

Tenth Annual Report
2000 - 2001



CAPLIN POINT LABORATORIES LIMITED



CAPLIN POINT

LABORATORIES LIMITED

TENTH 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. V. THIRUMALAI

AUDITORS

M/s. HARI AND ESWARAN
Chartered Accountants
17, Stonedge Towers, 1 Floor,
1 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

New No. 4 (Old No. 86), Bazullah Road,
T. Nagar, Chennai - 600 017.

FACTORY

85/3, Suthukeny Village
Mannadipet Commune Panchayat
Pondicherry.

NOTICE

NOTICE is hereby given that the Tenth 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 28th September, 2001 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 year ended 31st March 2001 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. P.T. Baby Thomas who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of P. Mohamed Kasim 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.

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

Place : Chennai
Date : 28.08.2001

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. to 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 21.09.2001 to 28.09.2001 (both days inclusive).
4. Members are requested to intimate to the Company change of addresses, if any.



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

The Directors present the Tenth Annual Report together with the Audited Accounts for the year ended 31st March 2001.

Financial Performance

	2000-2001 (Rupees in lacs) (12 months)	1998-2000 (18 months)
Sales and Other Income	444.01	773.00
Profit / (Loss) before tax	(262.51)	(376.98)
Profit / (Loss) after tax	(262.51)	(376.98)

OPERATIONS

The company could achieve only 87% of the previous year turnover on an annualized basis due to the fact that the restructuring scheme with the bank proposed by the company could not be implemented which in turn reduced operation of bank accounts that resulted in heavy financial strain on the company. In order to ensure that the factory continued to give employment to the workers who have been in service from the time of formation of the company and also to meet the day to day obligations, the company had decided to look for contract manufacturing on loan license basis with various companies. In the process a leading pharmaceutical company has agreed to avail the entire surplus capacity for use and has been successfully operating for the past nine months which has earned revenue of Rs. 86.00 lakhs during the year under report. This helped the company to surmount the financial pressures to a certain extent. The company has also taken drastic steps to cut down costs in many areas due to which the losses were kept under control. The company has revalued its inventory considering the life and marketability of the products. The company has also provided for receivables out standing for more than three years which in the opinion of the management is not recoverable.

OUTLOOK

The company is continuing its negotiations with the bankers for speedy implementation of the restructuring scheme which when put into operation will enable the company to get right back on track. In order to set off the losses incurred till date and also service the bankers, requires tremendous stay power and effort which your Board and the employees do not lack. A minimum period of two to three years will be required for this turnaround. In view of the financial constraints and uncertainties in deliveries the company is pursuing the slow path in overseas marketing in order to retain visibility. However at appropriate time the company shall ramp up its marketing activities in the African and South American markets, that also, as a matter of fact, is going through a recessionary period.

DIRECTORS

Mr. P.T. Baby Thomas and Mr. P. Mohamed Kasim, 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.

ADDENDUM TO AUDITOR'S REPORT

With reference to Auditors' Comments :-

- a. The company is in the process of formulating plans to implement gratuity scheme. Meanwhile the Board has taken adequate care for payment of gratuity as and when it arises. No eligible employee retired/ resigned during the year.

- b. Pending approval of the restructuring scheme by the bankers no interest was charged by one of the bankers and hence no provision for interest in respect of the said bank has been made for the year under consideration.
- c. The delay in remittance of Provident Fund and Employee State Insurance during the year under consideration, were due to the cash flow constraints, however the company has since remitted these dues to the Government.

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.

RESPONSIBILITY STATEMENT U/S 217 (2AA)

Your Directors have taken necessary steps to ensure that :

- (1) Applicable Accounting Standards have been followed in the preparation of the Annual Accounts.
- (2) The necessary accounting policies have been adhered to and 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 loss 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.
- (4) That the appended annual accounts for the year ended 31st March 2001 are on a going concern basis.

AUDIT COMMITTEE

The Board at its meeting held on 31st January, 2001 has constituted an Audit Committee comprising Mr. V. Thirumalai, Mr. Nirmal Kumar (alternate Director to Mr. P. Mohamed Kasim) and Mr. R. Balakrishnan in accordance with Section 292A of the Companies Act, 1956. The Audit Committee reviews internal control systems periodically and annual financial statements.

CORPORATE GOVERNANCE

The provisions contained in the Listing Agreement with Stock Exchanges regarding Corporate Governance is due for implementation for your Company latest by 31st March, 2003. Your Directors have initiated necessary steps to ensure that required compliance will be in place before the stipulated time.

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 : 28.08.2001

P.C. PARTHEEBAN
Managing Director.