

SIXTEENTH ANNUAL REPORT



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BIOPAC INDIA CORPORATION LIMITED

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BOARD OF DIRECTORS

Mr. Harish B. Doshi	Chairman
Mr. Pankaj B. Doshi	Managing Director
Mr. Harshad Valia	Director
Dr. Prabodh Karnik	Director

REGISTERED AND CORPORATE OFFICE

C-15, Modern Paint House
Dalia Industrial Estate
Off. New Link Road
Andheri West, Mumbai 400 053.
Tel # 2 673 0592/93/94
Website : www.biopacindia.com

BANKERS

State Bank of Hyderabad
Canara Bank
Vijaya Bank

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WORKS

Plot No.1, Siddhi Indl. Estate, Survey No.185/1/1
Dock Mardi, Kilavani Road, New Amli Village
Silvassa.

SOLICITORS & LEGAL ADVISORS

Desai & Diwanji
Advocates, Solicitors & Notaries

AUDITORS

Haribhakti & Company
Chartered Accountants

REGISTRARS & SHARE TRANSFER AGENTS

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

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the members of **BIOPAC INDIA CORPORATION LIMITED** will be held at :

Venue	M.C. Ghia Hall 2nd Floor, Bhogilal, Hargovindas Bldg., 18/20, K. Dubash Marg, Behind Kala Ghoda, Mumbai 400 001.
Day	Tuesday
Date	20th July, 2004
Time	3.00 pm

to transact the following business :

ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts i.e. the Audited Balance sheet as on 31st March, 2004 and the Profit and Loss Account for the year ended 31st March 2004 and the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Harish Doshi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Harshad C. Valia, , who retires by rotation and being eligible, offers himself for reappointment.
4. 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 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

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

"RESOLVED THAT in supercession of the resolution approved by the Shareholders at the Fourteenth Annual General Meeting, the remuneration payable to Mr. Pankaj Doshi, Managing Director be modified w.e.f. 1st April, 2004 as per the terms and conditions set up in the Agreement between the Company and the Managing Director, draft of which is initialed by the Chairman for the purpose of identification and placed before the meeting."

Place : Mumbai
Date : 3rd June, 2004

By Order of the Board
For Biopac India Corporation Limited

Registered Office :

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

Harish B.Doshi
Chairman

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. The proxies to be effective, should be deposited at the Registered Office of the company not later than 48 hours before commencement of the meeting.
2. The Register of Members and the Transfer Books of the Company will remain closed for the purpose of Annual General Meeting from Monday the 12th July, 2004 to Tuesday the 20th July, 2004 (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 Pvt 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 enter 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. 5**

Mr. Pankaj Doshi has been associated with the Company since inception. The terms of his appointment were approved by the members for a period of five years w.e.f. 1st January, 2002. The remuneration included salary of Rs.1,00,000 per month. In addition, a commission of 2% of the Net Profits of the company and other perquisites as applicable to the senior executives of the company was also approved.

The business has grown substantially due to the hard work put in by the Managing Director specially in the development of the export segment. The Board of Directors of the Company in their meeting held on 3rd June, 2004, have revised the salary as under :

Salary	: Rs.1,25,000 per month w.e.f. 1 st April, 2004.
Period	: Unexpired period of the contract. i.e. upto 31 st December, 2006.
Performance Incentive	: 2% of the Net Profits of the Company.
Perquisites	: Such perquisites as applicable to the senior executives of the company.
Notice period	: Three months

The above terms and conditions including the remuneration payable to the Managing Director would be the minimum remuneration payable in the event of loss or inadequacy of profits in any financial year subject to the provisions of Schedule 13 of the Companies Act, 1956.

A copy of the draft agreement is available for inspection to the members of the company at the registered office of the company between 9.00 am to 5.00 pm on all working days prior to the date of the meeting and at the meeting.

The resolution set out in Item no.5 alongwith this explanatory statement may be treated as Memorandum of Understanding u/s.302 of the Companies Act, 1956.

No Director of the Company, except Mr. Pankaj Doshi and Mr. Harish Doshi, being relatives are concerned or interested in this resolution.

