less) : Movement during the year	-	-
At the end of the period	23,545,231	23,545,231

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013, the amount of per share dividend recognized as distributions to equity shareholders was ₹. NIL (31 March 2012 : ₹. 2/-).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of Shareholders holding more than 5% shares in the Company

	No. of Shares	% Holding in the Class	No. of Shares	% Holding in the Class
Equity shares of ₹. 10/- each fully paid				
i. Mohan H. Bhandari	6,253,489	26.56	6,253,489	26.56
ii. Deutsche Bank Trust Company Americas (Custodian of shares against GDR's have been issued)	2,109,808	8.96	2,109,808	8.96
iii. Monument Pte. Ltd.	1,761,620	7.48	1,761,620	7.48
iv. Rakesh R. Jhunjhunwala	1,735,425	7.37	1,735,425	7.37
v. Nutan M. Bhandari	1,425,122	6.05	1,425,122	6.05

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 3</b>				
<b>RESERVES &amp; SURPLUS</b>				
i) Securities Premium		51,034.41		51,034.41
ii) General Reserve				
Balance as per last Financial Statement	11,622.47		4,622.47	
Add: Transfer from Statement of Profit and Loss	–		1,000.00	
Add: Transfer from Debenture Redemption Reserve	–		6,000.00	
		11,622.47		11,622.47
iii) Capital Redemption Reserve		271.63		271.63
iv) Debenture Redemption Reserve				
Balance as per last Financial Statement	–		6,000.00	
Add: Additions during the year	–		–	
Less: Transferred to General Reserve	–		6,000.00	
		–		–
v) Foreign Currency Monetary Items Translation Difference Account				
Balance as per last Financial Statement	(1,481.96)		–	
Add: Additions during the year	–		(1,481.96)	
Less: charged to Profit and Loss Account	658.86		–	
		(823.10)		(1,481.96)
vi) Surplus in the Statement of Profit and Loss				
Balance as per last Financial Statement	31,682.86		25,754.89	
Add: Net Profit for the year	657.82		7,475.26	
Less: Transfer to General Reserve	–		1,000.00	
Transfer to Debenture Redemption Reserve	–		–	
Proposed Dividend	–		470.90	
Tax on Dividend	–		76.39	
		32,340.68		31,682.86
TOTAL		94,446.09		93,129.41
<b>NOTE - 4</b>				
<b>DEFERRED TAX LIABILITIES</b>				
Difference between Book and Tax Depreciation		11,748.51		11,253.81

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 5</b>				
<b>LONG-TERM BORROWINGS</b>				
i) Secured Loans:				
Term loan from banks		103,503.80		61,314.35
ii) Unsecured Loans:				
Deferred sales tax loans	1,165.76		1,170.08	
Term Loan from Banks	9,818.19		–	
Others	804.96		–	
		11,788.91		1,170.08
TOTAL		115,292.71		62,484.43

- The rupee term loan from banks / financial institutions carries interest @ 12% to 15% p.a.
- The foreign currency loan from banks carries interest @ LIBOR plus 4% to 6%.
- Term loans to banks / financial institutions are repayable within a period from 3 to 5 years in quarterly / half yearly installments as per terms of the respective loans.
- Term loan from banks / financial institutions are secured by first charge on the immovable and movable properties and second charge on current assets, both present and future, under security trustee arrangement.
- The Company has applied to the CDR Cell for its debt restructuring.
- Deferred sales tax loan is interest free and is repayable in yearly installments till 2023.
- The other unsecured loan carries interest @ 3 % p.a. and repayable in 10 annual equal instalments starting from 2014

### NOTE - 6

#### LONG-TERM PROVISIONS

Provisions for employee benefits	127.25	96.39
TOTAL	127.25	96.39

### NOTE - 7

#### SHORT-TERM BORROWINGS

i) Secured:				
Working capital loan from banks	4,507.97		1,199.76	
		4,507.97		1,199.76
ii) Unsecured:				
Fixed deposits from public	16,370.54		12.89	
Loans and advances from related parties	500.00		500.00	
Loans and advances from others	–		700.00	
		16,870.54		1,212.89
TOTAL		21,378.51		2,412.65

- The working capital facilities from banks carries interest rate 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.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013 ₹. Lacs	As on 31 March 2012 ₹. Lacs
<b>NOTE - 8</b>		
<b>OTHER CURRENT LIABILITIES</b>		
i) LC Acceptances	15,007.04	11,554.66
ii) Interest accrued and due / not due on borrowings	1,911.73	3.98
iii) Withholding tax payable	102.00	139.87
iv) Unclaimed Dividend*	19.67	19.90
<b>TOTAL</b>	<b>17,040.44</b>	<b>11,718.41</b>

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

### NOTE - 9

#### SHORT-TERM PROVISIONS

i) Provision for taxes on income	(1,705.68)	636.22
ii) Provision for employee benefits	45.01	57.30
iii) Proposed Dividend	-	470.90
iv) Provision for dividend tax	-	76.39
v) Other short term provisions	1,486.97	1,448.89
<b>TOTAL</b>	<b>(173.70)</b>	<b>2,689.70</b>

### NOTE - 10

#### TANGIBLE ASSETS

₹ Lacs

Sr. No.	Items of Asset	Gross Block at Cost or Book Value				Depreciation				Net Block	
		As on 01/04/2012	Additions during the year	Deductions during the year	As on 31/03/2013	As on 01/04/2012	For the year	Deductions during the year	As on 31/03/2013	As on 31/03/2013	As on 31/03/2012
01	Land	227.20	-	-	227.20	-	-	-	-	227.20	227.20
02	Building	5,691.11	-	-	5,691.11	1,140.67	189.43	-	1,330.10	4,361.01	4,550.44
03	Plant & Machinery	57,594.98	9,731.65	63.19	67,263.44	10,525.70	3,034.82	30.30	13,530.22	53,733.22	47,069.28
04	Vehicles	143.39	26.82	-	170.21	88.31	14.29	-	102.60	67.61	55.08
05	Electric Fitting	1,698.40	2.45	-	1,700.85	518.37	80.65	-	599.02	1,101.83	1,180.03
06	Furniture & Fixture	711.85	-	-	711.85	280.38	42.94	-	323.32	388.53	431.47
07	Office Equipments	847.59	31.21	3.25	875.55	595.07	68.99	1.11	662.95	212.60	252.52
	<b>TOTAL</b>	<b>66,914.52</b>	<b>9,792.13</b>	<b>66.44</b>	<b>76,640.21</b>	<b>13,148.50</b>	<b>3,431.12</b>	<b>31.41</b>	<b>16,548.21</b>	<b>60,092.00</b>	<b>53,766.02</b>
	Previous Year	57,395.79	9,530.32	11.60	66,914.52	10,153.60	3,001.19	6.29	13,148.50	53,766.02	47,242.19

### NOTE - 11

#### INTANGIBLE ASSETS

₹ Lacs

Sr. No.	Items of Asset	Gross Block at Cost or Book Value				Depreciation				Net Block	
		As on 01/04/2012	Additions during the year	Deductions during the year	As on 31/03/2013	As on 01/04/2012	For the year	Deductions during the year	As on 31/03/2013	As on 31/03/2013	As on 31/03/2012
01	Patent and Trademarks	2,179.40	593.17	-	2,772.57	653.71	218.10	-	871.81	1,900.76	1,525.69
02	Other Intangible Assets	4,165.37	48.69	-	4,214.06	1,989.35	550.31	-	2,539.66	1,674.40	2,176.02
	<b>TOTAL</b>	<b>6,344.77</b>	<b>641.86</b>	<b>-</b>	<b>6,986.63</b>	<b>2,643.06</b>	<b>768.41</b>	<b>-</b>	<b>3,411.47</b>	<b>3,575.16</b>	<b>3,701.71</b>
	Previous Year	5,388.35	956.42	-	6,344.77	2,045.01	598.05	-	2,643.06	3,701.71	3,343.34

