



Bi Limited

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14th Annual Report 2000-2001

Bi Limited - Formerly known as Bhandari Industries Ltd



"For nearly two decades, Bhandari Industries Limited has been servicing the textile and pharmaceutical sector in global market. Many new businesses are likely to be added in the coming years. The team of like-minded people is expanding with many qualified and dedicated professionals joining. To represent the dynamic and progressive nature of the team, the name change was necessitated.

Some internal discussions and thoughts explaining **Bi**:

Just **Be i**

Beyond i

Beyond imagination

Business intelligence

Brilliant innovation

With this new identity, Team **Bi** looks forward to the future with great promise and commitment."

Dear Shareholders,

The financial year 2001 was great in many ways. Your Company is growing faster than ever before and moving towards leadership in Asia in both its product categories- Bilcare and Biltube.

We have a new identity now- we have changed our name from "Bhandari Industries Ltd." to '**Bi** Limited'. Team **Bi** is today budding with young entrepreneurs raring to go. **Bi** correctly represents this spirit of your Company.

The operations of your Company continue to do well. After having established complete leadership in medical packaging in India, Team Bilcare's next target is leadership in Asia. Your Company has opened up a branch office in Singapore to expedite the market penetration in the Far East. Bilcare will be launching various high technology products to cater to the medical packaging requirement of the demanding pharmaceutical customers. The emphasis on R&D continues to be strong and Bilcare is emerging as a backbone for packaging research for numerous pharmaceutical companies.

Biltube has consolidated its market leadership position in Indonesia and Thailand and is moving fast into the markets of Australia, New Zealand and the highly quality conscious and huge market of Japan. The capacity at the Indonesian plant will be going up from 7000 TPA to 16000 TPA from July 2001.

Coming to Team **Bi**, it continues to become bigger and stronger. A few examples here will give you the spirit of your team. The Bilcare plant runs without a supervisor. Your Company is delivering films to customers anywhere in the country within seven days. We have just started a 24-hour call center for our customers. The hygiene standards in the Bilcare plant are continuously improving. It is great working here and we are all enjoying this thoroughly.

Internally at **Bi**, we are giving a lot of emphasis to technology. We have just implemented JD Edwards ERP. Work is also in process to complete the e-Commerce site, whereby our customers will be able to meet all their requirements on the Internet. That will leave the sales representatives of your Company to add more value in their personal interaction with the customers.

Our primary goal remains at maximizing shareholder value. The turnover of your Company grew at 49% in FY2001 ended March 31, 2001 and growth in PAT was 44% over the previous year. Sales at PT Bhandari Mishindo, your Company's subsidiary in Indonesia, grew at 58% to Indonesian Rupiah 48.56 Bn. for the year ended December 31, 2000.

I once again look forward to your comments and feedback on the performance of your Company.

With warm regards,

Mohan Bhandari
Managing Director

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the members of **Bi LIMITED** will be held on Saturday 2nd day of June 2001 at 4.00 P.M. at the Registered Office of the Company at Gat No.1028, Village Shirol, Tal. Khed, Rajgurunagar, Pune 410 505 to transact the following business :

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date together with the Report of the Directors' and Auditors' thereon.
- 2) To declare dividend.
- 3) To appoint a Director in place of Mr. Kiran H Bhandari, who retires by rotation, and being eligible, offers himself for reappointment.
- 4) To appoint a Director in place of Mr. Rajendra B Tapadia, who retires by rotation and being eligible, offers himself for reappointment.
- 5) To appoint the Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

RESOLVED THAT the Authorised Share Capital of the Company be and is hereby increased from the present Rs. 3,50,00,000/- divided into 35,00,000 Equity Shares of Rs. 10/- each to Rs.8,50,00,000/- divided into 35,00,000 Equity Shares of Rs. 10/- each and 50,00,000 Preference Shares of Rs. 10/- each, provided that the Preference Share Capital as may be issued and allotted from time to time shall be subject to the rights, terms and conditions as may be specifically attached to each of the Preference Shares at the time of their issue and further subject to the overall terms and conditions stipulated in the Articles of Association of the Company.

