



BIBCOL

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SIXTEENTH ANNUAL REPORT
2004 - 2005

BHARAT IMMUNOLOGICALS & BIOLOGICALS CORPORATION LIMITED
Regd. Office: Vill. Chola - 203 203, Distt. Bulandshahr (U.P.)

BHARAT IMMUNOLOGICALS & BIOLOGICALS CORPORATION LIMITED

BOARD OF DIRECTORS

| | | |
|----------------------------|---|--|
| PROF. U. C. CHATURVEDI | : | CHAIRMAN |
| SHRI U. N. BEHERA, I.A.S., | : | JOINT SECRETARY, DBT & MANAGING DIRECTOR |
| SHRI K. P. PANDIAN | : | DIRECTOR |
| DR. C. M. GUPTA | : | DIRECTOR |
| DR. P. BISWAL | : | DIRECTOR |
| DR. SUDHANSU VRATI | : | DIRECTOR |
| SHRI AJIT KUMAR SAMAL | : | COMPANY SECRETARY |
| REGISTERED OFFICE | : | VILL. CHOLA, DISTT. BULANDSHAHR (U.P.) |
| AUDITORS | : | M/S. PRAMOD & COMPANY, CHARTERED ACCOUNTANTS, TEACHERS COLONY, BULANDSHAHR - 203 001 (U.P.) |
| BANKERS | : | CANARA BANK |
| REGISTRAR & TRANSFER AGENT | : | M/S. BEETAL FINANCIAL & COMPUTER SERVICE (P) LIMITED, BEETAL HOUSE, 3RD FLOOR, 99 MADANGIR, BEHIND LOCAL SHOPPING CENTRE, NEAR DADA HARSUKHDAS MANDIR, NEW DELHI-110062 |

BHARAT IMMUNOLOGICALS & BIOLOGICALS CORPORATION LIMITED

NOTICE

Notice is hereby given that 16th Annual General Meeting of the Members of Bharat Immunologicals & Biologicals Corporation Limited (BIBCOL) will be held as scheduled below:-

Date : 24.09.2005 (Saturday)
Time : 11.30 A.M.
Venue : Bharat Immunologicals & Biologicals Corporation Limited, OPV Plant,
Village-Chola, Bulandshahr (U.P.)

for transacting the following Business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at March 31, 2005 and the Profit & Loss Account for the year ended on that date and reports of the Directors and Auditors, thereon.
2. To appoint a Director in place of Prof. U C. Chaturvedi who retires by rotation and being eligible offers himself for reappointment.
3. To approve the appointment of Sh. K. P. Pandian, Joint Secretary & F.A. to the Govt. of India, Department of Science and Technology, who was nominated by the Govt. of India on the Board of Directors.
4. To approve appointment of Dr. Sudhansu Vrat, who was nominated on the Board of Directors, by Govt. of India pursuant to Article 39 of the Articles of Association of the Company.

NOTES TO NOTICE OF MEETING :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. 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 close from 21.09.2005 (Wednesday) to 24.09.2005 (Saturday) both days inclusive.
3. All documents referred in the notice are open for inspection at the Registered Office of the Company between 10.00 a.m. to 1.00 p.m. on any working day up to the date of Annual General Meeting and also at the meeting.
4. Members are requested to intimate the change, if any, in their registered address immediately.
5. Members/proxies should bring the attendance slips duly filled in for attending the meeting.
6. Members are requested to notify change of address to the company or M/S. Beetal Financial & Computer Service (P) Limited, Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062.
7. In terms of Clause 49 of the Listing Agreement, a brief resume of newly appointed directors is given in Directors' Report under the head Corporate Governance.

By Order of the Board

(U.N.BEHERA)
MANAGING DIRECTOR

Registered Office:
Village: Chola PO/District: Bulandshahr (U.P.)
Date: 01.08.2005

DIRECTORS' REPORT

Your Directors have pleasure in presenting 16th Annual Report together with Audited Statements of Accounts of the Company for the year ended March 31, 2005.