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 12</b>				
<b>NON-CURRENT INVESTMENTS</b>				
Unquoted Equity Instruments				
i) Investment in subsidiaries				
Bilcare Singapore Pte Ltd. 173.35 million (31 March 2012: 145 million) Equity Shares of SGD 1 each fully paid-up	52,972.30		51,548.39	
Bilcare Mauritius Limited 27,255 (31 March 2012: 20,255) Equity Shares of USD 1,000 each fully paid-up	12,628.56		12,628.56	
Bilcare International 1 (31 March 2012: NIL) Equity shares of USD 1 each fully paid-up	70.63		–	
		65,671.49		64,176.95
ii) Investment in joint venture				
50% (31 March 2012 : 50%) share in International Labs LLC, USA	3,757.25		3,757.25	
1% (31 March 2012 : NIL) share in Bilcare Research SRL	3.47		–	
1% (31 March 2012 : NIL) share in Bilcare Fucine SRL	3.47		–	
		3,764.20		3,757.25
iii) Other non-current investments :				
Equity Shares: Cosmos Bank	1.00		1.00	
		1.00		1.00
TOTAL		<u>69,436.69</u>		<u>67,935.20</u>
<b>NOTE - 13</b>				
<b>LONG-TERM LOANS AND ADVANCES</b>				
Unsecured, considered good				
Capital advances		–		–
Security deposits		524.32		220.66
TOTAL		<u>524.32</u>		<u>220.66</u>
<b>NOTE - 14</b>				
<b>OTHER NON-CURRENT ASSETS</b>				
Deposits with government authorities		5,450.97		4,968.04
Other non current assets		–		–
TOTAL		<u>5,450.97</u>		<u>4,968.04</u>
<b>NOTE - 15</b>				
<b>INVENTORIES</b>				
(valued at lower of cost and net realizable value)				
i) Raw material		11,676.99		11,043.66
ii) Work-in-progress		1,564.21		1,164.61
iii) Finished goods		513.29		590.19
iv) Stores & spares, consumables		118.04		114.36
TOTAL		<u>13,872.53</u>		<u>12,912.82</u>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 16</b>				
<b>TRADE RECEIVABLES</b>				
Secured, considered good				
i) Outstanding for more than six months from due date	7.53		22.09	
ii) Others	229.10		526.55	
		236.63		548.64
Unsecured, considered good				
i) Outstanding for more than six months from due date	1,272.24		1,062.30	
ii) Others	26,038.67		32,997.10	
		27,310.91		34,059.40
TOTAL		<u>27,547.54</u>		<u>34,608.04</u>
a) Trade receivable due from directors and officers of the Company - NIL				
b) All Branch trade receivables are considered as current.				
<b>NOTE - 17</b>				
<b>CASH AND CASH EQUIVALENTS</b>				
i) Cash on Hand		26.89		6.67
ii) Deposits with Bank				
On current account	514.09		984.51	
On term deposit account	2,699.43		1,707.42	
		3,213.52		2,691.93
TOTAL		<u>3,240.41</u>		<u>2,698.60</u>
Term deposits with bank include earmarked deposits ₹. 1,340.40 lacs (31 March 2012: ₹. 952.58 lacs) as margin money for letter of credits, guarantees etc.				
<b>NOTE - 18</b>				
<b>SHORT-TERM LOANS AND ADVANCES</b>				
Unsecured, considered good				
i) To related parties		–		–
ii) To directors and officers of the Company		–		–
iii) To others		6,440.96		4,326.01
TOTAL		<u>6,440.96</u>		<u>4,326.01</u>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 19</b>				
<b>REVENUE FROM OPERATIONS</b>				
i) Sales of goods		68,243.76		72,175.66
ii) Sale of services		4,499.28		3,084.03
TOTAL		<u>72,743.04</u>		<u>75,259.69</u>
<b>NOTE - 20</b>				
<b>OTHER INCOME</b>				
i) Interest received		335.46		118.62
ii) Dividend income		301.33		566.78
iii) Lease rental income		700.00		700.00
iv) Exchange differences, net income		(1,466.22)		(792.06)
v) Miscellaneous income from non-operating activities		50.88		32.65
TOTAL		<u>(78.55)</u>		<u>625.99</u>
<b>NOTE - 21</b>				
<b>COST OF MATERIALS CONSUMED</b>				
Opening stock of raw material		11,043.66		6,906.57
Add: Purchases (net)		48,411.50		50,248.77
Less: Closing stock of raw material		11,676.99		11,043.66
TOTAL		<u>47,778.17</u>		<u>46,111.68</u>
<b>NOTE - 22</b>				
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>				
Stock in trade (at the commencement)				
Semi finished goods / work-in-progress	11,64.61		1,326.27	
Finished goods	590.19		945.69	
TOTAL		1,754.80		2,271.96
Stock in Trade (at the end)				
Semi finished goods / work-in-progress	1,564.21		1,164.61	
Finished goods	513.29		590.19	
TOTAL		2,077.50		1,754.80
Increase / Decrease ( - )		<u>(322.70)</u>		<u>517.16</u>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 23</b>				
<b>EMPLOYEE BENEFITS EXPENSE</b>				
i) Salaries, wages, allowance and bonus		2,465.67		2,371.40
ii) Contribution to retirement benefits for employees		109.59		78.52
iii) Staff welfare expenses		61.74		50.82
TOTAL		<u>2,637.00</u>		<u>2,500.74</u>
<b>NOTE - 24</b>				
<b>OTHER EXPENSES</b>				
i) Consumables, Spares and Loose Tools Consumed		76.28		70.66
ii) Power and Fuel		810.54		754.14
iii) Repairs and Maintenance				
Plant and Machinery	285.63		109.07	
Buildings	22.34		18.89	
Others	66.02		66.37	
		374.99		194.33
iv) Rent / Lease of Premises		70.34		56.84
v) Rates and Taxes		53.60		53.42
vi) Insurance		89.92		73.79
vii) Selling Expenses		1,289.69		1,215.22
viii) Travelling, Conveyance and Vehicle Expenses		473.80		371.69
ix) Communication Expenses		68.33		53.01
x) Consultancy Charges		486.42		539.94
xi) Loss on Sale of Assets		31.70		2.91
xii) Donations		0.40		-
xiii) Office Expenses, Administrative and Other Miscellaneous Expenses		523.70		482.69
TOTAL		<u>4,348.71</u>		<u>3,868.64</u>
<b>NOTE - 25</b>				
<b>FINANCE COSTS</b>				
i) Interest Expenses		8,008.01		6,476.19
ii) Other Borrowing Costs		1,398.52		690.58
iii) Bank charges & commision/brokerage		842.91		802.61
TOTAL		<u>10,249.44</u>		<u>7,969.38</u>
<b>NOTE - 26</b>				
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>				
i) Depreciation on Tangible Assets	3,431.12		3,001.19	
ii) Amortisations of Intangible Assets	768.41		598.05	
TOTAL		<u>4,199.53</u>		<u>3,599.24</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 27</b>				
<b>TAX EXPENSE</b>				
Current Tax:				
Income Tax		–		2,766.35
Minimum Alternate Tax (MAT)	219.00			
Less: MAT Credit Entitlement	219.00	–		–
Deferred Tax		494.70		1,077.23
		<u>494.70</u>		<u>3,843.58</u>
<b>NOTE - 28</b>				
<b>EARNINGS PER SHARE (EPS)</b>				
i) Net Profit as per Profit & Loss Account		657.82		7,475.26
ii) Weighted average number of equity shares for basic / diluted EPS		2,35,45,231		2,35,45,231
iii) Nominal value of equity per share (₹.)		10		10
iv) Basic / diluted Earning per share (₹.)		2.79		31.75
<b>NOTE - 29</b>				
<b>CONTINGENT LIABILITIES</b>				
i) Claims against the Company, not acknowledged as debts:				
Corporate guarantees given		105,151.84		61,954.55
Disputed income tax matters in appeal (Liability u/s.153 of the Income Tax Act, 1961 may accrue on account of the Search, amount not crystalised)		–		–
ii) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)		–		2,086.95
<b>NOTE - 30</b>				
<b>AUDITOR'S REMUNERATION</b>				
i) As auditor:				
– Audit fee		7.30		7.30
– Tax audit fee		1.69		1.69
ii) – In other capacity:				
– Taxation matters		1.69		1.69
– Other services		0.56		0.56
TOTAL		<u>11.24</u>		<u>11.24</u>
<b>NOTE - 31</b>				
<b>RESEARCH AND DEVELOPMENT EXPENDITURE</b>				
i) Capital		–		154.45
ii) Revenue		1,488.70		1,720.02
TOTAL		<u>1,488.70</u>		<u>1,874.47</u>
<b>NOTE - 32</b>				
<b>DUES TO MICRO AND SMALL ENTERPRISES</b>				
Trade payables include ₹.63.77 lacs (31 March 2012 : ₹.23.80 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.				

