

# TWENTIETH ANNUAL REPORT



**BIOPAC INDIA CORPORATION LIMITED**

**2 0 0 7 - 2 0 0 8**

**BOARD OF DIRECTORS**

Mr. Harish B. Doshi	Chairman
Mr. Pankaj B. Doshi	Managing Director
Mr. Harshad Valia	Director
Mr. Mehul Patel	Director
Mr. R.S. Maker	Director
Mrs. Smita Sanghavi	Director
Mr. Nikhil Vora	Director

**BANKERS**

State Bank of Hyderabad  
Canara Bank  
Vijaya Bank

**WORKS**

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

**SOLICITORS & LEGAL ADVISORS**

Desai & Diwanji  
Advocates, Solicitors & Notaries

**REGISTERED AND CORPORATE OFFICE**

301-302, Sagar Avenue  
S.V.Road, Andheri (W)  
Mumbai 400 058.  
Tel. # 2670 8645/2671 1897  
Website : [www.biopacindia.com](http://www.biopacindia.com)

**AUDITORS**

Haribhakti & Company  
Chartered Accountants

**REGISTRARS & SHARE TRANSFER AGENTS**

**Intime Spectrum Registry 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 20th Annual General Meeting of the Members of **BIOPAC INDIA CORPORATION LIMITED** will be held as under:

Venue	The Banquet Hall, Hotel Karl Residency 36 Lallubhai Park Road, Andheri [West], Mumbai – 400 058.
Day	Friday
Date	19 <sup>th</sup> September, 2008
Time	4.00 pm

to transact the following business :

**ORDINARY BUSINESS**

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date and the reports of the Auditors and Directors thereon.
- 2) To appoint a Director in place of Mrs. Smita S. Sanghavi, who retires by rotation and being eligible, offers herself for reappointment.
- 3) To appoint a Director in place of Mr. Mehul D. Patel, who retires by rotation and being eligible, offers himself for reappointment

**SPECIAL BUSINESS**

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

“RESOLVED THAT Shah,Shah & Shah, Chartered Accountants, be and are hereby appointed as the Auditors of the Company in place of retiring Auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting and the Managing Director of the Company be and is hereby authorized to fix their remuneration.”

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

“RESOLVED that pursuant to the provisions of Section 163 of the Companies Act, 1956, the Company hereby approves that the Register of Members, the index of Members and copies of all Annual Returns prepared under Section 159 of the Act, together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act or any one or more of them, be kept at any other place than the Registered Office of the Company”

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

**Registered Office :**

301-302, Sagar Avenue  
S.V.Road, Andheri (W)  
Mumbai 400 058.

Mumbai, 30<sup>th</sup> June, 2008

**Harish 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 OF THE COMPANY. 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 Friday the 12<sup>th</sup> September, 2008 to Friday, the 19<sup>th</sup> September, 2008 (both days inclusive).
4. Members are requested to notify any change in their addresses to their Depository Participants in respect of their electronic share accounts quoting client ID No. to M/s.Intime Spectrum Registry Limited 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 in respect of their physical shares, quoting folio No.
5. 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 De-materialized form may send letters along with the De-materialized Request Form (s) through the concerned Depository participant.

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

The term of office of M/s. Haribhakti & Co., as the Auditors of the Company will expire at the conclusion of the ensuing Annual General Meeting of the Company. They do not offer themselves for re-appointment. Therefore it is proposed to appoint Shah,Shah & Shah, Chartered Accountants who is eligible, as Statutory Auditors of the Company who has given their consent to act as Statutory Auditors of the Company if appointed and they have also furnished a certificate that their appointment if made will be in accordance with the limits specified in Section 224 (1B) of the Companies Act 1956.

The Board recommends resolution for approval of the members.

**Item No. 5**

Pursuant to the provisions of Section 163 of the Companies Act, 1956, certain records and documents mentioned therein which are normally required to be kept at the Registered Office of the Company may be kept at Registrar and Share Transfer Agent i.e. M/s. Intime Spectrum Registry Limited, Mumbai or at any other place if it is approved by a Special Resolution passed by the Company at General Meeting. Due to space constraint at the Registered Office of the Company, it is proposed to shift the above records of the Company to any other place than the Registered Office of the Company.

Approval of Members is sought in terms of Section 163 of the Companies Act, 1956 for shifting the above records of the Company.

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

**Registered Office :**

301-302, Sagar Avenue  
S.V.Road, Andheri (W)  
Mumbai 400 058.

Mumbai, 30<sup>th</sup> June, 2008

**Harish Doshi**  
Chairman

## DIRECTORS' REPORT

## TO THE MEMBERS

The Directors have pleasure in presenting their 20<sup>th</sup> Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March 2008.

