

*Ninth Annual Report
1998-2000*

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CAPLIN POINT LABORATORIES LIMITED

 **CAPLIN POINT**
LABORATORIES LIMITED

NINTH ANNUAL REPORT

BOARD OF DIRECTORS

MR. P.C. PARTHEEBAN
Managing Director

MR. S. KARUNAKARAN
Wholetime Director

MR. T. PALANISAMY
Wholetime Director

MR. D.P. VENKATESAN
Wholetime Director

Mr. P.T. BABY THOMAS

MR. R. BALAKRISHNAN

MR. P. MOHAMED KASIM

MR. PADAM C BANSAL

MR. M. SWAMINATHAN

MR. V. THIRUMALAI

AUDITORS

M/s. HARI AND ESWARAN
Chartered Accountants
17, Stonedge Towers, 1 Floor,
I Avenue, Ashok Nagar,
Chennai - 600 083.

BANKERS

BANK OF INDIA
Industrial Finance Branch
Chennai - 600 002.

KARNATAKA BANK LIMITED

171, Thambu Chetty Street
Chennai - 600 001.

REGISTERED AND CORPORATE OFFICE

86, Bazullah Road
T. Nagar, Chennai - 600 017.

FACTORY

85/3, Suthukeny Village
Mannadipet Commune Panchayat
Pondicherry.

NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Company will be held at the South Indian Artistes Association (Swamy Sankardas Kalai Arangam), 153, Habibullah Road, T. Nagar, Chennai 600 017 on Friday the 29th September, 2000 at 2.30 p.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the period ended 31st March 2000 and the Balance Sheet as on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. R. Balakrishnan who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of V. Thirumalai who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

M/s. Hari & Eswaran, Chartered Accountants, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modifications, the following as an ORDINARY RESOLUTION :

"RESOLVED that the consent of the company be and is hereby accorded for the payment of Rs. 20,000/- per month as Salary to Mr. D.P. Venkatesan, Director of the Company with effect from 1st October, 1998 and is subject to the ceiling limits laid down in Section 198, Section 309 and Schedule XIII of the Companies Act, 1956.



By order of the Board
for **CAPLIN POINT LABORATORIES LIMITED**

Place : Chennai
Date : 02.09.2000

P.C. PARTHEEBAN
Managing Director

Caplin Point Laboratories Limited

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The proxies in order to be valid, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
2. All documents referred in the Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day prior to the date of the Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 22.09.2000 to 29.09.2000 (both days inclusive).
4. Members are requested to intimate to the Company change of addresses, if any.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Mr. D.P. Venkatesan was appointed as Director in the last Annual General Meeting. Taking due consideration of his expertise in Pharmaceutical Industry and his valuable services to the Company, consent of the shareholders is hereby sought for the payment of Rs. 20,000/- as salary with effect from 1st October, 1998.

None of the directors except Mr. D.P. Venkatesan is interested in the resolution.



By order of the Board

for **CAPLIN POINT LABORATORIES LIMITED**

Place : Chennai
Date : 02.09.2000

P.C. PARTHEEBAN
Managing Director

*Caplin Point Laboratories Limited***DIRECTORS' REPORT****To the Shareholders**

The Directors present the Ninth Annual Report together with the Audited Accounts for the period 1st October 1998 to 31st March 2000 (18 Months).

Financial Performance

	(Rupees in lacs)	
	1998-2000 (18 months)	1997-98 12 months
Sales and Other Income	773.00	872.75
Profit / (Loss) before tax	(376.98)	23.19
Provision for Tax	---	--
Profit /(Loss) after tax	(376.98)	23.19

OPERATIONS

The Company achieved only 58% of the previous years turnover on an annualised basis due to two major factors viz. introduction of mandatory registration formalities in some of the West African Countries in which your company had extensive market share and due to quality and process problems that were encountered in the manufacture. The fall in prices of some of the key generic products, which the company was exporting, had also resulted in higher material consumption resulting in very low margins. Although the company has registered its products in various countries in South America, which underwent downturn during last year, continued to be sluggish with very high erosion in margins. These had resulted in piling up of stocks in the form of work in progress and finished goods as well as outstanding in the form of receivable which in turn resulted in non servicing of debts causing additional interest burden.

OUTLOOK

In order to get over the Registration and approval and other formalities in the West African Countries, your company has evolved a two pronged strategy, the first being your company has started registration of products in these countries and the second, has entered into strategic alliances with local distributors and major users in these countries and have helped them to install packing and labeling facilities. This would help your company to export bulk formulations (semi-finished goods) with lesser lead-time.

Your company has helped these importers in identifying proper machinery, layout and training of marketing personnel. Company has also deputed key marketing personnel to help these companies to follow up on marketing and commercial activities.

Your company in order to improve its quality, throughput, maximum use of its capacity in various sections of its facility has also entered into an arrangement with a leading pharmaceutical company in Chennai to support the company in all these spheres which would help the company in the long run to shore up its revenue, contribution and servicing of debts and investors.

FINANCE

Due to reasons stated above, the company could not service its debts, which had resulted in additional interest burden. The company has proposed a restructuring scheme to the Bankers, which is under active and favourable consideration of the bankers.

DIRECTORS

Mr. R. Balakrishnan and Mr. V. Thirumalai, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS

The Auditors, M/s. Hari & Eswaran, Chartered Accountants, Chennai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

INDUSTRIAL RELATIONS

Industrial relations with the employees of the Company continued to be stable, cordial and satisfactory during the period.

PARTICULARS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

The information required in terms of section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is not applicable to this Company, since none of the employees were in receipt of remuneration higher than the limits fixed in the said section.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is furnished along with this report.

RESPONSIBILITY STATEMENT U/S 217 (2AA)

Your Directors have taken necessary steps to ensure that :

- (1) All applicable Accounting Standards have been followed in the preparation of the Annual Accounts.
- (2) All the necessary accounting policies have been adhered to and all necessary adjustments and estimates that are reasonable and prudent have been taken into consideration so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year, and that of the Profit of the Company for that period.
- (3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for the prevention and detection of fraud and other irregularities.

The Annual Accounts have been followed on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their grateful appreciation of the valuable assistance and support extended by its buyers, suppliers, bankers, corporates and other statutory authorities. Your Directors also wish to place on record their appreciation for the services rendered by the employees at all levels.

For and on behalf of the Board of Directors

Place : Chennai
Date : 02.09.2000

P.C. PARTHEEBAN
Managing Director