FINANCIAL RESULTS

Your company has posted a turnover of Rs.5324.85 lacs as against Rs. 2158.75 lacs of the previous year. The profit for the year after taxes and extraordinary items amounted to Rs. 132.44 lacs as against Rs. 6678.81 lacs (after taking into account extra ordinary income of Rs. 6992.48 lacs) for last year.

DIVIDEND

In view of carry forward losses during the financial year under review, your Directors have not recommended any dividend.

FUTURE OUTLOOK

The Company is taking steps to technologically upgrade its existing facilities to make the same compliant to the requirement of revised Schedule 'M' under Indian Drugs and Cosmetic Act. Your company is also moving towards diversification into other related product ranges.

FIXED DEPOSIT

Your company has not accepted/invited any Deposits from public pursuant to Section 58A of the Companies Act 1956 till the end of the year under review.

DIRECTORS

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

- (a) Prof. U. C. Chaturvedi retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
- (b) Sh. K. P. Pandian, Joint Secretary & F.A. to the Govt. of India, Department of Science and Technology, Ministry of Science & Technology has been nominated in lieu of Sh. Arun Sharma in the Board of Directors by the Govt. of India on 2nd May 2005.

Your directors place on record sincere appreciation of the contribution made by Sh. Arun Sharma during his tenure as Director.

- (c) Dr. Sudhansu Vrat, has been appointed as director pursuant to Article 39 of the Articles of Association of the Company on 2nd May 2005.

LISTING OF SECURITIES

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

- a) The U.P.Stock Exchange Association Limited, Kanpur.
- b) The Stock Exchange, Mumbai.
- c) The Delhi Stock Exchange Association Limited, New Delhi.

The company has paid annual listing fee to the above Stock Exchanges for the year 2005-2006.

BHARAT IMMUNOLOGICALS & BIOLOGICALS CORPORATION LIMITED

AUDITOR'S REPORT

M/s. Pramod & Company, Chartered Accountants have been re-appointed as Auditors of the Company for the period under review.

Comments on the observation 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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

In accordance with the provisions of Sec. 217 (i) (e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 the required information relating to conservation of energy, technology absorption and foreign earnings and outgo is available at Annexure and forms an integral part of this report.

PERSONNEL AND INDUSTRIAL RELATIONS:

Industrial and personnel relations were cordial during the year.

PARTICULARS OF THE EMPLOYEES:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 216 (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 estimate 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

Pursuant to Clause 49 of the Listing Agreement, (a) Report of the Directors on the Practice prevalent on Corporate Governance in the company and (b) Auditors' Certificate on Compliance of mandatory requirements of Corporate Governance are given in the annexure to this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion and Analysis Report is as under:

(i) Industrial Structure and development

The Company is manufacturing Oral Polio Vaccine (OPV). The requirement of OPV is expected to continue and the Company being single Central Public Sector Undertaking will maintain its position as a major supplier to the Govt. of India. Over a long period of time, the OPV will be replaced by IPV (Inactivated Polio Vaccine).

BHARAT IMMUNOLOGICALS & BIOLOGICALS CORPORATION LIMITED

(ii) Action Plan

The current plan of action centers around optimizing the use of resources, sourcing bulk of approved quality at the right time and price, improving productivity, fulfilling the needs of the existing customers i.e. Ministry of Health and Family Welfare, Govt. of India, and exploring new markets to improve profitability and thereby, reward the shareholders at the earliest.

(iii) Segment-wise or product-wise performance

The Company operates in single product and as well as segment viz. manufacture and supply of Oral Polio Vaccine (OPV).

(iv) Outlook-opportunities, threats, risk and concerns

Market of OPV may go down, as the Polio is entering into the last phase of eradication. In post eradication era, Govt. of India may recommend for use of monovalent oral polio vaccine against the specific virus causing poliomyelitis and also against any possible outbreak of polio. BIBCOLD has foreseen this possibility and measures have been taken for production of monovalent oral polio vaccine.