## Financial Results

[Rs. In Lacs]

<i>Particulars</i>	<i>Year ended 31.03.2008</i>	<i>Year ended 31.03.2007</i>
Gross Revenues	2480.05	2225.21
Profit / (Loss) before Interest, Depreciation and Tax	742.03	551.16
Financial Expenses	267.68	214.23
Depreciation & Amortization	384.46	337.33
(Loss)/ Profit Before Tax	89.89	(0.40)
W/Off / Extra Ordinary Items	0.00	53.04
Taxation for the year	12.55	10.88
(Loss)/ Profit After Tax	77.34	(64.32)
Deferred Tax Adjustment	145.91	(2.50)
Net (Loss) Profit after Deferred Tax Adjustment	(68.58)	(66.82)
Profit/(Loss) brought forward from previous year	(59.62)	7.20
Balance carried forward	(128.20)	(59.62)

Note: Previous year figures have been regrouped wherever considered necessary.

## Dividend

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

## Operations

The total revenue of the Company during the year 2007-08 was Rs. 2,480.05 Lacs compared to Rs. 2225.21 Lacs of previous fiscal year, an increase of about 11.45% in the Gross Revenue of the Company during the year under review. The Company has made a turnaround in its performance during the year and made Rs 89.89 lacs profit before tax. The Cash Profit during the year was Rs. 474.35 lacs as compared to Cash profit of Rs. 336.93 lacs during the previous year.

## Product &amp; Business

The Company's main business is serving the "Food service catering" needs of its customers. The products used for servicing these markets are "**Disposable Polystyrene Plates, bowls, serving trays and take-away containers**" and the company is the market leader in this industry. In the current year, the company made a significant presence in the Food packaging business by manufacturing and supplying "**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.

In addition, the company has started the manufacture of "**Kitchen Aluminium Foils**" during the current year. I am happy to inform the shareholders that the company has received excellent response from the distributors as well as the corporate customers such as Reliance retail.

In the current year, the company plans to start manufacturing of "**Aluminium Foil Containers**" used for food service catering. The company is targeting to launch the commercial production by 3rd quarter of current financial year.

The company expects a significant growth in Sales in the current year with the addition of these new products in the food service business of the company.

**Exports**

During the year the Company achieved an Export Turnover of Rs. 588.11 Lacs as compared to Rs. 773.98 Lacs in the previous year.

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

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

In preparation of the Annual Accounts, applicable accounting standards have been followed.

1. 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/Loss of the Company for the year under review;
2. They have taken proper and sufficient care for the maintenance of adequate accounting record 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
3. 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**

The term of office of M/s. Haribhakti & Co., as the Auditors of the Company will expire at the conclusion of the ensuing Annual General Meeting of the Company. They do not offer themselves for re-appointment. Shah, Shah & Shah Chartered Accountants, being eligible, offer themselves for appointment as Auditors of the Company. The Board recommends their appointment

**TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In terms of the provisions of Section 217(1)(e) read with the companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 particulars as prescribed therein relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure "A" forming part of this Report.

**Companies (particulars of employees) Rules, 1975**

Information required pursuant to section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given in the Annexure "B" forming part of this report.

**Directors**

Mrs. Smita Sanghavi and Mr. Mehul Patel, the Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their reappointment.

**Corporate Governance**

In terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges at Mumbai, a Report on Corporate Governance and Certificate from the Auditors of the Company is given in the annexure "C" which form part of the Directors' Report.

As regards the observations made in Auditors' Certificate on Corporate Governance the Directors clarify as under.

- 1) The Company Secretary has resigned w.e.f. 30th October 2007 and Company is in the process of appointing a new Company Secretary and therefore in the Audit Committee Meeting held on 28th January 2008 the Company Secretary was not present.
- 2) During regular Audit Committee meeting held on 30th July 2007, one of the Independent Director was not well hence couldn't be present.
- 3) The company is regular in placing at the meeting of the Board of Directors of the Company, the report of the Managing Director which covers the Risk Assessment and minimization procedure.

### Management Discussions and Analysis

A brief note on Management Discussions and Analysis of the results for the year under review is given in Annexure 'D' which forms part of the Directors' Report.

### Delisting of Shares

The Equity Shares of the Company were delisted from Ahmedabad Stock Exchange Limited w.e.f 1st October 2007

### 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 the Bankers and other Government authorities during the year under review.

