

This is a picture of Thelma deep in the interiors of Central America. What she needs is access to available and affordable remedies. To make her life better. She has an unusual ally. An Indian company called Caplin Point.

∞ Caplin Point Laboratories is one of the fastest growing mid-cap pharmaceutical companies in India. ∞ We grew revenues compounded at 25.61 per cent and profit after tax by 43.15 per cent in the three years leading to 2014-15. ∞ We enhanced EBITDA margins every single year in the last five years. ∞ We reported revenue growth across eight successive quarters leading to the close of 2014-15. ∞ We grew revenues 45 per cent and profit after tax 59 per cent during the year under review. ∞ And all because of one reality...

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We chose to be  
different.



Caplin Point.  
One of the  
most exciting  
pharmaceutical  
stories of India.

## History

Caplin Point was established in 1990 to manufacture a range of ointments, creams and other external applications.

The Company was listed in 1994 following its IPO which was oversubscribed 117 times, the proceeds of which were deployed in setting up a manufacturing facility at Pondicherry. Thereafter, the Company expanded its product range and increased its production capacity.

The Company focused on the semi-regulated pharmaceutical markets of Central America, Caribbean, Francophone and Southern Africa.

The Company has emerged as one of the leading Indian pharmaceutical companies in semi-regulated pharmaceutical markets, enjoying a dominant presence in Latin America.

## Management

The Caplin Point management is headed by Chairman Mr.C.C.Paarthipan, supported by a professional management team under the guidance of a stellar Board of Directors.

## Awards

Listed on the Forbes Asia's '200 Best under a billion' in 2015

Listed on the Forbes Asia's '200 Best under a billion' in 2014



## Manufacturing facilities

### CP I

**Manufacturing:** Tablets, capsules, liquid orals, soft gelatin capsules, penem injections and suppositories.

**Location:** Suthukeny, Puducherry

### CP II (R&D)

**Function:** A dedicated pharmaceutical FR&D (formulation research & development) facility with capabilities to develop safe and effective products.

**Location:** Gummidipoondi, Chennai

### Argus

**Manufacturing:** Dosage forms such as capsules, ointments and creams.

**Location:** Baddi, Himachal Pradesh

### CP IV (manufacturing and R&D)

**Manufacturing:** Pharmaceutical formulations in Specialised Injectable dosage forms (vials, ampoules and ophthalmic drops) and FR&D.

**Location:** Gummidipoondi, Chennai

## Credentials and approvals

**1700** product registrations all over the world.

**12** years of operating presence in Latin America

**ANVISA** approval (Brazilian) for sterile injectables and ophthalmics.

**EU-GMP** approval (European Union) for sterile injectables

## Geographical presence

The Company's products enjoy a growing presence in Latin America (Guatemala, Honduras, Nicaragua, El Salvador, Venezuela, Haiti and Dominican Republic).

The Company is also building its brand in the Francophone Africa.

## Corporate vision

Caplin Point aims to create new niches in our existing markets to ensure the current foothold remains strong and innovative. We envisage implementing our unique business model at all corners of the globe to ensure access to quality medicines at affordable prices.

## Corporate mission

Innovate to change the rules of the game and not to compete in the game. Innovation distinguishes between a leader and a follower.

OUR PHILOSOPHY

Before we begin  
to explain what  
Caplin Point is,  
let us start with  
some of the things  
we are *not*.

*We are an ideals-driven company.*  
We are not driven only by topline growth.

*We are driven by the prospect of creating our own market.*  
We are not in business to merely capture existing market share.

*We are excited by the prospect of making medicines  
available, affordable and accessible for those at the  
bottom of the economic pyramid.*  
We are not in business to market products at the highest prices.

*We are driven by the vision to make prospects sustainable.*  
We are not focused on maximising one-time profits.

*We are focused on acquiring customers.*  
We are not focused on acquiring companies.





Caplin Point. Providing remedies.  
Bringing smiles to people.