FURTHER RESOLVED THAT in Clause V of the Memorandum of Association of the Company, for the words and figures, "The Authorised Share Capital of the Company is Rs. 3,50,00,000/- (Rs. Three Crores Fifty Lacs) divided into 35,00,000 (Thirty Five Lacs) Equity Shares of Rs. 10/-(Rs. Ten) each", the following shall be substituted :

"The Authorised Share Capital of the Company is Rs. 8,50,00,000/- (Rs. Eight Crores Fifty Lacs) divided into 35,00,000 (Thirty Five Lacs) Equity Shares of Rs. 10/- (Rs. Ten) each and 50,00,000 (Fifty Lac) Preference Shares of Rs. 10/- (Rs. Ten) each".

FURTHER RESOLVED THAT in Article No. 3 of the Articles of Association of the Company, for the words and figures, "The Authorised Share Capital of the Company is Rs. 3,50,00,000/- (Rs. Three Crores Fifty Lacs) divided into 35,00,000 (Thirty Five Lacs) Equity Shares of Rs. 10/- (Rs. Ten) each", the following shall be substituted :

"The Authorised Share Capital of the Company is Rs. 8,50,00,000/- (Rs. Eight Crores Fifty Lacs) divided into 35,00,000 (Thirty Five Lacs) Equity Shares of Rs. 10/- (Rs. Ten) each and 50,00,000 (Fifty Lac) Preference Shares of Rs. 10/- (Rs. Ten) each".

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

RESOLVED THAT in Article No. 7 of the Articles of Association of the Company, for the words 'Preference Shares', the following shall be substituted:

"Preference Shares, cumulative or non cumulative, convertible or non convertible"

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

RESOLVED THAT pursuant to Section 81(1A) of the Companies Act, 1956, and other applicable provisions, if any, of the said Act, and in accordance with the provisions of the Memorandum and Articles of Association of the Company and also subject to such terms and conditions as may be determined by the Board of Directors of the Company (the "Board" which term shall be deemed to include for the purposes of this resolution any Committee of Directors) and further also subject to such approvals, consents, permissions or sanctions of appropriate authorities and also of Financial Institutions and Banks etc. with whom the Company has any borrowing arrangements and under which such approvals, consents, permissions, sanctions may be necessary, the consent of the Company be and is hereby accorded to the Board offering, issuing and allotting to the Bodies Corporate, Financial

Institutions, Foreign Institutional Investors, Mutual Funds, Promoters, Directors or any other persons/ parties, whether they are holders of Equity Shares of the Company or not, in one or more trenches, from out of the Authorised Capital of the Company an appropriate number of Preference Shares Cumulative or Non-Cumulative, at par and in such numbers as the Board may decide, for a sum not exceeding Rs.5,00,00,000/- (Rupees Five Crore only) in the manner and on the terms and conditions as may be determined by the Board and that :

1. The Preference Shares issued and allotted by the Company in the manner aforesaid, will be subject to the provisions of the Companies Act, 1956 and Memorandum and Articles of Association of the Company;
2. The aforesaid Preference shares will carry such rate of dividend that may be fixed by the Board of Directors at its absolute discretion;
3. The entitlement to the dividend will be either Cumulative or Non-Cumulative as the Board may decide, and
4. The Preference shares will be redeemable at such price, in one or more instalments on expiry of specified periods as may be agreed to by the Board and the subscriber(s)."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to fix, determine, vary, alter, change the terms and conditions for issue and allotment of Preference Shares in terms of this Resolution."

