

CORPORATE INFORMATION

Board of Directors	Mr.C.C.PAARTHIPAN, Chairman
	Mr.M.JAYAPAL, Managing Director
	Mr.D.P.MISHRA, Whole Time Director
	Mr.P.T.BABY THOMAS, Director
	Mr.V.THIRUMALAI, Director
	Mr.VENKAT RADHAKRISHNAN, Director
	Mr.N.R.ACHAN, Director (Resigned w.e.f 4.10.2012)
	Mr.R.VIJAY VENKATRAMAN, Director (Appointed w.e.f 4.10.2012)
Statutory Auditors	M/s. M RAGHUNATH & CO. Chartered Accountants 4, Stringer Street, III Floor, Broadway, Chennai 600 001
Cost Auditors	Mr.G.THANGARAJ 8 G1, Parthasarathy Street, Arcot Road, Saligramam, Chennai 600093
Bankers	THE CATHOLIC SYRIAN BANK LTD Mount Road Branch, Tarapore Towers, Chennai 600 002
Registered Office & Corporate Office	'NARBAVI', No.3, Lakshmanan Street, T Nagar, Chennai 600 017
Factory	<u>Unit I</u> 85/3, Suthukeny Village, Mannadipet Commune Panchayat, Pondichery
	<u>Unit II</u> No.19, Chinnapuliyur Village, Sirupuzhalpet, Gummidipoondi, Tamilnadu
	<u>Unit III</u> Khasra No.435, Village Suraj Majra, N.H.21, Baddi, Tehsil Nalagarh Dist. Solan, Himachal Pradesh 173205
Subsidiary Firm	Argus Salud Pharma LLP Factory Unit: Khasra No.380, Village Suraj Majra, N.H.21, Baddi, Tehsil Nalagarh Dist. Solan, Himachal Pradesh 173205

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CAPLIN POINT LABORATORIES LIMITED

NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Shareholders of the Company will be held on Wednesday, the 19th day of December, 2012 at 11.00 a.m. at "TAG CENTRE" No. 69, T. T. K. Road, Alwarpet, Chennai – 600 018 to transact the following business:

Ordinary Business:

1.To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account for the financial year ended 30th June 2012 and Balance Sheet as at that date and the Auditors' Report thereon.

2.To declare a Dividend

A dividend of Rs. 2/- per equity share of Rs.10/- each has been recommended by the Board

3.To appoint a Director in the place of Mr. C C Paarthipan, who retires by rotation and being eligible offers himself for re-appointment.

RESOLVED THAT Mr. C C Paarthipan, who retires by rotation be and is hereby re-appointed as Director of the Company liable to retire by rotation

4.To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and in this connection, to consider and if deemed fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

RESOLVED THAT Messrs. M. Raghunath and Company, Chartered Accountants, bearing Registration No. 003347S, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors.

Special Business:

5.To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution.**

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and other approvals as may be required, approval be and is hereby accorded for appointment and payment of Remuneration to Mr.D.P.Mishra as Whole Time Director of the Company for a period of two (2) years from 1st May 2012 on the following terms and conditions.

a.Salary

Rs. 52,000/- per month with effect from 1st May 2012.

Allowances including Contribution to the Provident Fund, Superannuation Fund, Gratuity, Encashment of Leave, club fees / reimbursement of club bills and any other allowances as per the rules of the Company from time to time, not exceeding one month's salary.

b. General

(i) Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes) the perquisites shall be valued as per income tax rules.

(ii) Mr. D P Mishra, would be subject to all other service conditions as applicable to any other employee of the Company.

Notice

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities, incentives and retirement benefits to Mr.D.P.Mishra, as may be determined by the Board, shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 1956 and rules made thereunder or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors / Remuneration Committee be and is hereby authorised to alter or vary the remuneration within the provisions of Schedule XIII of the Companies Act, 1956, to the extent the Board of Directors or Committee thereof may consider appropriate, as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956 for the time being in force or any statutory modification or re-enactment thereof and / or any rules or regulations there under.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors / Remuneration Committee be and are hereby authorised severally to take all such acts and give all such directions or do all such acts, deeds, matters and things as may be necessary in this regard or otherwise considered to be in the best interest of the Company.

On behalf of Board of Directors

Place: Chennai
Date: November 9, 2012

C C Paarthipan
Chairman

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than forty eight hours before the time fixed for holding the meeting.
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business under Item No. 5 of the above Notice is annexed hereto. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days (except Saturdays, Sundays and Public holidays) between 11.00 a.m. to 01.00 p.m. up to the date of the Annual General Meeting.
3. Members are requested to bring their copies of Annual Report to the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 13th December 2012 to Wednesday, 19th December, 2012 (both days inclusive).
5. The Dividend when declared will be paid to those members, whose names appear in the Register of Members on 19th December, 2012 and in case of shares held in dematerialized form as per the details furnished by NSDL and CDSL. The dividend warrants will be posted on or before 18th January, 2013.
6. Members holding shares in physical forms are requested to notify, any change in their address to the Company / Share Transfer Agents quoting Register Folio number.
7. Members holding shares in electronic form should update their details with their respective Depository Participants.
8. Under Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No.2B in duplicate (which will be made available on request) to M/s. Karvy Computershare Private Ltd.

Notice

9. Members are requested to fill up the ECS mandate form provided with this report and submit to the Company's Share Transfer Agents (Physical and Electronic) M/s Karvy Computershare Private Ltd at the following address: M/s Karvy Computershare Private Ltd, UNIT: Caplin Point Laboratories Limited, Plot No 17 - 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081. Andhra Pradesh, India. Phone # 91-40-44655000; Fax # 91-40-23420814. E-mail: einward.ris@karvy.com. URL: www.karvycomputershare.com.

10. All communications relating to shares may be addressed to the Company's Share Transfer Agents (Physical and Electronic) at their communication address mentioned herein.

11. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

ANNEXURE TO THE NOTICE**A. Information of Directors seeking appointment/ re-appointment in the Annual General Meeting pursuant to Clause 49 of the Listing Agreement****Item No.3**

Name : C C Paarthipan
Age : 60 years
Qualification : Graduate
Experience : More than 30 years
No. of shares held in the company : 8,14,812

The details of his directorship / Committee membership in other Companies as on 30.06.2012 are as follows:

Directorship	Committee memberships / Chairmanship
NIL	NIL

Item No.5

Name : D.P. Mishra
Age : 57 years
Qualification : Post Graduate
Experience : More than 30 years
No. of shares held in the company : 1,92,000

The details of his directorship / Committee membership in other Companies as on 30.06.2012 are as follows:

Directorship	Committee memberships / Chairmanship
NIL	NIL

B. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**Item No. 5**

The Board of Directors had redesignated and appointed Mr.D.P.Mishra as the Whole Time Director of the Company upon recommendation of the Remuneration Committee for a period of two years with effect from 1st May 2012.

An abstract of the terms and conditions of the appointment and payment of remuneration to Mr.D.P.Mishra, pursuant to provisions of Section 302 of the Companies Act, 1956 was circulated to all the members.

Notice

In accordance with the provisions of the Companies Act, 1956, approval of the members is required to be sought at the ensuing Annual General Meeting for the aforesaid appointment and payment of remuneration to Mr. D.P.Mishra as a Whole Time Director.

Accordingly, the Ordinary Resolution set out under Item No.5 of the Notice is recommended by the Board for approval of the members.

Interest of Directors:

None of the Directors of the Company except Mr. D P Mishra, is concerned or interested in the resolution.

On behalf of the Board of Directors

Place: Chennai
Date: November 9, 2012

C C Paarthipan
Chairman

DIRECTORS' REPORT

To the Shareholders

The Directors have pleasure in presenting the Twenty First Annual Report together with the Audited Accounts for the year ended 30th June 2012.

Financial Performance

Particulars	Rupees in Lacs	
	2011-2012	2010-2011
Sales (net of excise duty) and other Income	11001.01	8557.52
Profit before Finance Costs, Tax, Depreciation & Amortisation Expenses	1286.86	1163.04
Less: Finance Costs	87.69	100.22
Depreciation & Amortisation Expense	115.50	227.72
Profit Before Tax	1083.67	835.10
Less: Tax Expenses	265.16	181.49
Profit after Tax	818.51	653.61
Add: Surplus at the beginning of the year	834.60	509.77
Profit available for Appropriation	1653.11	1163.38
Less: Transfer to General Reserves	85.00	65.36
Final Dividend proposed	302.20	226.65
Dividend Tax – Current Year	49.02	36.77
Balance carried to Balance Sheet	1216.89	834.60
Return on Net worth – Earnings Per Share		
Basic / Diluted	5.42	4.33

OPERATIONS & OUTLOOK

We are glad to inform the Members that the Company has crossed the milestone of 100 CRORE Revenue Mark in the year under review. This has been achieved mainly on account of our deep inroads in Southern and Central America, Company's growing market presence, innovative marketing strategies and introduction of new product. It is hoped that with the continued efforts in exploring new markets/products in the established markets, the growth will be sustained during the coming years.

In addition, the Company has added substantial machinery/equipment at the unit of the Company at Pondicherry. Considering the status of the plant and the productivity, subsequent to the close of the year our facility at Gummidipoondi is being revamped and during the interregnum period due to investment in balancing machinery at Pondicherry there shall not be any effect on the overall production target during the current year.

Our expansion plan into the manufacture of injectibles intended for export to regulated markets is nearing completion and expected to commence trial run during the Third/fourth quarter of the current year. Senior technical personnel have already been recruited and plans are under way for preparation for approval of the plant and registration of product lines with the regulatory authorities.

DIVIDEND

The Board of Directors is pleased to recommend a dividend of Rs.2/- per Equity Share of Rs.10 each [20%] for the year ended June 30, 2012 subject to approval of the shareholders in the ensuing Annual General Meeting. The dividend if approved, at the Annual General Meeting will be tax free in the hands of the shareholders. The payment of dividend would entail a cash outflow of Rs. 351.22 Lacs including dividend distribution tax of Rs. 49.02 Lacs.

TRANSFER TO RESERVES

In terms of Companies (Transfer of Profits to Reserves) Rules, 1975, a sum of Rs.85.00 lacs was transferred to General Reserves during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development / Opportunity – Threat, Risk & Concerns

In order for the company to derisk its dependence on the South/North America and West African Markets the company has now embarked upon an ambitious Project to set up an injectible plant with UK/MHR standards/ approvals which will pave way for newer markets as well as additional revenue in the existing market where the company is strongly placed. However the threat of unpredictable fluctuations in foreign currencies did impact the bottom-line of the Company

Internal Control Systems and their Adequacy

The company maintains a system of internal control, including suitable monitoring procedures and the same needs to be strengthened. The ERP implementation covering all the processes in all locations are in the final stages and it is hoped that this will go live from January 2013 which will enable to have better control and monitoring to strengthen the process and improve efficiency. The management duly considers and takes appropriate action on recommendations made by the Statutory Auditors, Internal Auditors and independent Audit Committee of the Board of Directors. Significant issues are also brought to the attention of the Audit Committee.

Outlook for the year 2012-13

The Company's sustained focus on quality of products by investing in manufacturing capabilities and recruiting experienced technical people who have exposure in a large environment and with more aggressive marketing strategies coupled with the expansion plans will enable company to continue its growth path and will very soon join the select league of niche manufacturers of pharmaceutical formulations catering to the needs of the regulated markets. The resulting outcomes in terms of quality improvement, greater production efficiencies and better recognition in the markets for the Company's products auger well for the future growth of your company.

Consolidated Financial Statements of Subsidiary

The Consolidated Financial Statements of the Company and its Subsidiary, viz., Argus Salud Pharma LLP, prepared in accordance with the Accounting Standards (AS-21) prescribed by the Institute of Chartered Accountants of India are attached and form part of the Annual Report and Accounts.

Subsidiary

During the year the Company has made an additional investment in its Subsidiary Limited Liability Partnership, Argus Salud Pharma LLP and the total investment was Rs. 9,90,000/- which constitutes 99 per cent of the Capital thereof.

The Ministry of Corporate Affairs has, vide General Circular No. 2/2011 dated 8th February 2011, pursuant to Section 212(8) of the Companies Act, 1956 granted a general exemption from attaching a copy of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Report of the Auditors of the subsidiary along with that of the Holding Company and hence the same have not been attached herewith.

However, the statement as required under Section 212 of the Companies Act, 1956 in respect of the Subsidiaries of the Company is annexed and forms part of this Report. The Annual Accounts of the Subsidiary will be made available to any shareholder requiring a copy of the same at any point of time. The Annual Accounts of the Subsidiary will also be kept for inspection by shareholders at its Registered Office.

Cautionary Note

As stated before, the information and opinion expressed in the "Management Discussion and Analysis" section may contain certain forward looking statements which the management believes are true to the best of its knowledge at the time of its preparation. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.

DIRECTORS

Re-Appointment

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Mr.C.C.Paarthipan, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible have offer himself for re-appointment. The Board recommends his re-appointment.

Appointments

As per the resolution passed by the Board of Directors on 30th April 2012, Mr. D.P. Mishra was re-designated and appointed as Whole Time Director of the Company effective from 1st May 2012 for a period of two years subject to approval of the shareholders at the ensuing Annual General Meeting.

Subsequent to the close of the year, Mr. N.R. Achan resigned as a Director with effect from 4th October 2012 and Mr. R. Vijay Venkatraman was appointed as a Director of the Company in his place with effect from 4th October 2012. The Board of Directors wish to place on record its deep appreciation for the valuable services rendered by Mr.N.R.Achan.

As required under Clause 49 of the Listing Agreement relating to Corporate Governance, a brief resume, expertise and details of other directorships of Messrs.C.C.Paarthipan and D.P.Mishra are provided in the Notice of the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors, in accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, confirm that:

- 1) Applicable accounting standards have been followed in the preparation of the Annual Accounts;
- 2) The Directors have adopted such accounting policies and have applied them consistently and have made judgments and estimates in a reasonable and prudent manner 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 of the profit of the Company for the year ended 30.06.2012.
- 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 prevention and detection of fraud and other irregularities. To ensure this, the company has established internal control systems, consistent with its size and nature of operations, subject to the inherent limitations that should be recognized in weighing the assurance provided by any such system of internal controls. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The audit committee meets at regular intervals to review the internal audit function.
- 4) The annual accounts have been prepared on a going concern basis.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public.

AUDITORS

The Auditors, Messrs. M. Raghunath and Company, Chartered Accountants, Chennai, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Board on recommendation of the Audit Committee, proposes that Messrs.M.Raghunath and Company, Chartered Accountants, Chennai, be appointed as Statutory Auditors of the Company to hold office till the conclusion of the next Annual General Meeting of the Company. Messrs. M. Raghunath and Company, Chartered Accountants, Chennai have forwarded their certificate to the company stating that their appointment, if made, will be within the limit specified in that behalf in sub-section (1B) of Section 224 of the Companies Act, 1956.

COST AUDITORS

Mr. G.Thangaraj, Cost Accountant, has been appointed as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ended 30.06.2012. The Cost Audit Reports relating to the financial year 2011-2012 will be filed within the stipulated time period.

CORPORATE GOVERNANCE

Your Company is committed to maintain high standards of Corporate Governance. A separate section on Corporate Governance is included in the Annual Report and the Certificate from M/s. R Sridharan & Associates, Company Secretaries confirming the compliance of conditions on Corporate Governance as stipulated under Clause 49 of the Listing Agreement of the Stock Exchange is annexed thereto.

INDUSTRIAL RELATIONS

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

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 given in the Annexure forming part of this report.

ACKNOWLEDGEMENT

The Directors wish to thank the Company's Customers, Manufacturers, Dealers, Banks, Shareholders and Government for their continued support to your Company's performance and growth. The Directors also wish to place on record their appreciation of the contribution made by all the employees of the Company resulting in good performance during the year under review.

