



**BIBCOL**

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**FOURTEENTH ANNUAL REPORT**

**2002-2003**

**BHARAT IMMUNOLOGICALS & BIOLOGICALS CORPORATION LTD.**

Regd. Office : Vill Chola - 203 203, Distt. Bulandshahar (U.P.)



## BOARD OF DIRECTORS

Sh. U. C. Chaturvedi	:	Chairman
Mr. Arun Sharma	:	Director
Mr. U. N. Behera	:	J S & Managing Director
Dr. Y. N. Rao	:	Director
Mr. S. K. Gautam (Nominee IDBI)	:	Director
Mr. Indrajit Deb	:	Managing Director (on Leave)
Registered Office	:	Vill. Chola, Distt. Bulandshahr (U.P.)
Auditors	:	M/s Pramod & Co. Chartered Accountants Teachers Colony, Bulandshahr - 203 001 (U.P.)
Bankers	:	Canara Bank
Registrar & Transfer Agent	:	Beetal Financial & Computer Services Pvt. Ltd. 321-S, Chirag Delhi, (Near Shahid Bhagat Singh College) New Delhi-110 017.

BHARAT IMMUNOLOGICALS &amp; BIOLOGICAL CORPORATION LTD.



## NOTICE

Notice is hereby given that 14<sup>th</sup> Annual General Meeting of Bharat Immunologicals & Biologicals Corporation Limited (BIBCOL) will be held as scheduled below :-

DATE : 27.12.2003

TIME : 11.00 AM

VENUE : Bharat Immunologicals & Biologicals Corporation Limited, OPV Site, Village Chola, Bulandshahr, U.P.

for transacting the following Business:-

**(1) ORDINARY BUSINESS:**

1. To consider and adopt the Balance Sheet of the Company as at March 31, 2003 and the Profit & Loss Account for the year ended that date and the Directors' and Auditors' Reports, thereon.

**(2) SPECIAL BUSINESS:**

**1. ALTERATION OF MEMORANDUM AND ARTICLES OF ASSOCIATION**

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution; pursuant to Section 31 of the Companies Act, 1956.

**"RESOLVED THAT** the Articles of Association of the Company be altered by substituting the existing Article 6 by a new Article as given below: -

6. Subject to the provisions of the Act, these Articles and the rights of the President, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such times as they may from time to time think fit and proper.

The shares shall be subscribed for and allotted in the following pattern: -

- |     |   |     |
|-----|---|-----|
| i.  | President of India<br>(Through Department. of Biotechnology, Govt. of India)                                  | 51% |
| ii. | Others - including Financial Institutions,<br>Scientific Institutions, Banks,<br>Mutual Funds, Indian Public. | 49% |

However, considering the innovative nature of the venture, the Govt. may subscribe more than the prescribed per centage given above and, at the appropriate time, offer upto 49% of the total equity capital to the category mentioned in (ii) above at a price (at a premium or discount or at par) as may be determined in consultation with the controller of capital issue or appropriate authority prescribed for the same.

After the issue of the said shares, any further issue of shares in the capital of the company shall, subject to the Provisions of Section 81(1-A) of the Act, be issued in the manner set out in section 81 (1) of the Act.

Provided that option or right to call of shares not be given to any person without the sanction of the company in its General Meeting.

**2. FURTHER ISSUE OF EQUITY CAPITAL BY CONVERSION OF PRINCIPAL LOAN AND/OR INTERST INTO EQUITY.**

- 1) To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**

**"RESOLVED** that in terms of section 81(1), 81(1A) and other application provision, if any, of the Companies Act, 1956 and in accordance with the provision of Articles of Association of the company and subject to the consent of appropriate authorities and Departments, if any and to the extent necessary, and such other approval, permission and sanction as may be necessary and subject to such condition and modification as may be prescribed by such authority in granting such approval, permissions and sanction which may be agreed to by the Board of Director of the company (hereinafter referred to as "the Board ") at its sole discretion, the consent of the company be and is hereby accorded to the Board to create, offer and issue to such persons as are set out hereunder, such number of the equity share of the company of the face value of Rs.10/- as may be required for subscription for cash and/or consideration other than cash at such premium per share as may be fixed or at par and determined by the Board prior to the issue, by way or preferential allotment and offer thereof to such category of the persons in consultation appropriate authorities as may prescribe or in accordance with such guideline or other provision of law as may be



prevailing at that time and otherwise and at such time or times as the Board at its absolute discretion and in the best interest of the company may deem fit to create, offer, issue and allot :-

