

# FIFTEENTH ANNUAL REPORT



**BIOPAC INDIA CORPORATION LTD.**

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**Board of Directors :**

Shri Harish B. Doshi	Chairman
Shri Pankaj B. Doshi	Managing Director
Shri N.M. Bijlani (Resigned)	Director
Shri Harshad C. Valia	Director
Dr. Prabodh P. Karnik	Director

**Company Secretary :**

Shri Vijay P. Shenoy

**Registered and Corporate Office :**

C/15, Modern Paint House,  
Dalia Industrial Estate,  
Off. New Link Road,  
Andheri (West),  
Mumbai 400 053.  
Tel. 26730592/93/94

**Website :** www.biopacindia.com

**Bankers :**

State Bank of Hyderabad

**Works :**

Plot No.1, Siddhi Industrial Estate  
Survey No.185/1/1, Dock Mardi,  
Kilavani Road,  
New Amli Village, Silvassa  
Dadra & Nagar Havelli 396 230  
India

**Solicitors & Legal Advisors :**

Desai and Diwanji  
Advocates, Solicitors & Notaries

**Auditors :**

Haribhakti & Company  
Chartered Accountants

**Registrar & Share Transfer Agents :**

Intime Spectrum Registry Limited  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (West)  
Mumbai 400 078.

**NOTICE**

Notice is hereby given that the 15<sup>th</sup> Annual General Meeting of the members of **BIOPAC INDIA CORPORATION LIMITED** will be held at :

<b>Venue</b>	The Banquet Hall, Time & Again Restaurant, 9, Raheja Classique Oshiwara Link Road, Lokhandwala, Andheri (West) Mumbai 400 053.
<b>Day</b>	Tuesday
<b>Date</b>	29 <sup>th</sup> July, 2003.
<b>Time</b>	3.00 pm

to transact the following business :

**ORDINARY BUSINESS**

1. To receive and adopt the Audited Accounts for the year ended 31<sup>st</sup> March 2003 and the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr.Pankaj B. Doshi, who retires by rotation and being eligible, offer himself for re appointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

"RESOLVED THAT M/s. Haribhakti & Company be and they are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company".

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Harshad C . Valia be and is hereby appointed as a Director of the Company".

5. To consider and if thought fit, to pass with or without modification , the following resolution as an Ordinary Resolution.

RESOLVED THAT Dr Prabodh P. Karnik be and is hereby appointed as a Director of the Company.

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT in supercession of Resolution passed at the Extra Ordinary General Meeting of the Company held on 7<sup>th</sup> March,1997 and pursuant to sub -section (1) (d) of Section 293 of the Companies Act,1956,the consent of the company be and is hereby granted to the Board of Directors for Borrowing moneys from time to time in excess of paid up capital and free reserves, if any, provided however that the amount to be borrowed and outstanding at any time shall not exceed the sum of Rs. 25,00,00,000/- ( Rupees twenty five crores only) exclusive of the temporary loan obtained from the company's bankers in the ordinary course of business of the company".

Mumbai.

Date: 10<sup>th</sup> May, 2003.

**Registered Office :**

C/15 Modern Paints House,  
Dalia Industrial Estate,  
Off.New Link Road, Andheri (West),  
Mumbai-400 053.

**By Order of the Board  
For Biopac India Corporation Limited**

**Vijay Shenoy  
Company Secretary**

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER
2. The Register of Members and the Share Transfer Books of the Company will remain closed for the purpose of Annual General Meeting from Friday, 18<sup>th</sup> July, 2003 to Tuesday, 29<sup>th</sup> July, 2003 (both days inclusive).
3. Members are requested to advise indicating their folio number, the change of their addresses, if any, to M/s. Intime Spectrum Registry Ltd Unit: BIOPAC INDIA CORPORATION LIMITED, C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078 the Registrar and share Transfer Agent of the company.
4. Please note that your Company's Shares are compulsorily traded in Electronic Form. Your Company has already entered in the agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Members who hold shares in physical form and desirous to convert them in Dematerialised form, may send letters along with the Dematerialised Request Form (s) through the concerned Depository Participant.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.****Item no. 4**

Mr. Harshad C. Valia was appointed as an Additional Director on 4<sup>th</sup> January, 2003. Mr. Valia has over 40 years experience in the plastic industry. The company can benefit immensely from the experience and guidance of Mr. Valia as a Director of the company.

