



BIBCOL

NINETEENTH ANNUAL REPORT
2007 - 2008

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

BHARAT IMMUNOLOGICALS AND 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
SH. K. P. PANDIAN	:	JS & FA, DST, 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

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

Tel. No. : 011-29961281 to 83

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BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

NOTICE

Notice is hereby given that 19th Annual General Meeting of the Members of Bharat Immunologicals and Biologicals Corporation Limited (BIBCOL) will be held as per following schedule:

Date 15/12/2008 (Monday)

Time 11.30 A.M.

Venue: Bharat Immunologicals and 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, 2008 and the Profit & Loss Account for the year ended on that date and Reports of the Directors and Auditors, thereon.

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 09/12/2008 to 15/12/2008 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, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110062.

By Order of the Board

Registered Office:
Village: Chola
PO/District: Bulandshahr (U.P.)
Date: 12.11.2008

(S. Subbiah)
Managing Director

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

DIRECTOR'S REPORT

Your Directors have pleasure in presenting 19th Annual Report together with Audited Statements of Accountants of the Company for the year ended March 31, 2008.

FINANCIAL RESULTS

The turnover of the company during the year was of Rs. 13.48 Crores. The other income was of Rs. 0.72 Crore. The other income includes the interest on short term deposits with scheduled banks and Sale of waste materials etc. There was expenditure of Rs. 20.12 Crores against the total income of Rs. 14.21 Crores during the year resulting into net loss of Rs. 5.93 Crores (Previous year Rs. 5.20 Crores)

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

The facilities upgradation as per requirement of GMP (Good Manufacturing practice) and norms of revised Schedule 'M' under Indian Drugs and Cosmetic Act, has been completed during the year.

The Licensing formalities is under process for manufacturing of Zinc dispersible tablet.

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:

Dr. P. Biswal has relinquished the directorship during the year, due to his superannuation w.e.f. 01.10.2007.

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 Bombay Stock Exchange, Mumbai
- (c) The Delhi Stock Exchange Limited, New Delhi.

The company has paid annual listing fee to the above Stock Exchanges for the year 2008-2009.

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.

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 more or less satisfactorily 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 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 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: 28.07.2008

BHARAT IMMUNOLOGICALS AND 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 2007-2008	Previous Year 2006-2007
((a) Units Purchased	15,60,780	7,06,680
Total Amount (Rs. in lacs	76.10	56.97
Rate / Unit (in Rs.)	4.87	8.06
(b) Units Generation – Own diesel generator	3783	1,06,118
HSD Used (Rs. in Lacs) for 16301 Ltrs.	5.50	8.64
Unit per Ltr. of diesel.	4.31	4.15
Oil / Cost/ Unit (in Rs.)	7.85	8.14

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

Particulars	Current Year 2007-2008	Previous Year 2006-2007
Quantity (K Ltrs.) (Used in Boilers).	22.84	2.15
Total Amount (Rs. in Lacs)	6.36	0.60
Average Rate (Rs. / K/ Ltr.)	27.86	27,748

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

Source of Energy	Standard (if any) indigenous Production	Current Year 2007-2008	Previous Year 2006-2007
Electricity	4655 Units	12417	No Production
Light Diesel Oil	.520 Ltrs	*1812	No Production
Others	None	None	No Production

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 2007-2008	Previous Year 2006-2007
(A) Technology Absorption	Nil	For production of Zinc dispersible tablets
(B) Foreign Exchange Earnings	Nil	NIL
(C) Foreign Exchange outgo	1061.32	131.36

* The activities like validation, equipment trials and starting up of plants are also included.

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industrial Structure and development

BIBCOL is formulating Oral Polio Vaccine (OPV). The requirement of OPV is for few more years only and though the Company is the only Central Public Sector Undertaking, it is not the major supplier to the Govt. of India. Over a period of time, the OPV will be replaced by IPV (Inactivated Polio Vaccine). In view of this product diversification is imminent.

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 opportunities to expand the product line to improve profitability and thereby, rewarding the shareholders at the earliest.

The facility upgradation for Oral Polio Vaccine as per requirement of GMP (Good Manufacturing practice) and norms of revised Schedule 'M' under Indian Drugs and Cosmetic Act, has been completed during the year. The company had already supplied 12.6 million doses Oral Polio Vaccines (OPV) during 2007-08 and awaiting for the orders from Ministry of Health & Family Welfare.

Company has completed production facilities for manufacturing Zinc dispersible tablet employing the technology transferred from M/s Nutiset, France by Department of Biotechnology (DBT).

Segment-wise or product-wise performance

The Company mainly operates in processing and supply of Oral Polio Vaccine (OPV).

The Licensing formalities for manufacturing of Zinc dispersible tablet has been completed.

Outlook-opportunities, threats, risk and concerns

Opportunities: Growing importance of vaccine in public health, concern about diseases among public provide opportunities for new vaccine, biologicals, & pharmaceuticals.

Threats: Growth of private manufacturers, non availability of bulk in the India, reluctance of the Ministry of Health & Family Welfare to award supply order to a PSU that was established to support government polio eradication programme.

Risks: End of business cycle of OPV, increased competitors, and lack of innovation

Concerns: Perpetual import of vaccine, non- availability of technology and lack of means to open market opportunity.

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

Effective cost controlling process had been adopted to reduce the Sundry Expenses as could be appreciated from the Profit & Loss Account.

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 and work force through a work environment that encourages initiative, provides challenges and opportunities. However, all employees need to be updated for recent developments and quality standards through training to improve their competence. Regular training programmes were introduced for the employees.

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:

2. 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 seven directors (as at 31/03/2008) and the composition and category of Directors is as follows:

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

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	Independent Chairman (Part Time)	None	Nil	4	-
Sh. N.S. Samant, IAS	Government Director (Part Time)	One (1)	Nil	3	-
Sh. K.P. Pandian	Government Director (Part Time)	One (1)	Nil	3	-
Dr. Satish Gupta	Independent Director (Part Time)	One (1)	Nil	2	-
Dr. B.L. Jaikhan	Independent Director (Part Time)	None	Nil	4	Present
Dr. Navin Chandra Khanna	Independent Director (Part Time)	None	Nil	1	Present
Sh. S. Subbiah (IAS)	Managing Director (Whole Time)	None	Nil	4	Present
Dr. P. Biswal (Relinquished charge on 01.10.2007)	Independent Director (Part Time)	None	Nil	-	-

Four Board meetings of the Company were held during the year on the following dates: 1. 25/04/2007, 2. 13/07/2007, 3.05/11/2007, 4.28/01/2008.

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' of the Company.

Sitting fees to Non- Executive Director (from 01.04.2007 to 31.03.2008)

Non Executive Director	No. of Board/ Committee Meeting Attended	Sitting Fees (Rs.)
Prof. V.S. Chauhan	8	4000
Sh. N S Samant	6	NIL
Dr. Satish Gupta	2	1000
Sh. Navin Chandra Khanna	1	500
Dr. P. Biswal	-	NIL
Sh. K.P. Pandian	6	NIL
Dr. B.L. Jaikhan	4	2000

3. Board and its subordinate Committees

With a view to sub serve the functions specifically prescribed by Clause 49 of the listing agreements; the company has constituted an Audit Committee and Share Transfer and Shareholders Grievance Committee. The following report depicts the composition of the committees and also the nature of functions performed by them during the year under report:

Audit Committee

The Board has constituted an Audit Committee pursuant to Clause 49 of the Listing Agreement and Section 292A of the Companies Act 1956. The role and powers of the audit committee as stipulated by the Board are in accordance with the items listed in Clause 49 (II) © &, (D) of the Listing Agreement and as per Section 292A of the Companies Act 1956.

The composition and other details of the audit committee are as follows :

SHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

Name of the Director	Designation	Nature of Directorship	No. of Meetings	
			Held	Attended
Prof. V.S. Chauhan	Chairman (Part time)	Independent Director	4	4
Sh. K.P. Pandian	Director (Part time)	Government Director	4	3
Sh. N.S. Samant	Director (Part time)	Government Director	4	3

The Statutory Auditors, Internal Auditors and Cost Auditors of the Company were also invited to attend the Audit Committee meetings along with the person in charge of Finance in the company. As per the need, other key functionaries of the company were also invited to attend the meetings.

Four Audit Committee meetings were held during the year on the following dates: 1. 25.04.2007, 2. 13/07/2007, 3. 05/11/2007, and 4. 28/01/2008.

Remuneration Committee: -Separate Remuneration Committee has not been formed. No remuneration is being paid to Part Time Directors.

Share Transfer and Shareholders'/ Investors' Grievance Committee

The Board of Directors of the Company has constituted a Share Transfer and Shareholders'/ Investors' Grievance Committee, comprising of Prof. V.S. Chauhan, Chairman, Sh. S. Subbiah, and Sh. K. P. Pandian as Members. The Committee, issues duplicate certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders' complaints like transfer of shares, non-receipt of balance sheet etc. The Committee oversees the performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services. During the year, 21 meetings were held. The details of the Committee meeting are as under:

Member Director	Category	Meeting Attended
Prof. V.S. Chauhan	Independent Non Executive	20
Sh. K.P. Pandian	Non - Executive	20
Sh. S. Subbiah, IAS	Executive	20

4. Board Procedure

It has always been the Company's policy and practice that apart from matters requiring the Boards' approval by Statute, all major decisions including quarterly results, actual operations, feed back reports and minutes of all Committees are regularly placed before the Board.