1,77,90,000 equity shares at a price (including premium) as may be decided and may be fixed by the Board on such share but not less than the higher of the following:

The average of the weekly high and low of the closing price of the company's shares quoted on a stock exchange during the six month preceding the relevant date;

The average of the weekly high and low of the closing price of the company's share quoted on a stock exchange during the two weeks preceding the relevant date Where shares may be allotted to all or any combination of the hereunder:

- a) Promoters i.e. Govt. of India;
- b) Indian and /or Multinational Development Financial Institutions (IDBI/IFCI/ICICI/Banks). Indian Mutual Funds, Foreign Mutual Funds, Foreign Resident Indian and Overseas Corporate Bodies);
- c) Any other categories of persons, institutions authorities or sections or otherwise, whether or not such investor are members of the company. The equity shares on preferential basis may be allotted in one or more trenches

**"RESOLVED FURTHER** that the new Equity shares issued and allotted as referred above or as may be necessary in accordance with the terms of offering, shall to the Memorandum and Articles of Association of the company, rank pari-passu in all respects with the subsisting issued and subscribed Equity of the company "

**"RESOLVED FURTHER** that for the purpose of giving effect to all or any of the foregoing, the Board be and is hereby authorized in its absolute discretion as the Board may deem fit.

- a) To make on its own accords or to accept such amendments, modifications, variations and alterations as Securities & Exchange Board of India and /or Stock Exchange and/or Institutions and/or Bodies and/or any other concerned authority may stipulate in that behalf;
- b) To amend, recalculate, modify vary or alter all or any of the terms of the issue including its size and timing;
- c) To enter into and execute any arrangement (s) or document with any Lead other (s) in regard to such offering of share and to remunerate them on such terms as may decided, and including by way of payment of commission, brokerage, fees or the like;
- d) To finalize and prescribe the letter of Offer and /or prospectus, Application forms (s) etc. the price of shares and make or carry out any alterations or modification to the above and to accept and give effect to such alterations, or modifications, as regards the terms and conditions of the issue as suggested or recommended by of the concerned Authorities or the Lead Manager (s) or other agency (ies) without requiring any further approval of the members;
- e) To do all such acts. Deeds matters and thing as they may in their absolute discretion, consider necessary, expedient or desirable in this connection;
- f) To seek the listing of existing securities and proposed issue of securities on the stock exchange at Kanpur, Mumbai and Dehli.

### **EXPLANATORY STATEMENT FOR CONVERSION OF LOAN INTEREST INTO EQUITY**

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the Notice and should be taken as forming part thereof.

#### **PREFERENTIAL ISSUE:**

The company was referred to BIFR and declared "Sick" company by BIFR. In the meantime, the Company proposed One Time Settlement (OTS) on its term loan liability. With the proposed settlement dues under OTS, the Company's position was reviewed by BIFR. The company was discharged by BIFR from the purview of SICA (1985) vide order dated 1.08.2002

Thereafter, the Company has obtained the Government's approval vide approval letter dated 21.02.2003, File No. BT/MB/01 BIFR/99 Government of India/ Bharat Sarkar, Ministry of Science & Technology, Department of Biotechnology pertaining for Conversion of loan of Rs. 472.00 lacs provided by DBT to BICOL into equity and waiver of interest accrued till date and Allotment of equity shares to IDBI, IFCI and ICICI to the extent of Rs. 1307.00 lacs.

It appears to the Directors of the Company that with the above settlement the financial performance of the company would improve as accumulated losses will be written off to that extent and the company will become a debt free company.

The details of the terms and conditions of the offer and the issue price will be determined by the Board of Directors in the best interest of the Company in consultation with the Department of Biotechnology, Advisors, Lead managers and Underwriters and such other authority or authorities as may be required to be consulted by the Company, considering the prevailing market conditions and other relevant factors and the any other guidelines and subject to necessary approvals as may be required.

The allotment of equity shares pertaining to preferential offer will get completed within the prescribed permissible time period

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as prescribed in the SEBI guidelines.