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

### NOTE - 33

#### DEFERRAL / CAPITALISATION OF EXCHANGE DIFFERENCES

The Ministry of Corporate Affairs (MCA) has issued the amendment dated 29 December 2011 to AS-11 *The Effects of Changes in Foreign Exchange Rates*, to allow companies deferral / capitalization of exchange differences arising on long term foreign currency monetary items. In accordance with the amendment, the Company has deferred the exchange loss arising on long term foreign currency loans amounting to ₹.NIL (31 March 2012 : ₹.1,481.96 Lacs). As the Company does not have any other long term foreign currency monetary item, the same is reflected in the "Foreign Currency Monetary Items Translation Difference Account (FCMITDA)". During the year, the Company has written off ₹.658.86 lacs from this account.

### NOTE - 34

#### GRATUITY PLAN

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
i) Statement of Profit and Loss				
Net Employee benefit expense recognised in Employee Cost				
Current / Past Service Cost		54.08		46.92
Interest cost on benefit obligation		16.10		14.30
Expected return on plan assets		(16.02)		(15.45)
Net Actuarial (gain) / Loss		(6.31)		(10.97)
Net Benefit Expense		<u>47.85</u>		<u>34.80</u>
ii) Balance Sheet				
Benefit asset / (liability)				
Present value of defined benefit obligation		243.28		199.41
Fair value of plan assets		182.75		183.44
Plan asset / (liability)		<u>(60.53)</u>		<u>(15.97)</u>
iii) Changes in the present value of the defined benefit obligation				
Opening Defined Benefit obligation		199.41		192.95
Current Service Cost		54.08		46.92
Interest Cost		16.10		14.30
Benefits Paid		(19.95)		(41.26)
Actuarial (gains) / losses on obligation		(6.37)		(13.50)
Closing defined benefit obligation		<u>243.27</u>		<u>199.41</u>
Changes in the fair value of plan assets				
Opening fair value of plan assets		183.44		167.09
Expected return		16.02		15.45
Contribution by employer		3.28		44.69
Benefits paid		(19.95)		(41.26)
Actuarial gains / (losses)		(0.05)		(2.53)
Closing fair value of plan assets		<u>182.74</u>		<u>183.44</u>

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	8.10%	8.10%	8.50%	8.50%
Expected rate of return	9.15%	–	9.15%	–
Salary escalation rate	10.00%	10.00%	10.00%	10.00%

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

### NOTE - 35

#### FOREIGN CURRENCY EXPOSURES

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

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

Sr. No.	Particulars	Currency	As on 31 March, 2013		As on 31 March, 2012	
			Foreign Currency	₹. Lacs	Foreign Currency	₹. Lacs
i)	Bank Balances	USD	0.39	21.41	0.54	27.59
ii)	Trade Payables	EURO	8.41	585.51	12.84	865.26
		USD	144.71	7,855.45	218.01	10,606.73
		GBP	0.06	4.98	0.18	14.78
		SGD	1.06	46.27		
iii)	Trade Receivables	EURO	6.68	464.91	3.84	262.94
		USD	33.26	1,805.42	29.65	1,518.14
		GBP	0.09	7.76		–
iv)	Foreign Currency Loans	USD	160.92	8,735.65	222.66	11,390.42
	Conversion rates (INR to foreign currency)	EURO		69.61		68.34
		USD		54.29		51.16
		GBP		82.54		81.46
		SGD		43.75		–

### NOTE - 36

#### OPERATING LEASES

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

i)	As lessee		
	Within one year	1,171.61	334.01
	After one year but not more than five years	4,147.75	367.47
	More than five years	199.35	–
ii)	Lease Rental Income		
	Within one year	700.00	700.00
	After one year but not more than five years	2,800.00	2,800.00
	More than five years	2,392.50	3,092.50

### NOTE - 37

#### EXPENDITURE IN FOREIGN CURRENCY (actual payment basis)

i)	Value of imports on CIF basis		
	Raw materials	18,011.34	14,924.09
ii)	Other expenses		
	Traveling Expenses	26.74	66.46
	Interest	1,024.33	1,229.53
	Other	667.41	305.20

### NOTE - 38

#### NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

i)	Number of non-resident shareholders	–	–
ii)	Number of equity shares held on which dividend was due	–	–
iii)	Amount remitted	–	–



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

	As on 31 March 2013 ₹. Lacs	As on 31 March 2012 ₹. Lacs
<b>NOTE - 39</b>		
<b>EARNINGS IN FOREIGN CURENCY (actual receipt basis)</b>		
i) Export of Goods	5,849.33	7,466.95
ii) Lease Rent	2,625.00	-
iii) Dividend (from joint venture)	275.60	487.75
iv) Other	-	-

**NOTE - 40**

**MANAGERIAL REMUNERATION**

According to Section 198, 269 read with Schedule XIII of the Companies Act 1956, the remuneration that can be paid to the Directors in case of inadequacy of Profits u/s 349 & 350 of the Companies Act is maximum upto Rs. 2.00 Lacs per month, however, the remuneration paid to the Executive Directors during the Financial Year is Rs. 428.36 lacs for which application is being made by the Company to the Central Government for granting approval of the excess remuneration.

**NOTE - 41**

**RELATED PARTY DISCLOSURES**

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

i) Names of related parties and related party relationship	
Related parties where control exists	
Ultimate holding Company	Bilcare Limited
Holding Company	Bilcare Singapore Pte. Ltd.
Subsidiaries	Bilcare GmbH Bilcare Inc Bilcare Farmaceutica Embalagem E Pesquisas Ltda Bilcare Switzerland SA Bilcare (UK) Ltd Bilcare GCS (Europe) Ltd Bilcare Technologies Singapore Pte. Ltd. Bilcare Technologies Italia Srl. Bilcare Mauritius Ltd. Bilcare Research AG Bilcare Germany Management GmbH Bilcare Germany GmbH & Co KG Films Germany Holding GmbH Bilcare Agency GmbH Bilcare Research Srl. Bilcare Fucine Srl. Bilcare Research Inc Bilcare Research GmbH Caprihans India Limited Bilcare International B A Technologies Limited
Holding Company	
Subsidiaries	
Related parties - Joint venture	50% holding in International Labs LLC. USA
Key Management Personnel	Mr. Mohan H. Bhandari (Managing Director) Dr. Praful R. Naik (Executive Director)

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
ii) Related Party Transactions				
Subsidiaries				
Sale		1,291.76		161.87
Purchases		1,276.74		296.00
Lease Income		700.00		700.00
ICD		500.00		500.00
Dividend Received		275.60		487.75
Others		2.63		12.22
Directors & relatives				
Purchase of land		6,023.08		2,804.00
Remuneration to key management personnel				
Mr. Mohan H. Bhandari (Managing Director)				
Basic Salary		120.00		120.00
Perquisites		60.00		60.00
Dr. Praful R. Naik (Executive Director)				
Basic Salary		78.00		71.40
Perquisites		42.00		38.56
Mr. Robin Banerjee (Dy Managing Director & CFO)*				
Basic Salary		67.25		–
Perquisites		61.11		–
*Employed for part of the year				

**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**

**EXTRAORDINARY ITEMS**

During the year, the Company has written off absolute and non-moving inventory to the extent of Rs. 2,312.46 lacs.

