



**BIBCOL**

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# **EIGHTEENTH ANNUAL REPORT**

## **2006—2007**

**BHARAT IMMUNOLOGICALS & BIOLOGICALS CORPORATION LIMITED**

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

**SHARAT IMMUNOLOGICALS & BIOLOGICALS CORPORATION LIMITED****BOARD OF DIRECTORS**

PROF. V. S. CHAUHAN	:	CHAIRMAN
SH.S. SUBBIAH, IAS	:	MANAGING DIRECTOR
SH. N.S. SAMANT, IAS	:	J.S. DBT, DIRECTOR
SHRI. K. P. PANDIAN	:	JS & FA, DST, DIRECTOR
DR. P. BISWAL	:	DIRECTOR
DR. SATISH GUPTA	:	DIRECTOR
DR. NAVIN CHANDRA KHANNA	:	DIRECTOR
DR. B.L. JAILKHANI	:	DIRECTOR

**REGISTERED OFFICE** : VILL. CHOLA, DISTT.

BULANDSHAHR (U.P.)

**AUDITORS**

GIANENDER & ASSOCIATES

CHARTERED ACCOUNTANTS

PLOT NO.6, SITE NO.21

GEETA MANDIR MARG,

NEW RAJENDER NAGAR,

NEW DELHI 110060

**BANKERS**

CANARA BANK, 9 COMMUNITY CENTER,

GULMOHAR ENCLAVE, NEW DELHI -49

**REGISTERAR & 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

Tel. No. : 011-29961281 to 83.

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## BHARAT IMMUNOLOGICALS &amp; BIOLOGICALS CORPORATION LIMITED

**NOTICE**

Notice is hereby given that 18<sup>th</sup> Annual General Meeting of the Members of Bharat Immunologicals & Biologicals Corporation Limited (BIBCOL) will be held as scheduled below:

Date 29/09/2007

Time 11.30 A.M.

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

For transaction of the following Business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet of the company as at March 31, 2007 and the Profit & Loss Account for the year ended on that date and Reports of the Directors and Auditors, thereon.
2. To approve the appointment of Sh. S. Subbiah, who was appointed as Managing Director on the Board of Directors, by Government of India pursuant to Article 4.1 (a) of the Article of Association of the Company.
3. To approve the appointment of Sh. N.S. Samant as Director of the Company.
4. To approve the appointment of Dr. Navin Chandra Khanna as Director of the Company.
5. To approve the appointment of Dr. B.L. Jaikhan as Director of the Company.

**Special Business:**

3. To consider and if thought fit, to pass with or without modification (s), the following resolution:

"RESOLVED THAT pursuant to Section 163 of the Companies Act, 1956, the Company hereby approves that the Register of Members, Index of Members, prepared by the Company under Section 159 of the Act together with copies of certificates and documents required to be annexed thereto under Section 161 of the Act or any one or more of them shall be kept at the office of M/s. Beetal Financial & Computer Services (P) Ltd., Beetal House, 11<sup>th</sup> Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110 062 instead of at Registered Office of the company till 30.09.2010 or till the Annual General Meeting of the Company for the financial year ending on 31.03.2010 is held, whichever is later"

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to terminate the aforesaid arrangement of keeping the above said documents at the aforesaid address at their absolute discretion before the expiry of said period considering the requirements of business from time to time".

"FURTHER RESOLVED THAT the Registers, Index, Books certificates and documents of the Company required to be maintained at the place where they are kept, to the extent, in the manner and on payment of fees, if any specified in the Companies Act to be kept open for inspection between 10.00 hrs to 12.00 hrs noon on all working day except when the Registers and books are closed under the provision of the Act or 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. Proxies shall not have any voting rights except on a poll.
3. Only bonafide members of the Company whose names appear on the Registrar of Members/Proxy holders in possession of valid attendance slips duly filed 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 closed from 24/09/2007 to 30/09/2007 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 filed 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.