On behalf of the Board of Directors

Place: Chennai
Date : November 9, 2012

C C Paarthipan
Chairman

M Jayapal
Managing Director

ANNEXURE TO DIRECTORS' REPORT

The information as required under Section 217(1) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

- a. Energy Conservation measures taken: NIL
- b. Additional investments and proposals, if any, being implemented for reduction of steam and energy: NIL
- c. Impact of the measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Not Applicable
- d. Total energy consumption and energy per unit of production are given below.

B. DETAILS ON EFFORTS MADE IN TECHNOLOGY ABSORPTION ARE GIVEN BELOW.**A) Research & Development (R & D)**

- 1. Specific Areas in which R& D is carried out by the Company:

Research and Development is carried out in Pharmaceutical Formulation Development.

- 2. Benefits derived as a result of the above R & D

a. Product improvement, process development, import substitution, standardization of quality control of formulations.

b. New applications for better dosage recommendations and improvements

- 3. Future plan of action:

- a. Import substitution and resolving process problems encountered in formulation manufacturing for quality and productivity.
- b. Optimization of process parameters with emphasis on cost control and rationalization.
- c. Studying feasibility of using new manufacturing technology in existing dosage forms.

4) Expenditure on R & D**Rs.in lakhs**

(I) Capital	243.00
(ii) Revenue	58.49
(iii) Total	301.49
(iv) Total R&D Expenditure as percentage of total turnover	2.74

C) Technology absorption, adaptation and innovation

The Company is continuously looking into best process methods relating to manufacturing for cost reduction of the final product.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rupees in Lacs)	
	Current year	Previous year
Earnings	8973.82	6953.00
Outgo	4313.23	3625.05

E. POWER AND FUEL CONSUMPTION

	Current Year		Previous Year	
	Office	Factory	Office	Factory
1. Electricity				
a. Purchased Units	44,320	11,08,444	41,830	9,43,620
b. Total Amount (Rs.)	3,47,785	57,87,521	2,70,988	54,28,285
c. Rate Per Unit (Rs.)	7.85	5.22	6.48	5.75
2. Consumption of Electricity per unit of Production				
a. Tablets	Nos.	421	Nos.	350
b. Capsules	Nos.	30	Nos.	63
c. Ointments	Tubes	1	Tubes	2
d. Liquids	Bottles	2	Bottles	1
e. Injectibles		----		-----

REPORT ON CORPORATE GOVERNANCE

Corporate Governance specifies the principle and manner in which affairs of the Company is directed. It also specifies the manner in which the company operates under the prevailing law, customary practice, rules and regulations framed by the government and the company itself. Timely and accurate disclosure of information regarding the financial position of the Company, its performance and ownership forms part of the Corporate Governance. It ensures that the corporate affairs are carried out in the best interest of the company and its stakeholders.

Company's Philosophy on Code of Corporate Governance

Your Company is committed to the highest standards of Corporate Governance in all its activities and processes. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders.

Your Company also believes that good corporate governance practices help to enhance performance and valuation of the Company.

I. Board of Directors

The Corporate Governance of the Company ensures that the Board remains informed, independent and involved in the Company. The Board comprises of persons of eminence with excellent professional achievements in their respective fields. The Independent Directors provide their independent judgement and objectivity on the issues placed before them.

(A) Composition and Category of Directors

The Board of Directors of the Company comprised of Seven (7) members as on 30th June 2012. The present composition of the Board consists of Four Non-Executive Independent Directors who are seasoned professionals, with rich and varied experience in business, industry etc, Two Executive Directors and one Non-Executive Promoter Chairman. The composition, category of the Board of Directors and outside Directorships for the year under review is furnished hereunder:

Name of Directors	Category	No. of other Directorships* No. of Membership on other Board Committees**
Shri.C.C.Paarthipan	Non-Executive Chairman	----
Shri.M.Jayapal	Executive Director	----
Shri.V.Thirumalai	Non-Executive-Independent Director	----
Shri.P.T.Baby Thomas	Non-Executive-Independent Director	----
Shri.D.P.Mishra	Executive Director	----
Shri.Venkat Radhakrishnan	Non-Executive-Independent Director	----
Shri.N. R. Achan@	Non-Executive-Independent Director	----
Shri.R.Vijay Venkatraman #	Non-Executive-Independent Director	----

#Appointed as Director in the place of Mr.N.R.Achan w.e.f 04.10.2012

@Resigned w.e.f 04.10.2012

* Excludes Private Companies, Foreign Companies and Section 25 Companies.

**Denotes memberships in Audit Committee and Shareholders/ Investors Grievance Committee

None of the Directors on the Board is a Member in more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement) across all the Companies in which he is a Director.

The Independent Directors have confirmed that they satisfy the 'criteria of independence' as stipulated in the amended Clause 49 of the Listing Agreement.

Details of Directors seeking appointment / re-appointment

Shri. C C Paarthipan, Director retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Shri. D.P.Mishra, was designated and appointed as Whole Time Director with effect from 1st May 2012.

Details of each of the above mentioned Directors seeking appointment and re-appointment are separately furnished in the Notice convening Annual General Meeting to be held on 19th December 2012 along with the Annual Report.

Board Meetings held during the year 2011-2012

The Board of Directors met 5 (Five) times during the financial year 2011-12 i.e., 30.07.2011, 31.10.2011, 21.11.2011, 14.02.2012 and 12.05.2012. The Attendance of Directors at the Board Meetings and last AGM is as follows:

Name of Directors	No. of Board Meetings Attended	Attendance in Last AGM held on 29.12.2011
Shri.C.C.Paarthipan	5	Yes
Shri.M.Jayapal	5	Yes
Shri.V.Thirumalai	4	Yes
Shri.P.T.Baby Thomas	3	Yes
Shri.D.P.Mishra	4	Yes
Shri.Venkat Radhakrishnan	1	Yes
Shri.N.R.Achan	3	Yes

Board Committees:

The Board has constituted various committees to support the Board in discharging its responsibilities. There are three committees constituted by the Board – Audit Committee, Remuneration Committee and Shareholders' / Investors' Grievance Committee.

(a) Audit Committee

The terms of reference of the Committee is in accordance with that specified in Clause 49 of the listing agreement with Stock Exchanges and also confirms to the requirements of Section 292A of the Companies Act, 1956 and the scope of the Audit Committee include matters which are set out in the Listing Agreement with the Stock Exchanges as amended from time to time read with Section 292A of the Companies Act, 1956.

Composition & Meetings

At the beginning of the year the Committee consists of Three Non – Executive Independent Directors including the Chairman of the Committee and one Executive Director. All the members have good financial knowledge.

The Audit Committee was reconstituted w.e.f 21.11.2011 with the following members.

1. Mr. N R Achan - Chairman (Non Executive)
2. Mr. D P Mishra - Director (Non Executive)
3. Mr. M Jayapal - Director (Executive)
4. Mr. V Thirumalai - Director (Non Executive)
5. Mr. P T Baby Thomas - Director (Non Executive)

Audit Committee Meetings are attended by the Head of Finance and senior management members. The Statutory Auditors are also invited to attend the meetings.

During the year under review the Committee met 4 (Four) times on 30.07.2011, 21.11.2011, 14.02.2012 and 12.05.2012 and the gap between two meetings did not exceed four months. The Composition of the Audit Committee and the attendance of each member at these meetings are given below:-

Sl No.	Name	Chairman/Member	No. of meetings Attended
1	Shri.N.R.Achan	Chairman	3
2	Shri.D.P.Mishra *	Member	3
3	Shri.M.Jayapal	Member	4
4	Shri V Thirumalai	Member	3
5	Shri P T Baby Thomas	Member	2

* Redesignated as an Executive Director w.e.f 01.05.2012.

The Committee was subsequently reconstituted by the Board on 04.10.2012 with the following members comprising of Three Non Executive Independent Directors including Chairman and Two Executive Directors.

- (a) Mr. V Thirumalai - Chairman
- (b) Mr. D P Mishra - Member
- (c) Mr. R Vijay Venkatraman - Member
- (d) Mr. P T Baby Thomas - Member
- (e) Mr. M Jayapal - Member

(b) Remuneration Committee

Objective

The Committee reviews and determines the Company's policy on managerial remuneration and recommends to the Board on the specific remuneration of Executive Directors, so as to ensure that they are fairly rewarded for their individual contributions to the Company's overall performance and their remuneration is in line with industry standards.

Terms of Reference

The broad terms of reference to the Remuneration Committee are to recommend to the Board, salary (including annual increments), perquisites and commission/ incentives to be paid to the Company's Managing Director / Whole time Directors to finalise the perquisites package within the overall ceiling fixed by the Board, to recommend to the Board retirement and other benefits to Managing Director. The Committee also recommends to the Board on any new appointments including re-appointments and the tenure of office, whether of executive or of Non - Executive Directors.

Composition and Meetings

During the year under review the Committee met once on 30.04.2012. At the beginning of the year, the committee consists of Three Non-Executive Independent Directors including the Chairman of the Committee and one Executive Director as follows.

1. Mr. D P Mishra - Chairman
2. Mr. M Jayapal - Member
3. Mr. V Thirumalai - Member
4. Mr. P T Baby Thomas - Member

The Committee was reconstituted by the Board w.e.f 30.04.2012 with Two Non Executive Independent Directors including the Chairman of the Committee and two Executive Directors.

The Composition of the Committee and the attendance of each member at the meeting are as follows:-

Sl No.	Name	Chairman/Member	No. of meetings Attended
1	Shri.V.Thirumalai	Chairman	1
2	Shri.M.Jayapal	Member	1
3	Shri.D.P.Mishra	Member	1
4	Shri P T Baby Thomas	Member	1

Remuneration Policy

The Company while deciding the remuneration package of the senior management takes into consideration the following items:-

- a. job profile and special skill requirements
- b. prevailing compensation structure in companies of similar size and in the industry
- c. Remuneration package of comparable managerial talent in other industries.

Remuneration for the Year

All fees /compensation paid to the Executive Directors and Independent Directors are approved by Board of Directors and have shareholders approval.

Details of the remuneration of Non – Executive Directors and Executive Directors for the year ended 30th June 2012 are as follows:-

Non – Executive Directors

Name	Sitting Fees paid for Board and Committee Meetings (Rupees)
Shri C C Paarthipan	NIL
Shri D P Mishra *	NIL
Shri P T Baby Thomas	NIL
Shri V Thirumalai	NIL

Executive Directors

Name	Salary/Allowance (Rupees)	Contribution to funds (Rupees)	Value of Perquisites (Rupees)	Incentive Paid (Rupees)
Shri. M. Jayapal	5,36,160/-	9,360/-	-	-
Shri. D.P.Mishra *	1,04,000/-	1,560/-	-	-

* Appointed as Whole Time Director with effect from 1st May 2012.

(C) Shareholders' / Investors' Grievance Committee**Terms of Reference**

The Shareholders / Investors Grievance Committee oversee the Company's relationship with shareholders and ensure that the shareholders grievances are redressed in time.

Composition & Meetings

At the beginning of the year, the Committee consists of Three Non Executive Independent Directors and One Executive Director. Shri.D.P.Mishra is the Chairman of the Committee. The Company Secretary is the Compliance Officer of the Company.

Subsequent to the change in designation of Mr.D.P.Mishra as the Whole Time Director of the Company w.e.f 01.05.2012, the Committee as on 30.06.2012 consists of Two Executive Directors including the chairman of the Committee and two Non Executive Independent Directors.

During the year ended 30th June 2012, the Committee met Eighteen (18) times on 30.07.2011, 31.10.2011, 15.11.2011, 30.11.2011, 15.12.2011, 30.12.2011, 16.01.2012, 30.01.2012, 15.02.2012, 29.02.2012, 15.03.2012, 31.03.2012, 14.04.2012, 30.04.2012, 15.05.2012, 31.05.2012, 15.06.2012 and 30.06.2012, to review the shareholders correspondence including the complaints received from the shareholders and their redressal.

The details of the members of the Committee and their attendance at the meetings are given below:-

SI No.	Name	Chairman/ Member	Number of Meetings attended
1	Shri D P Mishra	Chairman	10
2	Shri M.Jayapal	Member	18
3	Shri V Thirumalai	Member	18
4	Shri P T Baby Thomas	Member	17

The Company has received 48 (Forty Eifht) complaints from shareholders and the same were redressed during the year ended 30th June, 2012.

Code of Conduct

All the members of the Board and senior management personnel have affirmed the compliance with the Company's code of conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this Report. The Company has also in place a Prevention of Insider Trading Code based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

CEO/ CFO Certification

Mr.M.Jayapal, Managing Director has given a Certificate to the Board as contemplated under Clause 49 of the Listing Agreement.

General Body Meetings

The particulars of venue, date, time of the last three Annual General Meetings are given below:-

Year	Date	Time	Venue
2011	29.12.2011	11.00 am	TAG Centre No. 69, T. T. K. Road, Alwarpet, Chennai – 600 018
2010	28.12.2010	11.00 am	TAG Centre No. 69, T. T. K. Road, Alwarpet, Chennai – 600 018
2009	23.12.2009	3.00 pm	Pasumpon Trust (Pasumpon Thevar Mandapam) No.158, Habibullah Road,T.Nagar, Chennai – 600 017

Details of Special Resolutions passed during the last 3 Annual General Meetings

Date of AGM	Whether special resolution was passed	Particulars
20 th AGM 29.12.2011	YES	1. Appointment of Mr.Vivek Siddharth, son of the Chairman Mr.C.C.Paarthipan as Chief Operating Officer of the Company to hold office of profit u/s 314(1) of the Companies Act, 1956
19 th AGM 28.12.2010	YES	2. Appointment of Mr. Vivek Siddharth, son of the Chairman Mr. C. C. Paarthipan to office of profit u/s 314(1) of the Companies Act, 1956. 3. Appointment of Mrs. Krishnapriya Mishra, wife of Mr. D. P. Mishra, Director to office of profit u/s 314(1) of the Companies Act, 1956
18 th AGM 23.12.2009	NO	NIL

No resolutions were passed through Postal Ballot during the year under review.

As of now there is no proposal for passing any resolutions through postal ballot.

Disclosures

There were no material transactions with related parties i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that have potential conflict with the interests of Company at large.

Transactions with the Related Parties are disclosed under Notes in the financial statements in the Annual Report.

The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

During the year under review, the Company has not raised any funds from public issue, rights issue or preferential allotment.

During last three years, there were no strictures or penalties imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Compliance

The Board reviews periodically compliance reports of all laws applicable to the Company prepared by the Company as well as the steps taken by the Company to rectify instance of non compliance, if any.

Compliance with Corporate Governance Norms

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the stock exchanges. The Company has submitted the compliance reports in the prescribed format to the stock exchanges for the quarters ended 30th September 2011, 31st December 2011, 31st March 2012 and 30th June 2012.

CS R. Sridharan, Messrs. R. Sridharan & Associates, Company Secretaries, Chennai have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the exchanges and the Certificate forms part of the Annual Report.

The Company has also adopted the following non – mandatory requirements:-

1. As detailed in the earlier paragraphs, a Remuneration Committee has been constituted by the Company.
2. All the quarterly financial results are published in the leading newspapers, uploaded in the website and any major developments are covered in the press releases issued by the Company and posted on the Company's website.

Other Non mandatory requirements are yet to be implemented by the Company.

Means of Communication

The Quarterly Unaudited financial results, Annual audited results and other major announcements like notices of Board Meetings, Book Closure, and Dividend Declaration Notices are normally published in Trinity Mirror (English) and Makkal Kural (Tamil). The financial results and press releases are placed on Company's website i.e., www.caplinpoint.net. Further the code of conduct of the Company applicable to the board and senior management, shareholding pattern and financials are also displayed on the website of the Company.

Management Discussion and Analysis.

The Management Discussion and Analysis report forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION**I. Annual General Meeting**

Day & Date : Wednesday, 19th December, 2012
Time : 11.00 a.m.
Financial Calendar : 1st July 2011 to 30th June 2012
Date of Book Closure : 13.12.2012 to 19.12.2012

Listing on Stock Exchanges : Madras Stock Exchange Limited
Bombay Stock Exchange Limited

The listing fees for the financial year 2011-2012 were paid to the above stock exchanges.