**NOTE - 44**

**PREVIOUS YEAR FIGURES**

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

**NOTE - 45**

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

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I REGISTRATION DETAILS

Registration No.  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**  
Managing Director

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

Place : Pune  
Date : 28 May 2013

**Anil Tikekar**  
Company Secretary

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

Sr. No.	Name of the Subsidiary	Reporting Currency	Country	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover including Other Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	₹. Lacs
1.	Bilcare Singapore Pte Ltd.	SGD	Singapore	76,483.74	17,461.61	1,24,513.58	1,24,513.58	28,877.63	40,775.27	(5,667.79)	-	(5,667.79)	-	
2.	Bilcare GmbH	Euro	Germany	17.40	133.71	507.90	507.90	-	-	(4.39)	-	(4.39)	-	
3.	Bilcare Inc.	USD	USA	4,601.68	5,809.94	10,411.89	10,411.89	-	11,937.34	75.83	-	75.83	-	
4.	Bilcare Farmaceutica Embalagem E Pesquisas Ltda	Brl	Brazil	140.47	(140.32)	0.50	0.50	-	-	(141.16)	-	(141.16)	-	
5.	Bilcare (UK) Ltd.	GBP	UK	-	-	-	-	-	-	(1.03)	-	(1.03)	-	
6.	Bilcare GCS (Europe) Limited	GBP	UK	-	(717.89)	-	-	-	2,498.75	720.13	-	720.13	-	
7.	Bilcare Technologies Singapore Pte. Ltd.	SGD	Singapore	5,530.15	(2,820.82)	6,586.88	6,586.88	-	210.39	(1,695.40)	-	(1,695.40)	-	
8.	Bilcare Technologies Italia Srl.	Euro	Italy	13.92	(51.10)	4.86	4.86	-	-	(76.21)	-	(76.21)	-	
9.	Bilcare Switzerland SA	CHF	Switzerland	57.21	(24.15)	33.06	33.06	-	0.02	(4.29)	-	(4.29)	-	
10.	Bilcare Mauritius Ltd.	USD	Mauritius	12,698.51	(23.37)	12,676.19	12,676.19	12,618.35	-	(7.57)	-	(7.57)	-	
11.	Bilcare Research AG	Euro	Switzerland	10,547.66	1,108.79	91,171.35	91,171.35	19,631.81	11,920.44	4,822.86	167.35	4,655.51	-	
12.	Bilcare Germany Management GmbH	Euro	Germany	17.39	(26.70)	18.21	18.21	-	0.95	(9.27)	-	(9.27)	-	
13.	Bilcare Germany GmbH & Co. KG	Euro	Germany	7,388.44	(3,956.94)	56,225.16	56,225.16	56,052.30	1,791.18	(1,297.15)	503.72	(1,800.86)	-	
14.	Films Germany Holding GmbH	Euro	Germany	17.39	1,884.11	1,910.31	1,910.31	1,877.68	34.57	24.41	6.60	17.81	-	
15.	Bilcare Agency GmbH	CHF	Switzerland	11.44	(10.61)	0.83	0.83	-	0.04	(2.49)	-	(2.49)	-	
16.	Bilcare Research Srl	Euro	Italy	347.72	4,107.54	15,057.88	15,057.88	0.00	28,033.80	(176.83)	54.23	(231.06)	-	
17.	Bilcare Fucine Srl	Euro	Italy	347.72	4,852.99	11,976.31	11,976.31	0.01	19,787.05	349.75	195.56	154.19	-	
18.	Bilcare Research Inc	USD	USA	27.19	13,604.19	21,397.68	21,397.68	-	26,279.43	(699.11)	-	(699.11)	-	
19.	Bilcare Research GmbH	Euro	Germany	6,347.36	48,073.30	79,422.08	79,422.08	7,877.90	128,938.43	5,558.15	5.02	5,553.12	-	
20.	Caprihans India Limited	INR	India	1,313.40	9,493.89	14,009.32	14,009.32	-	22,366.94	1,423.17	744.12	679.05	-	
21.	Bilcare International	USD	Mauritius	69.88	(166.01)	3,718.27	3,718.27	-	-	(166.49)	-	(166.49)	-	



# **CONSOLIDATED FINANCIAL STATEMENTS**

# AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To  
The Board of Directors  
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 2013, 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 Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 judgement, 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 control relevant to the Group'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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the 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 management 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 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit 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 (including Bilcare Singapore Pte Ltd., a wholly owned subsidiary, which is audited for half year ended 30 September 2012 and the subsequent period as certified by the management) whose financial statements / consolidated financial statements reflect total assets (net) of ₹. 116,651.19 lacs as on 31 March 2013, total revenues (net) of ₹. 273,264.51 lacs and net cash outflows amounting to ₹. 4,973.64 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 ₹. 9,687.88 lacs as at 31 March 2013, total revenues (net) of ₹. 14,513.57 lacs and net cash outflows amounting to ₹. 3,403.48 lacs for the year ended on that date. These unaudited financial statements as approved by the respective Board of Directors of these companies and certified under Indian GAAP by a firm of Chartered Accountants in India 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.

Our opinion is not qualified in respect of other matters.

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

R. L. RATHI  
Proprietor  
Membership No. 14739

Place: Pune  
Date: 28 May 2013

## CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2013

	Notes	As on	
		31 March 2013	As on 31 March 2012
		₹. Lacs	₹. Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUND</b>			
Share capital	2	2,354.52	2,354.52
Reserves & surplus	3	130,192.06	128,268.89
		132,546.58	130,623.41
<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
		–	2,836.81
<b>MINORITY INTEREST</b>			
		5,353.97	5,205.97
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities (net)	4	15,005.60	18,020.37
Long-term borrowings	5	186,513.34	130,322.76
Other long-term liabilities	6	4,080.16	11,069.91
Long-term provisions	7	8,980.21	9,150.11
		214,579.31	168,563.15
<b>CURRENT LIABILITIES</b>			
Trade payables		35,593.71	37,195.49
Short-term borrowings	8	22,441.95	6,734.93
Other current liabilities	9	20,204.46	14,966.27
Short-term provisions	10	9,280.95	11,744.10
		87,521.07	70,640.79
TOTAL		440,000.93	377,870.13
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	11	120,981.37	131,361.44
Intangible assets	12	10,444.27	11,730.40
Goodwill on consolidation		17,867.34	15,117.67
Capital work-in-progress		84,587.22	5,508.27
		233,880.20	163,717.78
Non-current investments	13	9.12	8.96
Long-term loans and advances	14	1,343.04	509.59
Other non-current assets	15	5,450.97	9,500.50
		240,683.33	173,736.83
<b>CURRENT ASSETS</b>			
Inventories	16	45,229.54	51,928.42
Trade receivables	17	120,409.53	115,208.48
Cash and cash equivalents	18	9,439.53	17,254.94
Short-term loans and advances	19	19,318.89	16,959.35
Other current assets	20	4,920.11	2,782.11
		199,317.60	204,133.30
TOTAL		440,000.93	377,870.13
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 : 28 May 2013

