



# BIBCOL

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## SEVENTEENTH ANNUAL REPORT 2005 - 2006

**BHARATIMMUNOLOGICALS & BIOLOGICALS CORPORATION LIMITED**

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

BHARAT IMMUNOLOGICALS &amp; BIOLOGICALS CORPORATION LIMITED

**BOARD OF DIRECTORS**

PROF. V. S. CHAUHAN,	:	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. SATISH KUMAR GUPTA	:	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-203203 (U.P.)
BANKERS	:	CANARA BANK
REGISTRAR & TRANSFER AGENT	:	M/S. BEETAL FINANCIAL & COMPUTER SERVICE (P) LIMITED, BEETAL HOUSE, 3 <sup>RD</sup> FLOOR, 99 MADANGIR, BEHIND LOCAL SHOPPING CENTRE, NEAR DADA HARSUKHADAS MANDIR, NEW DELHI - 110062

BHARAT IMMUNOLOGICALS &amp; BIOLOGICALS CORPORATION LIMITED

**NOTICE**

Notice is hereby given that 17<sup>th</sup> Annual General Meeting of the Members of Bharat Immunologicals & Biologicals Corporation Limited (BIBCOL) will be held as scheduled below:-

Date : 30/09/2006

Time : 11.30 A.M.

Venue : Bharat Immunologicals & Biologicals Corporation Limited, OPV Plant,  
Village – Chola, Bulandshahr (U.P.)

For transaction the following Business:-

**Ordinary Business :**

1. To receive, consider and adopt the Audited Balance Sheet of the company as at March 31, 2006 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 Shri. U. N. Behera, I.A.S., who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Dr. P. Biswal, who retires by rotation and being eligible offers himself for reappointment.
4. To approve the appointment of Prof. V.S. Chauhan, who was nominated on the Board of Directors, by Government of India pursuant to Article 41(a) of the Article of Association of the Company.
5. To approve the appointment of Dr. Satish Kumar Gupta, who was nominated on the Board of Directors of BIBCOL by Government of India pursuant to Article 39(iv) of the Articles of Association of the Company.

**Special Business :**

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act 1956, the Articles of Association of the Company be and are hereby altered by replacement of existing Article 42(b):

42(b) The fee payable to a Director (other than the Managing Director or Whole Time Director or Government Directors) for attending a meeting of the Board or a Committee thereof shall be determined by the Board of Directors in accordance with the provisions of Section 310 of the Companies Act 1956, read with the Companies (Central Government's) General Rules and Forms, 1956.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds things as may be necessary to give effect to the above resolution."

**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/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

BHARAT IMMUNOLOGICALS &amp; BIOLOGICALS CORPORATION LIMITED

2. Proxies shall not have any voting rights except on a poll.
3. Only bonafide members of the Company whose names appear on the Register of Members / Proxy holders. In possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The company reserves its right to take all steps as may be deemed necessary to restrict non members (excluding valid proxy holder) from attending the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain close from 25/09/2006 (Monday) to 30/09/2006 (Saturday) both days inclusive.
5. 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.
6. Members/Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialization form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
7. It will be appreciated that queries, if any, on accounts and operations of the Company are sent to the Regd. Office of the company ten days in advance of the meeting so that the information may be made readily available.
8. Members are requested to notify change of address to the company or M/s. Beetal Financial & Computer Service (P) Limited, Beetal House, 3<sup>rd</sup> Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062.
9. In terms of Clause 49 of the Listing Agreement, a brief resume of newly appointed directors is given in Director's Report under the head Corporate Governance.

### **Annexure to Notice : Explanatory Statement u/s 173(2) of the Companies Act, 1956.**

#### **Item No. 6**

#### **Alteration in Memorandum and Article of Association**

Considering the change in Companies Act 1956 and the inflationary trend and also sitting fee paid to persons occupying similar position in other comparable companies in the industry, the Board of Directors at their 91<sup>st</sup> and 92<sup>nd</sup> meeting held on 28/03/2006 and 28/04/2006 respectively have decided to increase sitting fee payable to a Director (other than the Managing Director or Whole Time Director or Government Directors) for attending a meeting of the Board or a Committee thereof shall be determined by the Board of Directors in accordance with the provisions of Section 310 of the Companies Act 1956, read with the Companies (Central Government's) General Rules and Forms, 1956.