**SHAREHOLDING PATTERN (on issue of shares worth Rs. 1779 lacs) - Term lenders Rs. 1307 lacs and Rs. 472 lacs to Government of India.**

	Amount (Rs/Lacs)	Before Issue (Rs/Lacs) (%) After The Issue	(%) Before The Issue	Amount
GOVT. OF INDIA	2086.60	82.18	2558.60	59.25
INDIAN PUBLIC	452.40	17.82	452.40	10.48
IDBI	Nil	Nil	763.00	17.67
IFCI	Nil	Nil	261.00	6.04
ICICI	Nil	Nil	283.00	6.56
Total	2539.00	100	4318.00	100

In order to give adequate flexibility and discretion to the Board to finalize the issue structure and the terms of the issue in the best interest of the Company, the consent of the shareholders under section 81, 81(1A) of the Companies Act, 1956 is sought. The present resolution is an enabling resolution to cover all contingencies and requirements.

None of the Directors of the company is concerned or interested in the aforesaid resolution.

## 2. Alteration of Articles of Association:

The Resolution set out for alteration of Articles of Association is to give effect to the conversion of loan/ interest to equity capital as detailed above.

## NOTES TO NOTICE OF MEETING

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed w.e.f. 24.12.03 to 27.12.03 (both days inclusive).
3. Members are requested to notify change of addresses to the Company or M/s Beetal Financial & Computer Services (P) Ltd., 321-S, Chirag Delhi (near Shahid Bhagat Singh College), New Delhi -110 017 at the earliest opportunity.
4. As per the provisions of the Companies Act, 1956 facility for making nominations is now available to individuals holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Company or M/s Beetal Financial & Computer Services (p) Ltd., 321-S, Chirag Delhi (near Shahid Bhagat Singh College), New Delhi - 110017.
5. Under the provisions of section 205A of the Companies Act, 1956, the Company has transferred all the unclaimed Share Application money to the "Investor Education and Protection Fund" constituted by the Central Government.

Further, it may be noted that under the amended Companies Act, once the unclaimed Share Application money is transferred to the Fund as aforesaid, no claim shall lie in respect of such amount.

Registered Office: -

By Order of the Board

Village : Chola - 203 203  
District : Bulandshahr (U.P.)  
Date : 31-10-2003

(U.N. Behera)  
Managing Director



## DIRECTOR'S REPORT

Dear Members,

Your Directors present 14<sup>th</sup> Annual Report of your Company along with audited accounts of the Company for the year ended March 31<sup>st</sup>, 2003.

### FINANCIAL RESULTS:

Your Company posted a turnover of Rs.3780 lacs as against Rs.4660 lacs for the previous year. The loss for the year after taxes amounted to Rs.1792 lacs as against the loss of Rs.716 lacs for last year.

### DIVIDEND:

In view of carry forward losses and insufficiency of profits during the under review, your directors have not recommended any dividend.

### STATUS OF SUPPLY OF OPV OVER LAST FIVE YEAR:

Your Company has supplied 808 million doses of Oral Polio Vaccine to National Immunization Programme up to year 2002-2003. Details of vaccine supplied for the past five years are as follows:

(Quantity in million doses)

YEAR	SALES
1998-99	105.00
1999-00	190.76
2000-01	213.51
2001-02	155.86
2002-03	108.00

### FUTURE PROSPECTS:

You are aware that the Company was referred to BIFR and it was declared "sick" company by BIFR. In the meantime, the Company proposed One Time Settlement (OTS) of its term loan liability. Considering OTS, BIFR discharged the company out of its purview vide order dated 01.08.2002. The company is placing the matter of conversion of loan into equity for the approval of shareholders for which approval of Govt. of India has already been received. With the conversion of loan into equity, the net worth of the company would become positive.

The company is in business of Oral Polio Vaccine and it is making efforts to acquire VSQ Certification from WHO to become eligible for supply to UNICEF.

### FIXED DEPOSITS:

Your company has not accepted any Fixed Deposits from public during the year under review.

### DIRECTORS:

The variation in the composition of Board of Director is given below:-

- Shri S.L. Bhat, IAS Joint Secretary Government to India has relinquished the charge of Director and Chairman (Part time) and Prof. U.C. Chaturvedi has joined as Chairman (Part time);
- Dr. (Mrs.) Ira Roy has retired and Prof. Y.N. Rao has been nominated as Director by Ministry of Health & Family Welfare, Govt. of India;
- Sh. U.N. Behera, IAS, Joint Secretary, Department of Biotechnology, Ministry of Science & Technology, Govt. of India has been appointed as Director of your company.