5. General Body Meetings

Annual General Meetings

Location and time for last 3 Annual General Meetings were as follows:

Year	Venue	DATES	TIME
2004-05	BIBCOL, Registered Office, OPV Plant, Village Chola, Distt. Bulandshahr (U.P.)	24.09.2005	11.00 A.M.
2005-06	BIBCOL, Registered Office, OPV Plant, Village Chola, Distt. Bulandshahr U.P.	30.09.2006	11.30 A.M.
2006-07	BIBCOL, Registered Office, OPV Plant, Village Chola, Distt. Bulandshahr U.P.	29.09.2007	11.30 A.M.

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

6. (a) **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interest of the Company.

- (b) **Details of non-compliance by the Company, penalties, strictures, imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.**

No penalty or strictures had been imposed on the company by any regulatory authorities relating to capital markets in the last three years:

7. Means Of Communication:

The quarterly, Half yearly and Annual financial results of the company were published during the financial year under review in national newspaper namely, Financial Express &, Jansatta,.

8. The Management Discussion and Analysis Report forms part of this Annual Report.

9. General Shareholder Information

10.1 Annual General Meeting

The 19th Annual General Meeting of the company will be held on 15/12/2008 at OPV Plant, Village Chola, Bulandshahr, UP-203203

10.2 Financial Calendar

First Quarter results	:	During July
Second quarter results	:	During October
Third quarter results	:	During January
Fourth Quarter Result	:	Before end of July 2008

10.3 Book closure date: Tuesday, the 09th December, 2008 to Monday the 15th December, 2008 (both days inclusive), for the purpose of holding Annual General Meeting.

10.4 Listing of Equity Shares on Stock Exchanges at: BSE Mumbai, DSE New Delhi and UPSE Kanpur.

Note: The Company has paid Annual Listing Fee to each of these Stock Exchanges and their respective addresses have been given in the Annual Reports sent to members' along with the notice of the 19th Annual General Meeting of the company.

10.5 (a) Stock Code Trading Symbol - Bombay Stock Exchange : '524663' Bharat Imuno

(b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares: ISIN No. INE994BO1014

(c) Stock Market Data (in Rs./ per share of Rs. 10) Bombay Stock Exchange (BSE) Month's High Month's Low :

Year	Month	High (Rs.)	Low (Rs.)
2007	April	12.50	10.56
	May	13.90	11.00
	June	12.50	10.72
	July	19.80	10.55
	August	15.40	12.80
	September	23.11	14.22
	October	22.10	15.70
	November	45.50	23.20
	December	55.55	37.00
2008	January	74.30	42.95
	February	44.85	27.55
	March	28.80	20.00

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

10.6 Registrars and Transfer Agents:

M/s. Beetal Financial & Computer Service (P) Ltd,
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir, New Delhi - 110062.
Tel. No.-011-29961281-82, e-mail: beetal@rediffmail.com

10.7. Share Transfer System

Presently, the shares that are received in physical form are processed and the share certificates returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The share Certificates are dispatched within a period of one month from the date of their receipt. The entire dematerialization request received from the shareholders are confirmed within the specified period of 21 days from the date of its generation of DRN Number by the DPs and physically received in the office of the RTA.

10.8 DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2008

No. of equity Shareholders	Upto 5000	5001-10000	10001-20000	20001-30000	30001-40000	40001-50000	50001-100000	100001- and above	Total
No. of Shareholders	14,278	608	283	94	28	39	33	26	15,389
% Shareholding	92.78	3.95	1.84	0.61	0.18	0.25	0.21	0.17	100.00

10.9 Categories of Shareholders as on 31.03.2008 :

Category Code	Category of Shareholders	Number of Share holders	Total No. of Shares	Number of share held in Dematerialized form	Total Shareholding as a percentage of total number of shares
A. Shareholding of Promoter and Promoter group	Govt. of India	8	25586000	0	59.25
B. Public Shareholding	Financial Institutions	3	13070000	0	30.27
	Bodies Corporae	249	369272	308972	0.86
	Individuals - Upto 1 lakh	15077	3440913	2272066	7.97
	- Above 1 lakh	13	682365	682365	1.58
	Clearing Member (Demat Transit)	22	21410	21410	0.05
	NRIs	17	10040	10040	0.02
	GRAND TOTAL	15389	43180000	3294853	100.00

10.10 Dematerialization of Shares

7.63 % of the Company's paid-up equity share capital has been dematerialized as on 31st March, 2008. Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by the Securities and Exchange Board of India (SEBI).

Liquidity

The shares of the company are being regularly traded in the Bombay Stock Exchange.

10. 11. Plant Locations-

OPV Plant, Village Chola, Bulandshahr, UP-203203

10.12 Address for Correspondence

For share transfer, transmission and dematerialization request

M/s. Beetal Financial & Computer Service (P) Ltd, Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110062. OR

The Company Secretary, Bharat Immunological & Biological Corporation Limited, Village - Chola, Bulandshahr-203203 U.P

11. Compliance Certificate

As per compliance of Clause 49 (VII) of the Listing Agreement, a Certificate on corporate Governance has been obtained from Statutory Auditors, M/s Gianender & Associates, New Delhi. The Certificate is the part of Director's Report

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED
CERTIFICATE OF STATUTORY AUDITOR ON CORPORATE GOVERNANCE

In respect of the compliance of the conditions of Corporate Governance for the year ended 31st March, 2008, by Bharat Immunologicals & Biologicals Corporation Limited, a Government Company under section 617 of the Companies Act, 1956, as stipulated in clause 49 of the Listing Agreement entered into by the said Company with Delhi and Mumbai and Kanpur Stock Exchange:

We have studied the report on Corporate Governance of the said Company as approved by its Board of Directors. We have also examined the relevant records and documents maintained by the Company and furnished to us for our review in this regard.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We state that there has been no investor grievance during the year against the Company as per the records maintained by the Company.

We further comment that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

In our opinion and to the best of our information and on the basis of our review and according to the information and explanations given to us, we certify that the Company has complied with the mandatory requirements of Corporate Governance as stipulated in clause 49 of the listing agreement(s) with the stock exchange(s) in all material respects except appointment of Independent Directors in the Audit Committee of the Company as only one out of the requisite three Independent Directors are in position as on date.

G.K.Agrawal
(Partner)

Place :- New Delhi.

Date :- 11.09.2008

ADDENDUM TO DIRECTORS REPORT
Management reply to the observation of Auditor's Report

Item No.	Observation of Statutory Auditors	Reply by the Management
3 (a)	The application of Part-B under Vth Pay Commission was clarified as not applicable to Public Sector Undertaking by Department of Public Enterprises, Government of India vide circular dated March 12, 1999 whereas the same has already been applied by Company and not withdrawn even after getting the above said circular till 31/03/2008. As per information supplied to us an amount of Rs.40.62 lacs has been paid in excess up to 31/03/2008 to the employees in contravention to the above said circular given by Department of Public Enterprises, Government of India.	The Part-B under Vth Pay Commission was implemented in BIBCOL based on the clearance by Department of Public Enterprises vide letter No.2(42)/97-DPE dated 26/02/1998, after taking the consent of Board of Directors. Thereafter, DPE through its letter No.2(47)/97-DPE dated 12/03/1999 communicated to BIBCOL; Part-B of Vth Pay Commission was not applicable to Public Sector Undertaking but did not give any directive to withdraw the benefit of Part-B from the employees were given the benefit of same. Company stopped further implementation of Part-B and requested DPE to give further direction for persons already given benefit of Part-B. Employees Union of BIBCOL had filed a case before the Hon'ble High Court, Allahabad and BIBCOL has submitted counter affidavit. Company is awaiting directives from DPE and Hon'ble High Court Allahabad.

