

SEVENTEENTH 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

V.P. FINANCE AND COMPANY SECRETARY

Mr. V. Subramaniam

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

WORKS

Survey No. 38.
Khanvel-Dapada Road,
Dapada Village, Silvassa.

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 17th Annual General Meeting of the members of **BIOPAC INDIA CORPORATION LIMITED** will be held at :

Venue	The Banquet Hall, Time & Again Restaurant, Raheja Classique, Oshiwara Link Road, Andheri (W), Mumbai. 400 053.
Day	Friday
Date	30th September, 2005
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, 2005 and the Profit and Loss Account for the year ended 31st March 2005 and the reports of the Auditors and Directors thereon.
- 2) To appoint a Director in place of Dr. Prabodh Karnik, who retires by rotation and being eligible, offers himself for reappointment.
- 3) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to such other consents, approvals, permissions as may be required, the consent of the members be and is hereby accorded to the appointment of Mr Harish Doshi as the Whole time Chairman of the Company for a period of five years with effect from 5th May 2005 and to his receiving remuneration, at the rate of Rs. 3,00,000/- per month (inclusive of all perquisites).

RESOLVED FURTHER That Mr. Harish Doshi Chairman of the company be paid a Salary of Rs. 5,00,000/- per month (inclusive of all perquisites) subject to the approval of the central government from the date of receipt of such approval

RESOLVED FURTHER THAT any one director of the Company or Company Secretary be and is hereby individually authorized to do all such acts, deeds, matters and things, as, may consider necessary, expedient or desirable, in order to give effect to the forgoing resolution or otherwise considered it to be in the best interest of the Company."
- 5) To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Schedule XIII and other applicable provision of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to such other consents, approvals, permissions as may be required, the consent of the members be and is hereby accorded to the revision of salary payable to Mr Pankaj Doshi the Managing Director of the Company for the unexpired period of his tenure from 1st April 2005 at the rate of Rs. 3,00,000/- (Rupees Three Lakhs only) per month (inclusive of all perquisites)

RESOLVED FURTHER That Mr. Pankaj Doshi Managing director of the company be paid a Salary of Rs. 5,00,000/- per month (inclusive of all perquisites) subject to the approval of the central government from the date of receipt of such approval.

RESOLVED FURTHER THAT any one director of the Company or Company Secretary be and is hereby individually authorized to do all such acts, deeds, matters and things, as, may consider necessary, expedient or desirable, in order to give effect to the forgoing resolution or otherwise considered it to be in the best interest of the Company."

Place : Mumbai
Date : 26th August, 2005

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) An Explanatory Statement relating to the special business as required u/s 173(2) of the Companies Act, 1956 is annexed hereto.
- 3) The Register of Members and the Transfer Books of the Company will remain closed for the purpose of Annual General Meeting from 23rd September, 2005 to 30th September, 2005 (both days inclusive).
- 4) 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.
- 5) Please note that your Company's Shares are compulsorily traded in Electronic Form. Your Company has already entered into an 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 Harish Doshi has been associated with the company as a Promoter and has been the Chairman of the Company . In view of the increase activities and good business prospects, it is advisable that if the Chairman can devote his full time and attention to the business there will be a substantial change in the operation of the company. At the Board Meeting held on 5th May, 2005 it was proposed to appoint Mr Harish Doshi as a Whole Time Chairman of the Company for a Period of five years w.e.f. 5th May,2005 on the remuneration of Rs.3,00,000/- (Rupees Three Lakhs only)per month in terms of Schedule XIII of the companies Act,1956 and other applicable provisions of the companies Act,1956 ,if any, and at a remuneration of Rs.5,00,000/- per month (Rupees Five Lakhs only) subject to the approval of the Central Government.

The remuneration payable to Mr Harish Doshi as contained in the draft of the agreement is reproduced below:

SALARY	: A. Rs.3,00,000/- (Rupees three lakhs only)Per month inclusive of all perquisites. B. Rs. 5,00,000/- (Rupees Five Lakhs only) per month inclusive of all perquisites effective from the date of receipt of Central Government approval.
PERIOD	: Five years w.e.f.5th May,2005

The above terms and conditions including the remuneration payable to the Whole Time Chairman 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 XIII 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 along with this explanatory statement may be treated as abstract u/s.302 of the Companies Act, 1956.