### LISTING OF SECURITIES:

The shares of the company are listed with below mentioned Stock Exchanges:

- U.P. Stock Exchange Association Limited, Kanpur.
- The Stock Exchange, Mumbai



**CHARTERED ACCOUNTANTS BULANDSHAHR LTD.**



**3. The Data Sheet Exchange Association Limited, New Delhi.**

**M/s. Prasad & Company, Chartered Accountants, Bulandshahr** have been reappointed as auditors of the company for the period under review.

Comments on the observations of the auditors/CAG are given as addendum to Directors' Report and are self-explanatory and/or suitably explained in various notes to the Accounts.

#### **ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION:**

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1989 the required information relating to conservation of energy, Technology Absorption and Foreign Exchange earnings and outgo is available at Annexure and forms an integral part of the report.

#### **PERSONNEL AND INDUSTRIAL RELATIONS:**

Industrial and personnel relations were cordial during this year.

#### **PARTICULARS OF THE EMPLOYEES:**

None of the employees are drawing remuneration beyond the monetary ceiling prescribed under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

As required under section 217 (2AA) of the Companies Act, 1956, the Directors state:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. that the accounting policies selected and applied are consistent and the judgments and estimates made are 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 that period;
3. That proper and sufficient care has been taken 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.
4. That the annual accounts have been prepared on a going concern basis.

#### **CORPORATE GOVERNANCE:**

Your company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as provided in the Listing Agreements of the Stock Exchanges with which the Company's shares are listed are duly complied with.

A separate report each on Corporate Governance are annexed hereto as Annexure alongwith the Auditors' certificate for due compliance.

#### **DEPOSITION SYSTEM:**

The shares of the company are under compulsory Dematerialization. The company has entered into agreement with NSDL and CDSL in this respect.

#### **ACKNOWLEDGEMENT:**

The Directors wish to place on record their sincere thanks to the Company's principals, its bankers, dealers and all its business associates for their continued support and record their appreciation of devoted services rendered by all categories of employees during the year.

For and on behalf of Board of Directors'

(Prof. U.C. Chaturvedi)

Chairman

Place : BULANDSHAHR

Date : 31-10-2003

**ANNEXURE TO DIRECTORS REPORT**

Information as required under section 217 (1) (e) read with the Companies (Disclosure of Particulars in respect of Board of Directors) Rules, 1988

(A) CONSERVATION OF ENERGY : None

**Form of Disclosure****Power and Fuel Consumptions****1. Electricity Particulars**

Particulars	Current Year 2002-2003	Previous Year 2001-2002
(a) Units Purchased	20,43,510	1827600
Total Amount (Rs. In lacs)	90.86	97.61
Rate /Unit (in Rs.)	4.45	5.34
(b) Units Generation - own diesel generator	99,360	177200
HSD used (Rs. In lacs)	4.59	12.14
Unit per Ltr. of diesel	4.25	2.69
Oil/ Cost/ Unit (in Rs.)	4.62	6.85

**2. Light Diesel Oil (Used for steam production) :**

Particulars	Current Year 2002-2003	Previous Year 2001-02
Quantity (K Ltrs.) (Used in Boilers)	74,810	62,700
Total Amount (Rs. In lacs)	11.83	8.83
Average Rate (Rs./K.ltr.)	15,812	14087

**3. Consumption (Per One Lac Doses of Oral Polio Vaccine):**

Source of Energy	Standard (If any for indigenous production)	Current year 2002-2003	Previous Year 2001-2002
Electricity	4655 Units	1714	1990
Light Diesel Oil	520 Ltrs.	59.85	62.25 Ltrs.
Coal (Specify Quantity)	None	NIL	NIL
Others	None	NIL	NIL

**Note :** Standard consumption for present activities of blending and filling of OPV has not been fixed. As such the standard for indigenous production stated above is not comparable with actual consumption.

(Rs. in lacs)

(B) Technology Absorption	None	None
(C) Foreign Exchange Earnings	NIL	NIL
(D) Foreign Exchange outgo	1964	2979

**CORPORATE GOVERNANCE**

In compliance with the Corporate Governance requirements as enshrined in clause 49 of the Listing Agreement with the Stock Exchanges, your Company had incorporated a separate section. The contents of the section are likely to be found useful being information by the shareholders and investors of the Company.



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**COMPLIANCE OF MANDATORY REQUIREMENTS****(a) Company's Philosophy:**

The company firmly believes in and has consistently practiced good Corporate Governance.