BHARAT IMMUNOLOGICALS &amp; BIOLOGICALS CORPORATION LIMITED

**Annexure to Notice: Explanatory Statement u/s 173(2) of the Companies, Act, 1956.****Item No. 3-**

M/s. Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110 062, has been appointed as Registrars and Share Transfer Agents for attending the matters relating to the registration and certification of the transfer of shares of the company, maintaining the Register of Members and Index of Members and doing all such other works as is normally being done by the Registrars including dematerialization of Shares as per the approval of Shareholders in the Annual General Meeting of the Company. The above arrangement is valid up to the conclusion of 18th Annual General Meeting. The Company proposes for extension of above arrangement till 2010 with a view to enable the Registrars to carry out their duties efficiently and expeditiously, it would be desirable to keep the Register of Members, the Index of Members together with the copies of certificates and documents required to be annexed thereto at their office at 99, Madangir (3rd Floor), Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110 062 instead of at the Registered Office of the Company. Having regard to Section 163 of the Companies Act, 1956 the approval of the shareholders by a special resolution is required, if the aforesaid books etc. are kept at any place other than the Registered Office of the Company. Therefore, shareholders approval for keeping the aforesaid records/ documents at the office of M/s. Beetal Financial & Computer Services (P) Ltd, 99, Madangir (3<sup>rd</sup> Floor), Behind Local Shopping Centre, Near Dada Sukhdas Mandir, New Delhi- 110 062 is sought till 30.09.2010 or till the Annual General Meeting of the Company for the financial year ending on 31.03.2010 is held whichever is later.

The advance copy of the special resolution has been delivered to the Office of the Registrars of Companies, U.P. as required by Section 163(2) of the Companies Act, 1956.

None of the Directors has any interest in the resolution except as member, if any, of the Company.

By Order of the Board

Registered Office:  
Village: Chola  
PO/District: Bulandshahr (U.P.)  
Date: 13.07.2007

(S. Subbiah)  
Managing Director

**BHARAT IMMUNOLOGICALS & BIOLOGICALS CORPORATION LIMITED****DIRECTOR'S REPORT**

Your Directors have pleasure in presenting 18<sup>th</sup> Annual Report together with Audited Statements of Accountants of the Company for the year ended March 31, 2007.

**FINANCIAL RESULTS**

On account of facilities upgradation, your Company could not undertake any processing work. However, as there was no lay off, the Company was to pay Pay & Allowances. The Company also maintains the imported vaccine. In addition to this, maintaining of utilities was also a compulsion. Therefore, there was a committed expenditure of Rs. 5.22 crores against no revenue (previous year 31.56 crores) except that of interest accrued on the term deposit of Rs.19.57 crores (as of 31.03.2007) resulting into net loss of Rs.3.42 crores against profit of 0.88 crores in the previous year.

**DIVIDEND**

In view of carry forward losses and loss incurred during the current financial year your Directors have not recommended any dividend for the current year

**FUTURE OUTLOOK**

BIBCOL is in the process of up gradation of its existing facilities as per requirement of GMP (Good Manufacturing practice) and norms of revised Schedule 'M' under Indian Drugs and Cosmetic Act. Your company has also taken up production of zinc dispersible tablets and the production is likely to commence during the Financial Year 2007-08.

**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 composite of Board of Directors since last Annual Report is given below:

- (a) Sh. U.N. Behra , Joint Secretary , DBT and Director of the Company who was given additional charge of Managing Director has relinquished the charge and Sh. N.S. Samant, Joint Secretary, DBT has assumed charge as a Director of the Company on 19/01/2007
- (b) Sh. S. Subbiah has been appointed as Managing Director by the Government of India pursuant Clause 41 (a) of the Article of Association of the Company and he has assumed charge on 17/01/2007.
- (c) Dr. C.M. Gupta has relinquished the directorship during the year.
- (d) Dr. Navin Chandra Khanna has joined as Director on 29/08/2006 (e) Dr. B.L. Jaikhanani has joined as Director on 29/08/2006.

**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 2007-2008.

**AUDITOR'S REPORT**

M/s. Gianender & Associates, Chartered Accountants have been appointed as Statutory Auditors of the Company by Comptroller and Auditor General of India for the period under review.

Comments on the observation of the Auditors' /CAG are given as addendum to Director's Report and are self-explanatory and/or suitably explained in various Notes on the Accounts.

**BHARAT IMMUNOLOGICALS & BIOLOGICALS CORPORATION LIMITED****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 exchange outgo is available at Annexure and forms an integral part of this report.

**PERSONNEL AND INDUSTRIAL RELATIONS:**

Industrial and personal 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 (2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975 as amended.

**DIRECTOR'S 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 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) 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, bankers and all business associates for their unstinted support and valuable guidance and record devoted services rendered by all categories of employees during the year.