<u>Name of the Stock Exchange / Depository</u>	<u>Code /ISIN</u>
Madras Stock Exchange	CAPLNPTLAB
Bombay Stock Exchange Limited	524742
NSDL & CDSL	INE475E01018

Market Price Data

No transactions took place in the Madras Stock Exchange during the financial year under review. Transactions at Bombay Stock Exchange during the year under review are detailed below:

Year	Month	All prices in Rs.		No. of Shares
		Highest Rate	Lowest Rate	
2011-2012	July	27.00	20.55	47,700
	August	34.40	23.20	1,11,700
	September	29.80	23.65	36,900
	October	26.00	23.35	14,700
	November	28.25	21.75	25,300
	December	28.15	21.20	16,000
	January	27.00	21.10	19,000
	February	26.30	24.55	22,300
	March	26.90	22.85	35,703
	April	31.25	24.00	36,031
	May	28.90	24.35	20,161
	June	28.10	24.15	25,124

Dividend

The Board of Directors has recommended the payment of final dividend of Rs.2/- per equity share. The dividend on equity shares will be paid to those members, whose names appear in the Register of members as on 19.12.2012. In respect of shares held in electronic form, dividend will be paid on the basis of beneficial ownership as per the details furnished by the depositories for the purpose.

Unclaimed Dividend

The details of dividend paid by the Company and the respective due dates of transfer of the unclaimed / unencashed dividend to the Investor Education and Protection Fund (IEPF) of the Central Government.

Financial year to which dividend relates	Date of Declaration	Due date of transfer to IEPF
2004-05	Nil	Nil
2005-06	Nil	Nil
2006-07	Nil	Nil
2007-08	Nil	Nil
2008-09	Nil	Nil
2009-10	28.12.2010	04.03.2018
2010-11	29.12.2011	05.03.2019

As provided under the Companies Act, 1956, dividends remaining unclaimed for a period of seven years shall be transferred by the Company to the IEPF

Unclaimed Suspense Account

In terms of Clause 5A of the amended Listing Agreement all the shares issued in physical form pursuant to a public issue or any other issue, which remain unclaimed needs to be transferred into one folio in the name of Unclaimed Suspense Account and such shares shall be dematerialised by the company after the registrar sends at least three reminders to such shareholders.

There are no unclaimed physical shares till date in the books of the Company and hence the requirements to provide the details as per Clause 5A are not applicable.

Registrar and Share Transfer/Demat Agents

M/s Karvy Computershare Private Ltd,
 UNIT: Caplin Point Laboratories Limited,
 Plot No 17 – 24, Vittal Rao Nagar, Madhapur,
 Hyderabad - 500 081
 Andhra Pradesh, India.
 Phone#91-40-44655000; Fax # 91-40-23420814.
 E-mail: einward.ris@karvy.com.
 URL: www.karvycomputershare.com.

Share Transfer System

For speedy processing of share transfers, the board has delegated powers to approve share transfers to the Shareholders' / Investors' Grievance Committee and to the Managing Director. Depending on the number of requests received, share transfers are processed periodically.

The Company's share transfer work, both physical and electronic form, is done by M/s. Karvy Computershare Private Ltd, UNIT: Caplin Point Laboratories Limited, Plot No 17 – 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.

Shareholding Pattern as on 30th June, 2012

Category	No. of Shares	% of Shareholding
Promoters	86,39,353	57.18
Non Promoters		
Mutual Funds / UTI	12,200	0.08
Banks / Financial Institutions	700	0.01
Private Corporate Bodies	4,33,460	2.86
Foreign Corporate Bodies	45,500	0.30
Non Resident Indians	1,28,700	0.85
Indian Public	58,50,087	38.72
TOTAL	1,51,10,000	100.00

Distribution of Shareholding as on 30th June, 2012

No. of Shares	No. of Shareholders	No. of Shares	% of Shareholding
1 to 500	13326	18,21,491	12.05
501 to 1000	415	3,47,790	2.30
1001 to 2000	145	2,22,799	1.47
2001 to 3000	69	1,83,900	1.22
3001 to 4000	22	76,572	0.51
4001 to 5000	27	1,29,977	0.86
5001 to 10000	39	2,92,311	1.93
10001 and above	54	1,20,35,160	79.66
TOTAL	14097	1,51,10,000	100.00

Outstanding GDRs/ADRs etc.

The company has not issued any GDR / ADR or any convertible instruments that is likely to impact the Equity Share Capital of the Company.

Plant Location**Unit I**

R.S.No.85/3, Suthukeny Village
Katterikuppam (Post)
Mannadipet Commune Panchayat
Pondicherry 605 502
e-mail: cp1@caplinpoint.net
Phone : 0413-2674046, 2674047,
Tele Fax : 0413-2674044

UnitII

No. 19, Chinnapuliyur Village,
Sirupzhalpet,
Gummidipoondi,
Tamilnadu
email : cp2@caplinpoint.net
Phone : 044-9445391317

Unit III

Khasra No. 435,
Village Suraj Majra, N.H. 21,
Baddi, Tehsil Nalagarh, Dist. Solan
Himachal Pradesh – 173205.
e-mail: admin.cp3@caplinpoint.net
Phone : 01795 - 245771

Unit of Subsidiary (Argus Salud Pharma LLP)

Khasra No. 380,
Village Suraj Majra, N.H. 21,
Baddi, Tehsil Nalagarh, Dist. Solan
Himachal Pradesh – 173205.
e-mail: argussalud@gmail.com
Phone : 01795 - 244223

Address for Correspondence

For shares held in Demat form, investors shall address their correspondence to their respective Depository Participants.

For shares held in physical form, investors shall contact the RTA for transfers / Demat / Remat etc.

All other queries and clarifications may be addressed to the Registered Office of the Company at:

CAPLIN POINT LABORATORIES LIMITED

"Narbavi", No. 3, Lakshmanan Street,
T. Nagar, Chennai – 600 017.
E-mail: info@caplinpoint.net
Phone: 28156653, 28156905

On behalf of the Board of Directors

Place : Chennai
Date : November 9, 2012

M JAYAPAL
MANAGING DIRECTOR

DECLARATION ON CODE OF CONDUCT**To****The Members of Caplin Point Laboratories Limited**

This is to confirm that the Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct has also been posted on the website of the Company.

It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company as at 30th June 2012, as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

Chennai
November 9, 2012

M JAYAPAL
MANAGING DIRECTOR

**CERTIFICATE OF COMPLIANCE FROM PRACTISING
COMPANY SECRETARY UNDER CLAUSE 49 OF LISTING
AGREEMENT****To****The Members****Caplin Point Laboratories Limited**

We have examined all relevant records of M/s. Caplin Point Laboratories Limited, having its Registered Office at 'NARBAVI', No.3, Lakshmanan Street, T Nagar, Chennai – 600 017, for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited and the Madras Stock Exchange Limited for the financial year ended June 30, 2012. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the mandatory conditions of the Clause 49 of the listing Agreement.

For R Sridharan & Associates
Company Secretaries

CS R Sridharan
C P No. 3239
FCS No.4775

Place : Chennai
Date : November 9, 2012

M RAGHUNATH & CO
Chartered Accountants

4, Stringer Street, III Floor,
Broadway, Chennai 600 001.

Auditors' Report

To,
The Members,
Caplin Point Laboratories Limited

We have audited the attached Balance Sheet of **Caplin Point Laboratories Limited** as at 30th June 2012 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on matters specified in the said Order to the extent applicable thereon.

Further to our comments in the Annexure referred to in the above paragraph, we state that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the all mandatory Accounting standards referred to in sub-section (3C) of Section 211;
- e. On the basis of written representations received from the directors of the company as at 30th June 2012 and taken on record by the board of directors we report that no director is disqualified from being appointed as director under clause (g) of sub-section (1) of Sec. 274 of the Companies Act, 1956;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 30th June 2012 and
 - ii. In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date.
 - iii. In the case of Cash Flow Statement, of the Cash flows for the year ended on that date

Place: Chennai
Date: 09-11-2012

For M Raghunath & Co
Firm Registration No. 003347S
Chartered Accountants
M Raghunath
Partner
ICAI Membership No. 15501

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our Report of even date to the members of Caplin Point Laboratories Limited for the year ended 30th June 2012)

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
b) Fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
c) In our opinion and according to the information and explanations given to us, none of the fixed assets were disposed off during the year and therefore do not affect the going concern concept of the company.
2. a) The Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) On the basis of our examination of the record of inventories, we are of the opinion that, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories, as compared to book records were not material in relation to the operation of the Company and the same have been properly dealt with in the books of accounts.
3. The Company has neither granted nor taken any loans secured or unsecured to/from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods.
5. a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that Section.
b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts, or arrangements exceeding the value of Rs. Five lakhs, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
7. The company has an internal audit system commensurate with the size of the Company and the nature of the business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for the maintenance of cost records in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Income - tax, Sales - tax, Customs duty and any other material statutory dues applicable to it in India.
b) According to the information and explanations given to us, there were no disputes in respect of Sales Tax Income Tax, Customs duty or Cess other than the items mentioned below and accordingly, the question of deposit of dues in respect of the same does not arise.

Sl No	Name of the statute	Nature of dues	2011-12 (Rs.in lacs)	Forum where dispute is pending
1	Income Tax Act, 1961	Income tax	181.47	Income Tax Appellate Tribunal/ CIT Appeals
2	Central Excise Act, 1944	Excise Duty	27.26	CEGAT Tribunal/ Department of Revenue, New Delhi

10. The Company has no accumulated losses, as at the end of the year and it has not incurred cash losses in the current and in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any bank / finance company.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the order is not applicable.
13. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the order is not applicable.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they have been obtained.
17. According to information and explanations given to us and on an overall examination of the Balance Sheet and cash flow statement of the company, we report that no funds raised on short term basis have been used for long term investments.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
20. The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the Order is not applicable.
21. According to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

For M Raghunath & Co
Firm Registration No. 003347S
Chartered Accountants

Place: Chennai
Date : 09-11-2012

M Raghunath
Partner
ICAI Membership No. 15501

Standalone

CAPLIN POINT LABORATORIES LIMITED
BALANCE SHEET AS AT 30TH JUNE 2012

	NOTES	AS AT 30-Jun-12 (Rs.in Lakhs)	AS AT 30-Jun-11 (Rs.in Lakhs)
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	1,511.00	1,511.00
(b) Reserves and surplus	3	1,890.03	1,422.74
2 Non-current liabilities			
(a) Long-term borrowings	4	155.19	8.49
(b) Deferred tax liabilities (Net)	5	247.15	153.39
(c) Long-term provisions	6	26.62	19.99
3 Current liabilities			
(a) Short-term borrowings	7	520.34	945.54
(b) Trade Payables	8	2,034.80	1,686.08
(c) Other current liabilities	9	3,610.60	1,070.42
(d) Short-term provisions	10	406.13	312.39
TOTAL		10,401.86	7,130.04
II.ASSETS			
Non-current assets			
1 (a) Fixed assets	11		
(i) Tangible assets		2,584.51	2,320.65
(ii) Intangible assets		4.73	5.80
(iii) Capital work-in-process		1,279.09	17.14
(b) Non-current investments	12	123.78	119.77
(c) Long-term loans and advances	13	1,066.49	374.53
2 Current assets			
(a) Inventories	14	561.68	516.07
(b) Trade receivables	15	728.32	763.64
(c) Cash and cash equivalents	16	2,761.26	2,157.18
(d) Short-term loans and advances	17	1,174.06	811.01
(e) Other current assets	18	117.94	44.25
TOTAL		10,401.86	7,130.04

Significant Accounting Policies & Notes forming
part of Financial Statements

1 to 51

As per our report of even date attached
For M. Raghunath & Co.
Chartered Accountants
Firm Registration No. 003347S

On behalf of the Board

M. Raghunath
Partner
ICAI Membership No. 15501

C.C.Parthipan
Chairman

M.Jayapal
Managing Director

Place: Chennai
Date: 09/11/2012

R.Sriranjani
Company Secretary

CAPLIN POINT LABORATORIES LIMITED

Standalone

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30TH JUNE' 2012

	NOTE No.	For the year ended 30-Jun-12 (Rs.in Lakhs)	For the year ended 30-Jun-11 (Rs.in Lakhs)
I. INCOME			
(a) Revenue from operations	19	10,762.06	8,302.46
(b) Other income	20	238.95	255.06
Total Revenue		11,001.01	8,557.52
II EXPENSES			
(a) Cost of materials consumed	21	3,113.07	2,329.82
(b) Purchases of Traded Goods		4,762.90	4,081.31
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	38.58	(48.38)
(d) Employment benefit expenses	23	614.14	409.30
(e) Finance costs	24	87.69	100.22
(f) Depreciation and Amortisation	25	115.50	227.72
(g) Other Expenses	26	1,185.46	622.43
Total Expenses		9,917.34	7,722.42
III Profit before tax		1,083.67	835.10
IV Tax Expense:			
- Current Year		190.19	136.00
- MAT Credit Entitlement		(18.79)	-
- Deferred tax		93.76	44.64
- Earlier Years		-	0.85
V Profit After Tax for the year		818.51	653.61
Earnings per equity share: Basic / Diluted		5.42	4.33

Significant Accounting Policies & Notes forming part of Financial statements

1 to 51

As per our report of even date attached

For M. Raghunath & Co.

Chartered Accountants

Firm Registration No. 003347S

M. Raghunath

Partner

ICAI Membership No. 15501

Place: Chennai

Date: 09/11/2012

On behalf of the Board

C.C.Paarthipan
ChairmanM.Jayapal
Managing DirectorR.Sriranjani
Company Secretary

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CAPLIN POINT LABORATORIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE' 2012

	30.06.2012 (Rs.in Lakhs)	30.06.2011 (Rs.in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	1,083.67	835.10
Adjustments for:		
Depreciation and Amortisation	115.50	227.72
Diminution in value of assets	0.94	-
Interest Income	(226.38)	(126.34)
Interest Expenses	87.69	100.22
Dividend income	(0.44)	(0.17)
	1,060.98	1,036.53
Tax Paid (net of refund)	(188.81)	(51.92)
Operating profit before Working Capital Change	872.17	984.61
Changes in Working Capital		
(Increase) / Decrease in Inventories	(45.61)	(100.68)
(Increase) / Decrease in Trade receivables	35.32	195.92
(Increase) / Decrease in Loans & Advances	(1,128.70)	(370.06)
Increase / (Decrease) in Current liabilities & Provisions	2,655.47	542.77
Cash from Operating activities	2,388.65	1,252.56
B. CASH FLOW FROM INVESTING ACTIVITIES		
Inflow / (Outflow)		
(Purchase) of fixed assets	(1,640.24)	(508.38)
Dividend income	0.44	0.17
(Purchase) / Sale of Investme	(4.95)	(14.14)
Net Cash used in investing activities	(1,644.75)	(522.35)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Inflow / (Outflow)		
Repayment of Long term Borrowings	-	-
Interest Income	226.38	126.34
Interest Expense	(87.69)	(100.22)
Increase / (Decrease) in Bank Borrowings	(278.51)	(63.32)
Net Cash from financing activities	(139.82)	(37.20)
Net Cash Flow during the year (A+B+C)	604.08	693.01
Cash and Cash Equivalent as at the beginning of the year	2,157.18	1,464.17
Cash and Cash Equivalent as at the close of the year	2,761.26	2,157.18

Notes:

The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in the Accounting Standard 3 on Cash flow Statements issued by the Institute of Chartered Accountants of India

for M Raghunath & Co
Registration No. 003347S
Chartered Accountants

M.Raghunath
Partner
ICAI Membership No: 15501
Place : Chennai
Date : 09-11-2012

On behalf of the Board

C. C.Paarthipan
Chairman

M.Jayapal
Managing Director

R.Sriranjani
Company Secretary

NOTES

to the financial statements for the year ended 30th June 2012

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th JUNE 2012**1. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation of financial statements**

The accounts are prepared on historical costs convention and in accordance with the accounting principles generally accepted in India comprising the accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956. The Financial Statements are drawn up on accrual basis.