Notice in writing under Sub Section 1 of Section 257 of the Companies Act, 1956 has been received from a member of the company proposing the candidature of Mr. Harshad C. Valia for the office of Director alongwith a deposit of Rs.500.

No Director of the Company except Mr. Valia is concerned or interested in the Resolution set out in Item no.4.

The Board of Directors recommend the same for approval of the members.

**Item no. 5**

Dr. Prabodh P. Karnik was appointed as an Additional Director on 10<sup>th</sup> May, 2003.

Notice in writing under Sub Section 1 of Section 257 of the Companies Act, 1956 has been received from a member of the company proposing the candidature of Dr Prabodh P. Karnik for the office of Director alongwith a deposit of Rs.500.

No Director of the Company except Dr. Karnik is concerned or interested in the Resolution set out in Item no. 5

The Board of Directors recommend the same for approval of the members.

**Item no. 6**

At the Extra Ordinary General Meeting of the Company held on 7<sup>th</sup> March, 1997 the company had accorded its consent under section 293(1)(d) of the Companies Act, 1956, to the Directors for borrowing money upto a limit of Rs. 8 Crores (Rupees eight crores only). Taking into account the further requirements of additional

finance for the expansion programme undertaken by the company it is necessary to increase the borrowing limits upto Rs.25 Crores. The Board of Directors are at present empowered to borrow an amount not exceeding Rs.25 Crores ( Rupees twenty five crores only) exclusive of the temporary loans obtained from the company's bankers in the ordinary course of business of the company.

The Board of Directors recommend the same for approval of the members.

No Director of the Company are concerned or interested in this resolution.

Mumbai.

Date: 10<sup>th</sup> May, 2003.

**Registered Office :**

C/15 Modern Paints House,  
Dalia Industrial Estate  
Off. New Link Road,  
Andheri (West),  
Mumbai-400 053.

**By Order of the Board**

**For Biopac India Corporation Limited**

***Vijay Shenoy***  
***Company Secretary***

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## DIRECTORS' REPORT

**TO THE MEMBERS**

The Directors have pleasure in presenting their Fifteenth Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March, 2003.

**Financial Results**

Particulars	Year ended 31 <sup>st</sup> March, 2003 (Rs. In Lacs)	Year ended 31 <sup>st</sup> March, 2002 (Rs. in Lacs)
Net Sales and other Income	1256.66	1076.05
Profit / (Loss) before interest, Depreciation and Tax	199.99	178.29
Financial Expenses	33.18	21.78
Depreciation	160.77	136.80
Profit Before Tax	6.04	19.71
Taxation for the year	—	—
Net Profit after tax	6.04	19.71
Deferred Tax Liability for the year	1.88	—
Net Profit After Deferred Tax	4.16	19.71
Deferred Tax for prior years	164.29	—
Loss brought forward from previous year	(453.06)	(472.78)
Balance carried forward	(284.61)	(453.06)

**Dividend**

In view of the accumulated losses of prior years, your Directors do not recommend any dividend for the year under review.

**Operations**

The Net sales revenue of the Company during the year 2002-2003 was Rs.1256.66 Lacs as against Rs.1076.05 Lacs in the previous year showing a growth of 17%.

The Operations of the Company would have reflected good profits but for the fact, that the prices of raw materials increased substantially during the year by over 50% leading to a sharp reduction in the margins of the company. As a part of the strategy to counter this increase, the company has taken steps to increase the productivity and also, passed on a proportion of this increase to its customers. Your Company has also introduced new products including boxes and trays which have a good market share of the disposable items in advance countries like USA. These products have also gained acceptability in the domestic market. Your Company has purchased certain balancing equipments and new moulds which will increase the productivity of the existing products.

**Exports**

The exports continued to show a good incremental trend and registered a growth of 78% during the year. As informed to you last year, your company's products are now exported to highly developed and quality conscious countries of USA, U.K. and U.A.E., besides other countries. During the current year, your company has projected an increase of the export share in the total business of the company.

**Expansion**

Your Company is in the process of expanding the existing capacities by adding one new extruder and vacuum forming machines. Project size would entail an investment of about Rs.20 Crores and is proposed to be financed by internal accruals of Rs. 5 Crores and Debt segment of Rs. 15 Crores. The expansion process has already been initiated and the plant is expected to be commissioned by the end of the current financial year. Barring unforeseen circumstances, the commercial production for the expanded capacity is expected to commence on or before 1st April, 2004.