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3 (b)	An amount of Rs.14.61 lacs has been claimed by IFCI on account of variation in calculation of interest tax/ simple interest during the year 2003-04. The Company has not accepted the same and Rs. 14.61 lacs has been returned back and credited to P& L Account in Financial Year 2003-04 in terms of agreed, one time settlement with term lenders. This amount should have been shown in "Note on Accounts" under "Contingent Liabilities" as Claims against the Company not acknowledged as debt due.	As the company has settled the term loan as per the approval of Government of India, BIBCOL did not accept the claim of IFCI.
3 (c)	Non disclosure of contingent liability on account of central Sales Tax amounting to Rs. 20.00 lakhs (as estimated by the company) arising due to inter state sale of OPV Bulk (raw – material) by acceptance of declaration under 'C' Form without authorization under Central Sales Tax registration.	In this sale the decision was taken as per the advise of Finance & Accounts Division, BIBCOL. However the fact is as follows. The carrying cost of Vaccine was assessed at Rs. 20,000/- per day. As there was no order it was business exigency to sell the bulk. Had we not sold the bulk the loss would have about Rs. 45.00 lakhs approx. as on date. The cost on account of sales using 'C' form is only about Rs. 20 lakhs. The liability is bearable than the carrying cost.
3 (d)	Non accounting of Rs.24,59,161/- as capital work in progress as the same has wrongly been charged against capital grant over and above allocated sanctioned capital grant for Zinc Project from Government of India. To this extent, capital work in progress as well as Zinc Project Capital Grant are understated (Refer Note No. 13 of Notes on Accounts of Schedule IX).	The company has already given complete details at Note No. 13 to the Notes of Accounts - Schedule - IX.
3 (e)	Non- accounting of waste material and interest on security deposit with UPPCL on accrual basis. Amount undetermined (Refer Policy (vi) of Significant Accounting Policies of Schedule IX).	The company has already notified the policy in this regard at Para No. (vi) to the Notes of Accounts-Schedule - IX under Significant Accounting Policies.
3 (f)	Non adequacy of provision of Rs 1,27,56,340/- made on ad-hoc basis on account of salary due to 6 th pay commission recommendations	It is hereby stated that accounting assumptions that are being followed by the companies in their accounting are as follows: a. Accrual basis b. Going concern basis c. Conservative On the basis of above mentioned conservative assumptions, we have to account for all the expected losses that are going to arise in the future while to ignore the all the anticipated gains. As far as adequacy of the provision is concerned the company has made the provision based on the Estimate drawn based on the past records.
3 (g)	Non confirmation of balances in respect loans and advances, debtors and creditors, the consequential effect of which is not quantifiable – (Refer Note No. 6 of Notes on accounts of Schedule IX).	The Company on the sampling basis confirmed the balances payable to the parties,
Anne x. 1	The Company has generally maintained proper recodes showing full particulars including quantitative details and situation of Fixed Assets except the entries relating to Financial Year 2007-08 are yet to be incorporated in the fixed assets register and Fixed Assets Register does not give details of assets Classification and Purchase Order Number required for identification of fixed assets. Fixed assets have not been physically verified by the management during the year.	Physical verification not done
2	Physical verification of inventory has not been conducted by the management during the year.	Physical verification not done
4	There are instances of failure to follow the laid down procedure for purchase of inventory and fixed assets and for the sale of goods: a) Order for purchases of Chemicals for Rs. 7.17 lakhs was placed on M/s Signet Chemicals Corp without observing the required purchase procedure and with no comparative analysis. b) Order for purchase of Dynamic Passbox for Rs. 3.39 lakhs and Laminar Air Flow Cabinet for Rs. 2.65 lakhs was placed with M/s Kartos International without observing the required purchase procedures.	Open tender was invited for purchase of chemical for the time bond production of zinc tablet but no tender was received, therefore to meet out the demand of the respective chemical the tender through email was obtained from M/s Signet Chemicals Corp / M/s A. B. Enterprises and order was placed. Order for purchase of Dynamic Passbox and Laminar Air Flow Cabinet was placed on M/s Kartos International, in light of urgency due to National Regulatory Authority inspection for GMP certificate.

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

	<p>c) Order for purchase of Chemicals for Rs. 3.49 lakhs was placed with m/s A.B. Enterprises without observing purchases procedures.</p> <p>d) Procedures for Registration of vendors as per the laid down Purchase Policy, not observed.</p> <p>e) Managing Director of the Company authorized purchase of 30 million doses of OPV Bulk for about Rs. 7 Crores against the advise of the purchase division and without obtaining approval for purchases from the board of directors and with no sale order for supply of OPV in hand.</p> <p>f) Managing Director of the company authorized sale of above stock of 30 million doses of OPV Bulk without DOP for sale of raw material and without observing the required procedures.</p> <p>g) Purchase of furniture by Managing Director for Rs. 66,250/- recorded in the books of account on self certification, without related bills.</p>	<p>As Zinc tablet is a new product being marketed from August 2008, we do not have suppliers concerned listed in the vendors list. The same will be updated accordingly</p> <p>Board authorized the Managing Director for purchasing 100 million doses of OPV Bulk as per Resolution No.7(LXXXXVI). An agreement was entered between BICOL and M/s P.T.Bio-Farma, Indonesia on 01.11.2006. Considering the progress in VSQ the procurement schedule was staggered.</p> <p>The Indian agent of M/s P.T. Bio-Farma requested for honouring the agreement schedule as per his letter dated 12.09.2007. As has been done earlier years in anticipation of supply order, orders were placed for procuring 30 million doses.</p> <p>Unlike earlier years there was no cartelization of vaccine formulates during the year 2007-08. It was a competitive bid that went to M/s Bharat Biotech International Limited, Hyderabad.</p> <p>As govt. is the only buyer, there was no other way to utilize the bulk. The next tender is expected only at the end of 2008-09. If we carry on with the stock, the inventory cost would be around Rs.20,000/- per day. Therefore considering business exigency it was decided to sell the bulk, to avoid any monetary loss, at par. The cost at par was estimated by the F&A Division and the sale was done accordingly. This was done as provided under delegation of power point No.34 dated 17.03.1989.</p> <p>"To declare stores, property as surplus or unserviceable and prescribe mode of their disposal."</p> <p>The furniture purchased from the local markets which are non branded. So a self certified amount of purchases. However a team of officers may visit at Managing Director's residence and may verify.</p>
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GIANENDER & ASSOCIATES
Chartered Accountants

Plot No. - 6, Site No.- 21
Geeta Mandir Marg
New Rajinder Nagar
New Delhi- 110060

AUDITOR'S REPORT

To the Members, Bharat Immunologicals & Biologicals Corporation Ltd.

We have audited the attached Balance Sheet of Mis. Bharat Immunologicals & Biologicals Corporation Ltd. as at 31st March, 2008, Profit and Loss Account and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

3. Further to our comments in the annexure referred to in paragraph 2 above, we report that;

- a) The application of part-B under Vth Pay Commission was clarified as not applicable to Public Sector Undertaking by Department of Public Enterprises, Government of India vide circular dated March 12, 1999 whereas the same has already been applied by Company and not withdrawn even after getting the above said circular till 31.03.2008. As per information supplied to us, an amount of Rs. 40.62 lakhs has been paid in excess up to 31.03.2008 to the employees in contravention to the above said circular given by Department of Public Enterprises, Government of India.
- b) An amount of Rs. 14.61 lakhs has been claimed by IFCI on account of variation in calculation of interest tax/simple interest during the year 2003-04. The company has not accepted the same and Rs. 14.61 lakhs has been written back and credited to P&L Account in financial year 2003-04 in terms of agreed one time settlement with term lenders. This amount should have been shown in "Notes on Accounts" under "Contingent Liability" as claims against the company not acknowledged as debt due.
- c) Non disclosure of contingent liability on account of Central Sales Tax amounting to Rs. 20.00 lakhs (as estimated by the company) arising due to inter state sale of OPV Bulk (raw – material) by acceptance of declaration under 'C' Form without authorization under Central Sales Tax registration.
- d) Non accounting of Rs. 24,59,161/- as capital work in progress as the same has wrongly been charged against capital grant over and above allocated sanctioned capital grant for Zinc project from Government of India. To this extent capital work in progress as well as Zinc Project capital grant are understated - (Refer Note No. 13 of Notes on accounts of Schedule IX).
- e) Non accounting of waste material and interests on security deposit with UPPCL on accrual basis. Amount undetermined (Refer Policy vi) of Significant Accounting Policies of Schedule-(IX).
- f) We are unable to comment as to the adequacy of provision of Rs 1,27,56,340 made on ad-hoc basis on account of Salary due to 6th pay commission recommendations.
- (g) Non confirmation of balances in respect loans and advances, debtors and creditors, the consequential effect of which is not quantifiable - (Refer Note No. 6 of Notes on accounts of Schedule IX).
- 4(a) We report that had the observations made by us in para 3 above been considered, Current Assets, Loans & Advances would have been Rs. 1841.06 lakhs (against Rs. 1800.44 lakhs as reported in balance sheet), accumulated losses would have been Rs. 1047.56 lakhs (against Rs. 1074.37 lakhs) and Deferred Tax Assets would have been Rs.496.96 (against Rs.510.77 lakhs). Capital work in progress would have been Rs. 124.96 lakhs (against Rs. 100.37 lakhs as reported in Balance Sheet) and current liabilities Rs. 462.70 lakhs (against Rs. 438.11 lakhs).
- (b) We also draw attention to:
 - (i) The risk of uncertainty about future orders for sale of OPV as the company is selling its products and catering to only one customer i.e Ministry of Health.
 - (ii) The risk involved in validation of VSQ up-gradation project to acquire VSQ certification from WHO /Schedule M License and uncertainty about recommencement of production.
- 5 Further to our comments in para 4(b) and in annexure referred to in para 2 above and also subject to para 3 and 4(a) above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

- necessary for the purpose of our audit;
- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with books of Account;
- d) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except otherwise stated;
- e) Being a Government Company, pursuant to Gazette notification No. GSR-829(E) dated 21.10.2003 issued by Government of India, provisions of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, are not applicable to the Company;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and notes on accounts (schedule IX), give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2008
 - in the case of Profit & Loss Account, of the loss for the year ended on that date; and
 - in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : New Delhi
Date : 01st September, 2008

For Gianender & Associates
Chartered Accountants
(G.K. Agrawal)

Partner
Membership No. 81603

GIANENDER & ASSOCIATES
Chartered Accountants

Plot No.- 6, Site No.- 21
Geeta Mandir Marg New Rajinder Nagar
New Delhi- 110060

Annexure to the Auditors' Report

Referred to in paragraph 2 of our report of even date

1. The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets except the entries relating to financial year 2007-08 are yet to be incorporated in the fixed assets register and fixed assets register does not give details of assets classification and purchase order number required for identification of fixed assets.