2. Use of Estimates

The presentation of financial statements requires estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the reserves are known/ materialized.

3. Revenue Recognition

- a. Sale of goods is recognized when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods. Gross sales include excise duty but exclude value added tax/sales tax.
- b. Conversion/Service Income is recognized as per contractual terms.
- c. Export incentives are recognized in the Profit and Loss account in the year of export.
- d. Interest income are accounted on accrual basis.
- e. Dividend Income is recognized when the right to receive the dividend is unconditional.

4. Fixed Assets

Fixed assets are stated at original cost of acquisition less depreciation and impairment loss, if any. The actual cost capitalized includes purchase price, freight, installation cost, duties and taxes, and other incidental expenses attributable to bringing the asset to its working condition. In the case of fixed assets acquired for new projects / expansions finance cost on borrowing and other related expenses upto the date of commercial production incurred towards acquiring fixed assets are capitalized.

5. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of an asset. If such recoverable amount of the asset, or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and is recognized in the Profit and Loss account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

NOTES

to the financial statements for the year ended 30th June 2012

6. Depreciation

- a. Depreciation on Fixed Assets is calculated on Straight Line method at rates prescribed in Schedule XIV of the Companies Act, 1956, on original cost of the asset. Additions to fixed assets costing less than Rs. 5,000/- are fully charged off as depreciation in the year of addition.
- b. Depreciation on additions / deletions, is provided on pro-rata basis to the months of additions / deletions.

7. Foreign Currency Transactions

- a. Foreign currency transactions are translated at exchange rates prevailing on the date of transactions.
- b. Foreign currency monetary assets and liabilities are reported at the closing rate. Gains and losses arising on account of difference in foreign exchange rates on settlement/translation of Monetary Assets and Liabilities on the closing date are recognized in the Profit and Loss Account.

8. Goodwill

Goodwill represents the difference between the purchase price and fair value of the assets and liabilities acquired after considering reserves transferred. Goodwill is being amortized on Straight Line Method over a period of 5 years.

9. Inventories

- a. Inventories are valued at lower of cost or net realizable value.
- b. Raw materials, Packing materials, stores and spares are valued at cost including duties and taxes, exclusive of modvat credit. The cost is arrived at FIFO basis.
- c. In respect of finished goods and work in progress cost includes raw materials, packing materials, labour cost and other appropriate allocable overheads.
- d. Value of closing stock as on 30th June 2012 is as certified by the management.

10. Retirement benefits**a. Defined Contribution Plans**

Contributions paid/payable under defined contribution plans are recognized in the Profit and Loss Account. Contribution plan is for Provident Fund administered and managed by the Government of India. The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

b. Defined Benefit Plans

In respect of Gratuity, which is administered through Life Insurance Corporation of India (LIC) contributions determined by LIC based on the actuarial valuation are charged to the Profit and loss account.

c. Short-term employment benefits

Un-availed leave balances as per the policy of the Company are accounted based on the respective employees' earnings as at the Balance Sheet date.

NOTES

to the financial statements for the year ended 30th June 2012

11. Earnings per share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

12. Investments

- a. The Long-term investments are stated at the actual Rupee value of the investment made. Provision for diminution is made to recognize a decline other than temporary, in the value of such investments.
- b. Current investments are carried at lower of cost and market/net realizable value.

13. Contingent liabilities and Provisions

- i. The Company recognizes the Provisions when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
- ii. Contingent liabilities are disclosed by way of notes in the Balance Sheet.

14. Taxes on Income

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year. Deferred tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in the future.

15. Borrowing Costs

Interest and other borrowings costs on specific borrowings relating to qualifying assets are capitalized up to the date the asset is ready for use/put to use and other interest and borrowing costs are charged to revenue.

16. The Company is operating in one segment viz "pharmaceutical formulations".

NOTES

to the financial statements for the year ended 30th June 2012

	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
NOTE 2 SHARE CAPITAL AUTHORISED 17,000,000 (Previous Year - 17,000,000) equity shares of Rs.10/- each ISSUED, SUBSCRIBED AND PAID UP 15,110,000 (Previous Year - 15,110,000) equity shares of Rs. 10 each fully paid up (An amount of Rs.21,000,000/- (Previous Year - Rs. 21,000,000/-) (Rupees Two crores Ten lakhs only) for 2,100,000 (Previous Year 2,100,000) equity shares of Rs.10 each allotted to the shareholders of erstwhile Malind Laboratories Pvt Ltd, at the time of amalgamation) .				
		1,700.00		1,700.00
		1,700.00		1,700.00
		1,511.00		1,511.00
		1,511.00		1,511.00
a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year Number of shares outstanding at the beginning of the year Add: Number of shares allotted as fully paid up during the year Less : Number of shares bought back during the year Number of shares outstanding at the end of the year	As at 30-Jun-12 (in nos.)		As at 30-Jun-11 (in nos.)	
		15,110,000		15,110,000
	-	-	-	-
	-	-	-	-
	-	15,110,000	-	15,110,000

b) Rights, preference & restrictions attached to shares**Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one Vote per Share.

The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim Dividend

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding

NOTES

to the financial statements for the year ended 30th June 2012

c) Details of shares in the company held by each shareholder holding more than 5% shares:				
Name of Shareholder	30-Jun-12		30-Jun-11	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
P. Vijayalakshmi	22,00,000	14.57%	22,00,000	14.57%
P. Ashok Gorkey	18,10,000	11.99%	18,10,000	11.99%
P. Vivek Siddarth	18,00,000	11.92%	18,00,000	11.92%
P.K. Chellappan	13,53,206	8.96%	13,53,206	8.96%
C.C. Paarthipan	8,14,812	5.40%	8,14,812	5.40%
S. Masilamani	8,02,000	5.31%	8,02,000	5.31%
	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
NOTE 3				
RESERVES & SURPLUS				
a) Capital Reserve		68.42		68.42
b) General Reserve				
Opening Balance	144.42		79.06	
Transferred from Profit & Loss account during the year	85.00	229.42	65.36	144.42
c) Investment Allowance Reserve		1.21		1.21
d) Revaluation Reserve		373.38		373.38
e) Subsidy		0.71		0.71
		673.14		588.14
Profit at beginning of the year	834.60		509.77	
Add : Profit during the year	818.51		653.61	
Less : Appropriations				
Proposed Dividend	302.20		226.65	
Tax paid on Proposed Dividend	49.02		36.77	
Transfer to General Reserve	85.00		65.36	
Closing Balance		1,216.89		834.60
Total		1,890.03		1,422.74

NOTES

to the financial statements for the year ended 30th June 2012

	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
NOTE 4				
LONG TERM BORROWINGS				
Term Loan from Bank	166.52		15.19	
From Others	1.36	167.88	12.99	28.18
Less : Current maturities of long term debt		(12.69)		(19.69)
Total		155.19		8.49
i) Term Loans and Other Loans are secured by first charge on Buildings of the Company and second charge on hypothecation of Stock in Trade , Receivables,lien on deposits of the Company with the Bank. In addition to the above, the loans are also secured by second charge on Plant and Machineries of the Company, present & future on pari passu basis in addition to the personal guarantee by the promoter and few shareholders of the Company. ii) Vehicle Loans are secured against vehicles acquired under the scheme. Terms of Repayments a) Secured Loans from Banks are repayable in equal quarterly/monthly instalment upto 31st December 2017 b) Vehicle loans from Banks and other financial institutions are repayable in equal montly instalments upto 30th November 2014. c) The rate of interest on vehicle loans vary between 10% to 16% per annum.				
	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
NOTE 5				
DEFERRED TAX LIABILITIES (Net)				
a) Deferred Tax Liabilities on account of timing differences				
- On Fixed Assets		261.26		163.33
b) Deferred Tax Asset on account of timing differences		14.11		9.94
Total		247.15		153.39
NOTE 6				
LONG TERM PROVISIONS				
(a) Provision for employee benefits				
Provision for Gratuity		26.62		19.99
Total		26.62		19.99

NOTES

to the financial statements for the year ended 30th June 2012

	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
NOTE 7				
SHORT TERM BORROWINGS				
Loans repayable on demand - From Banks (Secured)				
As Packing Credit		161.07		428.38
For Bills Discounted		359.27		517.16
Total		520.34		945.54
i) Packing Credit and Other short term borrowings are secured by first charge on Buildings of the Company and second charge on hypothecation of Stock in Trade , Receivables,lien on deposits of the Company with the Bank. In addition to the above, the loans are also secured by second charge on Plant and Machineries of the Company, present & future on pari passu basis in addition to the personal guarantee by the promoter and few shareholders of the Company.				
	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
NOTE 8				
TRADE PAYABLES				
Trade Payables for Goods and Services		2,034.80		1,686.08
Total		2,034.80		1,686.08
	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
NOTE 9				
OTHER CURRENT LIABILITIES				
Current maturities of long term debt		12.69		19.69
Statutory Dues payable		10.95		6.94
Advance received from Customers		3,397.41		1,024.74
Sundry Creditors for Capital Goods		165.48		9.02
Unclaimed Dividend		24.07		10.03
Total		3,610.60		1,070.42
	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
NOTE 10				
SHORT TERM PROVISIONS				
Provision for Employee Benefits		3.73		2.42
Provision for Income Tax (Net of Advance Taxes and Tax Deducted at Source)		51.18		46.55
Proposed Dividend		302.20		226.65
Tax on proposed Dividend		49.02		36.77
Total		406.13		312.39

NOTES

Standalone

to the financial statements for the year ended 30th June 2012

Rs.in Lakhs

**NOTE 11
FIXED ASSETS**

	Particulars	Gross block				Depreciation Reserve			Net Block	
		As at 1/jul/11	Additions During the year	Deletions During the year	As at 30/jun/2012	As at 1/jul/2011	for the year	on deletions	As at 30/jun/2012	As at 30/jun/2011
[A]	<u>Tangible Assets</u>									
	Land	826.96	-	-	826.96	-	-	-	826.96	826.96
	Buildings	723.93	247.50	-	971.43	164.87	22.13	-	784.43	559.05
	Plant & Machinery	1,016.84	75.10	-	1,091.95	364.49	51.20	-	676.25	652.35
	A/c Plant	26.24	1.89	-	28.12	10.62	1.30	-	11.92	15.62
	Furniture & Fixtures	116.16	0.38	-	116.54	67.94	6.96	-	74.90	41.63
	Office Equipments	113.98	22.16	-	136.14	81.12	9.11	-	90.23	45.91
	Electrical Fittings	97.13	-	-	97.13	74.69	2.53	-	77.22	19.91
	Motor Vehicles	150.22	26.12	-	176.34	62.85	15.51	-	78.36	97.98
	Tools & Spares	42.61	3.34	-	45.95	16.26	1.98	-	18.24	27.71
	Lab Equipments	74.97	1.81	-	76.79	25.54	3.72	-	29.26	47.53
	Cycle	0.22	-	-	0.22	0.22	-	-	0.22	-
	Total Tangible Assets	3,189.26	378.30	-	3,567.56	868.61	114.43	-	983.04	2,584.51
[B]	<u>Intangible Assets</u>									
	Goodwill	584.00	-	-	584.00	584.00	-	-	584.00	-
	Computer Softwares	6.61	-	-	6.61	0.81	1.07	-	1.88	5.80
	Total Intangible Assets	590.61	-	-	590.61	584.81	1.07	-	585.88	5.80
	TOTAL (A + B)	3,779.87	378.30	-	4,158.17	1,453.42	115.50	-	1,568.92	2,326.45
	Previous Year	3,288.63	491.24	-	3,779.87	1,225.70	227.72	0	1,453.42	2,062.93
[C]	Capital Work in Progress								1,279.09	17.14
	TOTAL								3,868.33	2,343.59

NOTES

Standalone

to the financial statements for the year ended 30th June 2012

NOTE 12 NON CURRENT INVESTMENTS	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
<u>Equity Shares - Quoted</u>				
2000 (2000) shares of Karnataka Bank Ltd of Rs. 10/- each fully paid up		2.40		2.40
4800 (4800) shares of Indian Overseas Bank of Rs. 10/- each fully paid up		1.15		1.15
700 (700) shares of Bank of India of Rs. 10/- each fully paid up		0.32		0.32
2000 (2000) shares of Sirpur Paper Mills Limited of Rs. 10/- each fully paid up		2.20		2.20
<u>Equity Shares - Unquoted</u>				
20 (20) shares of The Chennai Industrial Co-operative Analytical Laboratory Ltd of Rs. 10/- each fully paid up		0.10		0.10
1000 (1000) shares of May India Property Private Limited of Rs. 10/- each fully paid up		0.10		0.10
100 (100) shares of The Catholic Syrian Bank Ltd of Rs. 10/- each fully paid up		0.14		0.14
20000 (20000) shares of The Catholic Syrian Bank Ltd of Rs. 10/- each fully paid up		24.00		24.00
<u>Other Investments - Quoted</u>				
5000 (5000) units of Franklin India Flex Cap of Rs. 10/- per unit		0.50		0.50
<u>Other Investments - Unquoted</u>				
Axis Bank Equity Fund	Refer Note No. 36	10.00		10.00
Argus Salud Pharma LLP		9.90		4.95
<u>Optionally Convertible Redeemable Preference Shares</u>				
750000 (750000) shares of May India Property Private Limited of Rs. 10/ each fully paid up		75.00		75.00
		125.81		120.86
Less : Provision for diminution in value of investments		2.03		1.09
Total		123.78		119.77

NOTES

Standalone

to the financial statements for the year ended 30th June 2012

NOTE 13	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
LONG-TERM LOANS AND ADVANCES				
(Unsecured, considered good)				
Security Deposits		72.60		73.31
Other Deposits		15.66		15.66
Advance for Capital expenditure		931.34		235.33
MAT Credit Entitlement		46.89		50.23
Total		1,066.49		374.53
NOTE 14	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
INVENTORIES				
(As certified by the Management)				
Raw Materials		286.42		224.14
Packing Materials		162.61		140.70
Work-in-progress		61.44		66.67
Finished goods		51.21		84.56
Total		561.68		516.07
NOTE 15	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
TRADE RECEIVABLES				
(Unsecured and considered good)				
- Over Six Months from the date they are due for payment		11.38		42.87
- Others		716.94		720.77
Total		728.32		763.64
NOTE 16	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
i) CASH AND CASH EQUIVALENTS				
Cash on Hand		2.19		1.48
Balance with Banks				
- Current accounts		414.52		63.61
- Unpaid Dividend account		24.07		10.04
In Bank Deposit Accounts				
- Bank Deposit accounts (Less than 3 months maturity)	Refer Note 30	1,973.71		121.76
- Bank Deposit accounts maturity more than 3 months but less than 12 months		338.95		72.92
- Bank Deposit accounts maturity more than 12 months		7.82		1,887.37
Total		2,761.26		2,157.18

NOTES

Standalone

to the financial statements for the year ended 30th June 2012

NOTE 17 <u>SHORT TERM LOAN & ADVANCES</u> (unsecured and considered good) Advances recoverable in cash or kind for the value to be received Export Incentives receivable Deposits with Statutory / Govt. Authorities Balance with Excise Authorities Balance with Sales Tax Authorities Total	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
		641.02		354.22
		238.74		191.92
		282.45		244.90
		11.85		19.97
		1,174.06		811.01
NOTE 18 <u>OTHER CURRENT ASSETS</u> Interest Accrued on Deposits Total	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
		117.94		44.25
		117.94		44.25
NOTE 19 <u>REVENUE FROM OPERATIONS</u> Sale of products Other operating revenues Export Incentives Other Operating Revenues Share of Profit from Argus Salud Pharma LLP Less : Excise Duty Total	For the Year ended 30-06-12 (Rs.in Lakhs)		For the Year ended 30-06-11 (Rs.in Lakhs)	
		10,330.65		7,730.36
		279.85		250.89
		29.24		34.59
		232.13		288.08
		10,871.87		8,303.92
		109.81		1.46
		10,762.06		8,302.46
NOTE 20 <u>OTHER INCOME</u> Dividend Income Miscellaneous Income Exchange Fluctuation Income (Net) Interest Income - TDS Rs. In Lakhs 26.49 (Previous year 11.25) Total	For the Year ended 30-06-12 (Rs.in Lakhs)		For the Year ended 30-06-11 (Rs.in Lakhs)	
		0.44		0.17
		12.13		16.15
		-		112.40
		226.38		126.34
		238.95		255.06