The Auditor's comments as referred to in Para II(b) and II(g) of the Auditors Report is dealt with in Notes no.1(E)(ii) and no. 14 respectively as annexed to the accounts, which is self explanatory.

#### **Directors' Responsibility [Section 217 (2AA) ]**

In terms of Sec. 217 (2AA) of the Companies Act, 1956, your Directors would like to inform the members that the audited accounts containing the financial statement for the year 2002-2003 are in full conformity with the requirements of the Act and they believe that the financial statement reflect fairly the form and substance of transactions carried out during the year and reasonably present the company's financial condition and results of operation. These financial statements are audited by the Statutory Auditors, M/s. Haribhakti & Co.

Your Directors further confirm that :

- i. In the preparation of the Annual Accounts, applicable accounting standards have been followed;
- ii. The Directors have selected such accounting policies and applied them consistently. The accounting policies have been consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the state-of-affairs of the Company at the end of the Financial Year and of the loss of the Company for the year under review;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. Have prepared the Annual Accounts on a going concern basis.

#### **Fixed Deposits**

The Company has not accepted any Deposits from the Public during the year.

#### **Auditors**

You are requested to appoint Auditors and fix their remuneration.

#### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The particulars as prescribed under Sub Section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in Annexure 'A' which forms part of the Directors' Report.

#### **Employees**

Particulars of Employees required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are not given as there were no employees drawing remuneration in excess of the prescribed limits.

#### **Corporate Governance**

In terms of Clause 49 of the amended listing guidelines, of the Mumbai /Ahmedabad Stock Exchange, a note on the Corporate Guidelines followed by the Company is given in Annexure 'B' which form part of the Directors' Report.

#### **Directors**

Under the Articles of Association of the Company, Mr. Pankaj B. Doshi retires from the Board of Directors by rotation and is eligible for re-appointment.

During the year Mr N.M.Bijlani resigned as a Director. The Board places on record the excellent co-operation and guidance provided by him during his tenure as a Director.

The Board appointed Mr Harshad C Valia and Dr.Prabodh P. Karnik as additional Directors of the Company. They hold office upto the date of the ensuing Annual General Meeting of the Company.

#### **Management Discussions and Analysis**

A brief note on management discussion and analysis of the results for the year under review is given in Annexure 'C' which forms part of the Directors' Report.

**Acknowledgement**

Your Directors take this opportunity to thank all Employees of the company for their hard work, dedication and commitment and appreciate the co-operation received from our Bankers and other Government authorities during the year under review.

Place : Mumbai

Date : 10<sup>th</sup> May, 2003.

For and on behalf of the Board

**Harish B. Doshi**

Chairman

**ANNEXURE - 'A' TO THE DIRECTORS REPORT****Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.**

In terms of Section 217 (1)(e) of the Companies Act, 1956, and the Companies (Disclosure of particulars in the Report of the Board of Directors) Rule, 1988, your Directors furnish hereunder the additional information which form part of the Directors' Report :

**A. CONSERVATION OF ENERGY**

General awareness is being brought about among the entire work force at company's plant to reduce the consumption of energy in particular to avoid wastage.

**B. TECHNOLOGY ABSORPTION**

The Company's manufacturing process is based on indigenous technology. The Company has not imported any technology during the year.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information regarding Company's contribution towards Company's foreign exchange earnings is given in Notes to accounts.

FOR and on behalf of the Board

**Harish B. Doshi**

Chairman

Mumbai : 10th May, 2003.





**ANNEXURE "B"****REPORT TO THE DIRECTORS ON CORPORATE GOVERNANCE**

The Securities and Exchange Board of India (SEBI) constituted the committee on Corporate Governance to promote and raise the standard of corporate governance of listed companies. The committee made recommendations on the composition of the board of directors, audit committee, board procedure etc.

The Company is taking necessary steps to comply with the clause 49 of the Revised Listing Agreement. Given below is the report of the Directors on the corporate governance.

**REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the shareholder value, keeping in mind the needs and interest of other stakeholders. In compliance thereof, the following information is placed before the shareholders.