# How Caplin Point resisted the conventional and walked the road less travelled.

The conventional business model is to manufacture first and then find a market. **Caplin Point focused on finding an attractive market, examining its growing needs and then proceeding to market those products.**

The conventional business models are manufacturing-driven, their manufacturing activities accounting for the largest proportion of their management bandwidth.

**Caplin Point is a market-driven company instead, either outsourcing or manufacturing products as per strategic and economic prudence.**

The conventional models pride in their multi-country marketing presence.

**Caplin Point has concentrated its geographic focus instead, selecting to patiently grow its presence in Latin America and parts of Africa – largely contiguous - across 14 years.**

The conventional model is to provide extensive credit to primary customers – dealers, stockists and pharmacies – with the objective to accelerate offtake.

**Caplin Point works almost completely with advances from its primary customers, resulting in working capital surplus.**

The conventional models work with the quantum of debt they find reasonable.

**Caplin Point has negligible debt on its books.**

The conventional model depends completely on local marketing resources – either in the form of employees or downstream trade channel partners.

**Caplin Point's unique business model controls the entire value chain (manufacture and export on the one hand and distribution and retail on the other, through exclusive partners).**

*Note. Caplin Point's strategic differentiation has been extensively articulated in the Chairman's overview and the section dealing with the Business Model*

## Caplin Point's product launches

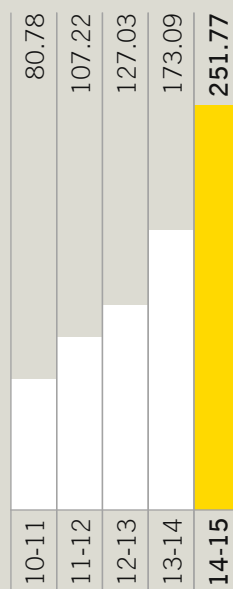


# How we have grown over the years.

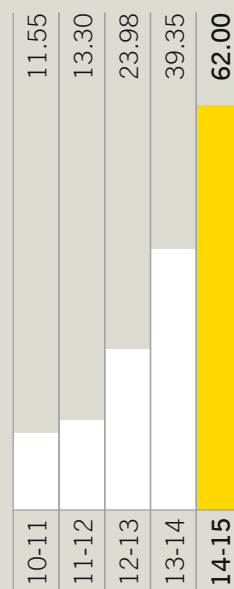
Sustained  
financial growth



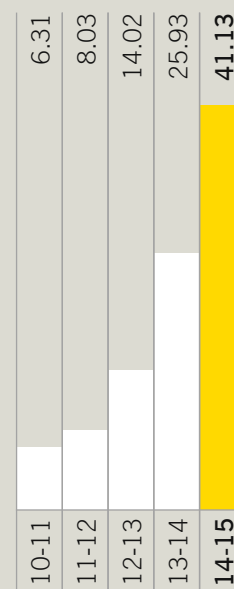
Net sales (₹ crore)



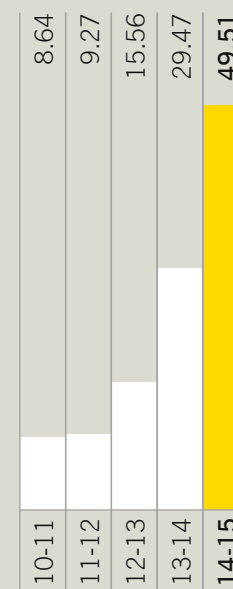
EBITDA (₹ crore)



Net profit (₹ crore)



Cash profit (₹ crore)



Revenue growth (%)

45

Over  
2013-14

26

CAGR over  
5 years

EBITDA growth (%)

58

Over  
2013-14

40

CAGR over  
5 years

Net profit growth (%)

59

Over  
2013-14

45

CAGR over  
5 years

Cash profit growth (%)

68

Over  
2013-14

42

CAGR over  
5 years