

BOARD OF DIRECTORS

Mr. Harish B. Doshi	Chairman
Mr. Pankaj B. Doshi	Managing Director
Mr. Harshad Valia	Director
Dr. Prabodh Karnik (upto 27.01.2006)	Director
Mr. Mehul Patel (w.e.f. 27.10.2005)	Director
Mr. R.S. Maker (w.e.f. 27.10.2005)	Director
Mrs. Smita Sanghavi (w.e.f. 27.01.2006)	Director

CFO AND COMPANY SECRETARY

Mr. Rajesh Punjani

REGISTERED AND CORPORATE OFFICE

C-15, Modern Paint House
Dalia Industrial Estate
Off. New Link Road
Andheri West, Mumbai 400 053.
Tel # 2673 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.

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NOTICE

Notice is hereby given that the 18th 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	29th September, 2006
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, 2006 and the Profit and Loss Account for the year ended 31st March 2006 and the reports of the Auditors and Directors thereon.
- 2) To appoint a Director in place of Shri Harish B. Doshi, 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 Ordinary Resolution:
"RESOLVED THAT Mr. Mehul Patel be and is hereby appointed as a Director of the Company."
- 5) To consider and if thought fit, to pass with or without modifications, the following resolution as a Ordinary Resolution:
"RESOLVED THAT Mr. R.S. Maker be and is hereby appointed as a Director of the Company."
- 6) To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956 including Schedule XIII (including any statutory modifications or reenactment thereof for the time being in force) and subject to such consents, approvals, permissions as may be required, the approval of the Company be and is hereby accorded to the reappointment of and to the remuneration payable to Mr. Pankaj B. Doshi as a Managing Director of the Company for a further period of three years w.e.f. 1st January, 2007 on the terms and conditions set up in the agreement between the Company and the Managing Director, a draft of which is initialed by the Chairman for the purpose of identification and placed before the meeting."

Place : Mumbai
Date : 29th August, 2006

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.

Rajesh Punjani
CFO & 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. 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 Monday, the 18th September, 2006 to Friday, the 29th September, 2006 (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 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. 4**

Shri. Mehul Patel was appointed as an Additional Director of the Company at the Board Meeting held on 27.10.2005 and hold office till the conclusion of this Annual General Meeting. He is a Chartered Accountant having more than 20 years of experience in various fields of Business and is involved in the strategic planning of the corporate affairs 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. Mehul Patel for the office of Director along with a deposit of Rs. 500/-

No Director of the Company except Mr. Mehul Patel 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

Mr. R.S. Maker was appointed as an Additional Director of the Company at the Board Meeting held on 27.10.2005 and hold office till the conclusion of this Annual General Meeting. He has 31 years experience in human resource, administration, management and industrial relations.

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. R.S. Maker for the office of Director along with a deposit of Rs. 500/-

No Director of the Company except Mr. R.S. Maker 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

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. In view of this his term is expiring on 31.12.2006. the Board of Directors at its meeting held on 29th August, 2006 has reappointed Shri. Pankaj B. Doshi for a further period of three years w.e.f. 1st January 2007 and approved remuneration payable to him for subject to approval of shareholders in General Meeting and subject to the provisions of Schedule XIII of the Companies Act, 1956.

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

SALARY	:	A. Rs.3,00,000/- Per month inclusive of all perquisites
PERIOD	:	Three years w.e.f. 1 st January, 2007.
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 XIII of the Companies Act, 1956.

A copy of the draft agreement is available for inspection to the member of the Company at the Registered Office of the Company between 11.00 A.M. to 4.00 P.M. on all working days prior to the date of the meeting and at the meeting.

The resolution as set out in Item No. 6 alongwith 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.

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

Place : Mumbai
Date : 29th August, 2006

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.

Rajesh Punjani
CFO & Company Secretary

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting their Eighteenth Annual Report and Audited Accounts for the year ended 31st March 2006.

Financial Results

Particulars	Year ended 31 st March, 2006 (Rs. In Lacs)	Year ended 31 st March, 2005 (Rs.in Lacs)
Total Net Revenue	1426.01	1836.39
Profit / (Loss) before Interest, Depreciation and Tax	130.04	155.91
Financial Expenses	220.47	89.91
Depreciation & Ammortisation	246.62	157.82
(Loss)/Profit Before Tax	(337.05)	(91.82).
Extra Ordinary Items	575.92	—
Taxation for the year	10.06	—
(Loss)/Profit After Tax	228.81	(91.82)
Deferred Tax Adjustment	28.97	27.64
Net (Loss)/Profit after Deferred Tax Adjustment	257.77	(64.18)
(Loss) brought forward from previous year	(250.57)	(186.38)
Balance carried forward	7.20	(250.57)

Dividend

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

Operations

The total revenue of the company during the year 2005-06 was Rs. 1551.70 lakhs. Although, the Dapada plant become operational from the beginning of the year, the reinstatement capacity began to operate by October, 2005. Hence, the company was not able to take maximum advantage of the capacity during the financial year 2005 06.

The company has recovered substantially all of its losses incurred on account of the fire from the Insurance company. The full and final settlement of the claim was paid in May 2006. The company recovered approx Rs 1,565 laks for the various insurance policies.

The company's main business until previous year was serving the food service catering segment. The products used for servicing this markets was Plates, bowls, serving trays and take-away containers.