NOTES

Standalone

to the financial statements for the year ended 30th June 2012

<u>NOTE 21</u>		
<u>COST OF RAW MATERIAL AND PACKING MATERIALS CONSUMED</u>	For the Year ended 30-06-12 (Rs.in Lakhs)	For the Year ended 30-06-11 (Rs.in Lakhs)
Opening Stock	364.84	312.55
Add : Purchases (Net)	3,197.26	2,382.11
Less : Closing Stock	449.03	364.84
Total	3,113.07	2,329.82
<u>NOTE 22</u>	For the Year ended 30-06-12 (Rs.in Lakhs)	For the Year ended 30-06-11 (Rs.in Lakhs)
Changes in inventories of finished goods,work-in-progress and Stock-in-Trade		
Inventories at the end of the year		
Work in Progress	61.44	66.67
Finished Goods	51.21	84.56
(A)	112.65	151.23
Inventories at the beginning of the year		
Work in Progress	66.67	49.76
Finished Goods	84.56	53.09
(B)	151.23	102.85
Net (Increase) / Decrease in Inventories (B- A)	38.58	(48.38)
<u>NOTE 23</u>	For the Year ended 30-06-12 (Rs.in Lakhs)	For the Year ended 30-06-11 (Rs.in Lakhs)
<u>EMPLOYEE BENEFIT EXPENSES</u>		
Salaries,wages, bonus and allowances	523.80	337.51
Contribution to Provident and Other funds	33.20	21.06
Staff Welfare Expenses	57.14	50.73
Total	614.14	409.30
<u>NOTE 24</u>	For the Year ended 30-06-12 (Rs.in Lakhs)	For the Year ended 30-06-11 (Rs.in Lakhs)
<u>FINANCE COSTS</u>		
Interest Expense	78.54	100.22
Interest on Income Tax	9.15	-
Total	87.69	100.22
<u>NOTE 25</u>	For the Year ended 30-06-12 (Rs.in Lakhs)	For the Year ended 30-06-11 (Rs.in Lakhs)
Depreciation	114.43	110.92
Amortisation	1.07	116.80
	115.50	227.72

NOTES

to the financial statements for the year ended 30th June 2012

NOTE 26	For the Year ended	For the Year ended
<u>OTHER EXPENSES</u>	30-06-12	30-06-11
	(Rs.in Lakhs)	(Rs.in Lakhs)
Manufacturing Expenses	85.56	79.78
Power and Fuel	72.39	61.40
Communication Expenses	23.56	23.86
Donations	1.65	2.43
Professional and Consultancy charges	29.24	33.42
Rates & taxes	39.56	6.48
Subscriptions	2.70	2.20
Travelling Expenses	126.51	103.66
Audit Fees	4.94	5.43
Insurance	4.49	5.08
Bad Debts Written off	44.33	63.88
Exchange Fluctuation Loss (Nett)	481.72	-
Repairs and Maintenance		
a) Plant and Machinery	26.57	27.63
b) Building	5.71	11.84
b) Others	22.74	27.59
Rent & Amenities	46.19	41.41
Advertisement	2.06	0.99
Freight outwards	34.34	40.48
Bank charges	36.08	19.82
Other Selling Expenses	44.80	22.28
Sundry Expenses	50.32	42.77
	1,185.46	622.43

27. Capital Commitment

The estimated amount of unexecuted capital contracts (net of advances and deposits) – Rs. 2818.62 Lakhs

(Previous Year – Rs. 1282.84 Lakhs)

NOTES

to the financial statements for the year ended 30th June 2012

28. Contingent Liabilities

(a) Outstanding Bank Guarantee given to the Customs department and others Rs. 21.55 Lakhs
(Previous Year - Rs. 8.35 Lakhs)

(b) Outstanding Letters of Credit Rs. 189.91 Lakhs (Previous Year – 63.62 Lakhs)

(c) Disputed statutory dues:

Sl No	Name of the statute	Nature of dues	2011-12 (Rs.In lakhs)	2010-11 (Rs.In lakhs)	Forum where dispute is pending
1	Income Tax Act, 1961	Income tax	181.47	172.58	Income Tax Appellate Tribunal/ CIT Appeals
2	Central Excise Act, 1944	Excise Duty	27.26	27.26	CEGAT Tribunal/ Department of Revenue, New Delhi

29. Dues to Micro, Small and Medium Enterprises

The Company has not received information from Vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amount unpaid as at the year end together with Interest Paid / Payable under this Act have not been given.

30. Balances with Scheduled banks in deposit accounts includes:

- (a) Deposits under lien towards Bank Guarantee – Rs in Lakhs. 3.35- (Previous Year – 3.48)
- (b) Margin on Letters of Credits outstanding - Rs. In Lakhs 89.35 (Previous Year 121.67)
- (c) Retention deposit under lien towards pre shipment credit – Rs. In Lakhs 1122.95 (Previous year – 1056.56).

31. Balance with Non Scheduled banks

Details of balances kept with non-scheduled banks as on balance sheet date and the maximum balances kept with non-scheduled banks during the year are as follows:

				Rs. In Lakhs
Balances as at		Maximum Balance during the year ended		
June 30 th 2012	June 30 th 2011	June 30 th , 2012	June 30 th , 2011	
Current Accounts in Foreign				
Currency:				
China Citic Bank	4.29	5.12	10.79	7.96

NOTES

to the financial statements for the year ended 30th June 2012

32. The Company had revalued the land, where the factory/office building is situated, during the period ended 30th June 2008 to the extent of Rs in Lakhs. 439.36 and the gain on the revaluation of land to the extent of Rs.in Lakhs 373.38 was credited to the Revaluation Reserve.

33. Employee Benefits

The following table sets out the status of the gratuity plan as required under AS15 and reconciliation of opening and closing balances of the present value of defined benefit obligation;

<i>Particulars</i>	<i>2011-12 Rs.Lakhs</i>	<i>2010-11 Rs.Lakhs</i>
Change in Obligation:		
Obligations at period beginning	19.99	15.09
Service Cost	9.32	7.62
Interest Cost	1.96	1.53
Benefits paid	(0.55)	(1.95)
Actuarial (Gain)/Loss	(4.10)	(2.30)
Obligations at period end	26.62	19.99

The above defined obligation liability as at the Balance Sheet date is wholly funded by the company

<i>Particulars</i>	<i>2011-12 Rs.Lakhs</i>	<i>2010-11 Rs.Lakhs</i>
Change in Plan Assets:		
Plan Assets at period beginning at Fair value	15.84	6.95
Adjustments made to the fund value	(0.40)	----
Contribution made during the year	6.62	10.05
Expected return on plan assets	1.47	0.88
Benefits paid	(0.55)	(1.95)
Actuarial Gain/(Loss)	(6.96)	(0.09)
Plan Assets at end of period	16.02	15.84
Expenses recognized in Profit and Loss Account		
Current Service Cost	9.32	7.62
Interest Cost	1.96	1.53
Expected return on plan assets	(1.47)	(0.88)
Net Actuarial (gain)/loss recognized in the year	2.85	(2.21)
Expenses to be recognized in the profit and loss account	12.66	6.06
Reconciliation of present value of obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the period	16.02	15.84
Present value of the defined benefit obligations at the end of the period	26.62	19.99
Liability recognized in the balance sheet	10.60	4.15
Assumptions:	<i>2011-12</i>	<i>2010-11</i>
Discount Rate	8%	8%
Expected return on plan assets	8%	8%

The estimates of future salary increases are considered in actuarial valuation taking in to account inflation, seniority, promotion and other relevant facts such as supply and demand factors in the employment market.

NOTES

to the financial statements for the year ended 30th June 2012

The estimates of future salary increases are considered in actuarial valuation taking in to account inflation, seniority, promotion and other relevant facts such as supply and demand factors in the employment market.

34. Salaries & Wages includes remuneration to Managing Director/Director

Rs. In Lakhs

	<i>For the year ended 30th June 2012</i>	<i>For the year ended 30th June 2011</i>
Salaries	6.67	4.70
Contribution to Provident and other funds	0.11	0.09
Total	6.78	4.79

(*) Excludes contribution to Gratuity Fund as the related amount is not ascertainable in the absence of employees' wise break up.

35. Research and Development Expenditure

2011-12 **2010-11**
(Rs. In Lakhs) (Rs. In Lakhs)

Capital expenditure included in Fixed Assets	243.00	-----
Revenue expenditures incurred during the year	58.49	-----

36. Total Share Capital of Argus Salud Pharma LLP is Rs. 10.00 Lakhs out of which 99% of shares is held by the Company and 1% is held by May India Property Private Limited

37. Particulars of unhedged foreign currency Exposure as at Balance Sheet date

Particulars	2011-12		2010-11	
	USD in Lakhs	Rs. in Lakhs	USD in Lakhs	Rs. in Lakhs
Export Debtors	9.01	482.22	13.35	603.57
Creditors and Advance from Customers	77.78	4374.72	38.96	1788.30

Details of forward contract outstanding on account of hedging as at the end of the year.

Currency	No. of contracts	Sell amount		purpose
		USD in Lakhs	Rs. in Lakhs	
US Dollars	11	51.00*	2816.86	Export realisation

* Previous year - Nil

NOTES

to the financial statements for the year ended 30th June 2012

38. Auditors' Remuneration comprises of fees:

Rs. In Lakhs

	<i>For the year ended 30th June 2012</i>	<i>For the year ended 30th June 2011</i>
For Statutory Audit	4.00	4.41
For Tax Audit	0.75	0.82
For Others	0.19	0.20
Total	4.94*	5.43

* Excluding Service Tax

39. CIF Value of Imports

Rs. In Lakhs

	<i>For the year ended 30th June 2012</i>	<i>For the year ended 30th June 2011</i>
Raw materials , Stock in Trade and Finished Goods	3805.52	3445.56
Capital Goods	390.56	82.90

40. Earnings in Foreign Exchange (On Accrual basis)

FOB Value of Exports – Rs in Lakhs. 8973.82 (Previous Year – Rs. in Lakhs - 6952.99)

41. a) Expenditure in Foreign Currency (On Accrual basis)

Rs. In Lakhs

	<i>For the year ended 30th June 2012</i>	<i>For the year ended 30th June 2011</i>
Traveling Expenses	26.56	22.77
Salaries	41.50	34.54
Rent	6.63	5.54
Other Expenses	42.46	31.62
Total	117.15	94.47

b) Dividend payment in foreign currency paid during the year

Rs. 2.06 Lakhs – PY Rs. 1.97 Lakhs

42. Value of consumption of imported and indigenous materials and components

	<i>For the year ended 30th June 2012</i>		<i>For the year ended 30th June 2011</i>	
	<i>Rs.in Lakhs</i>	<i>%</i>	<i>Rs.in Lakhs</i>	<i>%</i>
Imported	5.88	0.19	2.23	0.09
Indigenous	3107.18	99.81	2327.69	99.91
	3113.06	100.00	2329.82	100.00

NOTES

to the financial statements for the year ended 30th June 2012

43. Purchase of Traded Goods

Category	30 th June 2012 Rs. In lakhs	30 th June 2011 Rs. In lakhs
Tablets	1400.79	1504.88
Capsules	1624.42	1109.08
Liquids	348.91	264.27
Injectibles	791.12	914.29
Ointments	257.27	143.04
Others	340.39	145.75
Total	4762.90	4081.31

44. Sale of Products comprises

	Manufactured Goods		Traded Goods	
	30 th June 2012 Rs. In lakhs	30 th June 2011 Rs. In lakhs	30 th June 2012 Rs. In lakhs	30 th June 2011 Rs. In lakhs
Tablets	3480.71	2091.93	1721.91	1680.24
Capsules	403.56	493.75	1884.18	1259.24
Liquids	545.80	198.23	402.82	305.78
Injectibles	2.58	0.00	1029.74	1046.74
Ointments	6.17	294.10	327.87	170.75
Others	14.08	23.42	401.42	164.72
Total	4452.90	3101.43	5767.94	4627.47

45. Details of closing stock of Finished Goods as at

	Manufactured Goods		Traded Goods	
	30 th June 2012 Rs. In lakhs	30 th June 2011 Rs. In lakhs	30 th June 2012 Rs. In lakhs	30 th June 2011 Rs. In lakhs
Tablets	27.55	19.10	0.00	27.38
Capsules	0.04	7.89	0.00	0.00
Liquids	10.82	9.26	0.00	0.00
Injectibles	0.00	0.00	12.78	19.59
Ointments	0.02	0.67	0.00	0.67
Total	38.43	36.92	12.78	47.64

NOTES

to the financial statements for the year ended 30th June 2012

46. Earnings per share

Particulars	For the year ended 30 th June 2012	For the year ended 30 th June 2011
Net Profit after tax as per profit and loss account (Rs. in Lakhs)	818.51	653.61
Weighted average number of equity shares of Rs. 10/- each outstanding during the year (in Nos.)	15,110,000	15,110,000
Earnings per share – Basic & Diluted (in Rs.)	5.42	4.33

47. Amount Due to Investor Education and Protection fund

There are no amounts due and outstanding to be credited to investor education and protection fund.

48. Disclosure in accordance with the Accounting Standard 18 – “Related Party Disclosures” issued by the Institute of Chartered Accountants of India as identified by the company and relied upon by the auditors.

(a) Related parties and nature of relationship

- ? Mr. Vivek Siddharth, relative of Chairman
- ? Argus Salud Pharma LLP – Related Entity

(b) Key management personnel

- ? Mr. M Jayapal - Managing Director
- ? Mr. D. P. Mishra – Whole Time Director

(c) Transactions that have taken place during the year with related parties :

	Rs.. in Lakhs	
Particulars	For the year ended 30 th June 2012	For the year ended 30 th June 2011
Salary paid to Mr. M Jayapal, Managing Director	5.72	4.79
Salary paid to Mr. D.P.Mishra	1.06	--
Salary paid to Mr. Vivek Siddharth	13.29	3.27
Purchases of finished goods from Argus Salud Pharma LLP	621.73	473.15
Sales to Argus Salud Pharma LLP	245.95	4.08
Share of profit in Argus Salud Pharma LLP	232.13	288.08

NOTES

to the financial statements for the year ended 30th June 2012

(d) Outstanding Balances

Particulars	Rs. In Lakhs	
	As at 30 th June 2012	As at 30 th June 2011
Argus Salud Pharma LLP	503.04 Dr	177.01 Dr

49. The Company's factory unit at Baddi in Himachal Pradesh is entitled for exemption under section 80IC of the Income Tax Act and also from Central Excise and Salt Act from the date of commencement of production (24-09-2005).
50. The Company operates in one segment only viz., pharmaceutical formulations.
51. The Revised Schedule VI has become effective from 1st April 2011, for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatories to Schedules 1 to 51

As per our report of even date attached
for M Raghunath & Co
 Firm Registration No. 003347S
 Chartered Accountants

On behalf of the Board

M Raghunath
 Partner
 ICAI Membership No: 15501

C.C.Paarthipan
 Chairman

M.Jayapal
 Managing Director

Place : Chennai
 Date : 09-11-2012

R.Sriranjani
 Company Secretary

M RAGHUNATH & CO
Chartered Accountants

4, Stringer Street, III Floor,
Broadway, Chennai 600 001.