During the last phase of eradication, OPV would be replaced by IPV i.e. Inactivated Polio Vaccine, which is administered via injection. BIBCOLD is looking for this possibility and making efforts to acquire the technology for production of IPV.

(v) Internal control systems and their adequacy

The Company has established systems providing adequate internal controls, commensurate with its size and nature of the business. Such systems have been appropriately documented. The Company has engaged external agencies to carry out periodic internal audits enabling continuous up-gradation to such systems required to fulfil changing business needs and new legislations.

(vi) Financial performance with respect to operational performance

The Company earned a net profit of Rs. 132.44 lacs as compared to a loss of Rs.313.87 lacs (after neutralizing the effect of extraordinary income of Rs. 6992.48 lacs). As regards operational performance, the company has produced 119.6 million doses of OPV during the year under review as compared to the production of 70 million doses during last year.

(vii) Material Development in Human Resources

There is no significant development to report on the human resource front. The Company enjoys a harmonious relationship with its employees.

ACKNOWLEDGEMENT:

The Directors wish to place on record their sincere appreciation and gratitude to the Company's Principal, its bankers and all its business associates for their support and record 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: 01.08.2005

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:

Form of Disclosure

Power and Fuel Consumption.

1. Electricity Particulars

| Particulars | Current year 2004 – 2005 | Previous year 2003-2004 |
|---|-----------------------------|----------------------------|
| (a) Units Purchased | 23,35,800 | 18,27,600 |
| Total Amount (Rs. in lacs) | 100.95 | 83.09 |
| Rate/Unit (in Rs.) | 4.32 | 4.55 |
| (b) Units Generation – own diesel generator | 2,10,480 | 1,59,240 |
| HSD used (Rs. in lacs) | 12.11 | 8.72 |
| Unit per Ltr. of diesel | 4.53 | 3.85 |
| Oil/Cost/Unit(in Rs.) | 5.75 | 5.48 |

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

| Particulars | Current year 2004 – 2005 | Previous year 2003-2004 |
|--------------------------------------|-----------------------------|----------------------------|
| Quantity (K Lts.) (Used in Boilers). | 69.98 | 46,550 |
| Total Amount (Rs. in lacs) | 14.71 | 8.21 |
| Average Rate (Rs./K/Ltr.) | 21,022 | 17,639 |

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

| Source of Energy | Standard (if any indigenous Production) | Current year 2004 – 2005 | Previous year 2003 – 2004 |
|------------------|---|-----------------------------|------------------------------|
| Electricity | 4655 Units | 2129 | 2838 |
| Light Diesel Oil | 520 Ltrs | 58.51 | 66.50 |
| Others | None | NIL | NIL |

Note: Standard consumption for present activities of blending and filling of OPV has not been determined. As such the standard consumption is not comparable actual consumption.

(Rs. In Lacs)

| Particulars | Current year 2004 – 2005 | Previous year 2003-2004 |
|-------------------------------|--------------------------|-------------------------|
| (B) Technology Absorption | None | None |
| (C) Foreign Exchange Earnings | NIL | NIL |
| (D) Foreign Exchange outgo | 3072 | 1922 |

CORPORATE GOVERNANCE

(a) PHILOSOPHY

Your company believes that Corporate Governance is a powerful medium to sub serve the long-term interest of all the Shareholders, creditors, customers, employees and other stakeholders. Corporate Governance strengthens Investors and Creditors' trust and ensures a long-term partnership that helps in fulfilling our quest for achieving significant growth and profits.

Your Company is committed benchmarking itself with good governance and operates with transparency, professionalism, good conduct and value based systems. In addition to compliance with regulatory requirements, BIBCOL endeavours to achieve highest standards of ethical and responsible conduct.