The Company is committed to good corporate governance. The company fully understands the rights of its shareholders to information on the performance of the company and considers itself a trustee of its shareholders. The company provides details information on various issues concerning the company's business and financial performance to its shareholders.

The basic philosophy of corporate governance in the company is to achieve business excellence and dedicate itself to increasing long term shareholder value, keeping in view the needs and interest of all its stakeholders. The company is committed to transparency in all its dealings and places emphasis on business ethics.

**BOARD OF DIRECTORS**

Name of Director	Category	Date of Board Meeting					Date of AGM 5 <sup>th</sup> July, 2002
		4.5.2002 (Adjourned)	16.5.2002	5.7.2002	11.11.2002	4.1.2003	
Mr. H.B.Doshi-Chairman	Promoter and Non executive	A	P	P	A	P	P
Mr. P.B.Doshi -M.D.	Promoter & Executive	P	P	P	P	P	P
Mr. N.M.Bijlani -Director (resigned w.e.f.10.05.2003)	Independent & Non Executive	P	P	P	P	P	P
Mr Harshad C. Valia-Director Appointed w.e.f. 04.01.2003	Independent & Non Executive					P	
Dr. Prabodh P. Karnik -Director (Appointed w.e.f.10.05.2003.							

P-Present

A-Leave of absence granted

**Note:**

Mr. P.B.Doshi is a Managing Director and Mr. N. M. Bijlani is a Director and  
Mr. Harshad C. Valia Appointed as an additional Director w.e.f. 4th January, 2003.  
Dr. Prabodh P. Karnik Appointed as an additional Director w. e. f. 10<sup>th</sup> May, 2003.  
No Directors are having Chairmanship in any other company.

**Details of other Committees**

Name of Director	Executive /Non executive/independent	Committee Membership
Mr. H.B.Doshi -Chairman	Non- Executive	2
Mr. P.B.Doshi -MD	Executive	1
Mr. N.M.Bijlani – Director		
Resigned w.e.f. 10 <sup>th</sup> May, 2003.	Non Executive & independent	1
Mr Harshad C. Valia- Director	Non Executive & independent	1

In line with the requirements of the code of the Corporate Governance , the board of directors comprises four members. The composition of the Board is in conformity with the revised listing agreement, having one Managing Director and remaining 3 Directors are Non- Executive Directors. The Board also has two independent Director.

**SHAREHOLDERS**

The profile of the Directors retiring by rotation /additional directors eligible for reappointment is as under :

Mr. Pankaj B. Doshi, Managing Director, retires by rotation and is eligible for reappointment as a Director. He is one of the Founder Members of the Company and has been associated since inception. He specializes in general administration/marketing activities of the company and has been instrumental in the growth of the company. He is on the board of three other companies as Director.

Mr. Harshad C. Valia was appointed as an additional Director of the company on 4<sup>th</sup> January, 2003. He has over 40 years experience in the business of plastic industry and is on the board of three private limited companies.

Dr. Prabod P. Karnik was appointed as an Additional Director of the Company on 10<sup>th</sup> May, 2003.

**AUDIT COMMITTEE**

In terms of Clause 49 of the Listing Guidelines of the Mumbai/Ahmedabad Stock Exchange, an Audit Committee was formed on 5<sup>th</sup> January, 2002 with the appointment of Mr. Harish B. Doshi and Mr. N. M. Bijlani as the members and Mr. N. M. Bijlani being the Chairman of the committee.

The Company had three Board Members including the Managing Director and hence, the requirement of three Non Executive Directors being Members of the Committee could not be complied with. Mr Harshad C. Valia was appointed as a Member consequent to his appointment as a Director on 4<sup>th</sup> January, 2003 . Hence, it was possible to hold only two meetings during the Financial Year 2002-03.

The Composition of the Audit Committee and the attendance of each Director at these meeting was as follows:

SR.NO	MEMBER OF THE AUDIT COMMITTEE	NO.OF MEETINGS ATTENDED
1	MR N.M.BIJLANI - CHAIRMAN &INDEPENDENT	2
2	MR HARISH B. DOSHI –MEMBER&NON EXECUTIVE	0
3	MR HARSHAD C. VALIA –MEMBER&INDEPENDENT	2

The Audit Committee is responsible for overseeing the company's financial reporting process, reviewing with the management the financial statements and adequacy of internal audit function and discuss significant internal audit findings. The committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.