Auditors' Report

To,
The Members,
Caplin Point Laboratories Limited

We have audited the attached Consolidated Balance Sheet of **Caplin Point Laboratories Limited** ("the Company") and its controlled entity as at 30th June 2012 and Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Company for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Attention is drawn to the following:

In case of controlled entity, the financial statements are audited upto 31st March 2012 and unaudited financial statement for the period from 1st April 2012 to 30th June 2012, as certified by the management are consolidated with the financial statements of the company.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

In our opinion and to the best of our information and according to the explanations given to us, the said consolidated financial statements read with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of the Consolidated Balance Sheet, of the state of affairs of the group as at 30th June 2012 and
- ii. In the case of the Consolidated Profit and Loss Account of the Profit of the group for the year ended on that date.
- iii. In the case of Consolidated Cash Flow Statement of the Cash flows of the group for the year ended on that date

For M Raghunath & Co
Chartered Accountants
Firm Registration No. 003347S

Place: Chennai
Date: 09-11-2012

M Raghunath
Partner
ICAI Membership No. 15501

CAPLIN POINT LABORATORIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE 2012

Consolidated

	NOTES	AS AT 30-Jun-12 (Rs.in Lakhs)	AS AT 30-Jun-12 (Rs.in Lakhs)
I. EQUITY AND LIABILITIES			
1 Shareholders'funds			
(a) Share capital	2	1,511.00	1,511.00
(b) Reserves and surplus	3	1,846.79	1,397.36
2 Minority Interest		5.35	2.96
3 Non - current liabilities			
(a) Long-term borrowings	4	155.19	8.49
(b) Deferred tax liabilities (Net)	5	247.15	153.39
(c) Long-term provisions	6	26.62	19.99
4 Current liabilities			
(a) Short-term borrowings	7	520.34	945.54
(b) Trade Payables for Goods and Services	8	2,125.62	1,705.55
(c) Other current liabilities	9	3,833.10	1,070.62
(d) Short term provisions	10	440.60	322.23
Short term provisions			
TOTAL		10,711.76	7,137.13
II.ASSETS			
Non-current assets			
1 (a) Fixed assets	11		
(i) Tangible assets		2,749.05	2,488.96
(ii) Intangible assets		4.73	5.80
(iii) Capital work-in-progress		1,279.09	17.14
(b) Non-current investments	12	113.88	114.82
(c) Long-term loans and advances	13	1,178.03	385.25
2 Current assets			
(a) Inventories	14	637.60	549.91
(b) Trade receivables	15	728.32	832.84
(c) Cash and cash equivalents	16	3,180.46	2,162.06
(d) Short-term loans and advances	17	712.46	536.10
(e) Other current assets	18	128.14	44.25
TOTAL		10,711.76	7,137.13

Significant Accounting Policies & Notes forming part of
Consolidated Financial statements

1 to 51

As per our report of even date attached

For M. Raghunath & Co.,

Chartered Accountants

Firm Registration No. 003347S

M Raghunath

Partner

ICAI Membership No. 15501

Place: Chennai

Date: 09-11-2012

on behalf of the Board

C.C.Paarthipan
Chairman

M.Jayapal
Managing Director

R.Sriranjani
Company Secretary

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Consolidated

CAPLIN POINT LABORATORIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30TH JUNE' 2012

	NOTE No.	For the year ended 30-Jun-12 (Rs.in Lakhs)	For the year ended 30-Jun-11 (Rs.in Lakhs)
I. INCOME			
(a) Revenue from operations	19	10,721.66	8,077.59
(b) Other income	20	250.68	255.26
Total Revenue		10,972.34	8,332.85
II EXPENSES			
(a) Cost of materials consumed	21	3,580.10	2,529.28
(b) Purchases of Stock-in-Trade		4,141.17	3,608.16
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	15.47	(49.28)
(d) Employee benefits expense	23	634.82	418.70
(e) Finance costs	24	89.44	100.22
(f) Depreciation and Amortisation	25	123.66	232.40
(g) Other expenses	26	1,270.44	670.90
Total Expenses		9,855.10	7,510.38
III Profit before tax (I - II)		1,117.24	822.47
IV Tax Expense:			
- Current Year		239.28	145.84
- MAT Credit Entitlement		(18.79)	-
- Deferred tax		93.76	44.64
- Previous Year		-	0.85
V Profit After Tax for the year before Minority Interest		802.99	631.14
Minority Interest		2.34	2.91
V Profit After Tax for the year		800.65	628.23
Earnings per equity share:			
Basic / Diluted		5.30	4.16

Significant Accounting Policies & notes forming part of Consolidated Financial statements **1 to 51**

As per our report of even date attached

For M. Raghunath & Co.

Chartered Accountants

Firm Registration No. 003347S

On behalf of the Board

M Raghunath

Partner

ICAI Membership No. 15501

Place: Chennai

Date : 09-11-2012

C.C.Paarthipan
Chairman

M.Jayapal
Managing Director

R.Sriranjani
Company Secretary

CAPLIN POINT LABORATORIES LTD.,

Consolidated

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30th JUNE 2012

	30.06.2012 (Rs.in Lakhs)	30.06.2011 (Rs.in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	1,117.24	822.47
Adjustments for		
Depreciation and Amortisation	123.66	232.40
Diminution in value of investments	0.94	-
Interest Income	(238.11)	(126.48)
Interest Expenses	89.44	100.22
Dividend income	(0.44)	(0.17)
	1,092.73	1,028.44
Tax Paid (net of refund)	(188.81)	(51.92)
Operating profit before Working Capital Change	903.92	976.52
Changes in Working Capital		
(Increase) / Decrease in Inventories	(87.69)	(134.52)
(Increase) / Decrease in Trade receivables	104.52	126.79
(Increase) / Decrease in Loans & Advances	(1,053.04)	(105.87)
Increase / (Decrease) in Current liabilities & Provision	2,924.72	562.42
Cash from Operating activities	2,792.43	1,425.34
B. CASH FLOW FROM INVESTING ACTIVITIES		
Inflow / (Outflow)		
(Purchase) of fixed assets	(1,644.63)	(681.37)
Sale of Fixed assets	-	-
Deferred revenue expenditure	-	-
Dividend income	0.44	0.17
(Purchase) / Sale of Investments	-	(9.19)
Net Cash used in investing activities	(1,644.19)	(690.39)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Inflow / (Outflow)		
Repayment of Long term Borrowings	-	-
Interest Income	238.11	126.48
Interest Expense	(89.44)	(100.22)
Increase / (Decrease) in Cash / Bank due to merger	-	-
Increase / (Decrease) in Bank Borrowings	(278.51)	(63.32)
Increase / (Decrease) in Unsecured loan.	-	-
Net Cash from financing activities	(129.84)	(37.06)
Net Cash Flow during the year (A+B+C)	1,018.40	697.89
Cash and Cash Equivalent as at the beginning of the year	2,162.06	1,464.17
Cash and Cash Equivalent as at the close of the year	3,180.46	2,162.06

Notes:

The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in the Accounting Standard 3 on Cash flow Statements issued by the Institute of Chartered Accountants of India

for **M Raghunath & Co**

Registration No. 003347S

Chartered Accountants

On behalf of the Board

M.Raghunath

Partner

ICAI Membership No: 15501

Place : Chennai

Date : 09-11-2012

C.C.Paarthipan

Chairman

M.Jayapal

Managing Director

R.Sriranjani

Company Secretary

NOTES

Consolidated

to the financial statements for the year ended 30th June 2012

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2012****1. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation of financial statements**

The accounts are prepared on historical costs convention and in accordance with the accounting principles generally accepted in India comprising the accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956. The Financial Statements are drawn up on accrual basis.

2. Use of Estimates

The presentation of financial statements requires estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the reserves are known/ materialized.

3. Revenue Recognition

- a. Sale of goods is recognized when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods. Gross sales include excise duty but exclude value added tax/sales tax.
- b. Conversion/Service Income is recognized as per contractual terms.
- c. Export incentives are recognized in the Profit and Loss account in the year of export.
- d. Interest income are accounted on accrual basis.
- e. Dividend Income is recognized when the right to receive the dividend is unconditional.

4. Fixed Assets

Fixed assets are stated at original cost of acquisition less depreciation and impairment loss, if any. The actual cost capitalized includes purchase price, freight, installation cost, duties and taxes, and other incidental expenses attributable to bringing the asset to its working condition. In the case of fixed assets acquired for new projects / expansions finance cost on borrowing and other related expenses upto the date of commercial production incurred towards acquiring fixed assets are capitalized.

5. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of an asset. If such recoverable amount of the asset, or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and is recognized in the Profit and Loss account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

NOTES

Consolidated

to the financial statements for the year ended 30th June 2012

6. Depreciation

- a. Depreciation on Fixed Assets is calculated on Straight Line method at rates prescribed in Schedule XIV of the Companies Act, 1956, on original cost of the asset. Additions to fixed assets costing less than Rs. 5,000/- are fully charged off as depreciation in the year of addition.
- b. Depreciation on additions / deletions, is provided on pro-rata basis to the months of additions / deletions.

7. Foreign Currency Transactions

- a. Foreign currency transactions are translated at exchange rates prevailing on the date of transactions.
- b. Foreign currency monetary assets and liabilities are reported at the closing rate. Gains and losses arising on account of difference in foreign exchange rates on settlement/translation of Monetary Assets and Liabilities on the closing date are recognized in the Profit and Loss Account.

8. Goodwill

Goodwill represents the difference between the purchase price and fair value of the assets and liabilities acquired after considering reserves transferred. Goodwill is being amortized on Straight Line Method over a period of 5 years.

9. Inventories

- a. Inventories are valued at lower of cost or net realizable value.
- b. Raw materials, Packing materials, stores and spares are valued at cost including duties and taxes, exclusive of modvat credit. The cost is arrived at FIFO basis.
- c. In respect of finished goods and work in progress cost includes raw materials, packing materials, labour cost and other appropriate allocable overheads.
- d. Value of closing stock as on 30th June 2012 is as certified by the management.

10. Retirement benefits**a. Defined Contribution Plans**

Contributions paid/payable under defined contribution plans are recognized in the Profit and Loss Account. Contribution plan is for Provident Fund administered and managed by the Government of India. The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

b. Defined Benefit Plans

In respect of Gratuity, which is administered through Life Insurance Corporation of India (LIC) contributions determined by LIC based on the actuarial valuation are charged to the Profit and loss account.

c. Short-term employment benefits

Un-availed leave balances as per the policy of the Company are accounted based on the respective employees' earnings as at the Balance Sheet date.

NOTES

Consolidated

to the financial statements for the year ended 30th June 2012

11. Earnings per share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

12. Investments

- a. The Long-term investments are stated at the actual Rupee value of the investment made. Provision for diminution is made to recognize a decline other than temporary, in the value of such investments.
- b. Current investments are carried at lower of cost and market/net realizable value.

13. Contingent liabilities and Provisions

- i. The Company recognizes the Provisions when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
- ii. Contingent liabilities are disclosed by way of notes in the Balance Sheet.

14. Taxes on Income

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year. Deferred tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in the future.

15. Borrowing Costs

Interest and other borrowings costs on specific borrowings relating to qualifying assets are capitalized up to the date the asset is ready for use/put to use and other interest and borrowing costs are charged to revenue.

16. The Company is operating in one segment viz "pharmaceutical formulations".

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to the financial statements for the year ended 30th June 2012

	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
NOTE 2 SHARE CAPITAL AUTHORISED 17,000,000 (Previous Year - 17,000,000) equity shares of Rs.10/- each ISSUED, SUBSCRIBED AND PAID UP 15,110,000 (Previous Year - 15,110,000) equity shares of Rs. 10 each fully paid up (An amount of Rs.21,000,000/- (Previous Year - Rs. 21,000,000/-) (Rupees Two crores Ten lakhs only) for 2,100,000 (Previous Year 2,100,000) equity shares of Rs.10 each allotted to the shareholders of erstwhile Malind Laboratories Pvt Ltd, at the time of amalgamation).		1,700.00		1,700.00
		1,700.00		1,700.00
		1,511.00		1,511.00
		1,511.00		1,511.00
a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year	As at 30-Jun-12		As at 30-Jun-11	
Number of shares outstanding at the beginning of the year		15,110,000		15,110,000
Add: Number of shares allotted as fully paid up during the year	-	-	-	-
Less : Number of shares bought back during the year	-	-	-	-
Number of shares outstanding at the end of the year	-	15,110,000	-	15,110,000

b) Rights, preference & restrictions attached to shares**Equity Shares**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one Vote per Share.

The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim Dividend

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding

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to the financial statements for the year ended 30th June 2012

c) Details of shares in the company held by each shareholder holding more than 5% shares:

Name of Shareholder	30-Jun-12		30-Jun-11	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
P. Vijayalakshmi	22,00,000	14.57%	22,00,000	14.57%
P. Ashok Gorkey	18,10,000	11.99%	18,10,000	11.99%
P. Vivek Siddarth	18,00,000	11.92%	18,00,000	11.92%
P.K. Chellappan	13,53,206	8.96%	13,53,206	8.96%
C.C. Paarthipan	8,14,812	5.40%	8,14,812	5.40%
S. Masilamani	8,02,000	5.31%	8,02,000	5.31%

	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
NOTE 3				
RESERVES & SURPLUS				
a) Capital Reserve		68.42		68.42
b) General Reserve				
Opening Balance	144.42		79.06	
Transferred from Profit & Loss account during the year	85.00	229.42	65.36	144.42
c) Investment Allowance Reserve		1.21		1.21
d) Revaluation Reserve		373.38		373.38
e) Subsidy		0.71		0.71
		673.14		588.14
Profit at beginning of the year	809.22		509.77	
Add : Profit during the year	800.65		628.23	
Less : Appropriations				
Proposed Dividend	302.20		226.65	
Tax paid on Proposed Dividend	49.02		36.77	
Transfer to General Reserve	85.00		65.36	
Closing Balance		1,173.65		809.22
Total		1,846.79		1,397.36

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to the financial statements for the year ended 30th June 2012

	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
NOTE 4				
LONG TERM BORROWINGS				
Term Loan from Bank	166.52		15.19	
From others	1.36	167.88 (12.69)	12.99	28.18 (19.69)
Less : Current maturities of long term debt				
Total		155.19		8.49
i) Term Loans and Other Loans are secured by first charge on Buildings of the Company and second charge on hypothecation of Stock in Trade , Receivables,lien on deposits of the Company with the Bank. In addition to the above, the loans are also secured by second charge on Plant and Machineries of the Company, present & future on pari passu basis in addition to the personal guarantee by the promoter and few shareholders of the Company. ii) Vehicle Loans are secured against vehicles acquired under the scheme. Terms of Repayments a) Secured Loans from Banks are repayable in equal quarterly/monthly instalment upto 31st December 2017 b) Vehicle loans from Banks and other financial institutions are repayable in equal montly instalments upto 30th November 2014 c) The rate of interest on vehicle loans vary between 10% to 16% per annum.				
NOTE 5				
DEFERRED TAX LIABILITIES (Net)				
a) Deferred Tax Liabilities on account of timing differences				
- On Fixed Assets		261.26		163.33
b) Deferred Tax Asset on account of timing differences		14.11		9.94
Total		247.15		153.39
NOTE 6				
LONG TERM PROVISIONS				
(a) Provision for employee benefits				
Provision for Gratuity		26.62		19.99
Total		26.62		19.99

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to the financial statements for the year ended 30th June 2012

NOTE 7 SHORT TERM BORROWINGS Loans repayable on demand - From Banks (Secured) As Packing Credit For Bills Discounted Total		161.07 359.27 520.34		428.38 517.16 945.54
i) Packing Credit and Other short term borrowings are secured by first charge on Buildings of the Company and second charge on hypothecation of Stock in Trade , Receivables,lien on deposits of the Company with the Bank. In addition to the above, the loans are also secured by second charge on Plant and Machineries of the Company, present & future on pari passu basis in addition to the personal guarantee by the promoter and few shareholders of the Company.				
NOTE 8 TRADE PAYABLES Trade Payables for Goods and Services Total	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
		2,125.62 2,125.62		1,705.55 1,705.55
NOTE 9 OTHER CURRENT LIABILITIES Current maturities of long term debt Statutory Dues payable Advance received from Customers Sundry Creditors for Capital Goods Unclaimed Dividend Total	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
		12.69 11.76 3,618.81 165.77 24.07 3,833.10		19.69 7.15 1,024.72 9.02 10.04 1,070.62
NOTE 10 SHORT TERM PROVISIONS Provision for Employee Benefits Provision for Income Tax (Net of Advance Taxes and Tax Deducted at Source) Proposed Dividend Tax on Proposed Dividend Total	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
		3.73 85.65 302.20 49.02 440.60		2.42 56.39 226.65 36.77 322.23