(b) BOARD OF DIRECTORS:

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

Five Board Meetings were held during the year on 20.04.2004, 28.06.2004, 30.07.2004, 29.09.2004 and 28.01.2005. Other related particulars of the Directors during the year 2004 – 2005 are as under: -

| Name | Category | Other Directorship | Board Meeting Attended (Nos.) | Attendance at last AGM |
|-------------------------------|-------------------|--------------------|-------------------------------|------------------------|
| Prof. U.C. Chaturvedi | Non – Executive | None | 05 | Present |
| Sh. U.N. Behera, IAS | Managing Director | One (1) | 05 | |
| Sh. Arun Sharma | Non – Executive | One (1) | 03 | Present |
| Dr. C. M. Gupta | Non – Executive | One (1) | 0 | |
| Dr. P. Biswal | Non – Executive | None | 02 | - |
| Dr. Sudhanshu Vrat | Non – Executive | None | Appointed on 02/05/2005 | - |
| Shri. K. P. Pandian* | Non – Executive | One (1) | Appointed on 02/05/2005 | - |
| *(in lieu of Sh. Arun Sharma) | | | | - |

C) AUDIT COMMITTEE:

The Audit Committee was constituted pursuant to clause 49 of the Listing Agreement and Section 292 A of the Companies Act 1956. The role and terms of reference of the Audit Committee is governed under above mentioned provisions, besides other terms as may be referred to by the Board of Directors.

During financial year ended 31.03.2005, five meetings of the committee were held on 20.04.2004, 28.06.2004, 30.07.2004, 29.10.2004 and 28.01.2005. Other details of Audit Committee for the period under review are as under: -

| Member Director | Category | Meeting Attended |
|-----------------------|-------------------|------------------|
| Prof. U.C. Chaturvedi | Non – Executive | 05 |
| Sh. Arun Sharma | Non – Executive | 04 |
| Sh. U.N. Behera, IAS | Managing Director | 05 |

Invitees :-

- a) Statutory Auditors
- b) Internal Auditors
- c) Cost Auditors
- d) Dy. Secretary DBT and
- e) Head – Finance and Accounts, BIBCOL

Secretary: Company Secretary

D) MANAGERIAL REMUNERATION COMMITTEE:

Separate Remuneration Committee has not been formed. No remuneration is being paid to the Directors as well as Managing Director, who is currently drawing remuneration from his parent department.

E) SHARE TRANSFER AND SHAREHOLDERS/INVESTOR GRIEVANCE COMMITTEE:

During the year, 24 meetings of Share Transfer Shareholders/Investors Grievances Committee were held. The details of the meetings of the Committee are as under: -

| Member Director | Category | Meeting Attended |
|----------------------|-------------------|------------------|
| Prof .U.C.Chaturvedi | Non – Executive | 24 |
| Sh. Arun Sharma | Non – Executive | 03 |
| Sh. U.N.Behera | Managing Director | 24 |

Shareholders Complaints and Redressal as on 31.03.2005:

| Type of Grievances and category | Non-receipt of dividend/Interest redemption money/share application money | Non receipt of duplicate share/ debenture certificates | Non receipt of duplicate share/ certificates | De-mat related grievances | Non receipt of Annual Report |
|--|---|--|--|---------------------------|------------------------------|
| Complaints received during the year | 03 | 35 | 01 | 13 | 09 |
| Complaints redressed | 03 | 35 | 01 | 13 | 09 |
| Complaints not solved of the satisfaction of investors | NIL | NIL | NIL | NIL | NIL |

(F) GENERAL BODY MEETING:

| YEAR LOCATOIN | DATES | TIME |
|--|---|--------------------------|
| 2001 - 02 BIBCOL, Registered Office, OPV Plant, Village Chola, Distt. Bulandshahr. U.P. | 27.09.2002 | 11.00 A.M. |
| 2002 - 03 BIBCOL, Registered Office, OPV Plant, Village Chola, Distt. Bulandshahr. U.P. | 27.12.2003 07.01.2004 (Adjourned) | 11.00 A.M. 11.00 A.M. |
| 2003 - 04 BIBCOL, Registered Office, OPV Plant, Village Chola, Distt. Bulandshahr. U.P. | 25.09.2004 | 11.00A.M. |