Fixed assets have not been physically verified by the management during the year and in the absence of physical verification of fixed assets, we are unable to comment as to the discrepancy, if any, between the book records and the fixed assets physically available.

The fixed assets disposed off during the year are not significant and do not affect the going concern status of the company.

2. Physical verification of inventory has not been conducted by the management during the year.

The company is maintaining proper records of inventory, however, in the absence of physical verification of inventories; we are unable to comment as to too discrepancy, if any, between the book records and physical stock thereof.

3. According to the information and explanation given to us by the management and records produced, the company has neither granted nor taken any loan during the year, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Thus, the requirements under para 4(iii)(b) to (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and also for the sale of goods.

However there are instances of failure to follow the laid down procedure for purchase of inventory and fixed assets and for the sale of goods:

a) Order for purchase of Chemicals for Rs. 7.17 lakhs was placed on M/s Signet Chemicals Corp without observing the required purchase procedure and with no comparative analysis.

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

- b) Order for purchase of Dynamic Passbox for Rs.3.39 lakhs and Laminar Air Flow Cabinet for RS.2.65 lakhs was placed with Mis Kartos International without observing the required purchase procedures.
- c) Order for purchase of Chemicals for RS.3.49 lakhs was placed with Mis A.B. Enterprises without observing purchases procedures.
- d) Procedure for Registration of vendors as per the laid down Purchase Policy, not observed.
- e) Managing Director of the company authorized purchase of 30 million doses of OPV Bulk for about RS.7 crores against the advise of the purchase division and without obtaining approval for purchases from the board of directors and with no sale order for supply of OPV in hand.
- f) Managing Director of the Company authorized sale of above stock of 30 million doses of OPV Bulk without DOP for sale of raw material and without observing the required procedures.
- g) Purchase of furniture by Managing Director for Rs. 66,250.00 recorded in the books of account on self certification, without related bills.

5. According to the information and explanations given to us by the management and records produced, there are no transactions that need to be entered into the register maintained pursuant to section 301 of the Companies Act, 1956.

6. According to the information and explanations given to us, the Company has not accepted any deposits from the public and therefore, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58M of the Companies Act, 1956 and the rules framed there under are not applicable to the company.

7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.

8. The Central government has prescribed maintenance of cost records under section 209(1)(d) of the companies Act, 1956. However we are unable to comment whether the prescribed cost records were made & maintained by the company as the same were stated to be under preparation at the time of audit.

9. a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, investor education & protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other statutory dues applicable to the company with the appropriate authorities and that there are no undisputed statutory due outstanding as on 31.3.2008 for a period of more than six month from the date they became payable.

b) Sales tax dues amounting to Rs. 1,74,000.00 has not been deposited for the financial year 2000-01 demanded by sales tax authorities against order issued u/s 21 (2) for the misuse of Form 3B. Company has appealed against the order and the appeal is pending before additional commissioner, Sales Tax, Bulandshahr (UP).

10. The accumulated losses of the company at the end of current financial year are less than fifty per cent of its net worth. The company has suffered cash losses in the current financial year as well as in the immediately preceding financial year.

The company is a debt free company, so question of default by the company in repayment of dues to financial institution, bank or debenture holder does not arise.

12. Accordingly to the information and explanations given to us and based on the documents and records produced before us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion and according to the information and explanations given to us, the nature of activities of the company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fundi societies.

14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies(Auditors' Report) Order 2003, are not applicable to the company.

15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions during the year.

16. The company has not raised any term loan during the year.

17. According to the information and explanations given to us, no funds have been raised on short-term basis during the year.

18. During the year the company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. The company did not have any outstanding debentures during the year.

20. The company has not raised any money by way of public issue during the year.

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

21. Based on the audit procedures performed and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Gianender & Associates
Chartered Accountants

Place : New Delhi
Date : : 01st September, 2008

(G.K. Agrawal)
Partner
Membership No. 81603

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2008

S N	PARTICULARS	Schedule No.	CURRENT YEAR 2007-08		Previous Year 2006-07	
			(Rs.)	(Rs.)	(Rs.)	(Rs.)
I	SOURCES OF FUNDS					
	1. Share Holder's Funds					
	(a) Share Capital	I		431,800,000		431,800,000
	(b) Reserves & Surplus			0		0
	2. LOAN FUNDS					
	(a) Secured Loans		0		0	
	(b) Unsecured Loans		0		0	0
	TOTAL			<u>431,800,000</u>		<u>431,800,000</u>
II	APPLICATION OF FUNDS					
	1. Fixed Assets	II				
	(a) Gross Block		437,122,571		370,058,988	
	(b) Less Depreciation		300,291,426	136,831,145	285,577,154	84,481,834
	(c) Net Block					
	(d) Capital work in progress		15,520,965		65,071,625	59,587,179
	Less:- provision Impairment in value		5,484,446	10,036,519	5,484,446	
	(e) Advances on Capital Accounts		1,528,945		6,094,060	
	Less : Provision for bad debts		1,528,945	4,565,115	1,528,945	4,565,115
	2 INVESTMENTS		0	0	0	0
	3. DEFERRED TAX ASSETS / (LIABILITIES)					
	Deferred Tax Assets		60,904,143		41,294,424	
	Deferred Tax Liabilities		9,827,509		9,626,199	
	Deferred Tax Assets (Net)			51,076,634		31,668,225
	4. CURRENT ASSETS LOANS & ADVANCES	III				
	(a) Inventories		2,219,122		2,559,793	
	(b) Sundry Debtors		2,136,751		10,181,411	
	(c) Cash & bank balances		149,922,915		201,707,833	
	(d) Other Currents Assets		4,751,615		7,678,146	
	(e) Loans & Advances		21,014,151		19,166,281	
			180,044,554		241,293,464	
	LESS : Current Liabilities & Provisions	IV				
	(a) Liabilities		43,811,341		49,376,186	
	(b) Provisions		9,814,355		7,842,000	
	Net Current Assets			126,418,858		184,075,278
	5. (a) MISC. EXPENDITURES			0		0
	(To the extent not written off)					
	(b) PROFIT & LOSS ACCOUNT			107,436,844		67,422,369
	ACCOUNTING POLICIES & NOTES ON ACCOUNTS	IX				
	TOTAL			<u>431,800,000</u>		<u>431,800,000</u>

Schedule I to IX form integral part of accounts

For & on behalf of Board of Directors

(Sandip K. Lal)
Company Secretary
Place : Bulandshahr

(S. Subhaih)
Managing Director

(V.S. Chauhan)
Chairman

As per our report of even date attached
For Gianender & Associates
Chartered Accountants

Date :

(G.K. Agarwal)
Partner

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED
BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

S.NO.	PARTICULARS	SCHEDULE NO.	CURRENT YEAR 2007-2008 (Rs.)	PREVIOUS YEAR 2006-2007 (Rs.)
1	INCOME			
	SALES	V	134,852,960	0
	OTHER INCOME	VI	7,232,982	15,602,387
	VARIATION IN STOCK IN TRADE		0	0
	TOTAL		142,085,942	15,602,387
2	EXPENDITURE			
	MANUFACTURING AND OTHER EXPENSES	VII	186,453,165	52,203,187
	INTEREST ON WORKING CAPITAL		83,749	4,051
	DEPRECIATION	II	14,714,272	11,339,843
	SUB TOTAL		201,251,186	63,547,081
3	IMPAIRMENT IN VALUE OF ASSETS		0	0
4	PROFIT/(LOSS) FOR THE YEAR		(59,165,246)	(47,944,694)
5	PRIOR PERIOD ADJUSTMENTS (LOSS) ON ASSETS	VIII	(118,251)	4,267
6	RETIRED/DEMOLISHED		0	(4,028,786)
7	NET PROFIT/(LOSS)			
	{A}		(59,283,497)	(51,969,213)
8	FRINGE BENEFIT TAX			
	{B}		139,331	127,250
	INCOME TAX (CURRENT TAX)		0	0
	INCOME TAX -DEFERRED TAX			
	{C}		(19,408,390)	(17,811,140)
	INCOME TAX (PREVIOUS YEARS)		0	0
9	PROFIT/(LOSS) AVAILABLE FOR APPROPRIATION		(40,014,438)	(34,285,323)
	{A}-{B}+{C}			
10	BROUGHT FORWARD LOSSES		(67,422,369)	(33,137,046)
11	BALANCE CARRIED FORWARD TO BALANCE SHEET		(107,436,807)	(67,422,369)
12	EARNING PER SHARE (Refer Note No. 14 of Schedule IX)(Nominal Value Rs.10)			
	BASIC & DILUTED		(0.93)	(0.79)
	ACCOUNTING POLICIES & NOTES ON ACCOUNTS	IX		

Schedule I to IX form integral part of accounts

For & on behalf of Board of Directors

(Sandip K. Lal) (S.SUBBIAH)
Company Secretary MANAGING DIRECTOR

(V.S.CHAUHAN)
CHAIRMAN

As per our report of even date attached

FOR GIANENDER & ASSOCIATES
CHARTERED ACCOUNTANTS

(G. K. Agarwal)
Partner

Place : Bulandshahr
Date

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

Schedule - I

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED
SCHEDULE OF SHARE CAPITAL AS ON 31ST MARCH, 2007