**For and on behalf of the Board**

Place : Mumbai

Date : 30<sup>th</sup> June, 2008

**Harish B. Doshi**  
Chairman

### ANNEXURE - 'A'

#### 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

Foreign Exchange Earning : Rs. 6,57,14,047.00

Foreign Exchange Outgo : Rs. 14,94,792.00

**For and on behalf of the Board**

Place : Mumbai

Date : 30<sup>th</sup> June, 2008

**Harish B. Doshi**  
Chairman

## ANNEXURE 'B'

## PARTICULARS OF EMPLOYEES

Information as per section 217(A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31st March, 2008.

**EMPLOYED THROUGHOUT THE YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING NOT LESS THAN RUPEES 24,00,000/- PER ANNUM.**

NAME OF EMPLOYEE	AGE (Yrs)	DESIGNATION/ NATURE OF DUTY	QUALIFICATION	TOTAL EXPERIENCE (Yrs)	REMUNERATION RECEIVED (Rs.)	DATE OF COMMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT
Pankaj B.Doshi	50	Managing Director	B.Sc	20 Year	36,00,000.00	02.04.1987	_____

## NOTES:

1. The nature of employment of the Managing Director is contractual for a period of five years.
2. Remuneration mentioned above includes salary, commission, taxable value of perquisites, Company's contribution to Provident Fund and Superannuation Fund and contribution to Gratuity Fund under Annuity Policy with LIC.

**For and on behalf of the Board**

Place : Mumbai  
Date : 30<sup>th</sup> June, 2008

**Harish B. Doshi**  
Chairman

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## ANNEXURE 'C'

**Report of the Directors 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 7 [Seven] 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 Meetings							Date of AGM
		16.05 2007	29.06. 2007	13.07 2007	30.07. 2007	22.10. 2007	21.12. 2007	28.01. 2008	10.08. 2007
Mr. Harish B. Doshi	Promoter & Non – Executive	P	P	P	P	P	P	P	P
Mr. Pankaj B. Doshi	Promoter & Executive	A	P	A	P	P	P	P	P
Mr. Harshad C. Valia	Independent & Non – Executive	P	P	A	A	A	A	P	P
Mr. Mehul D. Patel	Independent & Non – Executive	P	P	P	P	P	P	P	P
Mr. R.S. Maker	Independent & Non – Executive	P	P	P	P	P	P	P	P
Mrs. Smita L. Sanghavi	Independent & Non - Executive	P	P	P	P	A	P	P	P
Mr. Nikhil Vora [Appointed as an Additional Director w.e.f. 29.06.2007]	Independent & Non - Executive	—	—	A	P	A	A	A	—

P = Present      A = Leave of Absence

The Board of Directors of the Company, in their Meeting held on 29.06.2007, has appointed Mr. Nikhil Vora as an Additional Director on the Board of the Company.

#### 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 - Managing Director	1	--	1
Mr. Harshad C. Valia- Director	2	1	3
Mr. Mehul Patel - Director	1	1	--
Mr. R. S. Maker - Director	--	--	--
Mrs. Smita L. Sanghavi - Director	--	--	--
Mr. Nikhil Vora - Director	--	--	3

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

There are no pecuniary relationships or transaction of non executive directors except payment of director's sitting fees.

#### 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 the Committee, Mr. Harshad Valia and Mr. Harish Doshi as the Members of the Committee.

In all there were 5 [Five] Audit Committee Meetings held during the financial year 2007-08 - 16.05.2007, 29.06.2007, 30.07.2007, 22.10.2007, 28.01.2008.

Composition	Mr. Harish Doshi	Mr. Harshad Valia	Mr. Mehul Patel
No of Meetings attended	5	4	5

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 292A 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. Valia, Mr. Mehul Patel and Mr. Harish B. Doshi. The Chairman of the Committee is Mr. Harshad Valia.

#### REMUNERATION

The Details of the Remuneration paid including sitting fees for the year ending 31st March 2008 is as follows:

Name of Director	Remuneration/ Salary Paid. Rs.	Sitting Fees Rs.
Mr. Harish Doshi	Nil	Nil
Mr. Pankaj Doshi	36.00 Lacs	Nil
Mr. Harshad C. Valia	Nil	15,000
Mr. Mehul D. Patel	Nil	25,000
Mr. R.S. Maker	Nil	25,000
Mrs. Smita L. Sanghavi	Nil	30,000
Mr. Nikhil Vora	Nil	5,000

#### 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.

There is no complaint received during the year by the Company and its Registrar and Share Transfer Agents, M/s. In-time Spectrum Registry Pvt. Ltd.

Name, Designation and Address of Compliance Officer:

Mr. Pankaj Doshi  
Managing Director  
Biopac India Corporation Ltd  
301-302 Sagar Avenue, S.V. Road,  
Opp.Shoppers Stop,  
Andheri (West), Mumbai - 400 058