The spirit of Corporate Governance prevailed in the Company and influenced its systems of functioning long before the guidelines were codified and do not require any major change in our management practices. In fact, the Company's essential character/complexions are shaped by transparency, professionalism and accountability.

**(b) Board of Directors :**

The Board of Directors comprised of a Managing Director and five Non- Executive Directors.

Six Board Meetings were held during the year on 24.04.02, 29.07.02, 11.10.02, 30.10.02, 22.11.02 and 31.01.03. Other related particulars of the Directors during the year 2002-2003 are as under:-

Name	Category	Other Directorships	Board Meetings attended (Nos.)	Attendance at last AGM
Sh. V.P. Kamboj	Non Executive	1	1	-
Sh. Indrajit Deb	Managing Director	-	3	Present
Sh. S.L. Bhat	Non Executive	1	5	Present
Sh. Arun Sharma	Non Executive	1	5	-
Dr.(Mrs.) Ira Ray	Non Executive	-	1	-
Sh. S.K. Gautam	Nominee Director	1	1	-

**c) Audit Committee :**

An Audit Committee was formed in the year 2001. The role and powers of Audit Committee are substantially as per the recommendations of SEBI. During the financial years ended 31.3.2003 five meeting of the committee were held on 24.04.02, 09.05.02, 29.07.02, 23.10.02 and 31.01.03. The other details of Audit Committee for the period under review are as under:-

Member Director	Category	Meetings attended
Sh. S.L. Bhat- Chairman	Non- Executive	5
Sh. Arun Sharma	Non- Executive	5
Dr.(Mrs.) Ira Ray	Non- Executive	2

Invitees:

- a) Statutory Auditors
- b) Internal Auditors
- c) Head - Finance and Accounts, BIBCOL

Secretary:

Company Secretary-I/C

**(d) Managerial Remuneration Committee:**

Separate Remuneration Committee has not been formed. No remuneration is being paid to the Directors except Chairman and Managing Director whose remuneration is approved by the Board of Directors and Administrative Ministry as under:

Name of Director	Salary & Perks (Rs.)
Dr. V.P. Kamboj	20,700
Sh. Indrajit Deb	6,85,841

**(e) Share Transfers and Shareholders/ Investors Grievances Committee:**

The already existing Share Transfer Committee has been re-designated during the year as Share Transfer and Shareholders/ Investors Grievances Committee. During the year 19 meeting were held. The details of the Committee meeting are as under:-

MEMBER/DIRECTOR	CATEGORY	MEETINGS ATTENDED
Sh. Indrajit Deb	Executive	09
Dr. (Mrs.) Ira Ray	Non- Executive	11
Sh. S.L. Bhat	Non- Executive	06
Sh. S.K. Gautam	Non- Executive	16

**Shareholders Complaints and Redressal as on 31.03.2003:**

Type of Grievances and category	Non-receipt of dividend/interest/ redemption money/ share application money	Non receipt of share/debenture certificates	Non receipt of duplicate share certificates	Demat related grievance	Non receipt of Annual Report
Complaints received during the year	Nil	17	Nil	Nil	Nil
Complaints redressed	Nil	17	Nil	Nil	Nil
Complaints not solved to the satisfaction of investors	Nil	Nil	Nil	Nil	Nil

**f) General Body Meeting:**

The details of last four Annual General Meetings are as follows: -

YEAR	LOCATION	DATES	TIME
1998-99	BIBCOL, Registered office, OPV Plant, Village Chola, Distt. Bulandshahr, U.P.	30.09.1999	3:00 P.M.
1999-00	BIBCOL, Registered office, OPV Plant, Village Chola, Distt. Bulandshahr, U.P.	29.12.2000	12:30 P.M.
2000-01	BIBCOL, Registered office, OPV Plant, Village Chola, Distt. Bulandshahr, U.P.	29.09.2001	11:30 P.M.
2001-2002	BIBCOL, Registered office, OPV Plant, Village Chola, Distt. Bulandshahr, U.P.	27.09.2002	11:00 A.M.

No Special Resolutions were put through postal ballot last year.

**(g) Means of Communication :**

- i) The Quarterly, half yearly, Un- audited Financial Results and Annual Financial Results as approved and taken on record by the Board of Directors of the Company are published in prominent daily newspapers viz. Financial Express and Dainik Jagran.

**(h) General Shareholders Information :**

- i) Dates of Book Closure : 24.12.03 to 27.12.03