S.No.	PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (31.03.2006) (Rs.)
1	AUTHORISED CAPITAL 51,000,000 Enquiry Shares of Rs. 10/- each	<u>510,000,000</u>	<u>510,000,000</u>
	ISSUED SUBSCRIBED AND PAID UP SHARE CAPITAL		
	43,180,000 Equity Shares of Rs. 10/- each fully paid up (Previous year 43,180,000 equity shares of Rs. 10/- each)	431,800,000	431,800,000
	(OUT OF ABOVE EQUITY SHARES 13,070,000 SHARES ISSUED TO FINANCIAL INSTITUTIONS AND 4,720,000 SHARES TO GOVT. OF INDIA AGAINST CONVERSION OF LOAN/ INTEREST UNDER ONE TIME SETTLEMENT DURING F.Y. 2003-04		
	TOTAL	431,800,000	431,800,000

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

SCHEDULE -II

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

SCHEDULE OF FIXED ASSETS AS ON 31st MARCH 2008

S. N	NAME OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01.04.2007 (Rs.)	ADDITIONS DURING THE YEAR (Rs.)	SALE/ ADJUST- MENT (Rs.)	TOTAL AS ON 31.03.2008 (Rs.)	AS ON 01.04.2007 (Rs.)	DURING YEAR (Rs.)	ADJUSTMENT DURING THE YEAR	TOTAL AS ON 31.03.2008 (Rs.)	ASON 31.03.2008 (Rs.)	ASON 01.04.2007 (Rs.)
1.	Land & Site Development	4422366	0	0	4422366	0	0	0	0	4422366	4422366
2.	Building	115576159	8832165	0	124408324	80223577	4053089	0	84276666	40131658	35352582
3.	Plant & Machinery	172449095	54364842	128410	226942347	143841640	7934873	0	151776513	75165834	28607455
4.	Office Equipment	1438766	103872	0	1542638	945626	76862	0	1022488	520150	493140
5.	Lab Equipment	2509939	1555169	0	4065108	1301717	254525	0	1556242	2508866	1208222
6.	Furniture & Fixture	4351313	652504	0(1)	5002317	3936215	142291	0	4078506	923811	415098
7.	Electrical Appliances	18820130	296697	0	19116827	15039475	550981	0	15590456	3526371	3780655
8.	Computer	2381825	74781	0	2456606	2055573	167942	0	2223515	233091	326252
9.	Air-conditioner	46866305	289571	0	47155876	37790151	1285772	0	39075923	8079953	9076154
10.	R&D(Hepatitis) Assets	1	0	0	1	0	0	0	0	1	1
11.	R&D Assets	771092	22881	0	793973	118360	91591	0	209951	584022	652732
12.	Vehicles	471997	744191	0	1216188	324820	156346	0	481166	735022	147177
	TOTAL	370058988	66936673	126910	437122571	285577154	14714272	0	300291426	136831145	84481834
	Previous Year	390810060	382520	(21133592)	370058988	291328956	11339843	0	285577154	84481834	99481104

Below stated assets grouped under the head Plant & Machinery have been retired from active use and held for disposal are stated at the lower of their net book value and net realisable value. Besides above, assets demolished have been eliminated from books of accounts (refer Note NO.10).

1.	Nitrogen Tank	401055	0	0	401055	0	0	0	0	401055	401055
2.	Histopathological	1	0	0	1	0	0	0	0	1	1
3.	Monkey Cages	69320	0	0	69320	0	0	0	0	69320	69320
	TOTAL	470376	0	0	470376	0	0	0	0	470376	470376

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

SCHEDULE -III

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

CURRENT ASSETS, LOANS & ADVANCES AS ON 31ST MARCH, 2008

S.NO.	PARTICULARS		CURRENT YEAR 2007-2008 (Rs.)	PREVIOUS YEAR 2006-2007 (Rs.)
A.	CURRENT ASSETS			
1.	INTEREST ACCRUED ON INVESTMENT		0	0
2.	INVENTORIES :			
	RAW MATERIAL-			
	O.P.V. BULK		0	0
	STORES AND SPARES-			
	GENERAL STORES		959,244	820,883
	PACKING MATERIAL		1,259,878	1,738,910
	CABLES		0	0
	STOCK IN TRADE- OPV (FINISHED)		0	0
	WORK IN PROGRESS		0	0
	SUB-TOTAL		2,219,122	2,559,793
3	SUNDRY DEBTORS			
	(UNSECURED, CONSIDERED GOOD)			
	(A) DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS	10,181,411		10,181,411
	(B) OTHER DEBTS	2,136,751		0
			12,318,162	10,181,411
	LESS:-PROVISION FOR BAD & DOUBTFUL DEBTS		(10,181,411)	0
	SUB-TOTAL		2,136,751	10,181,411
4	CASH & BANK BALANCES			
	(A) CASH BALANCE ON HAND (IMPREST)		0	2,892
	(B) BALANCE WITH BANKS			
	1) SCHEDULED BANKS			
	IN CURRENT ACCOUNTS		11,246,915	5,954,941
	IN SHORT TERM DEPOSITS		138,676,000	195,750,000
	2) WITH OTHERS		0	0
	SUB-TOTAL		149,922,915	201,707,833
5	OTHER CURRENT ASSETS			
	(A) SECURITY & OTHER DEPOSITS		2,475,160	2,475,160
	(B) ACCRUED INTEREST		2,276,455	5,202,986
	SUB-TOTAL		4,751,615	7,678,146
B.	LOANS & ADVANCES (RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED)			
	(UNSECURED, CONSIDERED GOOD)			
	(A) ADVANCES TO STAFF		349,349	539,946
	(B) OTHER ADVANCES	696,280		
	Less:- Provision for doubtful debts	(64,989)	631,291	290,016
	(C) PREPAID EXPENSES		245,096	610,577
	(D) ADVANCE INCOME TAX/TDS		19,788,415	17,725,742
	SUB-TOTAL		21,014,151	19,166,281
	GRAND TOTAL		180,044,554	241,293,464

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

SCHEDULE - IV

CURRENT LIABILITIES & PROVISIONS AS ON 31ST MARCH, 2008

S.NO.	PARTICULARS	CURRENT YEAR (Rs) 2007-2008	PREVIOUS YEAR (Rs.) 2006-2007
A.	<u>CURRENT LIABILITIES</u>		
1	Sundry Creditors		
(a)	Dues to S.S.I. undertakings	0	0
(b)	Others	1,435,093	447,673
2	Security Deposit & EMD	6,066,653	14,627,355
3	Other Liabilities	25,996,344	15,866,182
4	Zinc Project Capital Grant Balance (Refer Note No. 11 (a) of Schedule IX)	10,257,976	18,434,976
5	PRSV Project Revenue Grant Balance (Refer Note No.11 (b) of Schedule IX)	55,275	0
	TOTAL	43,811,341	49,376,186
B.	<u>PROVISIONS</u>		
	PROVISION FOR LEAVE ENCASHMENT	8,958,658	7,842,000
	PROVISION FOR HALF PAY LEAVE ENCASHMENT	855,697	0
	TOTAL	9,814,355	7,842,000

SCHEDULE - V

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

SCHEDULE OF SALES FOR THE YEAR 2007-2008

S.NO.	PARTICULARS	CURRENT YEAR (Rs) 2007-2008	PREVIOUS YEAR (Rs.) 2006-2007
1	NET SALE OF O.P.V	54,325,397	0
	NET SALE OF OP.V BULK	76,577,960	
2	ADD- SALES TAX	3,949,603	0
	GROSS SALE OF O.P.V	134,852,960	0

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED**SCHEDULE OF OTHER INCOME FOR THE YEAR 2007-2008**

S.N	PARTICULARS	CURRENT YEAR (Rs.) 2007-2008	PREVIOUS YEAR (Rs.) 2006-2007
1	INTEREST RECEIVED ON SHORT TERM DEPOSITS WITH SCHEDULED BANKS (TDS RS. 35,61,942) (PREVIOUS YEAR Rs21,22,742)	6,916,460	14,916,113
2	INTEREST ON I.TAX REFUND	0	0
3	SALE-WASTE MATERIAL/TENDER DOCUMENTS & WRITE BACKS	274,290	272,137
4	RECOVERIES FROM EMPLOYEES	42,232	69,473
5	Profit on Sale of Assets	0	344,664
	TOTAL	7,232,982	15,602,387

