CAPLIN POINT 2.0

How Caplin Point has embarked on the second round of its global growth story

Caplin Point Laboratories Limited Annual Report 2017-18

CONTENTS

This is what we have achieved in Caplin 1.0
11

9 things that you need to know about Caplin Point Laboratories
07

Case studies
04

Introduction to Caplin 2.0
03

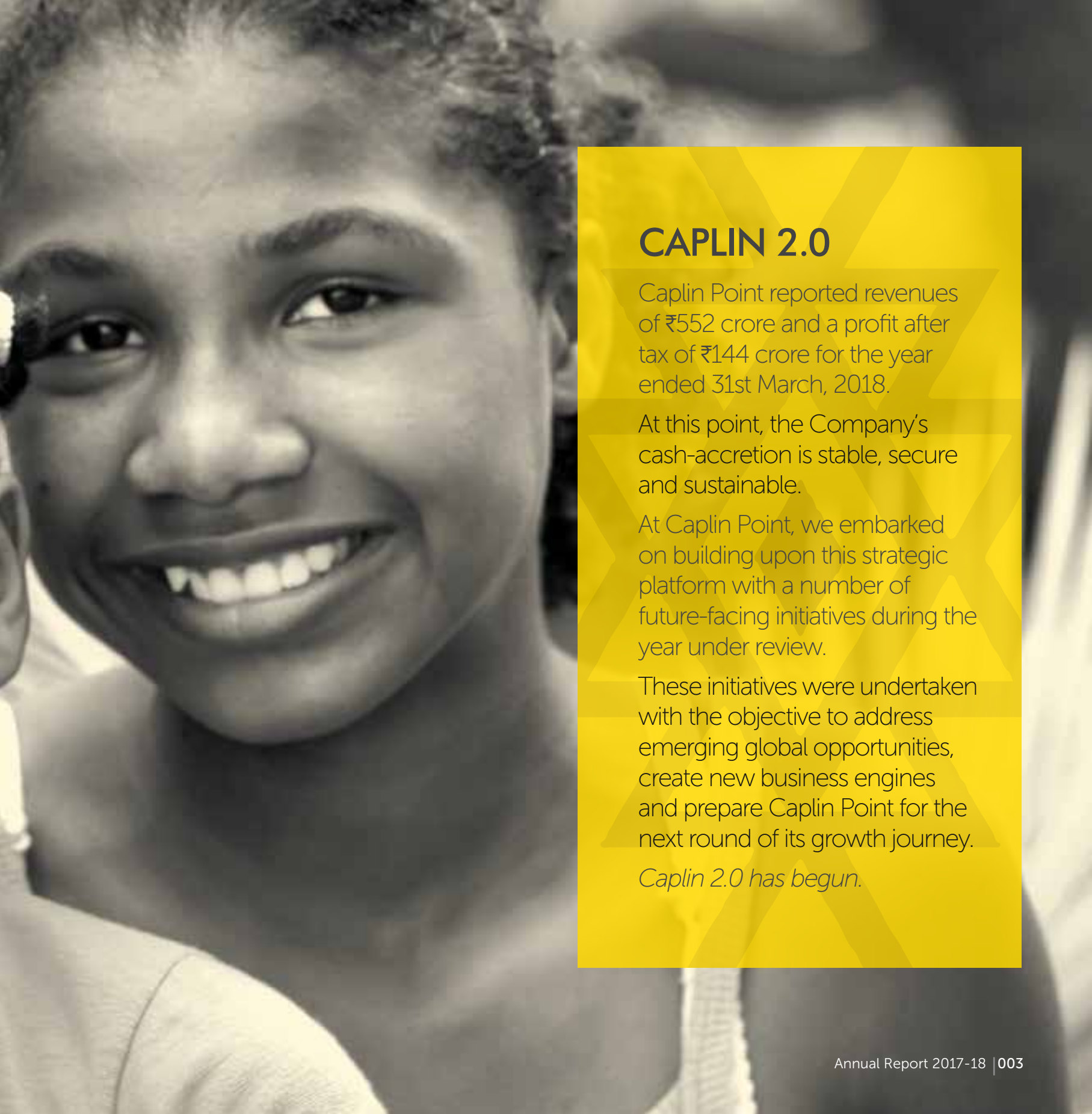
Chairman's overview
12

MD's review
16

Management discussion and analysis
24

Introduction to Caplin 2.0	03
Case studies	04
9 things that you need to know about Caplin Point Laboratories	07
This is what we have achieved in Caplin 1.0	11
Chairman's overview	12
MD's review	16
Management discussion and analysis	24
Director's Report	36
Corporate Governance Report	73
Standalone Auditor's Report	88
Standalone Balance Sheet	94
Standalone Statement of Profit and Loss	95
Standalone Statement of Changes in Equity	96
Standalone Cash Flow Statement	97
Consolidated Auditor's Report	138
Consolidated Balance Sheet	142
Consolidated Statement of Profit and Loss	143
Consolidated Statement of Changes in Equity	144
Consolidated Cash Flow Statement	145
Notice	184

The Company has transitioned the basis of accounting from Indian Generally Accepted Accounting Principles ("IGAAP") to Indian Accounting Standards (IND AS) from April 01, 2017. Hence, the numbers reported for 2017-18 are not strictly comparable with those of previous years.