- 9) To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293 (1) (a) and all other applicable provisions, if any, of the Companies Act, 1956 for mortgaging and charging all movable and immovable properties of the Company, wherever situate, present and future, and the whole of the undertaking of the Company, including the properties created and to be created at the Company's factories at Shirol, Tal. Khed and Patalganga with power to take over the management of the business and concern of the Company in certain events, to or in favour of the participating Financial Institutions and / or Banks in connection with various term loans, other fund based and non fund based credit limits sanctioned/to be sanctioned by them to the extent of an amount

which may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, by an amount not exceeding Rs. 100 crores.

"FURTHER RESOLVED THAT, pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 and all other applicable provisions, if any, of the said Act, the borrowing power of the Company to borrow any sum or sums of monies, from time to time, together with the monies already borrowed, be increased to an amount which may exceed the aggregate of the paidup capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, by an amount not exceeding Rs.One Hundred Crores."

- 10) To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to Section 293(1)(a) of the Companies Act, 1956 and subject to such approvals, if any, as may be required, the Company hereby accords consent to and authorises the Board of Directors of the Company to mortgage and / or sale, transfer or otherwise dispose off as a going concern the whole or substantially the whole of the undertaking or one or more undertakings of the Company, wherever situated, comprising the movable and immovable properties, other assets, rights and interest therein at such price and on such terms and conditions as the Board of Directors may think proper and beneficial for the Company to any company or other person and the Board is hereby authorised to do all such acts, deeds, matters and things as may be necessary, incidental or ancillary to the sale of the undertaking(s) and to implement this resolution."

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

"RESOLVED THAT, in supersession of earlier resolutions passed by the Company in this behalf and pursuant to the provisions of section 372A of the Companies Act,1956 and subject to the approval of the Reserve Bank of India and such other approval as may be necessary, sanction and approval of the Company be and is hereby accorded to the Company to Incorporate Subsidiaries in Singapore and to subscribe to the Share Capital of such Subsidiaries to be named Bilcare Asia Pte Ltd. and Biltube Asia

Pte Ltd. or such other name as may be approved by the concerned authorities subject to an over all limit of Rs. 150 Lacs, to be subscribed in one or more trenches.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to settle all the matters arising out of and incidental to the proposed investment and generally to take all such steps as are necessary to the implementation of this resolution."

By Order of the Board of Directors

For Bi Limited

Place : Pune
Date : 2nd May, 2001

Mohan H. Bhandari
Managing Director

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out the material facts relating to the special business mentioned in the accompanying notice dated 2nd May, 2001.

Item No. 6

At present the Authorised Share Capital of the Company is Rs.3,50,00,000/- divided into 35,00,000 Equity Shares of Rs.10/- each, whereas the Subscribed and paid-up Capital of the Company is Rs.3,28,21,875/-.

Considering the increased business activities of the Company, to augment the long-term resources of the Company, and to improve the debt-equity ratio, it is desirable to bring the share capital in proper relation with the growth of the Company.

Accordingly it is proposed to increase the Authorised Share Capital of the Company by Rs.5,00,00,000/- by creation of 50,00,000 Preference Shares of Rs.10/- each. Accordingly the Special Resolution at Item No.6 of the Notice is recommended for your approval, for increase in Authorised Share Capital of the Company and for consequential changes in the Capital clauses of the Memorandum and Articles of Association of the Company.

Item No. 7

The Articles of Association in present form mentions only about the Preference Shares. To give better clarity and wide options to issue various preference shares it is proposed to add cumulative, non cumulative convertible or non convertible shares. Presently under

Article No. 7 of the Articles of Association of the Company issue of preference shares is empowered subject to provisions of Section 80 of the Companies Act, 1956. Although the Directors have the power to classify the Preference Shares as cumulative or non-cumulative, convertible or non-convertible etc., with a view to removing any doubts, a specific provision is being made in the Articles of Association enabling the Directors to issue redeemable cumulative or non-cumulative, convertible or non-convertible preference shares. It is therefore proposed to amend Clause No.7 of the Articles of Association of the Company by substituting the words " Preference Shares, cumulative or non-cumulative, convertible or non-convertible" for the words "Preference Shares" in the said clause.