No Director of the Company, except Mr. Harish Doshi and Mr. Pankaj Doshi, are concerned or interested in this resolution. Mr. Harish Doshi is related to Mr. Pankaj Doshi as brother.

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

Item no. 6

Mr. Pankaj Doshi has been associated with the Company since inception. The terms of his appointment as Managing Director 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 same was further revised by the members in the Annual General Meeting of the company on 20th July 2004 at Rs 1,25,000/-p.m (all other terms and conditions remaining constant)

The business has grown substantially due to the hard work put in by the Managing Director especially in the development of the export segment. The Board of Directors of the Company in their meeting held on 5th May 2005. have recommended a revision of the salary for his unexpired term w.e.f 1st April 2005 as under:

SALARY	:	A. Rs.3,00,000/- (Rupees three lakhs only)Per month inclusive of all perquisites.
		B. Rs. 5,00,000/- (Rupees Five Lakhs only) per month inclusive of all perquisites effective from the date of receipt of Central Government approval.
PERIOD	:	For the unexpired period upto 31 st Dec 2006.

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 XIII 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.6 along with this explanatory statement may be treated as abstract u/s.302 of the Companies Act, 1956.

No Director of the Company, except Mr. Pankaj Doshi and Mr. Harish Doshi, are concerned or interested in this resolution. Mr. Pankaj Doshi is related to Mr. Harish Doshi as brother.

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

Place : Mumbai
Date : 26th August, 2005

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 Seventeenth Annual Report and Audited Accounts for the year ended 31st March 2005.

Financial Results

Particulars	Year ended 31 st March, 2005 (Rs. In Lacs)	Year ended 31 st March, 2004 (Rs.in Lacs)
Gross Revenues	1935.03	1721.80
Profit before Interest, Depreciation and Tax	155.91	393.56
Financial Expenses	89.91	48.69
Depreciation & Ammortisation	157.82	192.28
(Loss)/Profit Before Tax	(91.82)	152.58
Taxation for the year	-	—
(Loss)/Profit after Tax	(91.82)	152.58
Deferred Tax Adjustment	27.64	54.35
Net (Loss)/ Profit after Deferred Tax Adjustment	(64.18)	98.23
(Loss) brought forward from previous year	(186.38)	(284.61)
Balance carried forward	(250.57)	(186.38)

Dividend

In view of the losses incurred during the year, your Directors do not recommend any dividend for the year under review.

Operations

The Revenue of the company during the year 2004-05 of Rs 1935.03 lakhs includes amount receivable from insurance company for loss of stock aggregating to a sum of Rs. 229 Lakhs.

The operations of the company was affected due to a major fire at the company's plant No 1 at Dockmardi Silvassa on December 14, 2004 resulting into substantial damage to fixed assets and inventory of the plant as a result of which the said plant will remain inoperational till the fixed assets are reinstated. All these assets has been adequately insured.

The company has lodged claims with the Insurance company for loss of stocks and inventory on the basis of replacement value, Loss of fixed assets on the basis of reinstatement value and loss of profit for a period of six months inclusive of the fixed standing charges. Against these claims made the company has during the current year received a sum of Rs 450 Lakhs (inclusive of Rs. 229 Lakhs recognized during 2004-05) from the Insurance company. The balance claim amount will be received during the course of the year.

The company Plant No 2 at Dapada Silvassa to manufacture plastic cups/plates/Bowls/Sheets etc. has commenced commercial production from the 1st of January 2005. With this plant now working in three shifts the company expects to make good profits during the coming year.

Exports

The company has now established a good overseas market for its products in the U.S.A, Europe, Far East,

Middle East, and South Africa. During the period of operation company exported 57.34% of its turnover. With the commissioning of the new plant the company expects to increase its share of Exports.

Reinstatement.

In order to reinstate the capacity lost due to fire the company has already initiate the reinstatement of capacity by ordering for new machineries. The reinstatement of capacity is expected to be completed by the year-end which will double the present installed capacity.

Directors' Responsibility [Section 217 (2AA)]

In terms of Sec. 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- 1) In the preparation of the Annual Accounts, applicable accounting standards have been followed
- 2) They have selected such accounting policies and applied them consistently. The accounting policies have been consistently applied and reasonable, prudent judgment 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;
- 3) 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;
- 4) They 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

M/s Haribhakti & Co. whose terms of office as the Auditors of the Company will expire at the conclusion of the ensuing Annual General Meeting of the Company, and being eligible offer themselves for re-appointment as Auditors of the Company.