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

Place : Mumbai
Date : 3rd June, 2004

By Order of the Board
For Biopac India Corporation Limited

Registered Office :

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

Harish B.Doshi
Chairman

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting their Sixteenth Annual Report and Audited Accounts for the year ended 31st March, 2004.

Financial Results

Particulars	Year ended 31 st March, 2004 (Rs. In Lacs)	Year ended 31 st March, 2003 (Rs.in Lacs)
Revenues	1721.80	1498.46
Profit / (Loss) before Interest, Depreciation and Tax	393.56	226.62
Financial Expenses	48.69	33.18
Depreciation & Ammortisation	192.28	187.39
Profit Before Tax	152.58	6.05
Taxation for the year	—	—
Net Profit After Tax	152.58	6.05
Deferred Tax Adjustment	54.35	1.88
Net Profit after Deferred Tax Adjustment	98.23	4.17
Deferred tax for prior years	—	164.29
Loss brought forward from previous year	(284.61)	(453.06)
Balance carried forward	(186.38)	(284.61)

Dividend

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

Operations

The Revenues of the Company during the year 2003-2004 was Rs.1721.80 Lacs as against Rs.1498.46 Lacs in the previous year showing a growth of 15%.

The Operations of the Company would have reflected even better results but for the fact, that the prices of raw materials increased during the year. The Company has taken steps to offset this by increasing the production levels and optimize the capacities. New products have been introduced and the same has been well accepted by the customers. The Company has also introduced new brands of 'Havana' and 'PSP' Plates to compete with the paper and the plastic segment.

Exports

The Exports during the year were higher at Rs.772.72 Lacs as against Rs. 546.75 Lacs last year representing a growth of 41%. This was possible due to repeat orders from a USA, UK and UAE customers. These markets have shown a good potential to absorb higher volume at competitive prices.

Expansion

As approved by you last year, the company embarked on expanding its capacities. Accordingly, a new site was identified which is in close proximity to our existing facilities at Silvassa. We have already placed

orders for the import of the equipments and also in the final stages of completion of the building. This expansion will house 60,000 sq.ft. which will be utilized for our manufacturing facilities as also for storage which consumes a lot of space due to the volumes. The company has already opened LCs on foreign suppliers. The equipments are in the process of being shipped and will be installed at the site by August, 2004. Barring unforeseen circumstances, the trial run and commercial production should commence in September, 2004. The total cost of the project would be Rs.1700 Lacs and this has been financed by a consortium of Canara Bank / Vijaya Bank for Rs.1200 Lacs. The balance amount will be funded by internal accruals.

The turnover and the profitability of the Company would be substantially improved after implementation of the expansion and we would be in a very competitive position to compete in the international market due to higher capacities.

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 2003-2004 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 report on Corporate Governance and Certificate from the Auditors of the Company is given in the annexure "B" which form part of the Directors' Report.

Directors

Under the Articles of Association of the Company, Mr. Harish Doshi and Mr. Harshad Valia retires from the Board of Directors by rotation and are eligible for re-appointment.

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.

For and on behalf of the Board

Harish B. Doshi
Chairman

Place : Mumbai

Date : 3rd June, 2004.

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

Place : Mumbai

Date : 3rd June, 2004.

ANNEXURE 'B'**REPORT OF 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
		10.5.2003	28.7.2003	7.11.2003	8.1.2004	15.3.2004	29.7.2003
Mr. Harish B.Doshi -Chairman	Promoter and Non executive	P	P	P	P	P	P
Mr.Pankaj B.Doshi -M.D.	Promoter & Executive	P	P	P	P	P	P
Mr N.M.Bijlani (Resigned w.e.f.10.5.2003)	Independent & Non Executive	P	-	-	-	-	-
Mr Harshad Valia - Director	Independent & Non Executive	P	A	A	P	P	P
Dr Prabodh Karnik (Appointed w.e.f. 10.5.2003)	Independent & Non Executive	-	P	P	A	P	P

P - Present, A - Leave of absence granted

Note:

Mr. Pankaj B.Doshi is a Managing Director , Mr. Harshad C. Valia and Dr Prabodh P Karnik are Directors. No Directors are having Chairmanship in any other committee.