SCHEDULE - VII

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED**MANUFACTURING AND OTHER EXPENSES FOR THE YEAR 2007-2008**

PARTICULARS	CURRENT YEAR (Rs)		PREVIOUS YEAR (Rs)	
	2007-2008		2006-2007	
EXPENDITURE				
RAW MATERIAL CONSUMED **	103,596,141		0	
STORES, SPARES PACKING MATERIAL CONSUMED	5,697,793		2,829,229	
TOTAL MATERIAL CONSUMED		109,293,934		2,829,229
SALARY & ALLOWANCES	40,455,223		28,158,649	
CONTRIBUTION TO PROVIDENT FUND	2,416,712		2,295,535	
STAFF WELFARE	2,323,205		2,564,785	
GROUP GRATUITY-INSURANCE PREMIUM	786,819		837,406	
TOTAL SALARY		45,981,959		33,856,375
RENT		157,435		291,830
POSTAGE, TELEX & TELEPHONE		938,088		1,116,287
SECURITY & HOUSEKEEPING		490,440		1,355,002
INTERNAL AUDIT FEES		53,951		53,903
TRAINING, LEGAL & PROFESSIONAL FEES		690,828		697,427
COST AUDIT FEE		28,090		28,060
INSURANCE		828,428		761,438
AUDITORS REMUNERATION				
a Audit Fee	22,472		22,448	
b Tax Audit Fee	22,472		11,785	
c Outofpocketexp	16,908		6,049	
d) Others-Limited review,certification	44,944	106,796	39,846	80,128
STATIONERY & PERIODICALS		385,253		525,209
REPAIRS & MAINT. BUILDING	351,682		47,062	
REPAIRS & MAINT.PLANT	728,690		760,443	
REPAIRS & MAINT.GENERAL	471,843		670,466	
VEHICLE RUNNING & MAINTENANCE	282,676		26,078	
TOTAL REPAIR		1,834,891		1,504,049
PUBLICATION/NIT EXPENSES		501,815		1,137,976

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

MISC. & OTHER EXPENSES		80,584	134,619
TOURS &		1,432,393	1,023,038
POWER EXPENSES		7,720,295	5,697,488
FREIGHT & SELLING EXP.		426,660	0
SHARE TRANSFER EXPENSES		179,335	187,476
BANK CHARGES		962,037	690,912
LISTING FEE		54,800	37,500
SALES TAX		3,950,314	21,387
R&D EXPENSES		0	0
AMOUNTS WRITTEN OFF		65,045	0
PROVISION FOR BAD & DOUBTFUL DEBTS		10,181,411	0
TESTING CHARGES		308,439	173,854
PSRV PROJECT EXPENSES	394,725		
LESS: GOVT GRANT RECEIVED	(394,725)	0	0
GRAND TOTAL		186,453,221	52,203,187
** Includes Rs 68905809/- Cost of Raw Material sold.			

SCHEDULE - VIII

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

PRIOR PERIOD ADJUSTMENTS FOR THE YEAR 2007-2008

S.No.	PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
		2007-2008	2006-2007
1	PLANT & MACHINERY	(128,410)	0
2	TESTING CHARGES	32,125	0
3	TAX AUDIT FEE	339	0
4	OUTOFPOCKETEXP(COSTACCOUN	(8,637)	
5	S.AUDIT FEE	24	0
6	LIMITED REVIEW EXPENSES	0	13,246
7	SECURITY EXPENSES	0	(17,400)
8	SALES TAX	0	(113)
9	PROFESSIONAL EXPENSES	162,772	0
10	PUBLICATION EXPENSES	13,440	0
11	LEGAL EXPENSES	29,000	0
12	ADMINISTRATIVE CHARGES (EPF)	17,598	
	TOTAL	118,251	(4,267)

SCHEDULE - IX

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

BHARAT IMMUNOLOGICALS & BIOLOGICALS CORPORATION LIMITED

A- SIGNIFICANT ACCOUNTING POLICIES

- i) **Basis of Accounting :**
The financial statements are prepared under historical cost convention on accrual basis. Accounts are being maintained on mercantile basis.
- ii) **Fixed Assets and Depreciation:**
Fixed Assets are stated at cost of acquisition less accumulated depreciation.

The Company provides depreciation on fixed assets on written down value pro-rata basis at the rates prescribed under Schedule-XIV to the Companies Act, 1956.

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

ii) Staff retirement benefits:

Retirement benefits to employees are provided for by payments to gratuity and provident fund. The gratuity liability is determined based on the percentage of the annual wage bill specified by the Life Insurance Corporation under the Group Gratuity cum Life Insurance Scheme. As regards leave encashment, company is making provision as per actuarial valuation.

iv) Inventories:

Valuation of Stocks :-

- | | |
|-------------------------|--|
| (a) Raw material | At historical cost by using FIFO Formula . |
| (b) Stores, Spares etc. | At historical cost by using FIFO Formula |
| (c) Finished goods | Lower of cost or net realizable value. Cost being determined by including cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. |

v) Treatment of Government Grant :

Grants received from the Government, which are not utilized, are reported under Current Liabilities; corresponding amount available has been shown under the head current assets loan & advances and for the grants utilized the following procedure is adopted-

a) Grants related to Fixed Assets: -

Government grants related to specific fixed assets are deducted from the gross value of assets acquired in arriving at their Book Value. Where the grant related to a fixed asset equals the whole or virtually the whole, of the cost of the asset, the asset is shown in the Balance Sheet at a nominal value.

b) Grants related to revenue: -

Revenue Grants are deducted from the related expenses and such expenses are reported net of grants utilized.

vi) Income Recognition

All incomes are accounted for on accrual basis except sale of waste material and interest on security deposit with UPPCL, which are accounted for on actual receipt basis.

B. NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for -	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
<u>(i) Claims against the company not acknowledged as debt</u>		
<u>(a) Land cases</u>		
Liability for the land compensation cases pending the outcome of appeal before hon'ble High Court, Allahabad. However, decision of District Court, Bulandshahr was against the company and the figures have been computed on the basis of District Court order.	90.93 (Principal) 365.58 (Interest)	90.93 (Principal) 347.20 (Interest)
<u>(b) Housing Complex case</u>		
Filed by M/s. Uppal Engineering Co. Pvt. Ltd. against civil work awarded for Administrative-cum-Housing Complex before Arbitrator. Arbitrator decided in favour of appellant. Company has filed an appeal before the competent court against Arbitration award.	163.32 plus interest	163.32 Plus interest
<u>(c) Demand of Sales Tax</u>		
For financial year 2000-01. Matter pending in appeal before Tribunal, Commercial Tax, Ghaziabad.	2.17	2.17
<u>(ii) Capital Commitments:</u>		
Estimated amount of contracts (net of advances) to be executed on capital account and not provided for.	NIL	234.38

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

2. In the opinion of the Board of Directors, Current Assets, Loans and Advances shall have a value on realization, in the ordinary course of the business at least equal to the amount at which they are stated in the Balance Sheet.

3. Loans and Advances includes Rs.16190 (Previous year Rs. 1,47,725) due from present & past Directors of the Company. Maximum amount due during the year Rs.6,45,890/(Previous year Rs.1,92,705/-).

4(a) The Company has paid/provided the following remuneration during the year to Ex- Managing Director, Shri Indrajit Deb and is included in the Schedule VIII. Amount has been paid/provided as subsistence allowance "without prejudice to the parties" as per the directions of Hon' ble Delhi High Court.

	CURRENT YEAR (Rs)	PREVIOUS YEAR (Rs)
(a) Salary and Allowance	57754	329365
(b) E.P.F. Contribution.	Nil	Nil
(c) Perquisites	Nil	Nil
Total	57754	329365

4(b) Amount provided for the remuneration of present Managing Director Shri S. Subbiah is given as under :

	CURRENT YEAR (Rs)	PREVIOUS YEAR (Rs)
(a) Salary and Allowance	527601	122044
(b) Perquisites	101402	Nil
Total	629003	122044

5. Additional information pursuant to Paragraphs 3 to 4D of Part-II of Schedule- VI of the Companies Act, 1956.

A) Quantitative information in respect of licensed capacity, installed capacity and actual production:

(Quantity/ Million doses, Rs./Lacs)

Year (1)	Class of Goods (2)	Units (3)	Licensed / installed capacity (4) As per note	Opening Stock (5)		Production (6)	Sales (7)		Closing Stock (8)	
				Qty.	Value		Qty.	Value	Qty.	Value
2007-08	Oral Polio Vaccine	Million doses	100/600	0	0	12.6	12.6	582.75	0	0
2006-07	Oral Polio Vaccine	Million doses	100/600	0	0	0	0	0	0	0

Note:

1. Licensed / Installed Capacity for indigenous production of OPV is 100 million doses.
2. Installed capacity for blending and filling operation is 600 million doses.

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

2.

B) Quantitative details in respect of Raw Material consumed

Year	Class of Goods (Type)	Unit	Op. Stock	Purchase	Adjustment/ Bulk*	Consumption/ Sales of (Qty)	Closing Stock
2007-08	OPV (Bulk) (1)	Million	9.353	45"00	32.104	15.362	6.887
	(2)	doses	0.347	45.00	30.000	14.948	0.398
	(3)		20.000	45.00	32.178	12.719	20.103
	Mgcl	Kg.	-	285 KG.		285 KG	
	Rs. in lacs)			0.23		0.23	
	Tween 80	Kg.		0.16 KG		0.16 KG	
	Rs. in lacs)			0.20		0.20	
						For R&D use	Closing Stock
2006-07	OPV (Bulk) (1)	Million	9.353	-	-	-	9.353
	(2)	doses	0.347	-	-	-	0.347
	(3)		20.000	-	-	-	20.000
	(Rs. In lac)						
	Mgcl	Kg.					
	Rs. In lacs						
	Tween	Kg.					
	Rs. In lacs						

Note : Quantity of OPV bulk has been shown on actual basis in respect of type 1, 2 and 3. However, the valuation of closing stock has been done on the basis of availability of all types of OPV bulk in the given proportion to produce composite dose as excess quantity of any individual type of bulk cannot produce composite vaccine.