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 listing guidelines, of The Stock Exchange, Mumbai and 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, Dr. Prabodh Karnik the Director of the company retires by rotation and being eligible offer himself for re-appointment.

Effective 5th May 2005 the Board of Directors of the company have appointed Mr. Harish Doshi as the Whole Time Chairman of the company for a period of 5 years subject to the approval of the shareholders on the terms and condition as mentioned in the notice to the Annual general Meeting.

The Board of Directors of the company has also recommended for the approval of the members the revision

in the remuneration payable to Mr. Pankaj Doshi Managing Director of the company w.e.f. 1st April 2005 details of which are mentioned in the notice to the Annual General Meeting.

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 : 26th August, 2005

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 :

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.

TECHNOLOGY ABSORPTION

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

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 : 26th August, 2005

ANNEXURE 'B'**REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE**

The Committee initially formed by The Securities and Exchange Board of India (SEBI) and various other Committees constituted for the purpose of Corporate Governance made recommendations on the composition of Board of Directors, Audit Committee, Board Procedure etc. of Listed Companies.

The Company has taken necessary steps to comply with the clause 49 of the 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

In line with the requirements of the code of the Corporate Governance , the board of directors comprises of four members. The composition of the Board is in conformity with the listing agreement, having one Managing Director and the required number of Non Executive and Independent Directors.

During the year Four meetings of the Board of Directors were held

Name of Director	Category	Date of Board Meeting				Date of AGM
		3.6.2004	20.7.2004	29.10.2004	20.1.2005	20.7.2004
Mr. Harish B.Doshi -Chairman	Promoter and Non executive	P	P	A	P	P
Mr.Pankaj B.Doshi -Managing Director	Promoter & Executive	P	P	P	P	P
Mr Harshad C. Valia -Director	Independent & Non Executive	P	P	A	P	P
Dr Prabodh P. Karnik -Director	Independent & Non Executive	P	P	P	P	P

P - Present, A - Leave of absence granted

Details of other Directorships / Committees

Name of Director	Committee Membership	Committee Chairmanship	No of Directorships in other Companies
Mr. Harish .B.Doshi -Chairman	3	1	1
Mr. Pankaj .B.Doshi -MD	1	—	1
Mr Harshad C. Valia- Director	2	1	3
Dr Prabodh P Kamik-Director	2	1	—

None of the Directors are either Member or Chairman in any committee of any other Company.

AUDIT COMMITTEE

The Audit Committee comprises of three Non –executive directors, majority of them are independent directors. The head of Finance, Company Secretary, Internal Auditor and the Statutory Auditor of the Company are the invitees to the Audit Committee.

The Audit Committee comprises of Dr. Prabodh Karnik as the Chairman and Mr. Harshad Valia and Mr. Harish Doshi as members of the committee.

Three Audit Committee Meetings were held during the financial year 2004-2005 on 3rd June 2004, 20th July 2004 and 20th January 2005.

Composition	Dr.Prabodh Karnik	Mr Harish Doshi	Mr Harshad Valia
No of Meetings attended	3	3	3

The Audit Committee is responsible for overseeing the Company's financial reporting process; reviewing with the management the quarterly, half year and annual financial statements, adequacy of internal audit function, discuss significant internal audit findings and recommending the appointment of Statutory Auditor. The committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

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

REMUNERATION COMMITTEE

The composition of the Committee comprises of three Non –executive directors, namely Mr. Harshad C. Valia, Dr Prabodh P. Karnik and Mr. Harish B. Doshi The Chairman of the committee is Mr. Harshad Valia.

REMUNERATION

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. 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)
Period	Unexpired period of the contract i.e. 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.

The Details of the remuneration paid including sitting fees for the year ending 31st March 2005 is as follows:

Name of Director	Remuneration/ Salary Paid. Rs.	Sitting Fees Rs.
Mr Harish Doshi	Nil	Nil
Mr. Pankaj Doshi	15.35 Lakhs	Nil
Mr Harshad C. Valia	Nil	15,000
Dr. Prabodh P. Karnik	Nil	20,000