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Name of Director	Executive /Non executive/ independent	Committee Membership
Mr. Harish B. Doshi -Chairman	Non- Executive	2
Mr. Pankaj B. Doshi -MD	Executive	1
Mr Harshad C. Valia- Director	Non Executive & independent	1
Dr Prabodh P Karnik-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 Harish B Doshi , Chairman, retires by rotation and is eligible for re-appointment as a Director . Mr Harish B Doshi has been one of the Promoters of the Company and has over 25 years experience in the plastics and chemicals trading business in USA.

Mr Harshad Valia, Director, retires by rotation and is eligible for reappointment as a Director. Mr Valia has over 41 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.

AUDIT COMMITTEE

The Company has four Board Members including the Managing Director and hence, the requirement of three Non Executive Directors being Members of the Committee has been complied-with.

Four Audit Committee Meeting were held during the financial year 2003-2004.

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	Data of Audit Committee Meeting			
		10.5.2003	28.7.2003	7.11.2003	8.1.2004
1	MR N.M.BIJLANI – CHAIRMAN & INDEPENDENT (RESIGNED W.E.F 10.5.2004)	P	–	–	–
2	DR PRABODH KARNIK – CHAIRMAN & INDEPENDENT	–	P	P	P
3	MR HARISH B. DOSHI – MEMBER&NON EXECUTIVE	P	P	P	P
4	MR HARSHAD C. VALIA – MEMBER&INDEPENDENT	p	P	P	P

P - Present, A - Leave of absence granted

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.

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The Committee interact with the external Auditors to discuss their audit methodology , audit planning and significant observations/ suggestions made by them.

REMUNERATION

No remuneration is paid to any Director except the Managing Director. The remuneration paid to Mr. Pankaj Doshi, Managing Director is governed by the requirement of Section 269 , 309 and other applicable provisions of the Companies Act, 1956 read with the Schedule XIII of the Companies Act, 1956. No sitting fees are payable to any Director. The details of the remuneration paid to Mr. Pankaj Doshi, Managing Director is as under :

Salary	Rs.1,25,000 per month (Rupees One Lac Twenty Five Thousand Only) w.e.f. 1 st April, 2004
Period	Unexpired period of the contract ie. upto 31.12.2006
Commission	2% of the Net Profits of the company, wherever applicable.
Perquisites	Such perquisites as applicable to the Senior Executives of the Company and as decided by the Board of Directors.
Notice Period	Three months

The above terms and conditions including the terms as to remuneration payable would be the minimum remuneration payable in the event of loss or inadequacy of profits in any financial year.

SHAREHOLDERS COMMITTEE

The Company has complied the requirements of the sub clause VI (A) , (B) of the Clause 49 of the Listing Agreement. The Committee comprises Mr. Harish Doshi, Chairman and Mr. Pankaj Doshi, Managing Director. The Committee has empowered Mr Pankaj Doshi , Managing Director to approve the Share Transfers.

During the year , the company and their Registrar and Share Transfer Agents M/S Intime Spectrum Registry P. Ltd received about 13 complaints which were resolved immediately. These complaints were in nature of non receipt of electronic credit, change of address, non receipt of share certificate, Annual Report etc. All shareholders complaints are redressed within the time frame prescribed by the SEBI/ Stock Exchanges and a certificate to this effect duly signed by a practicing Company Secretary has been furnished to the concerned stock exchanges where the shares are listed.

GENERAL BODY MEETING

The Annual General Meetings of the Company (AGMs) have been held at the following places in the last three years.

For the year	Venue	Day and Date	Time
2000-2001	Ajivasan Hall, Next to S.N.D.T. University, Juhu Tara Road, Juhu, Mumbai 400054	Friday, 24 th August, 2001.	3.00 p.m.
2001-2002	Ajivasan Hall, Next to S.N.D.T. University, Juhu Tara Road, Juhu, Mumbai 400054	Friday, 5 th July, 2002.	3.00 p.m.
2002-2003	The Banquet Hall, Time & Again Restaurant 9 , Raheja Classique, Oshiwara Link Road, Lokhandwala, Andheri (West), Mumbai 400 053	Tuesday, 29 th July, 2003.	3.00 p.m.

The Company's Shares are listed on the Bombay Stock Exchange and Ahmedabad Stock Exchange.