Besides above, cost of OPV bulk to the company is NIL having no historical cost and therefore as per accounting policy of the company for valuation of inventories (raw material) no value has been placed for closing stock of OPV (Bulk).

2. * Above quantities of OPV bulk were sold for Rs. 7,65,77,960.

C. Expenditure in foreign currency :

		Current Year(Rs)	Previous Year(Rs)
(i)	Foreign travel		
	- Directors	725399.00	NIL
	- Others	202940.00	NIL
(ii)	CIF value of imports - Capital Goods	NIL	NIL
	- Finished Goods	NIL	NIL
(iii)	OPV Bulk/labels & spares	1 0,52,03,71 7	5,50,896
(iv)	Consultancy fee	NIL	3,34,35 1
(v)	Technology Transfer for Zinc Tablets (incurred out of capital grant received from GOI	NIL	1,22,51,200

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

D.	Value of Raw Material consumed during the year		2006-2007	
	2007-08			
	Value (Rs.)	% of total consumption	Value (Rs.)	% of total Consumption
Imported	34577441	99.88	NIL	NIL
Indigenous	43000	0.12	NIL	NIL

6. Balances in respect of loan and advances, debtors and creditors are subject to confirmation.
7. No Provision for current Income Tax as well as Minimum Alternative Tax (MAT) u/s 115 JB of Income Tax Act, 1961 has been made in want of taxable profits.
8. No disclosure in accordance with AS17 issued by ICA and clause-41 of listing agreement is made as company being a single product and single unit company.
9. There is no related party in terms of AS 18 issued by ICAL. However, Sh. S. Subbiah, M.D., is the key management personnel and his remuneration particulars are given under Note No. 4(b).
10. The company has undertaken upgradation of existing facilities to acquire VSQ certification from WHO/ Schedule-M License. The related expenditure has been capitalized by the company as on 31.08.07. Discarded assets have been eliminated from the books in compliance of AS 10 issued by the ICAL.
11. The company has initiated the process of identifying the parties and is in the process of obtaining information with respect to parties covered, if any, under the Micro, Small and Medium Enterprises Development Act, 2006 (or the "Act"). The Company would account for significant interest obligations in this regard, if any, subsequently. Accordingly required disclosures in this regard have not been given in the current year.
12. Disclosure as per Accounting Standard 15 (Accounting for Retirement benefit in the Financial Statement of Employer).
The Accruing liability according to the actuarial valuation for the Leave Encashment & Half pay leave is Rs 89, 58, 658 & Rs. 8,55,697 respectively as on 31/03/08.

Earned Leave encashment & Half pay leave

S. No	Particular	HPL (Rs)	EL (Rs)
1	CHANGE IN PRESENT OF OBLIGATION		
a	Present value of obligation as at the beginning (01-04-07)	792830	8131129
b	Acquisition adjustment	-	-
c	Interest cost	63426	650490
d	Past service cost	-	-
e	Current service cost	88399	346780
f	Curtailment cost (Credit)	-	-
g	Settlement cost (Credit)	-	-
h	Benefit paid	-	(133833)
i	Actuarial (gain) /loss	(88958)	(35908)
j	Present value of obligation at the end of the period as 31-03-08	855697	8958658
2	FAIR VALUE OF PLANT ASSET	-	-
a	Fair value of plan assets at the beginning	-	-
b	Acquisition adjustment	-	-
c	Actual return on plan assets	-	-
d	Contribution	-	-
e	Benefits paid	-	-
f	Fair value of plan assets at the year end	-	-
g	Funded status	(855697)	(8958658)
h	Excess of actual over estimated return of plan assets	-	-
3	ACTUARIAL / LOSS RECOGNISED	-	-
a	Actual gain/(loss) for the period - obligation	88958	35908
b	Actual gain / (Loss) for the period – plan assets	-	-
c	Total (gain) / loss recognized in the period	(88958)	(35908)
d	Actual (gain) / loss recognized in the period	(88958)	(35908)

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

e	Un recognized actuarial (gain) / losses at the end of the period	-	-
4	THE AMOUNT RECOGNISED IN BALANCE SHEET AND STATEMENT OF PROFIT & LOSS		
a	Present value of obligations as attend of the period	855697	8958658
b	Fair value of plan assets as at the end of period	-	-
c	Funded status	(855697)	(8958658)
d	Excess of actual over estimated	-	-
e	Un recognized (gain) / losses	-	-
f	Net actuarial (gain)/loss	855697	8958658
5	EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSSES	-	-
a	Current service cost	88399	346780
b	Past service cost	-	-
c	Interest cost	63426	650490
d	Expected return on plan assets	-	-
e	Curtailment cost (Credit)	-	-
f	Settlement cost (Credit)	-	-
g	Net actuarial (gain) / loss	(88958)	(35908)
h	Expenses recognized in the financial statement of Profit and Losses	62867	961362

Assumptions	HPL As on 31-03-08	EL As on 31-03-08
Discount rate	8.00%	8.00%
Rate of increase in compensation	6.00%	6.00%
Rate of return on plan assets	-	-
Average outstanding service of employees upto retirement	20 Years	20 Years

Leave travel concession:

All India (LTC) is being and cashed during the block 2006-2009 and was paid in the respective financial year. In the year 2007-2008 Rs. 8298 has been paid . LTC (Home town) is being paid as per actual entitlement subject to amount claimed. In the year 2007-08 the amount claimed is Rs. 1,03,643/- which have been paid.

Gratuity

Yearly payment is made to LIC to maintain the gratuity account of the employees. BIBCOL has no gratuity trust so the the actuarial valuation has not been done.

7.a) The company has received capital grant of Rs. 311.00 lacs from Govt. of India for setting up of manufacturing facilities for production of Zinc dispersible tablets. Interest earned on capital grant received for the Zinc project has been credited to the grant account as per the terms of the grant. Zinc project is under progress. Details of grant are given as under:-

Amount received	3,11,00,000
Add: Interest	23,16,447
Less: Utilisation	2,31,58,471
Balance as on 31.03.08	1,02,57,976

An expenditure of Rs. 24,59,161/- has been incurred on technology transfer fee over and above allocated sanctioned grant of Rs. 1,15,00,000 (out of composite grant of Rs. 3,11,00,000), the same has not been accounted for as expenditure of the company as it is envisaged that company may get reimbursement from Deptt. Of Biotechnology.

b) The company has received revenue grant of Rs. 4,50,000 lacs from Department of Science and Technology (Govt of India) for Papaya Ring Spot Virus (PRSV) project. Expenditure of Rs. 3,94,725 had been incurred against the grant up to 31.03.2008. Balance unutilized amount of grant, Rs 55,275 has been shown under current liabilities.

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

14. As the company has preferred appeal against Assessment Orders for the Assessment year 2004-05 and 2005-06, demands raised and deposited with Income Tax Department have been considered as recoverable and not charged to Profit & Loss account as expenditure as the Company is confident to succeed in appeal. Accordingly brought forward losses have been considered as deferred tax assets as depicted under note No. 16.

15. Earning per share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS are as under :
(Amount in Rupees)

		Year ended 31.03.08	Year ended 31.03.07
A	Profit/ Loss attributable to Equity Shareholders	(4,00,14,475)	(3,42,85,324)
B	Basic	4,31,80,000	4,31,80,000
	Weighted average No. of Shares	4,31,80,000	4,31,80,000
C	Nominal value of equity share	10	10
D	Basic & Diluted EPS	(-) 0.93	(-) 0.79

16. **Deferred Tax :**

In accordance with AS-22 issued by the ICAI, elements of Deferred Tax assets created for tax effect of timing difference are as under :

(Rupees in lacs)

	PARTICULARS	Year ended 31.03.08	Year ended 31.03.07
(A)	DEFERRED TAX ASSETS		
	Losses brought forward (considered as per return filed though disallowed by the Income Tax department at assessment level. (Also refer Note No. 12 above)	609.04	412.94
(B)	DEFERRED TAX LIABILITIES		
	Depreciation	(98.27)	(96.26)
	DEFERRED TAX ASSETS (NET)	510.76	316.68

17. Diminution / impairment in the value of below detailed assets has been provided :

1. **Housing Complex :** The complex has been shown under the head Capital Work in Progress. The work has been kept in abeyance. The impairment in the value has been determined on the basis of valuation done by certified valuer as on 31.03.2006 and accounted for accordingly as there is no significant variation in value as on 31.03.2008.
2. **D.G. Set :** Diesel generation set of 1000 KVA remained unutilized in want of alternator and installation. The item is appearing under the head 'Capital work in Progress'. The valuation has been done internally and accounted for accordingly.

18. Previous year's figures have been re-named/ re-classified/ regrouped/ re-arranged wherever considered necessary to make them comparable.