**Mohan H. Bhandari**

Managing Director

**Anil Tikekar**

Company Secretary

**Dr. Praful R. Naik**

Executive Director

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

	Notes	Year ended 31 March 2013 ₹. Lacs	Year ended 31 March 2012 ₹. Lacs
<b>INCOME</b>			
Revenue from operations	21	354,674.73	364,178.62
Other income	22	486.49	764.38
Total revenue (i)		355,161.22	364,943.00
<b>EXPENDITURE</b>			
Cost of materials consumed	23	209,786.21	210,701.83
Changes in inventories of finished goods, Work-in-Progress and stock in trade	24	(2,149.31)	(1,787.94)
Employee benefits expense	25	53,102.72	53,998.53
Other expenses	26	55,236.59	53,627.94
Total expenses (ii)		315,976.21	316,540.36
Profit before interest, depreciation and tax (EBIDTA) (i - ii)		39,185.01	48,402.64
Finance Costs	27	16,737.78	16,449.55
Depreciation and amortisation expense	28	14,841.99	13,106.30
Profit / (Loss) before tax		7,605.24	18,846.79
Tax expense	29	1,882.19	4,840.81
Profit / (Loss) from continuing operations		5,723.05	14,005.98
(Profit) / Loss from sale of business		(1,347.43)	-
Prior period expenses		309.36	-
Extraordinary items		2,312.46	-
Minority interest		489.47	349.78
Profit / (Loss) after tax carried to Balance Sheet		3,959.19	13,656.20
Earnings Per Share of ₹. 10/- each : (computed on the basis of continuing operation)	30		
Basic (₹.)		16.82	58.00
Diluted (₹.)		16.82	58.00
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

For and on behalf of Board of Directors

**R. L. Rathi**  
 Proprietor  
 Membership No.14739

**Mohan H. Bhandari**  
 Managing Director

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

Place : Pune  
 Date : 28 May 2013

**Anil Tikekar**  
 Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

	Year ended 31 March 2013 ₹. Lacs	Year ended 31 March 2012 ₹. Lacs
<b>A Cash flow from Operating Activities</b>		
Profit after tax	3,959.19	13,656.20
Adjustments for:		
Depreciation	14,848.01	19,978.90
Interest / Dividend (Net)	15,991.41	15,468.12
(Profit) / Loss on sale of fixed assets	31.67	(57.25)
Foreign Currency Monetary Items Translation Difference Account	658.86	(1,481.96)
Exchange Difference (Foreign Currency Translation Reserves)	6,655.47	12,421.94
Operating Profit before Working Capital Changes	42,144.61	59,985.95
Deferred Tax Liability	(3,014.77)	2,300.46
Adjustments for:		
Trade & other receivables	(8,089.72)	(39,451.59)
Inventories	6,698.86	(8,513.90)
Trade Payables	1,639.12	9,989.03
(Increase) / Decrease in Preliminary Expenses	1,607.20	819.73
Cash generated from operations	40,985.30	25,129.68
Interest Paid	(14,426.99)	(16,388.10)
Direct Taxes paid	(2,399.27)	502.78
Net cash from operating activities	24,159.04	9,244.36
<b>B Cash flow from Investing Activities</b>		
Purchase of fixed assets	(103,427.46)	(39,895.17)
Sale of fixed assets	18,385.34	648.13
Investments	(12,320.35)	13.62
Interest received	445.05	415.00
Dividend received	301.33	566.43
Net cash used in investing activities	(96,616.09)	(38,251.99)
<b>C Cash flow from Financing Activities</b>		
Proceeds from issue of Share Capital	-	-
Proceeds from Share Premium (Net)	3,045.88	-
Increase in Share Application Money	(2,836.81)	2,836.81
Increase in Minority Interest	148.00	325.41
Recoupment from Revaluation Reserve	(76.00)	(12.00)
Proceeds from Long Term Borrowings	87,849.35	45,455.27
Repayment of Long Term Borrowings	(22,941.48)	(19,300.26)
Dividend Paid Including Tax	(547.30)	(820.95)
Net cash from financing activities	64,641.64	28,484.28
Net increase in cash & cash equivalents (A+B+C)	(7,815.41)	(523.35)
Cash and cash equivalents as at 01.04.2012	17,254.94	17,778.29
Cash and cash equivalents as at 31.03.2013	9,439.53	17,254.94

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 : 28 May 2013

For and on behalf of Board of Directors

**Mohan H. Bhandari**

Managing Director

**Dr. Praful R. Naik**

Executive Director

**Anil Tikekar**

Company Secretary

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE - 1

#### SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

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

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

ii) Principles of consolidation

The consolidated financial statements for the year ended 31 March 2013 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 of the cost to the company of its investment in a subsidiary and the company's portion of equity of subsidiary at the date, at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the consolidated financial statements.

iii) Use of estimates

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

iv) Fixed assets

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

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

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

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

v) Investments

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

vi) Impairment of assets

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

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

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

vii) Inventories

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

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



viii) Revenue Recognition

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

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

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

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

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

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

ix) Duties and taxes

Sales tax: The company opted for the Sales Tax Incentives by way of deferral under Government of Maharashtra Package Scheme of Incentive 1993. The period for deferment of tax liability is 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 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 the respective asset.

xii) Income taxes

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

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

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

xiii) Provisions

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

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

xiv) Contingent liabilities

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

xv) Measurement of EBIDTA

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

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 2</b>				
<b>SHARE CAPITAL</b>				
AUTHORISED				
i) 40,000,000 (31 March 2012: 40,000,000) Equity Shares of ₹. 10/- each		4,000.00		4,000.00
ii) 5,000,000 (31 March 2012: 5,000,000) Preference Shares of ₹. 10/- each		500.00		500.00
		<u>4,500.00</u>		<u>4,500.00</u>
ISSUED SUBSCRIBED AND PAID UP				
i) Equity Shares 23,545,231 (31 March 2012: 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>
<b>NOTE - 3</b>				
<b>RESERVES &amp; SURPLUS</b>				
i) Securities Premium Balance as per last Financial Statement Add: Premium on issue of shares	51,048.14 3,045.88	54,094.02	51,048.14 —	51,048.14
ii) General Reserve Balance as per last Financial Statement Add: Transfer from Statement of Profit and Loss Add: Transfer from Debenture Redemption Reserve	11,674.44 — —	11,674.44	4,674.44 1,000.00 6,000.00	11,674.44
iii) Capital Redemption Reserve		271.63		271.63
iv) Debenture Redemption Reserve Balance as per last Financial Statement Less: Transfer to Statement of Profit and Loss	— —	—	6,000.00 6,000.00	—
v) Revaluation Reserve Balance as per last Financial Statement Less: Transfer to Statement of Profit and Loss	76.00 76.00	—	88.00 12.00	76.00
vi) Foreign Currency Monetary Items Translation Difference Account Balance as per last Financial Statement Add: Additions during the Year Less: Transfer to Statement of Profit and Loss	(1,481.96) — 658.86	(823.10)	— (1,481.96) —	(1,481.96)