Item No. 8

Special Resolution at Item No. 8 of the Notice is also recommended for your approval, pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, as these shares may be offered to any persons who may or may not be the existing Equity Shareholders of the Company. Accordingly the said resolution is for your approval for issue of Preference Share Capital and for empowering the Board of Directors to carry out all necessary steps and issue Preference Shares to the extent of Rs.5,00,00,000/-.

The Directors may be deemed to be interested or concerned to the extent of Preference Shares that may be taken up by themselves and / or by Companies in which they may be deemed to be interested as Directors or Shareholders.

Item No. 9

The Shareholders of the Company in its Extra Ordinary General Meeting held on 20th September, 1997 have passed a resolution U/s 293(1)(d) authorising the Board of Directors to borrow from time to time any sum or sums of monies which together with the monies already borrowed, other than temporary loans, cash credit and working capital loan shall be within an overall limit of Rs.Fifty Crores.

With the recent expansion and diversification projects being set up and the fresh credit facilities availed for the purpose, the Company has already reached the said limit.

Considering the future business plans, it is necessary to increase the said limit. To increase the said borrowing powers, the approval of the Shareholders U/s 293 (1)(d) is necessary.

Item No. 10

Section 293(1)(a) of the Companies Act, 1956, provides, *inter alia*, that the Board of Directors of a public company or of a private company which is a subsidiary of a public company, shall not, except with

the consent of the company in general meeting, sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the company, or where the company owns one or more undertakings, then the whole, or substantially the whole of any such undertaking. Accordingly, the said resolution of the Notice, seeks the consent of the Company for the sale, transfer or otherwise disposal of the whole or substantially the whole of any such undertaking/s of the Company and authorise the Board of Directors to do the same on behalf of the Company.

Accordingly the resolutions as set out in Item No. 10 of the Notice is recommended for your approval.

None of the Directors are in any way concerned or interested in the passing of the said Resolutions.

Item No. 11

The products of your company cater to two different categories of Industry. "Bilcare" brand of products meet the packaging requirement of the pharmaceutical Industry and "Biltube" products are used in the Textile Industry.

Both the Products of the Company have great potential abroad, especially in the Asian region. As informed to you earlier the Company plans to set up independent Subsidiaries in Singapore to cater to the huge requirement of both the Categories of Products of the Company in the the Asian region.

The subsidiaries will be formed under the name of "Biltube Asia Pte Ltd" or such other name as may be approved by the concerned authorities. The Company will subscribe to the Share Capital of each of the Subsidiaries subject to an aggregate overall limit of Rs 150 Lacs.

Present investment will be made out of the internal accruals of the Company.

Your Directors are of the opinion that the proposed investment will be in the interest of the Company and hence recommend the Special Resolution be passed.

None of the Directors is interested or concerned in the said Special Resolution.

By Order of the Board of Directors

For Bi Limited

Date : 2nd May, 2001
Place : Pune

Mohan H. Bhandari
Managing Director

NOTES :

- 1) Notice is also given that the Register of Members and Share Transfer Books in respect of Equity Shares of the Company will remain closed from 24th May, 2001 to 2nd June, 2001 (both days inclusive).
- 2) 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.
- 3) The instrument appointing proxy should however be deposited at the Corporate Office of the Company not less than 48 hours before the commencement of the meeting.
- 4) Under the Companies Act, 1956, voting is by show of hands unless a poll is demanded by a member or members present in person, or by proxy holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000. A proxy may not vote except in a poll.
- 5) The dividend on Equity Shares as recommended by the Directors for the year ended 31st March 2001, if declared at the Annual General Meeting of the Company will be paid within 30 days from the date of declaration, to those shareholders whose names appear on the Register of Members as on 2nd June, 2001.
- 6) Members/proxies should bring duly filled Attendance Slips sent herewith for attending the meeting.
- 7) Members holding shares in the dematerialised form, are requested to bring their depository account number for identification.
- 8) The register of Contracts, maintained under Section 301 of the Companies Act, 1956, is available for inspection by the members at the Registered Office of the Company.
- 9) The register of Directors' shareholdings, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the Annual General Meeting.
- 10) Members desiring any information on the Accounts are requested to write to the Company atleast one week before the meeting so as to enable the Management to keep the information ready.