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(Rs. In Lakhs)

**NOTE 11
FIXED ASSETS**

Particulars	Gross block				Depreciation Reserve		Block	Net	
	As at 1/Jul/2011	Additions During the year	Deletions During the year	As at 30/Jun/2012	As at 1/Jul/2011	for the period	on deletions	As at 30/Jun/2012	As at 30/Jun/2011
[A] Tangible Assets									
Land	826.96	-	-	826.96	-	-	-	-	826.96
Buildings	760.95	247.50	-	1,008.45	165.48	23.37	-	188.84	595.47
Plant & Machinery	1,118.82	77.85	-	1,196.66	367.41	56.12	-	423.52	751.41
A/c Plant	29.32	1.89	-	31.21	10.66	1.45	-	12.11	18.66
Furniture & Fixtures	122.60	0.71	-	123.31	68.19	7.38	-	75.57	54.42
Office Equipments	118.49	22.81	-	141.30	81.32	9.56	-	90.88	37.17
Electrical Fittings	116.45	-	-	116.45	75.35	3.45	-	78.80	41.10
Motor Vehicles	150.22	26.12	-	176.34	62.85	15.51	-	78.36	87.37
Tools & Spares	43.24	4.00	-	47.24	16.28	2.04	-	18.31	26.97
Lab Equipments	74.97	1.81	-	76.79	25.54	3.72	-	29.26	49.43
Cycle	0.22	-	-	0.22	0.22	-	-	0.22	-
Total Tangible Assets	3,362.25	382.68	-	3,744.93	873.29	122.59	-	995.88	2,488.96
[B] Intangible Assets									
Goodwill	584.00	-	-	584.00	584.00	-	-	584.00	-
Computer Softwares	6.61	-	-	6.61	0.81	1.07	-	1.88	5.80
Total Intangible Assets	590.61	-	-	590.61	584.81	1.07	-	585.88	5.80
TOTAL (A + B)	3,952.86	382.68	-	4,335.54	1,458.10	123.66	-	1,581.76	2,494.76
Previous Year	3,288.63	664.23	-	3,952.86	1,225.70	232.40	-	1,458.10	-
[C] Capital Work in Progress									
								1,279.09	17.14
TOTAL								4,032.87	2,511.90

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Consolidated

to the financial statements for the year ended 30th June 2012

NOTE 12 NON CURRENT INVESTMENTS	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
<u>Equity Shares - Quoted</u>				
2000 (2000) shares of Karnataka Bank Ltd of Rs. 10/- each fully paid up		2.40		2.40
4800 (4800) shares of Indian Overseas Bank of Rs. 10/- each fully paid up		1.15		1.15
700 (700) shares of Bank of India of Rs. 10/- each fully paid up		0.32		0.32
2000 (2000) shares of Sirpur Paper Mills Limited of Rs. 10/- each fully paid up		2.20		2.20
<u>Equity Shares - Unquoted</u>				
20 (20) shares of The Chennai Industrial Co-operative Analytical Laboratory Ltd of Rs. 10/- each fully paid up		0.10		0.10
1000 (1000) shares of May India Property Private Limited of Rs. 10/- each fully paid up		0.10		0.10
100 (100) shares of The Catholic Syrian Bank Ltd of Rs. 10/- each fully paid up		0.14		0.14
20000 (20000) shares of The Catholic Syrian Bank Ltd of Rs. 10/- each fully paid up		24.00		24.00
<u>Other Investments - Quoted</u>				
5000 (5000) units of Franklin India Flex Cap of Rs. 10/- per unit		0.50		0.50
<u>Other Investments - Unquoted</u>				
Axis Bank Equity Fund		10.00		10.00
		-		-
<u>Optionally Convertible Redeemable Preference Shares</u>				
750000 (750000) shares of May India Property Private Limited of Rs. 10/ each fully paid up		75.00		75.00
		115.91		115.91
Less : Provision for diminution in value of investments		2.03		1.09
Total		113.88		114.82

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to the financial statements for the year ended 30th June 2012

NOTE 13	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)				
Security Deposits		79.02		79.73
Other Deposits		19.76		19.76
Advance for Capital Expenditure		1,032.36		235.53
MAT Credit Entitlement		46.89		50.23
Total		1,178.03		385.25
NOTE 14	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
INVENTORIES (As certified by the Management)				
Raw Materials		313.74		236.59
Packing Materials		187.20		161.19
Work-in-progress		72.63		92.95
Finished goods		64.03		59.18
Total		637.60		549.91
NOTE 15	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
TRADE RECEIVABLES (Unsecured and considered good)				
- Over Six Months from the date they are due for payment		11.38		40.96
- Others		716.94		791.88
Total		728.32		832.84

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to the financial statements for the year ended 30th June 2012

NOTE 16	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
CASH AND CASH EQUIVALENTS				
Cash on Hand		2.56		1.79
Balance with Banks				
- Current accounts		453.67		64.91
- Unpaid Dividend account		24.07		10.04
- Bank Deposit accounts (Less than 3 months maturity)	Refer Note 30	2,350.71		123.76
- Bank Deposit accounts maturity more than 3 months but less than 12 months		338.95		72.92
- Bank Deposit accounts maturity more than 12 months		10.50		1,888.64
Total		3,180.46		2,162.06
NOTE 17	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
SHORT TERM LOAN & ADVANCES				
(unsecured and considered good)				
Advances recoverable in cash or kind for value to be received		138.60		66.70
Export incentives receivable		246.68		191.92
Deposits with Statutory / Govt. Authorities		-		
Balance with Excise Authorities		310.26		255.16
Balance with Sales Tax Authorities		16.92		22.32
Total		712.46		536.10
NOTE 18	As at 30-Jun-12 (Rs.in Lakhs)		As at 30-Jun-11 (Rs.in Lakhs)	
OTHER CURRENT ASSETS				
Interest Accrued on Deposits		128.14		44.25
Total		128.14		44.25

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Consolidated

to the financial statements for the year ended 30th June 2012

NOTE 19	For the Year ended 30-06-12 (Rs.in Lakhs)	For the Year ended 30-06-11 (Rs.in Lakhs)
<u>REVENUE FROM OPERATIONS</u>		
Sale of products	10,512.68	7,793.57
Other operating revenues		
Export Incentives	289.55	250.89
Other Operating Revenues	29.24	34.59
	-	-
	10,831.47	8,079.05
Less : Excise Duty	109.81	1.46
Total	10,721.66	8,077.59
NOTE 20	For the Year ended 30-06-12 (Rs.in Lakhs)	For the Year ended 30-06-11 (Rs.in Lakhs)
<u>OTHER INCOME</u>		
Dividend Income	0.44	0.17
Miscellaneous Income	12.13	16.14
Exchange Fluctuation Income (Net)	-	112.47
Interest Income -TDS Rs. in Lakhs 27.70 (PY 11.25)	238.11	126.48
Total	250.68	255.26
NOTE 21	For the Year ended 30-06-12 (Rs.in Lakhs)	For the Year ended 30-06-11 (Rs.in Lakhs)
<u>COST OF RAW MATERIALS AND PACKING MATERIALS CONSUMED</u>		
Opening Stock	397.78	312.55
Add : Purchases (Net)	3,683.26	2,614.51
Less Closing Stock	500.94	397.78
Total	3,580.10	2,529.28

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to the financial statements for the year ended 30th June 2012

NOTE 22	For the Year ended 30-06-12 (Rs.in Lakhs)	For the Year ended 30-06-11 (Rs.in Lakhs)
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		
Inventories at the end of the year		
Work in Progress	72.63	92.95
Finished Goods	64.03	59.18
(A)	136.66	152.13
Inventories at the beginning of the year		
Work in Progress	92.95	49.76
Finished Goods	59.18	53.09
(B)	152.13	102.85
Net (Increase) / Decrease in Inventories (B – A)	15.47	(49.28)
NOTE 23	For the Year ended 30-06-12 (Rs.in Lakhs)	For the Year ended 30-06-11 (Rs.in Lakhs)
EMPLOYEE BENEFIT EXPENSES		
Salaries,wages, bonus and allowances	540.36	347.76
Contribution to Provident and Other funds	34.20	19.71
Staff Welfare Expenses	60.26	51.23
Total	634.82	418.70
NOTE 24	For the Year ended 30-06-12 (Rs.in Lakhs)	For the Year ended 30-06-11 (Rs.in Lakhs)
FINANCE COSTS		
Interest Expense	82.19	100.22
Interest on Income Tax	7.25	-
Total	89.44	100.22
NOTE 25	For the Year ended 30-06-12 (Rs.in Lakhs)	For the Year ended 30-06-11 (Rs.in Lakhs)
Depreciation	122.59	115.60
Amortisation	1.07	116.80
	123.66	232.40

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to the financial statements for the year ended 30th June 2012

NOTE 26	For the Year ended 30-06-12 (Rs.in Lakhs)	For the Year ended 30-06-11 (Rs.in Lakhs)
<u>OTHER EXPENSES</u>		
Manufacturing Expenses	98.60	85.63
Power and Fuel	84.39	68.02
Communication Expenses	25.31	24.67
Donations	1.67	2.48
Professional and Consultancy charges	30.47	33.99
Rates & taxes	39.69	8.29
Subscriptions	2.95	2.55
Travelling Expenses	132.49	115.55
Audit Fees	5.21	5.71
Insurance	4.96	5.51
Bad Debts Written off	44.33	63.88
Exchange Fluctuation Loss (Nett)	495.52	-
Repairs and Maintenance		
a) Plant and Machinery	26.57	27.63
b) Building	6.04	11.92
b) Others	31.93	29.04
Rent & Amenities	59.62	53.06
Advertisement	2.06	1.02
Freight outwards	17.78	44.00
Bank charges	36.39	20.08
Other Selling Expenses	70.81	22.28
Sundry Expenses	53.65	45.59
	1,270.44	670.90

27. Capital Commitment

The estimated amount of unexecuted capital contracts (net of advances and deposits) – Rs. 2818.62 lacs
(Previous Year – Rs. 1282.84 Lacs)

NOTES

Consolidated

to the financial statements for the year ended 30th June 2012

28. Contingent Liabilities

- (a) Outstanding Bank Guarantee given to the Customs department and others Rs. 26.23 Lakhs (Previous Year - Rs. 11.62 Lakhs)
- (b) Outstanding Letters of Credit Rs. 189.91 Lakhs (Previous Year – 63.62 Lakhs)
- (c) **Disputed statutory dues:**

Sl No	Name of the statute	Nature of dues	2011-12 (Rs.in Lakhs)	2010-11 (Rs.in Lakhs)	Forum where dispute is pending
1	Income Tax Act, 1961	Income tax	181.47	172.58	Income Tax Appellate Tribunal/ CIT Appeals
2	Central Excise Act, 1944	Excise Duty	27.26	27.26	CEGAT Tribunal/ Department of Revenue, New Delhi

29. Dues to Micro, Small and Medium Enterprises

The Company has not received information from Vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amount unpaid as at the year end together with Interest Paid / Payable under this Act have not been given.

30. Balances with Scheduled banks in deposit accounts includes:

- (a) Deposits under lien towards Bank Guarantee – Rs in Lakhs. 8.03- (Previous Year – 6.75)
- (b) Margin on Letters of Credits outstanding - Rs. In Lakhs 89.35 (Previous Year 121.67)
- (c) Retention deposit under lien towards pre shipment credit – Rs. In Lakhs 1122.95 (Previous year – 1056.56).

31. Balance with Non Scheduled banks

Details of balances kept with non-scheduled banks as on balance sheet dates and the maximum balances kept with non-scheduled banks during the year are as follows:

				Rs. In Lakhs
Balances as at		Maximum Balance during the year ended		
June 30 th 2012	June 30 th 2011	June 30 th ,2012	June 30 th ,2011	
Current Accounts in Foreign				
Currency:				
China Citic Bank	4.29	5.12	10.79	7.96

32. The Company had revalued the land, where the factory/office building is situated, during the period ended 30th June 2008 to the extent of Rs in Lakhs. 439.36 and the gain on the revaluation of land to the extent of Rs.in Lakhs 373.38 was credited to the Revaluation Reserve.

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to the financial statements for the year ended 30th June 2012

33. Employee Benefits

The following table sets out the status of the gratuity plan as required under AS15 and reconciliation of opening and closing balances of the present value of defined benefit obligation;

<i>Particulars</i>	<i>2011-12</i>	<i>2010-11</i>
	<i>Rs.Lakhs</i>	<i>Rs.Lakhs</i>
Change in Obligation:		
Obligations at period beginning	19.99	15.09
Service Cost	9.32	7.62
Interest Cost	1.96	1.53
Benefits paid	(0.55)	(1.95)
Actuarial (Gain)/Loss	(4.10)	(2.30)
Obligations at period end	26.62	19.99

The above defined obligation liability as at the Balance Sheet date is wholly funded by the company

<i>Particulars</i>	<i>2011-12</i>	<i>2010-11</i>
	<i>Rs.Lakhs</i>	<i>Rs.Lakhs</i>
Change in Plan Assets:		
Plan Assets at period beginning at Fair value	15.84	6.95
Adjustments made to the fund value	(0.40)	----
Contribution made during the year	6.62	10.05
Expected return on plan assets	1.47	0.88
Benefits paid	(0.55)	(1.95)
Actuarial Gain/(Loss)	(6.96)	(0.09)
Plan Assets at end of period	16.02	15.84
Expenses recognized in Profit and Loss Account		
Current Service Cost	9.32	7.62
Interest Cost	1.96	1.53
Expected return on plan assets	(1.47)	(0.88)
Net Actuarial (gain)/loss recognized in the year	2.85	(2.21)
Expenses to be recognized in the profit and loss account	12.66	6.06
Reconciliation of present value of obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the period	16.02	15.84
Present value of the defined benefit obligations at the end of the period	26.62	19.99
Liability recognized in the balance sheet	10.60	4.15
Assumptions:	<i>2011-12</i>	<i>2010-11</i>
Discount Rate	8%	8%
Expected return on plan assets	8%	8%

The estimates of future salary increases are considered in actuarial valuation taking in to account inflation, seniority, promotion and other relevant facts such as supply and demand factors in the employment market.

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to the financial statements for the year ended 30th June 2012

34. Salaries & Wages includes remuneration to Managing Director/Director

Rs. In Lakhs

	<i>For the year ended 30th June 2012</i>	<i>For the year ended 30th June 2011</i>
Salaries	6.67	4.70
Contribution to Provident and other funds	0.11	0.09
Total	6.78	4.79

(*) Excludes contribution to Gratuity Fund as the related amount is not ascertainable in the absence of employees' wise break up.

35. Research and Development Expenditure

2011-12 **2010-11**
(Rs. In Lakhs) (Rs. In Lakhs)

Capital expenditure included in Fixed Assets	243.00	-----
Revenue expenditures incurred during the year	58.49	-----

36. Total Share Capital of Argus Salud Pharma LLP is Rs. 10.00 Lakhs out of which 99% of shares is held by the Company and 1% is held by May India Property Private Limited

37. Particulars of unhedged foreign currency Exposure as at Balance Sheet date

Particulars	2011-12		2010-11	
	USD in Lakhs	Rs. in Lakhs	USD in Lakhs	Rs. in Lakhs
Export Debtors	9.01	482.22	13.35	603.57
Creditors and Advance from Customers	77.78	4374.72	38.96	1788.30

Details of forward contract outstanding on account of hedging as at the end of the year.