**For and behalf of Board of Directors**

**(V.S.CHAUHAN)**  
**Chairman**

Place: Bulandshahr.  
Date: 13.07.2007

BHARAT IMMUNOLOGICALS &amp; BIOLOGICALS CORPORATION LIMITED

**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 2006-2007	Previous Year 2005-2006
((a) Units Purchased	7,06,630	15,20,550
Total Amount (Rs. in lacs)	56.97	71.44
Rate / Unit (in Rs.)	8.06	4.70
(b) Units Generation – Own diesel generator	1,06,118	1,01,400
HSD Used (Rs. in Lacs)	8.64	9.28
Unit per Ltr. of diesel.	4.15	3.54
Oil / Cost/ Unit (in Rs.)	8.14	9.15

**2. Light Diesel Oil (Used for stream Production) :**

Particulars	Current Year 2006-2007	Previous Year 2005-2006
Quantity (K Ltrs.) (Used in Boilers).	2.15	40.55
Total Amount (Rs. in Lacs)	0.60	10.57
Average Rate (Rs. / K/ Ltr.)	27,748	26,074

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

Source of Energy	Standard (if any) indigenous Production	Current Year 2006-2007	Previous year 2005-2006
Electricity	4655 Units	No Production	2421
Light Diesel Oil	520 Ltrs	No Production	60.52
Others	None	No Production	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 .

Particulars	Current Year 2006-2007	Previous Year 2005-2006
(A) Technology Absorption	For production of Zinc dispersible tablets	None
(B) Foreign Exchange Earnings	NIL	NIL
(C) Foreign Exchange outgo	131.36	1956

BHARAT IMMUNOLOGICALS &amp; BIOLOGICALS CORPORATION LIMITED

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Industrial Structure and development**

BIBCOL is processing 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 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 customer i.e. Ministry of Health and Family Welfare, Govt. of India, and exploring new markets to improve profitability and thereby, rewarding the shareholders at the earliest.

**Segment-wise or product-wise performance**

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

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

- Opportunities: Growing importance of vaccine in public health, concern about increasing disease among public provide opportunities for new vaccine & biological.
- Threats: Too many players, import of vaccine from unauthorized sources and reluctance of the Ministry of Health & Family Welfare to award the entire supply order to a PSU that is established for this purpose.
- Risks: End of business cycle of OPV, and continuous quality standards up gradation to make present facilities and processes redundant.
- Concerns: Perpetual import of vaccine, non-availability of technology and open market opportunity access.

**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 fulfill 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. It 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. However, at lower levels, employees need to be updated for recent developments and quality standards through training to get better performance.

## BHARAT IMMUNOLOGICALS &amp; BIOLOGICALS CORPORATION LIMITED

**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 8 directors (as at 15/06/2007) and the composition and category of Directors is as follows:

**Board Meeting Attended by Directors:**

Name	Category	Other Directorship	No. Committee membership held in other company	Board Meeting Attended (Nos.)	Attendance at last AGM
Dr. V.S. Chauhan (Joined on 22.05.2006)	Independent Non- Executive Chairman (Part Time)	None	Nil	05	-
Sh. N.S. Samant, IAS (Joined on 19.01.2007)	None- Executive	One (1)	Nil	01	-
Shri K.P. Pandian	Non- Executive	One (1)	Nil	05	-
Dr. P. Biswal	Independent Non – Executive	None	Nil	01	-
Dr. Satish Gupta	Independent Non- Executive	One (1)	Nil	05	-
Dr. B.L. Jaikhan	Independent Non- Executive	None	Nil	02	Present
(Joined on 29.08.2006)				02	-
Dr. Navin Khanna (Joined on 29.08.2006)	Independent Non Executive	None	Nil	01	-
Sh. S. Subbiah (Joined on 17.01.2007)	Executive	None			
Prof. U.C. Chaturvedi (Relinquished Charge on 21.05.2006)	Independent, Non Executive Chairman (Part Time)	None	Nil	01	-
Sh. U.N. Behera (Relinquished charge on 22.11.2006)	Non- Executive	One (1)	Nil	04	Present

Six Board meetings of the Company were held during the year on the following dates: 1. 28/04/2006, 2. 09/06/2006, 3. 25/07/2006, 4. 29/08/2006, 5. 30/10/2006 to 6. 19/01/2007.

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

There are no pecuniary relationships or transactions of the non-executive directors' vis-a-vis the Company.