The company has now developed products to serve the Food packaging industry. These products are various sizes and colors of "Supermarket trays" that are used by "Organized Retail" to serve fresh processed food such as cut-fruits and vegetables, poultry, meat, dry fruits, dates and various fresh snacks and other food products. The "organized Retail" is considered to be "sunrise industry" in India and the company expects to grow exponentially by serving the expanding supermarket industry.

Exports

The company has now established a good market for its products in the U.S.A, Europe, Far East, Middle East, and South Africa. During the year the company exported 37.39 % of its turnover.

Reinstatement.

As you are aware that due to major fire on 14th December, 2004, the company lost its manufacturing facility at Dockmardi Plant. During the financial year 2005-06, the Company has fully reinstated the fixed assets lost at Dockmardi plant and is now fully operational with expanded capacity at its Dapada factory

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 Profit 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, Mr. Harish B. Doshi the Director of the company retires by rotation and being eligible offer himself for re-appointment. During the year Dr. Prabodh Karnik resigned from Board of Directors of the Company w.e.f. 27.01.2006 and Mrs. Smita Sanghavi was appointed to fill the casual vacancy caused by him.

Mr. Mehul Patel and Mr. R.S. Maker were appointed as an Additional Director of the Company w.e.f. 27.10.2005 and they are holding office till the conclusion of ensuing Annual General Meeting and the

Company has received notices from the members of the Company proposing their appointment as Directors.

The Board of Directors of the company has also recommended for the approval of the members the reappointment of and to the remuneration payable to Mr. Pankaj Doshi Managing Director of the company for a further period of three years w.e.f. 1st January, 2007 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 : 29th August, 2006

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 : 29th August, 2006

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 detailed 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 six 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 six meetings of the Board of Directors were held.

Name of Director	Category	Date of Board Meeting						Date of AGM
		5.5.2005	28.6.2005	30.7.2005	26.8.2005	27.10.2005	27.1.2006	30.9.2005
Mr. Harish B. Doshi -Chairman	Promoter & Non executive	P	P	P	P	P	P	P
Mr. Pankaj B. Doshi Managing Director	Promoter & Executive	P	P	P	P	P	P	P
Mr Harshad C. Valia Director	Independent & Non Executive	P	P	P	P	P	P	P
Dr. Prabodh P. Karnik Director (Up to 27.01.06)	Independent & Non Executive	P	P	P	P	P	N.A	P
Mr. Mehul Patel Director (w.e.f. 27.10.05)	Independent & Non Executive	—	—	—	—	—	P	N.A
Mrs Smita Sanghvi Director w.e.f. 27.01.06)	Independent & Non Executive	—	—	—	—	—	N.A	N.A
Mr. R. S. Maker Director w.e.f. 27.10.05)	Independent & Non Executive	—	—	—	—	—	P	N.A

P - Present, A - Leave of absence granted, N.A. - Not Applicable

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	—	2
Mr Harshad C. Valia- Director	2	1	3
Dr Prabodh P Karnik-Director	2	1	—
Mr. Mehul Patel-Director	1	1	—
Mr. R. S. Maker -Director	—	—	—
Mrs. Smita Sanghvi-Director	—	—	—

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 Mr. Mehul Patel as the Chairman w.e.f. 27.01.2006 and Mr. Harshad Walia and Mr. Harish Doshi as members of the committee.

Six Audit Committee Meetings were held during the financial year 2005-2006 on 5th May, 2005, 28th June, 2005, 30th July, 2005, 26th August, 2005, 27th October, 2005 and 27th January 2006.

Composition	Dr. Prabodh Karnik	Mr Harish Doshi	Mr Harshad Valia	Mr. Mehul Patel
No of Meetings attended	5	6	6	1

The terms of reference of this committee are wide enough covering the matters specified for Audit committee under the revised clause 49 of the Listing Agreement as well as Section 292 A of the Companies Act, 1956.

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. Walia, Mr. Mehul Patel and Mr. Harish B. Doshi The Chairman of the committee is Mr. Harshad Walia.

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. 3,00,000 per month (Rupees Three Lac Only) inclusive of perquisites.
Period	Unexpired period of the contract i.e. upto 31.12.2006
Notice Period	Three months

As the tenure of Managing Director is expiring on 31.12.2006, the appropriate Special Resolution is recommended for the reappointment of Managing Director at the ensuing Annual General Meeting.

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 2006 is as follows:

Name of Director	Remuneration/ Salary Paid. Rs.	Sitting Fees Rs.
Mr Harish Doshi	Nil	Nil
Mr. Pankaj Doshi	34.48 Lakhs	Nil
Mr Harshad C. Valia	Nil	30,000
Dr. Prabodh P. Karnik	Nil	25,000

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 Chairman of the Share Transfer Committee is Mr. Harish Doshi .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 Ltd. received 5 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.

Name, Designation and Address of Compliance Officer :

Mr. Rajesh Punjani

CFO & Company Secretary

Biopac India Corporation Ltd

Modern Paint House,

C-15, Dalia Industrial Plot, Off. New Link Road,

Andheri (West), Mumbai – 400 053

CODE OF CONDUCT

Pursuant to amended Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for Directors and Senior Management of the Company. The Code, while laying down, in detail, the standards of business conduct, ethics and governance, centers around the following philosophy :