Currency	No. of contracts	Sell amount		purpose
		USD in Lakhs	Rs. in Lakhs	
US Dollars	11	51.00	2816.86	Export realisation

38. Auditors' Remuneration comprises of fees:

Rs. In Lakhs

	<i>For the year ended 30th June 2012</i>	<i>For the year ended 30th June 2011</i>
For Statutory Audit	4.27	4.57
For Tax Audit	0.75	0.94
For Others	0.19	0.20
Total	5.21*	5.71

* Excluding Service Tax

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to the financial statements for the year ended 30th June 2012

39. CIF Value of Imports

Rs. In Lakhs

	<i>For the year ended 30th June 2012</i>	<i>For the year ended 30th June 2011</i>
Raw materials , Stock in Trade and Finished Goods	3810.47	3445.56
Capital Goods	390.56	82.90

40. Earnings in Foreign Exchange (On Accrual basis)

FOB Value of Exports – Rs in Lakhs. 9400.13 (Previous Year – Rs. in Lakhs - 7020.29)

41. Expenditure in Foreign Currency (On Accrual basis)

Rs. In Lakhs

	<i>For the year ended 30th June 2012</i>	<i>For the year ended 30th June 2011</i>
a)		
Traveling Expenses	26.56	22.77
Salaries	41.50	34.54
Rent	6.63	5.54
Other Expenses	42.46	31.62
Total	117.15	94.47

b) Dividend payment in foreign currency paid during the year

Rs. 2.06 Lakhs – PY Rs. 1.97 Lakhs

42. Value of consumption of imported and indigenous materials and components

	<i>For the year ended 30th June 2012</i>		<i>For the year ended 30th June 2011</i>	
	<i>Rs.in Lakhs</i>	<i>%</i>	<i>Rs.in Lakhs</i>	<i>%</i>
Imported	5.88	0.16	4.30	0.17
Indigenous	3,574.22	99.84	2,524.98	99.83
	3,580.10	100.00	2,529.28	100.00

43. Purchase of Traded Goods

Category	30 th June 2012 Rs. In lakhs	30 th June 2011 Rs. In lakhs
Tablets	1396.73	1212.75
Capsules	1221.84	1029.02
Liquids	348.91	264.26
Injectibles	791.12	914.29
Ointments	42.18	42.09
Others	340.39	145.75
Total	4141.17	3608.16

44. Sale of Products comprises

	Manufactured Goods		Traded Goods	
	30 th June 2012 Rs. In lakhs	30 th June 2011 Rs. In lakhs	30 th June 2012 Rs. In lakhs	30 th June 2011 Rs. In lakhs
Tablets	3431.60	2091.93	1875.40	1680.24
Capsules	389.42	493.75	1900.48	1259.24
Liquids	449.01	198.23	515.32	305.78
Injectibles	0.44	0.00	1032.22	1046.74
Ointments	68.71	361.39	329.03	170.75
Others	9.81	19.34	401.42	164.72
Total	4348.99	3164.64	6053.87	4627.47

NOTES

Consolidated

to the financial statements for the year ended 30th June 2012

45. Details of closing stock of Finished Goods as at

	Manufactured Goods		Traded Goods	
	30 th June 2012 Rs. In lakhs	30 th June 2011 Rs. In lakhs	30 th June 2012 Rs. In lakhs	30 th June 2011 Rs. In lakhs
Tablets	27.55	20.67	0.00	0.42
Capsules	6.31	7.89	0.00	0.00
Liquids	10.82	9.26	0.00	0.00
Injectibles	0.00	0.00	12.78	19.60
Ointments	6.57	0.67	0.00	0.67
Total	51.25	38.49	12.78	20.69

46. Earnings per share

Particulars	<i>For the year ended 30th June 2012</i>	<i>For the year ended 30th June 2011</i>
Net Profit after tax as per profit and loss account (Rs. in Lakhs)	800.65	628.23
Weighted average number of equity shares of Rs. 10/- each outstanding during the year (in Nos.)	15,110,000	15,110,000
Earnings per share – Basic & Diluted (in Rs.)	5.30	4.16

47. Amount Due to Investor Education and Protection fund

There are no amounts due and outstanding to be credited to investor education and protection fund.

48. Disclosure in accordance with the Accounting Standard 18 – “Related Party Disclosures” issued by the Institute of Chartered Accountants of India as identified by the company and relied upon by the auditors.

(a) Related parties and nature of relationship

☐ Mr. Vivek Siddharth, relative of Chairman

(b) Key management personnel

☐ Mr. M Jayapal - Managing Director

NOTES

Consolidated

to the financial statements for the year ended 30th June 2012

(c) Transactions that have taken place during the year with related parties :

Rs. in Lakhs

Particulars	<i>For the year ended 30th June 2012</i>	<i>For the year ended 30th June 2011</i>
Salary paid to Mr. M Jayapal, Managing Director	5.72	4.79
Salary paid to Mr. D.P.Mishra	1.06	--
Salary paid to Mr. Vivek Siddharth	13.29	3.27

49. The Company's factory unit at Baddi in Himachal Pradesh is entitled for exemption under section 80IC of the Income Tax Act and also from Central Excise and Salt Act from the date of commencement of production (24-09-2005).
50. The Company operates in one segment only viz., pharmaceutical formulations.
51. The Revised Schedule VI has become effective from 1st April 2011, for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatories to Schedules 1 to 51

As per our report of even dated attached
for M Raghunath & Co
 Firm Registration No. 003347S
 Chartered Accountants

On behalf of the Board

M Raghunath
 Partner
 ICAI Membership No: 15501

C C Paarthipan
 Chairman

M Jayapal
 Managing Director

Place : Chennai
 Date : 09-11-2012

R. Sriranjani
 Company Secretary

Statement under Section 212 of the Companies Act, 1956 relating to subsidiary Companies

Particulars	Argus Salud Pharma LLP
Date from which they became subsidiary	13-04-2010
Financial year of the subsidiary ended on	31-03-2012
Shares of the subsidiary held by the holding company on the above dates	
1. Number of shares	-
2. Face value	-
3. Extent of holding	99%
Net aggregate Profit/ (Loss) for the current year (in Rs.)	
Net aggregate amounts of the profits or losses of the subsidiary so far it concerns the members of the holding company and is dealt with in the accounts of holding company :	
1. for the financial year of the subsidiary	18,595,589
2. for the previous financial years of the subsidiary since it became its subsidiary	24,327,710
Net aggregate amounts of the profits or losses of the subsidiary so far it concerns the members of the holding company and is not dealt with in the accounts of holding company :	
1. for the financial year of the subsidiary	187,834
2. for the previous financial years of the subsidiary since it became its subsidiary	245,734

Financial details of Subsidiary Companies

Particulars	Argus Salud Pharma LLP as at 31st March 2012 (Rs. in Lakhs)
Current Assets, Loans & Advances	716.43
Net Fixed Assets	166.33
Investment	-
Profit & Loss Account	-
Miscellaneous Expenditure	-
Total Assets	882.76
Current Liabilities & Provisions	439.24
Capital	10.00
Current A/c	433.52
Loans	-
Reserve & Surplus	-
Deferred Tax Liability	-
Total Liabilities	882.76
Turnover (Including other income)	966.49
Provision for Tax	41.00
Profit /(Loss) after Tax	187.83
Proposed Dividend	N/A

[illegible]

FORM FOR ECS MANDATE

To
M/S. KARVY COMPUTERSHARE PVT LTD.
Unit: CAPLIN POINT LABORATORIES LIMITED
17 – 24 Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081

Dear Sirs,

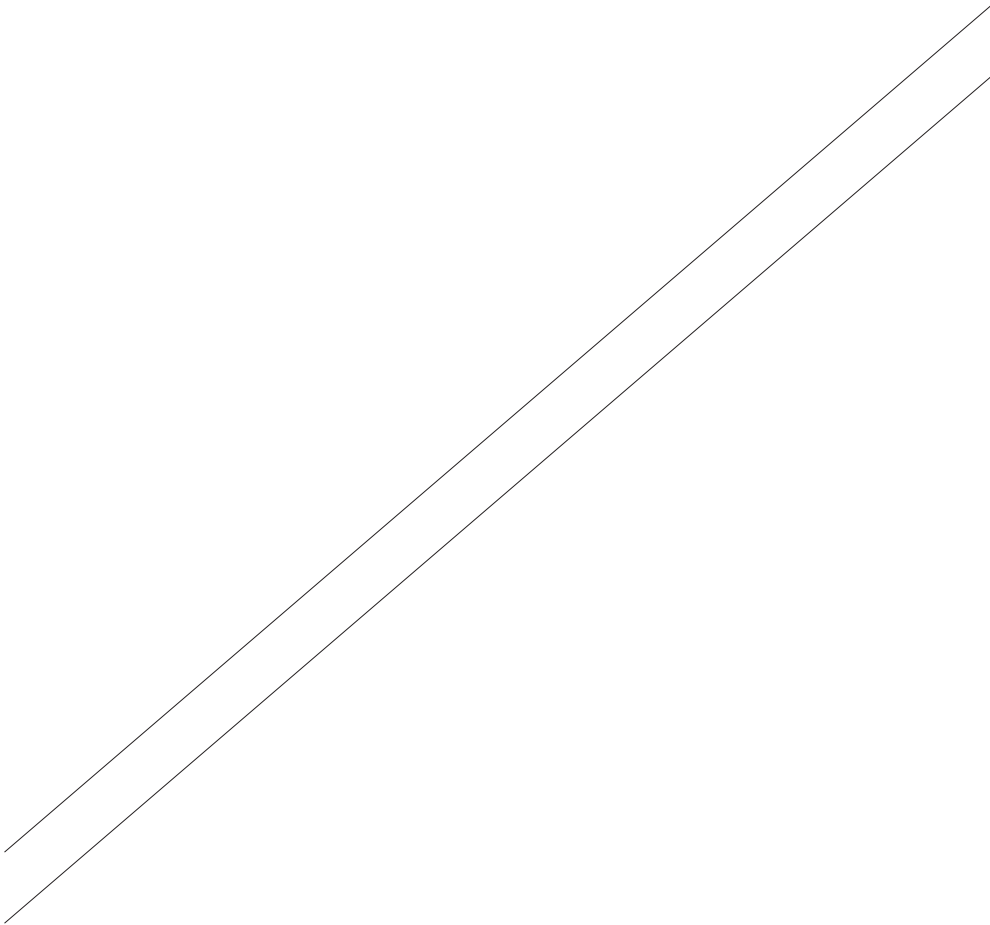
Sub. : Payment of Dividend through ECS (ECS Mandate Form) – Caplin Point Laboratories Ltd

I/We hereby give my/our mandate to credit my/our Dividend on the shares held by me/us under the undermentioned Folio number directly to my/our Bank Account through Electronic Clearing Service (ECS). The details of the Bank Account are given below:

1.	Name of 1 st Registered holder (in Block Letters)											
2.	Folio / DP ID / Client ID											
3.	Name of the Bank											
4.	Name of the Branch											
5.	Account No. (as appearing on the cheque book)											
6.	Account Type (Savings / Current / Cash / Credit)											
7.	9-Digit Code Number of the Bank and Branch appearing on the MICR cheque issued by the Bank.	<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>										
<i>[Please attach a photocopy of a cheque for verifying the accuracy of the MICR code no.]</i>												

Date: _____

Signature of shareholder
[Sole / First]



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**CAPLIN POINT LABORATORIES LIMITED**

Registered Office:

"Narbavi", No. 3, Lakshmanan Street, T. Nagar, Chennai – 600 017.

PROXY FORM

Regd. Folio No. _____ No. of shares _____

DP ID *

Client ID*

I/ We _____ of _____ being a member/s of CAPLIN POINT LABORATORIES LIMITED, hereby appoint _____ of _____ or failing him / her of _____ is my / our proxy to vote for me/us on my/our behalf at the Twenty First Annual General Meeting of the Company to be held on Wednesday, the 19th December, 2012 at 11.00 a.m. "TAG CENTRE" No. 69, T.T.K. Road, Alwarpet, Chennai – 600 018 and at any adjournment thereof.

Signed

Date

Affix
Re 1.00
Revenue
Stamp

* Gifts will not be issued

* Applicable to investors holding shares in electronic form

Signature

Note : This form duly completed and signed must be deposited at the Registered Office, not less than 48 hours before the Meeting.

**CAPLIN POINT LABORATORIES LIMITED**

Registered Office:

"Narbavi", No. 3, Lakshmanan Street, T. Nagar, Chennai – 600 017.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Regd. Folio No. _____

No. of shares _____

DP ID *

Client ID*

21st Annual General Meeting on 19th December, 2012

I hereby record my presence at the Twenty First Annual General Meeting of the Company being held at "TAG CENTRE" No. 69, T.T.K. Road, Alwarpet, Chennai – 600 018 on Wednesday 19th December 2012 at 11.00 a.m.

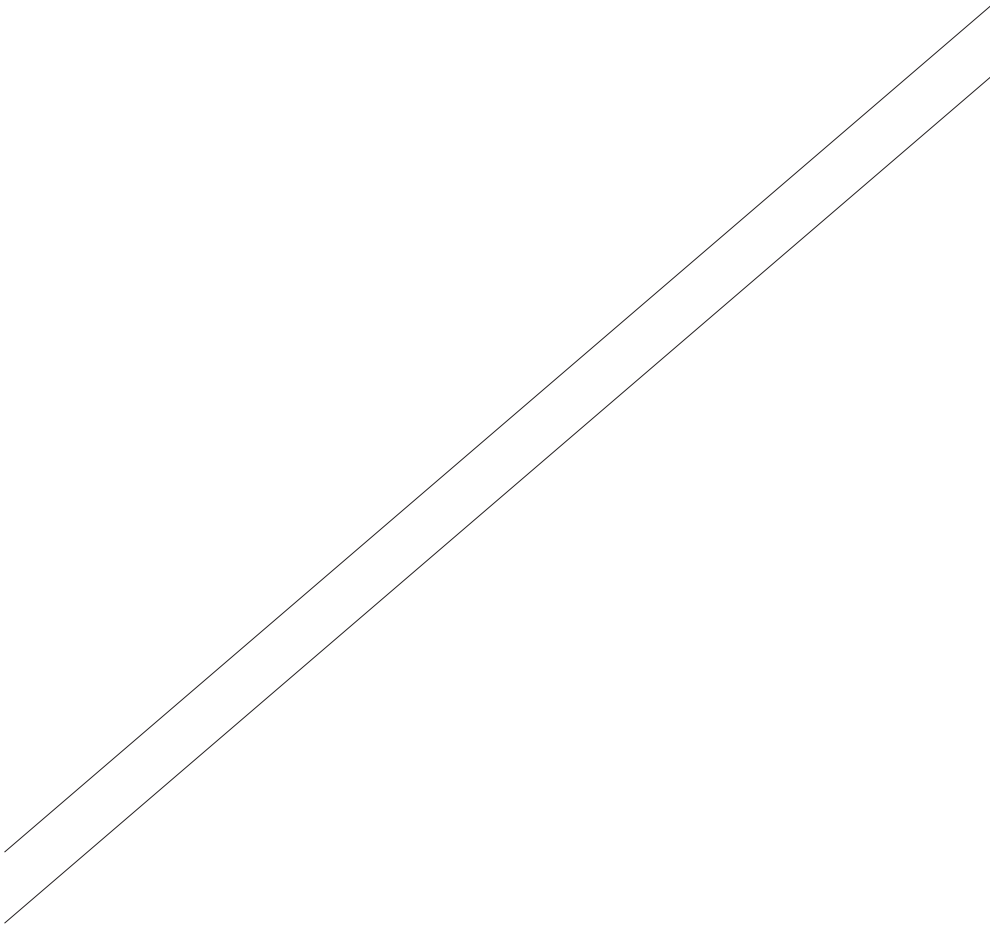
Name and address of the Member

Name and address of the Proxy

Jointly with 1.

2.

Member's/Proxy's Signature



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