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
vii) Foreign Currency Translation Reserve on Consolidation		22,376.52		15,721.09
viii) Surplus in the Statement of Profit and Loss				
Balance as per last Financial Statement	50,959.55		38,850.64	
Add: Net Profit for the year	3,959.19		13,656.20	
Less: Transfer to General Reserve	–		1,000.00	
Loss on investment	12,320.19		–	
Proposed Dividend	–		470.90	
Tax on Dividend	–		76.39	
		42,598.55		50,959.55
TOTAL		<u>130,192.06</u>		<u>128,268.89</u>
<b>NOTE - 4</b>				
<b>DEFERRED TAX LIABILITIES</b>				
Difference between Book and Tax Depreciation		15,005.60		18,020.37
TOTAL		<u>15,005.60</u>		<u>18,020.37</u>
<b>NOTE - 5</b>				
<b>LONG-TERM BORROWINGS</b>				
i) Secured Loans:				
Term Loan from Banks	176,765.35		126,067.41	
Financial Lease Obligations	2,498.43		2,190.33	
		179,263.78		128,257.74
ii) Unsecured Loans:				
Deferred Sales Tax Loans	1,165.76		1,170.08	
Others	6,083.80		894.94	
		7,249.56		2,065.02
		<u>186,513.34</u>		<u>130,322.76</u>
<b>NOTE - 6</b>				
<b>OTHER LONG-TERM LIABILITIES</b>				
Other long-term Liabilities		4,080.16		11,069.91
TOTAL		<u>4,080.16</u>		<u>11,069.91</u>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 7</b>				
<b>LONG-TERM PROVISIONS</b>				
Provisions for Employee Benefits		8,980.21		9,150.11
TOTAL		<u>8,980.21</u>		<u>9,150.11</u>
<b>NOTE - 8</b>				
<b>SHORT-TERM BORROWINGS</b>				
i) Secured:				
Working capital loan from banks		6,071.41		6,022.04
ii) Unsecured:				
Fixed deposits from Public	16,370.54		12.89	
Term Loan from Banks	—		700.00	
		16,370.54		712.89
TOTAL		<u>22,441.95</u>		<u>6,734.93</u>
<b>NOTE - 9</b>				
<b>OTHER CURRENT LIABILITIES</b>				
i) LC Acceptances		16,685.26		13,952.77
ii) Interest Accrued and due / not due		2,537.73		226.93
iii) Withholding Tax Payable		981.47		786.57
TOTAL		<u>20,204.46</u>		<u>14,966.27</u>
<b>NOTE - 10</b>				
<b>SHORT-TERM PROVISIONS</b>				
i) Provision / (Refund) for Taxes on Income		(1,853.65)		545.62
ii) Provision for Employee Benefits		45.01		57.30
iii) Dividend Payable		—		470.90
iv) Provision for Dividend Tax		—		76.39
v) Other Short Term Provisions		11,089.59		10,593.89
TOTAL		<u>9,280.95</u>		<u>11,744.10</u>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

**NOTE - 11**

**TANGIBLE ASSETS**

Sr.No.	Items of Asset	Gross Block at Cost or Book Value				Depreciation				Net Block		
		As on 01/04/2012	Exchange Fluctuation	Additions	Deductions	As on 31/03/2013	As on 01/04/2012	Exchange Fluctuation	For the Year	Deductions	As on 31/03/2013	As on 31/03/2012
01	Freehold Land	6,054.58	—	—	3,346.83	2,707.75	—	—	—	—	2,707.75	6,054.58
02	Leasehold Land	1,667.67	135.61	—	11.57	1,791.71	71.38	32.68	10.03	99.50	1,692.21	1,596.29
03	Building	34,232.79	764.04	226.69	933.26	34,290.26	15,444.74	1,261.91	706.28	16,318.68	17,971.58	18,788.05
04	Plant & Machinery	1,93,468.24	5,412.06	12,387.71	19,578.21	1,91,689.80	91,116.30	7,796.27	5,306.22	95,532.58	96,157.22	1,02,351.94
05	Vehicles	1,351.85	20.36	26.83	—	1,399.04	1,143.51	17.79	—	1,212.93	186.11	208.34
06	Electric Fitting	1,698.40	—	2.45	—	1,700.85	518.37	80.65	—	599.02	1,101.83	1,180.03
07	Furniture & Fixture	1,677.24	(312.08)	102.23	22.33	1,445.06	643.50	121.55	28.43	631.54	813.52	1,033.74
08	Office Equipments	1,691.14	221.01	71.13	411.33	1,571.95	1,542.67	172.89	360.66	1,220.80	351.15	148.47
	<b>TOTAL</b>	<b>2,41,841.91</b>	<b>6,241.00</b>	<b>12,817.04</b>	<b>24,303.53</b>	<b>2,36,596.42</b>	<b>1,10,480.47</b>	<b>9,517.58</b>	<b>6,411.62</b>	<b>1,15,615.05</b>	<b>1,20,981.37</b>	<b>1,31,361.44</b>

**NOTE - 12**

**INTANGIBLE ASSETS**

Sr.No.	Items of Asset	Gross Block at Cost or Book Value				Depreciation				Net Block		
		As on 01/04/2012	Exchange Fluctuation	Additions	Deductions	As on 31/03/2013	As on 01/04/2012	Exchange Fluctuation	For the Year	Deductions	As on 31/03/2013	As on 31/03/2012
01	Patent and Trademarks	2,304.36	(4.33)	883.63	—	3,183.66	685.30	242.85	—	927.07	2,256.59	1,619.06
02	Other Intangible Assets	23,102.74	1,081.58	579.93	1,021.68	23,742.57	12,991.40	2,254.02	496.58	15,554.89	8,187.68	10,111.34
	<b>TOTAL</b>	<b>25,407.10</b>	<b>1,077.25</b>	<b>1,463.56</b>	<b>1,021.68</b>	<b>26,926.23</b>	<b>13,676.70</b>	<b>2,496.87</b>	<b>496.58</b>	<b>16,481.96</b>	<b>10,444.27</b>	<b>11,730.40</b>
	<b>GRAND TOTAL</b>	<b>2,67,249.01</b>	<b>7,318.25</b>	<b>14,280.60</b>	<b>25,325.21</b>	<b>2,63,522.65</b>	<b>1,24,157.17</b>	<b>12,014.45</b>	<b>6,908.20</b>	<b>1,32,097.01</b>	<b>1,31,425.64</b>	<b>1,43,091.84</b>
	<b>PREVIOUS YEAR</b>	<b>2,34,684.36</b>	<b>16,897.28</b>	<b>15,116.48</b>	<b>1,556.94</b>	<b>2,65,141.18</b>	<b>1,03,917.83</b>	<b>11,155.52</b>	<b>966.06</b>	<b>1,22,049.34</b>	<b>1,43,091.84</b>	<b>1,30,766.53</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 13</b>				
<b>NON-CURRENT INVESTMENTS</b>				
i) Other non current investments :				
Non-trade investment		9.12		8.96
TOTAL		<u>9.12</u>		<u>8.96</u>
<b>NOTE - 14</b>				
<b>LONG-TERM LOANS AND ADVANCES</b>				
Unsecured, considered good				
i) Security deposits		1,343.04		509.59
		<u>1,343.04</u>		<u>509.59</u>
<b>NOTE - 15</b>				
<b>OTHER NON CURRENT ASSETS</b>				
i) Unamortized Expenses		–	1,607.20	
ii) Deposits with Government Authorities	5,450.97		7,893.30	
		<u>5,450.97</u>		<u>9,500.50</u>
TOTAL		<u>5,450.97</u>		<u>9,500.50</u>
<b>NOTE - 16</b>				
<b>INVENTORIES</b>				
(valued at lower of cost and net realizable value)				
i) Raw Material		22,303.45		31,380.04
ii) Work-in-progress		5,819.69		4,577.69
iii) Finished Goods		12,625.09		11,717.78
iv) Stores & Spares, Consumables		4,481.31		4,252.91
TOTAL		<u>45,229.54</u>		<u>51,928.42</u>
<b>NOTE - 17</b>				
<b>TRADE RECEIVABLES</b>				
Secured, considered good				
i) Outstanding for more than six months from due date	7.53		22.09	
ii) Others	<u>610.48</u>		<u>526.55</u>	
TOTAL		618.01		548.64
Unsecured, considered good				
i) Outstanding for more than six months from due date	1,765.66		2,841.21	
ii) Others	<u>118,025.86</u>		<u>111,818.63</u>	
TOTAL		<u>119,791.52</u>		<u>114,659.84</u>
TOTAL		<u>120,409.53</u>		<u>115,208.48</u>