By Order of the Board of Directors

For Bi Limited

Mohan H. Bhandari
Managing Director

Bilcare

technology for medical packaging



BILCARE is a unique organisation

focused exclusively on the latest

packaging technology for medicines.

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Team BILCARE is an established

Supply Chain Partner meeting the

packaging needs of leading pharma

manufacturers the world over.

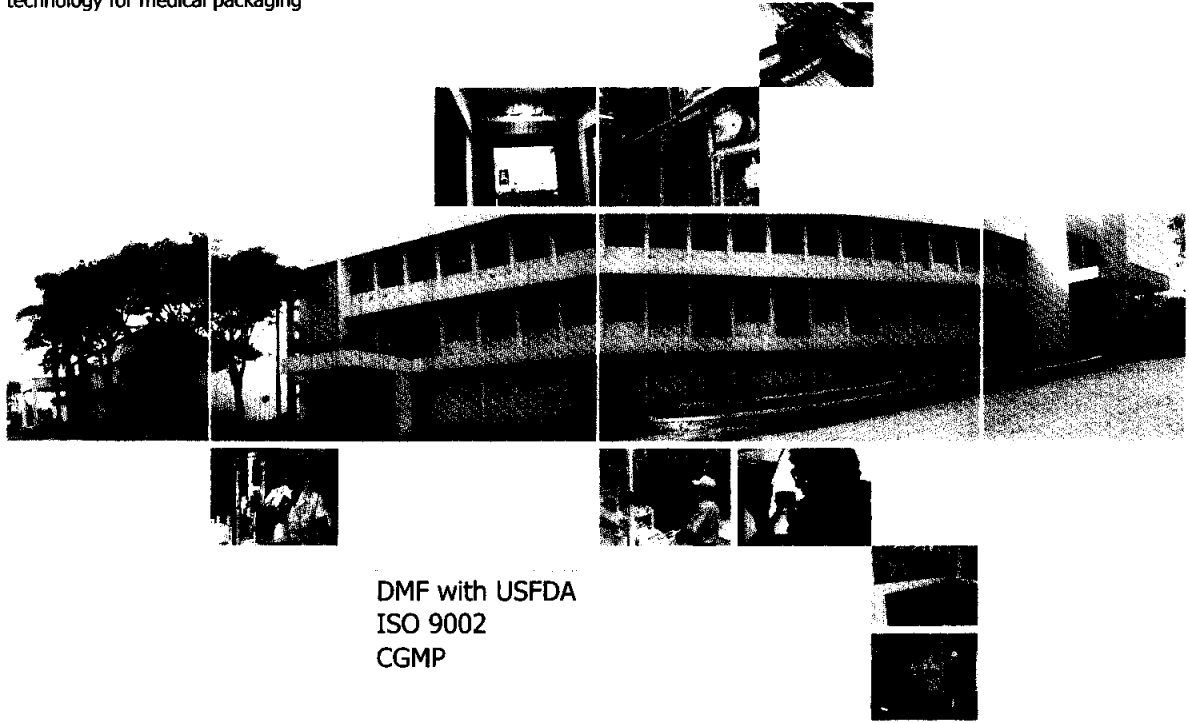
BILCARE is an integral part of the

pharma industry's quality and safety

commitment to its customers.