Therefore, the Board recommends approving item No. 6 by way of Special Resolution.

None of the Directors of the Company except Dr. Satish Kumar Gupta, Dr. C. M. Gupta and Prof. V. S. Chauhan are interested in the resolution.

By Order of the Board

Registered Office:  
Village: Chola  
PO/District: Bulandshahr (U.P.)  
Date : 25/07/2006

(U. N. BEHERA)  
MANAGING DIRECTOR

**DIRECTOR'S REPORT**

Your Directors have pleasure in presenting 17th Annual Report together with Audited Statements of Accounts of the Company for the year ended March 31, 2006

**FINANCIAL RESULTS**

Your company has posted a turnover of Rs. 3156.35 lacs as against Rs. 5324.85 lacs of the previous year. The profit for the year after taxes and extraordinary items amounted to Rs. 88.09 lacs as against Rs. 132.44 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**

BIBCOL looking forward to upgrade its existing facilities as per requirement of GMP (Good Manufacturing Practices) and norms of revised Schedule 'M' under Indian Drugs and Cosmetic Act by the end of current financial year. Your company is also moving towards diversification into other related product ranges.

**DIVERSIFICATION**

BIBCOL has taken initiative towards sustainable development in R&D sector as well as diversification of its product portfolio. Over two million children die as a result of diarrhea every year. The introduction of Zinc supplementation in diarrhea treatment provides for a high impact child survival intervention. Zinc Sulphate Dispersible Tablets, thus proves to be a potential product of BIBCOL as it has great impact on reduction of the child mortality rate due to diarrhea and in turn BIBCOL can generate revenue for its sustainability in the market. BIBCOL had pursued this possibility with a great deal of sincerity.

**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) Shri U. N. Behera, I.A.S., retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
- (b) Dr. P. Biswal, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
- (c) Prof. V. S. Chauhan has been nominated/appointed in lieu of Prof. U. C. Chaturvedi in the Board of Directors as Chairman (Part Time) by the Government of India pursuant to Clause 41(a) of the Article of Association of the Company.

Your directors place on record sincere appreciation of the contribution made by Prof. U. C. Chaturvedi during his tenure as Chairman (Part-Time).

- (d) Dr. Satish Kumar Gupta has been nominated on the Board of Directors as Independent Director by the Government of India pursuant to Clause 39(iv) of the Articles of Association of the Company.

**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 2006-2007.

**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/C&AG are given as addendum to Director's 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 and outgo is available at Annexure and forms an integral part of this report.

**PERSONNEL AND INDUSTRIAL RELATIONS:**

Industrial and personnel relations were cordial and harmonious at all levels during the year.

**PARTICULARS OF THE EMPLOYEES:**

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

**DIRECTOR'S 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 along with proper explanation relating to material departures.
2. That the accounting policies selected and applied are consistent and the judgments and estimate made are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit on loss 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) Auditor's Certificate on Compliance of mandatory requirements of Corporate Governance are given in the annexure to this report.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation and gratitude to the Company's Principal, Investors, its bankers and all its business associates for their unstinted support and valuable guidance and record devoted services rendered by all categories of employees during the year.

For and on behalf of Board of Directors,

(V. S. Chauhan)  
Chairman

Place : Bulandshahr.

Date : 25/07/2006.