CAPLIN 2.0

Caplin Point reported revenues of ₹552 crore and a profit after tax of ₹144 crore for the year ended 31st March, 2018.

At this point, the Company's cash-accretion is stable, secure and sustainable.

At Caplin Point, we embarked on building upon this strategic platform with a number of future-facing initiatives during the year under review.

These initiatives were undertaken with the objective to address emerging global opportunities, create new business engines and prepare Caplin Point for the next round of its growth journey.

Caplin 2.0 has begun.

CAPLIN POINT. TOUCHING PEOPLES LIVES

1 Giselle in Lobito, Angola, needed to buy cardio-vascular medicines that would be high in purity and integrity.

2 Martina in Valparaiso, Chile, needed to buy tablets that would have no side-effects.

3 Mia in Quito, Ecuador, needed to buy ophthalmic medicines that would come with the assurance of branded products.

4 Benjamin in Mixco, Guatemala, needed to buy an inhaler that would be completely ethical, manufactured around the highest regulatory standards.

5 Catalina in Caracas, Venezuela, needed to buy lyophilized injections that would be affordable for her modest savings.

6 Thiago in Santa Ana, El Salvador, needed capsules that would be available – in stock as and when she wanted.

7 Arianna in Choluteca, Honduras, needed to buy a syrup that would be accessible – without her needing to commute far.

8 Jean in Bamako, Mali, needed ovules that would be safe to use and could be available easily.

9 Rachel in Bogota, Colombia needed injection that would cost less and was of a good quality.

CAPLIN POINT. ONE-STOP SOLUTION PROVIDER

3000	485	36	23
Retail Points	Products	Therapeutic Segments	Countries

9 THINGS THAT YOU NEED TO KNOW ABOUT CAPLIN POINT LABORATORIES

01 Vision

Caplin Point aims to create new niches in the markets of our presence to ensure our current foothold remains strong and our product portfolio innovative. Looking ahead, we envisage implementing our unique business model across the globe to ensure everyone has access to quality medicines at affordable prices.

02 Mission

Innovate constantly to change the rules of the game and not merely compete in the game because it is innovation that distinguishes a leader from a follower.

03 History

Caplin Point was established in 1990 to manufacture a range of ointments, creams and other external applications. The Company got listed in 1994; its IPO proceeds were deployed in a manufacturing facility in Pondicherry. The Company ventured into the emerging markets of Africa, Latin America and The Caribbean.

PRODUCT LAUNCHES

04 Management

Caplin Point is headed by Mr. C. C. Paarthipan (Chairman), Dr. Sridhar Ganesan (Managing Director) and Dr. Philip Ashok Karunakaran (Whole-time Director), who, in turn, are supported by a competent managerial team.

05 Presence

The Company's products enjoy a strong presence in the Latin American and Caribbean nations of Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua and Venezuela.

The Company is also consolidating and expanding its presence in the African nations of Angola, Benin, Democratic Republic of Congo, Burkina Faso, Guinea, Ivory Coast Mali, Senegal and Togo.

06 Dosage forms

The Company caters to the entire spectrum of pharmaceutical formulations, covering the following dosage forms:

- Tablets
- Capsules
- Injections – Powder, Liquid and Lyophilized
- Soft Gel Capsules
- Ophthalmic
- Inhalers
- Suppositories and ovules
- Liquid and Dry syrups
- Topicals

07 Major accreditations

US-FDA: Caplin Point was approved by US FDA in 2017 for its sterile liquid injectables factory in Gummidipoondi, Tamil Nadu, which provides access to the largest market in the world – US.

EU-GMP: Caplin Point received the EU-GMP approval for its sterile liquid injectables factory in Gummidipoondi, Tamil Nadu in July 2015, which provides the Company with the opportunity to cater to the large EU market.

ANVISA: Caplin Point received ANVISA approval for its sterile injectables factory in Gummidipoondi, Tamil Nadu in August 2015 which allows it to enter the Brazilian pharmaceutical market.

INVIMA: Caplin Point received approval from Colombia through a mutual recognition policy with EU, for the injectables plant.

08 Awards

- ET NOW "Family Business Award-2018" under emerging Companies Category
- Listed among Forbes Asia's '200 Best under a Billion' in 2014
- Listed among Forbes Asia's '200 Best under a Billion' in 2015
- Listed among Forbes Asia's '200 Best under a Billion' in 2016

Caplin Point is the only Indian company to be listed for all three years on this list

09 Facilities

CP-I

Location: Suthukeny, Pondicherry

Function: A state-of-the-art facility rolling out batches of tablets, capsules, liquid orals, dry powder, soft gels, liquid Injectables and suppositories

CP-II (R&D)

Location: Gummidipoondi, Tamil Nadu

Function: A dedicated pharmaceutical R&D facility engaged in the development of safe and effective formulations for emerging markets. This facility is approved by DSIR.

CP-IV

Location: Gummidipoondi, Tamil Nadu

Manufacturing: Specialises in the manufacture of pharmaceutical formulations in injectable dosage and ophthalmic drops. CP-IV also has a DSIR-approved in-house R&D facility dedicated to the development of injectables and ophthalmics for the fully regulated markets of US and EU, among others.

CP V

Location: Perungudi, Chennai, Tamil Nadu

Function: Additional R & D facility dedicated to the development of injectables and opthalmics for fully regulated markets of US and EU among others.