All Branch trade receivables are considered as current.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 18</b>				
<b>CASH AND CASH EQUIVALENTS</b>				
i) Cash on Hand		49.60		17.06
ii) Deposits with Bank				
On Current Account	4,761.37		13,276.70	
On Term Deposit Account	4,628.56		3,961.18	
		9,389.93		17,237.88
TOTAL		<u>9,439.53</u>		<u>17,254.94</u>
<b>NOTE - 19</b>				
<b>SHORT-TERM LOANS AND ADVANCES</b>				
Unsecured, considered goods				
i) Balances with Government Authorities		2,290.05		799.22
ii) Advances Others		17,028.84		16,160.13
TOTAL		<u>19,318.89</u>		<u>16,959.35</u>
<b>NOTE - 20</b>				
<b>OTHER CURRENT ASSETS</b>				
Prepaid Expenses		4,920.11		2,782.11
TOTAL		<u>4,920.11</u>		<u>2,782.11</u>
<b>NOTE - 21</b>				
<b>REVENUE FROM OPERATIONS</b>				
i) Sales of Goods		342,597.66		341,435.89
ii) Sale of Services		12,077.07		22,742.73
TOTAL		<u>354,674.73</u>		<u>364,178.62</u>
<b>NOTE - 22</b>				
<b>OTHER INCOME</b>				
i) Interest Received		445.05		415.00
ii) Dividend Income		301.33		566.43
iii) Profit on Assets Sold / Discarded		0.03		65.02
iv) Exchange Differences, Net Income		(1,504.12)		(482.37)
v) Miscellaneous income from non-operating activities		1,244.20		200.30
TOTAL		<u>486.49</u>		<u>764.38</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

	As on 31 March 2013		As on 31 March 2012	
	₹. Lacs	₹. Lacs	₹. Lacs	₹. Lacs
<b>NOTE - 23</b>				
<b>COST OF MATERIALS CONSUMED</b>				
Opening Stock of Raw Material		31,380.04		24,894.92
Add: Purchases (net)		200,709.62		217,186.95
Less: Closing stock of Raw Material		22,303.45		31,380.04
TOTAL		<u>209,786.21</u>		<u>210,701.83</u>
<b>NOTE - 24</b>				
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>				
i) Stock in trade (at commencement)				
Semi finished goods / work-in-progress	4,577.69		4,913.14	
Finished goods	<u>11,717.78</u>		<u>9,594.39</u>	
		16,295.47		14,507.53
ii) Stock in trade (at the end)				
Semi finished goods / work-in-progress	5,819.69		4,577.69	
Finished goods	<u>12,625.09</u>		<u>11,717.78</u>	
		18,444.78		16,295.47
(Increase) / Decrease		<u>(2,149.31)</u>		<u>(1,787.94)</u>
<b>NOTE - 25</b>				
<b>EMPLOYEE BENEFITS EXPENSE</b>				
i) Salaries, wages, allowance and bonus		41,669.20		42,457.65
ii) Contribution to retirement benefits for employees		10,359.38		10,223.20
iii) Staff welfare expenses		1,074.14		1,317.68
TOTAL		<u>53,102.72</u>		<u>53,998.53</u>
<b>NOTE - 26</b>				
<b>OTHER EXPENSES</b>				
i) Consumables, Spares and Loose Tools Consumed		3,813.85		3,482.20
ii) Power and Fuel		14,770.96		12,787.40
iii) Repairs and Maintenance				
Plant and Machinery	2,761.80		2,409.88	
Buildings	138.69		106.82	
Others	<u>261.14</u>	3,161.63	<u>303.28</u>	2,819.98
iv) Rent / Lease of Premises		2,314.83		2,872.44
v) Rates and Taxes		281.38		265.81

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013 ₹. Lacs	As on 31 March 2012 ₹. Lacs
<b>NOTE - 26 (Continued)</b>		
<b>OTHER EXPENSES</b>		
vi) Insurance	904.85	748.72
vii) Selling Expenses	17,981.29	18,495.12
viii) Travelling, Conveyance and Vehicle Expenses	1,647.60	1,419.97
ix) Communication Expenses	1,369.92	1,262.36
x) Consultancy Charges	3,529.66	3,213.10
xi) Donations	4.39	4.47
xii) Office Expenses, Administrative and other miscellaneous expenses	5,424.53	6,248.60
xiii) Loss on Assets Sold / Discarded	31.70	7.77
TOTAL	55,236.59	53,627.94
<b>NOTE - 27</b>		
<b>FINANCE COSTS</b>		
i) Interest Expenses	12,550.15	11,588.31
ii) Other Borrowing Costs	1,949.06	1,020.59
iii) Bank Charges & Commission/Brokerage	2,238.57	3,840.65
TOTAL	16,737.78	16,449.55
<b>NOTE - 28</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
i) Depreciation on Tangible Assets	9,517.58	9,948.45
ii) Amortisation of Pre-operative Expense	2,903.54	1,962.78
iii) Amortisation of Intangible Assets	2,496.87	1,207.07
iv) Less: Recoupment from Revaluation Reserve	76.00	12.00
TOTAL	14,841.99	13,106.30
<b>NOTE - 29</b>		
<b>TAX EXPENSE</b>		
i) Current Tax	1,365.58	3,720.95
ii) Deferred Tax	516.61	1,119.86
TOTAL	1,882.19	4,840.81
<b>NOTE - 30</b>		
<b>EARNINGS PER SHARE (EPS)</b>		
Net Profit as per Statement of Profit and Loss (after minority interest)	3,959.19	13,656.20
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 (₹.)	16.82	58.00

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As on 31 March 2013 ₹. Lacs	As on 31 March 2012 ₹. Lacs
<b>NOTE - 31</b>		
<b>CONTINGENT LIABILITIES</b>		
i) Claims against the Company, not acknowledged as debts:		
Corporate Guarantees given	41,570.68	20,911.10
Disputed Income Tax Matters in Appeal (Liability u/s.153 of the Income Tax Act, 1961 may accrue on account of the Search, amount not crystallised)	400.00	400.00
Excise & Others	8,805.73	1,971.45
ii) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	1,531.14	2,227.39
<b>NOTE - 32</b>		
<b>RELATED PARTY DISCLOSURES</b>		
Related Party Transactions		
Subsidiaries		
Lease Income	700.00	700.00
ICD	500.00	500.00
Dividend Received	275.60	487.75
Others	100.49	67.14

### NOTE - 33

#### OPERATING LEASES

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

i) As Lessee		
Within one year	2,730.99	974.44
After one year but not more than five years	6,550.18	1,878.94
More than five years	748.10	1,363.00
ii) Lease Rental Income		
Within one year	700.00	700.00
After one year but not more than five years	2,800.00	2,800.00
More than five years	2,392.50	3,092.50

### NOTE - 34

#### LOSS ON INVESTMENT

An amount of SGD 281.63 lacs amounting to ₹.12,320.19 lacs being loss on investment during the year in Bilcare Singapore Pte. Ltd., a wholly owned subsidiary company, has been deducted from the balances of Profit and Loss account directly instead of recognising this as loss in the Statement of Profit and Loss account for the year as per AS-13 *Accounting for Investments*. The consolidated profit of the year is overstated by ₹.12,320.19 lacs.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