medical
packaging

Bilcare
technology for medical packaging



DMF with USFDA
ISO 9002
CGMP

Hygienic
Environment



Supply Chain
Partner

Barrier films-
an integral part
of medicines

Bi Limited**BOARD OF DIRECTORS**

Mr. Abhay N. Firodia	<i>Chairman</i>
Mr. Mohan H. Bhandari	<i>Managing Director</i>
Mr. Rajendra B. Tapadia	<i>Director</i>
Mr. Pradyut D. Datta	<i>Nominee Director (SICOM Limited)</i>
Mr. Kiran H. Bhandari	<i>Whole Time Director</i>
Mr. Prakash H. Bhandari	<i>Whole Time Director</i>

AUDITORS

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

REGISTERED OFFICE

Gat No. 1028, Village Shirol
Tal.: Khed, Rajgurunagar,
Pune 410 505

FINANCIAL INSTITUTIONS

ICICI Limited
Sicom Limited
Export Import Bank of India

MANUFACTURING FACILITIES

Gat No. 1028, 1029
Village Shirol,
Tal.: Khed, Rajgurunagar,
Pune 410 505

BANKERS

Bank of India
Central Bank of India
Janata Sahakari Bank Limited
The Vysya Bank Limited

Plot No. 25, WMDC,
Kharabwadi, Chakan,
Pune 410 501

A-10 MIDC, Patalganga,
Khaire 410 203

CORPORATE OFFICE & SHARE DEPARTMENT

307, Narayan Peth,
Laxmi Road,
Pune 411 030

PT BHANDARI MISHINDO, INDONESIA

Kawasan Industri, Kota Bukit Indah,
Block D-II, No. 24-25
Campaka Purwakarta, 41181,
Indonesia

STOCK EXCHANGES

Pune Stock Exchange Ltd.
Shivleela Chambers, R. B. Kumbekar Marg, Pune 411 030.

The Stock Exchange Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

The Stock Exchange Ahmedabad
Kamdhenu Complex, Near Polytechnic, Panjarapole, Ahmedabad 380 015.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have the pleasure in presenting the FOURTEENTH Annual Report of the Company together with the Audited Accounts for the financial year ended March 31 , 2001.

1. FINANCIAL RESULTS :

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
a. Sales and other Income	5503	3687
b. Profit before Depreciation and Tax	614	431
c. Depreciation	162	111
d. Profit Before Tax	452	320
e. Provision for Tax	45	38
f. Profit after Tax	407	282
g. Transfer to General Reserve	40	30
h. Proposed Dividend	49	39
i. Dividend Tax	5	9
j. Balance c/f to the Balance Sheet	775	461

2. DIVIDEND :

The Directors of your Company have recommended a Dividend of Rs. 1.50 per Equity Share for the financial year ended March 31, 2001.

3. REVIEW OF OPERATIONS :

The performance of the Company, in the year under consideration, has been good. There has been substantial growth in volume of business with the Pharmaceutical Industry. In comparison to the previous financial year, the Sales of the Company increased by 49 %. Upgradation of plant, optimisation of operational efficiency and energy conservation programmes have contributed to the healthy growth of the Company. The net profit of the Company has increased by 44 %. "Bilcare" and "Biltube", the Brands of your Company are the market leaders in their respective market segment, in India.

4. CHANGE IN NAME FROM BHANDARI INDUSTRIES LIMITED TO Bi LIMITED :

In your Extra Ordinary General Meeting held on 23rd December 2000 shareholders had given permission for change in the name of the Company. Accordingly, the Company got the certificate indicating change in the name from Registrar of Companies, pune. The name of the Company has been changed from Bhandari Industries Limited to **Bi** Limited.

5. SUBSIDIARY'S OPERATIONS

The Indonesian Subsidiary, P. T. Bhandari Mishindo (PTBM), is in the process of consolidating its market share in the South East Asian Region. It did well for the year ended December 31, 2000. The Turnover of PTBM has increased by about 58 %.