**ANNEXURE TO DIRECTOR'S 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 2005-2006	Previous Year 2004-2005
(a) Units Purchased	15,20,550	23,35,800
Total Amount (Rs. in lacs)	71.44	100.95
Rate/Unit (in Rs.)	4.70	4.32
(b) Units Generation - own diesel generator	1,01,400	2,10,480
HSD used (Rs. in lacs)	9.28	12.11
Unit per Ltr. of diesel	3.54	4.53
Oil/Cost/Unit (in Rs.)	9.15	5.75

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

Particulars	Current Year 2005-2006	Previous Year 2004-2005
Quantity (K Lts.) (Used in Boilers).	40.55	69.98
Total Amount (Rs. in lacs)	10.57	14.71
Average Rate (Rs./K/Ltr.)	26,074	21,022

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

Source of Energy	Standard (if any indigenous Production)	Current Year 2005-2006	Previous Year 2004-2005
Electricity	4655 Units	2421	2129
Light Diesel Oil	520 Ltrs	60.52	58.51
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 to actual consumption.

(Rs. in Lacs)

Particulars	Current Year 2005-2006	Previous Year 2004-2005
(A) Technology Absorption	None	None
(B) Foreign Exchange Earnings	NIL	NIL
(C) Foreign Exchange outgo	1956	3072

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industrial Structure and Development**

BIBCOL 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).

The current plan of action enters 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 customer 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.

### **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).

### **Outlook-opportunities, threats, risk and concerns**

Oral Polio Vaccine is declining, as the Polio is entering into the last phase of eradication. To sustain in the market critically depends of BIBCOL's capability to identify new avenues/products. The survival as a single product company is becoming difficult because of increased competition in the market by private sector. To overcome these risks and to establish itself in the market, BIBCOL has to launch more products in the market, which are commercially viable.

### **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.

### **Financial performance with respect to operation performance**

The same has been discussed elaborately in the Directors' Report.

### **Human Resources**

The Company regards its human resources amongst its most valuable assets and proactively reviews and evolves policies and process to attract and retain its substantial pool of scientific, technical and managerial resources through a work environment that encourages initiative, provides challenges and opportunities.

### **Cautionary Note**

Certain statements in the above report may be forward looking and are stated as required by legislations in force. The actual results may be affected by many factors, which may be different from what the Directors/Management envisages in terms of future performance and outlook.



**REPORT ON CORPORATE GOVERNANCE**

BIBCOL adopted the best corporate governance practices since inception and the same is being continuously reviewed to ensure that they adhere to the latest corporate developments and conform to the best corporate governance ethics.

**In accordance with Clause 49 of the listing agreement with the stock exchanges, the details of compliance by the Company are as under:**

**1. Board of Directors**

The Board is having a non-executive Chairman and appropriate composition of Executive and Non-Executive Directors conforming to the specification provided in the Listing Agreement. All the Directors are equipped with variety of perspectives and skills, to ensure effectiveness of the Board, facilitating efficient discharge of duties and adding value in the context of the Company's circumstances.

The Board of Directors consists of 6 directors and the composition and category of Directors is as follow:

**Board Meeting Attended by Directors:**

Name	Category	Other Directorship	No. of Committee membership held in other company	Board Meeting Attended (Nos.)	Attendance at last AGM
Prof. U.C. Chaturvedi	Chairman (Part-Time) Independent Non-Executive	None	Nil	05	Present
Shri. U.N. Behera, IAS	Managing Director Executive	One (1)	Nil	05	Present
Shri K.P. Pandian	Non-Executive	One (1)	Nil	04	—
Dr. C.M. Gupta	Independent Non-Executive	One (1)	Nil	Nil	—
Dr. P. Biswal	Independent Non-Executive	None	Nil	04	—
Dr. Satish Kumar Gupta	Independent Non-Executive	None	Nil	02	—
Dr. Sudhanshu Vrati*	Independent Non-Executive	None	Nil	Nil	—

\* Ceases from the post of Director, BIBCOL on 08/08/2005.

Five Board Meetings of the Company were held during the year on the following dates:  
**26/04/05, 25/07/05, 28/10/05, 27/01/06 and 28/03/06**

None of the Directors on the Board hold directorship in more than fifteen companies and no Director is a member of more than 10 committees and Chairman of more than 5 Committees (as specifies in Clause 49), across all the Companies of which he is a Director. The necessary disclosures regarding committee positions have been made by the Directors.