(Sandip K. Lal)
COMPANY SECRETARY

(S. SUBBIAH)
MANAGING DIRECTOR

(V.S. CHAUHAN)
CHAIRMAN

As per our report of even date attached

PLACE : Bulandshahr

DATE : 01.09.2008

- For GIANENDER & ASSOCIATES
CHARACTERED ACCOUNTANTS

(G.K. Agarwal)
Partner

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2007-08

PARTICULARS		2007-08	2006-07 (Rs./Lacs)
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	NET PROFIT/LOSS BEFORE EXTRA ORD. ITEMS	(400.14)	(342.85)
	ADJUSTMENTS FOR:		
	DEPRECIATION PROVIDED	147.14	113.40
	DEPRECIATION ON ASSETS RETIRED/DEMOLISHED *	0.00	(170.92)
	DEFERRED TAX ASSETS	(194.08)	(178.11)
	PROVISIONS	19.72	10.50
	OPERATING PROFIT/(LOSS) BEFORE W.CAPITAL CHANGES	(427.36)	(567.98)
	ADJUSTMENT FOR:		
	INCREASE/DECREASE IN TRADE RECEIVABLES	80.45	303.25
	INCREASE/DECREASE IN INVENTORY	3.41	28.10
	INCREASE/DECREASE IN OTHER CURRENT ASSETS	2927	(41.44)
	INCREASE/DECREASE/SUNDRY CREDITORS	987	(956.65)
	INCREASE/DECREASE IN ADVANCES	47703	(175.91)
	INCREASE/DECREASE IN CURRENT LIABILITIES	15.69	65.79
	NET CASH FROM OPERATING ACTIVITIES	188.35	(1,344.84)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	INCREASE IN C.w.I.P.	0.00	(539.37)
	INCREASE IN FIXED ASSETS	(669.37)	(3.83)
	DECREASE IN ASSETS (DISCARDED/DEMOLISHED) *	(127)	211.34
	DECREASE IN ADVANCE ON CAPITAL ACCOUNT	45.65	
	NET CASH USED IN INVESTING ACTIVITIES	(624.98)	(331.86)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	GRANT AGAINST ZINC PROJECT	(81.77)	184.35
	PRSV PROJECT REVENUE GRANT BALANCE	0.55	
		(81.22)	184.35
	CASH AND CASH EQUIVALENT AS AT THE BEGINNING OF THE YEAR	2,017.07	3,509.43
	CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR	1,499.22	2,017.07
	NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS	(517.85)	(1,492.36)

(Sandip K. Lal)
COMPANY SECRETARY

(S. SUBBIAH)
MANAGING DIRECTOR

(V.S. CHAUHAN)
CHAIRMAN

AUDITOR'S CERTIFICATE

We have verified attached cash flow statement of Bharat Immunologicals & Biologicals Corporation Limited (BIBCOL) for the year ended 31st March, 2008. This statement has been compiled by the company from the audited statements for the year ended 31st March, 2007 and 31st March, 2008. We found the same to be in accordance with the requirements of clause 32 of listing agreement with stock exchange (s).

PLACE : Bulandshar
DATE : 01.09.2008

For Gianender & Associates
Chartered Accountants

(G.K. Agarwal)
Partner

BALANCE SHEET ASBTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	Registration Details			
	Registration No.	10542	State Code	20
	Balance Sheet	31.3.2008		
II	Capital raised during the year (Rs. in thousands)			
	Public Issue	Nil		
	Bonus Issue	Nil		
III	Position of Mobilisation and deployment of funds (Rs. in thousands)			
	Total Liabilities	431,800	Total Assets	431,800
	Sources of Funds		Application of Funds	
	Paid up Capital	431,800	Net Fixed Assets	146,868
	Secured Loans	0	Net Current Assets	126,419
	Unsecured Loans	0	Accumulated Losses	107,436
	Reserve & Surplus	0	Deferred tax Assets	51,077
			Investments	Nil
			Misc. Expenditure	0
IV.	Performance of Company (Rs. in thousands)			
	Turnover & other Income	142,086	Total Expenditure	201,370
	Profit/ (Loss) Before Tax	(59,284)	Profit /(Loss) After Tax	(40,014)
	Earning Per share (Rs.)	(0.93)	Divident Rate %	Nil

V. Generic names of three Principal Products / Services of Company
Product Description (Oral Polio Vaccine)

(Sandip K. Lal)
COMPANY SECRETARY

(S. SUBBIAH)
MANAGING DIRECTOR

(V.S. CHAUHAN)
CHAIRMAN

As per our report of even date attached

For GIANENDER & ASSOCIATES
CHARTERED ACCOUNTANTS

(G.K. Agarwal)
Partner

सं० एमएवी-11/सीएडी-1/जी-2/2008-09/59



INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-II
3rd Floor 'A' wing, Indraprastha Bhawan, I.P. Estate, New Delhi - 110002
Tele : 23378431, 23379473
e-mail : mab2@nda.vsnl.net, mabnewdelhi2@cag.gov.in

Dated : 22.10.2008

सेवा में,

अध्यक्ष एवं प्रबन्ध निदेशक,
Bharat Immunological & Biological Corporation Limited
Vill. Chola - 203 203,
Distt. Bulandshahr (U.P.)

विषय : कंपनी अधिनियम 1956 की धारा 619 (4) के अधीन 31 मार्च, 2008 को समाप्त वर्ष के लिए Bharat Immunological & Biological Corporation Limited के लेखाओं पर भारत के नियंत्रक एवं महालेखा परीक्षक की टिप्पणियां।

महोदय,

मैं कंपनी अधिनियम 1956 की धारा 619 (4) के अधीन 31 मार्च 2008 को समाप्त हुए वर्ष के लिए Bharat Immunological & Biological Corporation Limited के लेखों पर भारत के नियंत्रक एवं महालेखा परीक्षक की टिप्पणियां अंग्रेजित करती हूँ। इन टिप्पणियों एवं लेखाओं की समीक्षा को कंपनी की वार्षिक रिपोर्ट में प्रकाशित किया जाये और कंपनी के महासभा में उसी समय व उसी प्रकार से रखा जाये जिस प्रकार से सांविधिक लेखा परीक्षकों की लेखा परीक्षा रिपोर्ट रखी जाती है।

कंपनी की महासभा में रखे गए निदेशक मंडल के उत्तर इस कार्यालय में भी भेज दें। यदि महासभा के आयोजन में समय का अन्तराल हो तो महासभा में रखे जाने वाले उत्तर, यह बताते हुए कि इन उत्तरों में कोई परिवर्तन नहीं किया जायेगा, इस कार्यालय को भेज दिए जायें।

भवदीया

(सरोज पुनहानि)

प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य, लेखा परीक्षा बोर्ड-11
नई दिल्ली

संलग्न टिप्पणियां।

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF BHARAT IMMUNOLOGICALS & BIOLOGICALS CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH 2008.

The preparation of financial statements of Bharat Immunologicals & Biologicals Corporation Limited for the year ended 31st March, 2008 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their profession body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 1st September 2008.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Bharat Immunologicals and Biologicals Corporation Limited for the year ended 31st March 2008. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

is limited primarily to the inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

Comments on Profitability

Profit & Loss Account

Expenditure

Income tax – Deferred tax Rs. 1.94 crore

1. The above includes an amount of Rs. 1.94 crore being deferred tax assets despite the fact that company is running in loss and did not have any firm supply order in respect of future profitability.

This is in contravention of Accounting Standard – 22 (Accounting for Taxes on Income) and has resulted into understatement of loss by Rs. 1.94 crore and overstatement of deferred tax assets to the same extent.

Other Comments

2. Balance Sheet Abstract and Company's General Business profile for the year ended 31st March, 2008 required as per Part IV of the Companies Act, 1956 had not been submitted by the Company to the auditor and this deficiency was also not pointed out by the auditor in his report.

For and on behalf of the
Comptroller and Auditor General of India

Place : New Delhi
Dated : 22.10.2008

(Saroj Punhani)
Principal Director of Commercial Audit
& Ex- Officio Member Audit Board- II,
New Delhi.

Reply on comments of Comptroller & Audit General by Board of Directors of Bharat Immunologicals and Biologicals Corporation Limited

1. The company has received orders from Ministry of health & Family Welfare (MOH&FW) during the current year. It is expected to adjust the carried forward losses. When the provision was made towards deferred tax assets the company was expecting orders from MOH(F&W). Now the company has received the orders.

2. Noted for compliance.

BHARAT IMMUNOLOGICALS AND BIOLOGICALS CORPORATION LIMITED

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

PROXY FORM

I/We
S/o Sh.in the District
named company do hereby appoint.....
S/o..... (or failing him)
.....of.....as my/ our proxy
to Attend and vote for me /our and on my / our behalf at the
19th Annual General Meeting of the Company to be held on
Monday, 15th December, 2008 and any adjournment thereof

As witness my hand this day of 2008

Signed by the said Revenue Stamp

Address

Signature

Note: The proxy form duly signed across should reach the
Company's Registered Office at least 48 hours before the
meeting.

ATTENDANCE SLIP

I hereby record my presence at the 19th Annual General
Meeting of the Company at Regd. Office: Vill. Chola, Distt.
Bulandshahr – 203203 at 11.30 a.m. on on Monday, the
15th December 2008.

Full name of the Shareholder

Signature

Folio No.

Full name of proxy

Signature

BOOK POST

If undelivered please redirect to

Bharat Immunologicals and Biologicals Corporation Limited

Regd. Office: Chola, Bulandshar – 203203 (U.P.)