### NOTE - 35

#### COMPANIES INCLUDED IN CONSOLIDATION

Name of the Company	Country of incorporation	% holding	Relationship
Bilcare Limited	India	–	Ultimate Holding Company
Bilcare Singapore Pte. Ltd.	Singapore	100.0%	Wholly owned Subsidiary
Bilcare GmbH	Germany	100.0%	Stepdown Subsidiary
Bilcare Inc	USA	100.0%	Stepdown subsidiary
Bilcare Farmaceutica Embalagem E Pesquisas Ltda	Brazil	100.0%	Stepdown subsidiary
Bilcare Switzerland SA	Switzerland	100.0%	Stepdown subsidiary
Bilcare (UK) Ltd	UK	100.0%	Stepdown Subsidiary
Bilcare GCS (Europe) Ltd	UK	100.0%	Stepdown Subsidiary
Bilcare Technologies Singapore Pte. Ltd.	Singapore	80.0%	Stepdown Subsidiary
Bilcare Technologies Italia Srl.	Italy	92.5%	Stepdown Subsidiary
Bilcare Mauritius Ltd.	Mauritius	100.0%	Wholly Owned Subsidiary
Bilcare Research AG	Switzerland	100.0%	Stepdown Subsidiary
Bilcare Germany Management GmbH	Germany	100.0%	Stepdown Subsidiary
Bilcare Germany GmbH & Co KG	Germany	100.0%	Stepdown Subsidiary
Films Germany Holding GmbH	Germany	94.9%	Stepdown Subsidiary
Bilcare Agency GmbH	Switzerland	100.0%	Stepdown Subsidiary
Bilcare Research Srl.	Italy	100.0%	Stepdown Subsidiary
Bilcare Fucine Srl.	Italy	100.0%	Stepdown Subsidiary
Bilcare Research Inc	USA	100.0%	Stepdown Subsidiary
Bilcare Research GmbH	Germany	100.0%	Stepdown Subsidiary
Caprihans India Limited	India	51.0%	Stepdown Subsidiary
International Labs LLC	USA	50.0%	Joint Venture
Bilcare International	Mauritius	100.0%	Wholly owned Subsidiary
B A Technologies Limited	India	51.0%	Subsidiary

### NOTE - 36

#### PREVIOUS YEAR FIGURES

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

### NOTE - 37

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



**Bilcare**  
*Research*

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

[investors@bilcare.com](mailto:investors@bilcare.com)  
[www.bilcare.com](http://www.bilcare.com)

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## **Bilcare Limited**

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

### **Notice**

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of Bilcare Limited will be held on Monday, the 30 day of September 2013, at 11.00 a.m. at the Registered Office of the Company at 1028, Shirol, Rajgurunagar, Pune - 410 505 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To consider and adopt the audited Balance Sheet as at 31 March 2013, the statement of Profit and Loss for the year then ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajendra Tapadia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Volker Huelck, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED that the Company’s Auditors, M/s. R. L. Rathi & Co., Chartered Accountants, Pune, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and is hereby authorised to fix their remuneration for the period.”

By Order of the Board of Directors  
For Bilcare Limited

Mohan H. Bhandari  
Chairman and Managing Director

Pune : 14 August 2013

#### **Notes:**

1. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.**
2. Members who hold shares in dematerialised form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the Meeting.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. Members are requested to bring their copy of Annual Report for the Meeting.
5. The documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except holidays, between 3.00 p.m. to 5.00 p.m. upto the date of the Annual General Meeting.

6. The Register of Members and the Transfer Books will remain closed from Wednesday, 25 September 2013 to Monday, 30 September 2013, (both days inclusive).
7. Pursuant to the provisions of Section 205A of the Companies Act, 1956 as amended, dividend for the financial year ended 31 March 2006 and thereafter which remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed the demand draft(s) so far for the financial year ended 31 March 2006 or any subsequent financial years are requested to make their claim. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof with the company.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd.
9. Equity Shares of the Company are under compulsory demat trading by all the investors. Members are advised to dematerialise their shareholdings, to avoid inconvenience.
10. The Ministry of Corporate Affairs (MCA), Government of India, had taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and had issued circulars stating that service of notice / documents including Annual Report can be done by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialised holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form should send e-mail at bilcaregogreen@linkintime.co.in to update their e-mail address.
11. The Company has appointed Link Intime India Pvt. Ltd. as the Registrar and Transfer Agents of the Company to carry out the share transfer work on behalf of the Company and all communications be addressed to the following address:

Address of the Registrar and Transfer Agents:

**Link Intime India Pvt. Ltd.,**

(Unit: Bilcare Limited)

Block No. 202, 2nd Floor, Akshay Complex

Off Dhole Patil Road, Pune-411 001, India

Telefax: +91-20-26163503

E-mail: pune@linkintime.co.in

**DETAILED PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT IS GIVEN AS UNDER:**

Name of the Director	Mr. Rajendra Tapadia	Dr. Volker Huelck
Age	53 years	73 years
Qualification	B.Sc. (Chemistry), PGDBM from Pune University	MSc.(Chemical Engineering) Ph.D. in Interpreting Polymer Networks from Lehigh University
Date of First Appointment	8-Dec-1994	31-Oct-2001
Category	Independent	Independent
Experience and Expertise	Mr. Rajendra Tapadia provides support on process and product technology. He is an eminent industrialist with more than 30 years of experience in the industry. He served as chairman and managing director of Safepack Industries Limited.	Dr. Volker Huelck offers guidance to the Material Science development team at our Group. He has over 40 years of experience in the chemical industry. He is the Chairman of the German Plastics Centre and a member of the Global Council at Lehigh University, USA.
Relationship with other Directors of the Company	No	No
Equity Shareholding of the Director	271,051	Nil
Directorship held in other Indian Public Limited Companies	Safepack Industries Limited Safepropack Limited Art Blends Limited	NA
Memberships / Chairmanship of Committees of Indian Public Limited Companies	Bilcare Limited – Audit Committee – Chairman Shareholders'/Investors' Grievance Committee – Chairman Remuneration Committee – Chairman Finance Committee – Member Share Transfer Committee - Member	Bilcare Limited – Audit Committee – Member Remuneration Committee – Members

**Bilcare Limited**

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

**26<sup>th</sup> ANNUAL GENERAL MEETING  
ATTENDANCE SLIP**

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

Name of the Member / Proxy .....  
(in BLOCK LETTERS)

Regd. Folio No. ....DP ID\* ..... Client ID\*.....

No. of Shares held .....

I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Company on Monday, 30 day of September 2013.

\_\_\_\_\_  
Signature of the Member / Proxy

\* Applicable for investors holding shares in electronic form.

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



**Bilcare Limited**

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

**26<sup>th</sup> ANNUAL GENERAL MEETING**

**PROXY**

I/We..... of..... being a member/  
members of Bilcare Limited, hereby appoint ..... of ..... or failing him  
..... of ..... as my/our Proxy to vote for me/us and  
on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company on Monday, 30 day of September 2013 and at any  
adjournment thereof.

AS WITNESS my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature of the Member .....



Regd. Folio No.

DP ID\* \_\_\_\_\_ Client ID\* \_\_\_\_\_

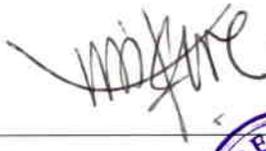
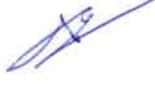
\* Applicable for investors holding shares in electronic form.

**NOTES**

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

**FORM B**

**Covering letter of the Annual Audit Report to be filed with the Stock Exchange**

1.	Name of the Company:	Bilcare Limited
2.	Annual financial statements for the year ended	31 March 2013
3.	Type of Audit qualification	Except for delay in payment to lenders for Principal of Rs. 189.83 Crores and Interest of Rs. 33.40 Crores.
4.	Frequency of qualification	First time
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Refer Point No. 11 of the Annexure to the Auditor's Report in the Financial Statements of FY 2013 and for management's response refer Para 2 under Financials in the Director's Report.
6.	Additional comments from the board/audit committee chair:	Nil
7.	To be signed by- CEO/Managing Director	 
	CFO	 
	Auditor of the company	 
	Audit Committee Chairman	 