



Caplin Point Laboratories Limited
Corporate Office, Chennai (India)



**Addressing all
concerns,
of all concerned**

“The pandemic has put a premium on our concern for health (people) and also the health of the concern (Caplin Point)”

A Concern for health

At Caplin we believe that no amount of money can buy a life and no regret can change the past. The pandemic has put a premium on our concern for health (people) and also the health of concern (Caplin Point). Hence the energized focus on our people's safety and business continuity are our astute concerns for health.



- As humans, we are treading on an uncharted path owing to the ongoing pandemic. Consequently, we all are going through a period of deep concern.
- Concern for our health and that of our loved ones.
- Concern for our livelihood and our businesses.
- Concern for the society at large as it battles on.
- At Caplin Point, we are concerned about people who touch our lives and of the lives that we touch every day.
 - Those of our employees.
 - Our customers.
 - Other stakeholders.
- At this point, it gives us immense satisfaction to announce that we have addressed these concerns, rather remarkably.
- While we continue on our mission to provide affordable medicines to the underprivileged by deploying pathbreaking technologies and business models, we have managed to carry on with our operations with minimal disruptions. And all this without compromising the health and safety of our human capital.

**After all, we are in this together.
And what concerns one, concerns
all.**

Across the Pages



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Caplin Point Laboratories Limited
Annual Report 2020-21

Forward-looking Statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions.

We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Design and Purpose

The Covid-19 pandemic is a relevant time to re-design the business model so as to enable Caplin Point to thrive during and after the pandemic. Our business was believed and conceived for the purpose of catering to the Bottom of Pyramid (BoP), Healthier and Happier with quality medicines at affordable cost.

With this context, we set out to create our “Stock and Sale Model” next to customers thereby returning patients to their erstwhile health with speed, economy, convenience and completeness.

At Caplin we responded to the reality with design thinking.

Crisis or mega crisis is another situation to be managed.

Significant Silver Bullets

- When other companies sold generics to importers in LATAM, we replaced the importers and became the importers in smaller geographies of LATAM.
- When the local LATAM companies supplied generics to distributors and wholesalers, we supplied generics directly to semi-wholesalers and retailers to increase the profit and cash flow by selling quality products at affordable price.
- When other companies didn't create any differentiation to the retailers, we made them the digital differentiators with our web portal.
- When others saw crime and violence, we saw opportunity.
- When others looked at poor as poor, we looked poor as customers.
- When other competitors told that we would become part of BoP, we plugged the gaps and became the star performer at the BoP (Bottom of Pyramid).
- When other Companies sold generics for survival in semi-regulated markets, we created sustainable superiority for our generics with business model differentiation.

Knowing is useless in a world where Google knows everything. But it is doing...

Caplin Point aims to create new niches in the markets of our presence. Looking ahead, we envision implementing our unique business model to ensure that everyone in the market with Caplin's presence has access to quality medicines at affordable prices.

The mission of Caplin Point is to innovate constantly to change the rules of the game and not merely compete in the game as it is innovation that distinguishes a leader from a follower.

During the pandemic, we rose to various challenges

We reinforced our warehousing.

We stocked larger.

We worked closer with pharmacies.

We analysed health trends.

We customized our portfolio.

We listened to consumers.

We widened the concern for health.

We adopted an IT based AI portal.

We entered new markets.

HISTORY IS WRITTEN BY THE RULE BREAKERS

Caplin Point was established in 1990. The company set out to manufacture a range of ointments, creams and external applications. The company was listed in 1994, the IPO was oversubscribed by 117 times, proceeds of which were deployed in a manufacturing facility in Pondicherry. The promoters exposed their lives to physical risk when they ventured into war-affected countries to market pharmaceutical products. Caplin Point deepened its presence in the emerging markets of West Africa, Latin America and the Caribbean to market finished formulations, arguably the first Indian company to venture into these markets.

Our business is about making a difference

Caplin markets pharmaceutical products in the emerging markets of Latin America and Africa. The company has state-of-the-art facilities that manufacture a complete range of finished dosage forms. The Company entered regulated markets like US through its subsidiary company Caplin Steriles Limited. The business ranges from the manufacture of formulations at one end and addressing new complex areas in some of the most demanding global markets at the other.

WE ARE DRIVEN BY A COMBINATION OF PROMOTER AND PROFESSIONAL INTERESTS

Caplin Point is stewarded by Mr. C. C. Paarthipan, Non- Executive Chairman and Dr. Sridhar Ganesan, Managing Director, Mr. Vivek Partheeban, Chief Operating Officer, Mr. Ashok Partheeban, Head Latin American Operations, Dr. N Subramanian, Director

and Head Research and Development, Caplin Steriles. They are supported by competent technical and managerial professionals. The Board of Directors does not have any member of the promoter's family (apart from the Chairman). The Company has 1675 employees as on 31st March 2021, 20% of which are R&D personnel, comprising scientists, laboratory technicians, clinical research associates, biochemists, chemists, among others.

WE ARE ADDRESSING THE RELATIVELY UNMET NEEDS OF SOCIETY THROUGH A WIDE GEOGRAPHIC PRESENCE

Caplin markets a wide spectrum of pharmaceutical formulations and therapeutic segments in 23 countries. In addition to LATAM and Africa, the Company is now serving the US, European Union and other regulated markets also.

Our manufacturing facilities are state-of-the-art, audited and certified.

The company manufactures products in its state-of-the-art manufacturing facilities one among which is for injectables approved inter-alia by EU-GMP, INVIMA, Colombia, Anvisa, Brazil and US FDA.

WE ARE INVESTING DECISIVELY IN OUR FUTURE

Caplin Point attracted investment in subsidiary Caplin Steriles Limited (CSL) from Eight Roads Ventures India III LP and F-Prime Capital Partners Life Sciences Fund VI LP (proprietary investment arms of Fidelity Group). The Compulsorily Convertible Preference Shares (CCPS) that were issued to the investor will be converted into CSL equity shares on the agreed terms.



Awards and Recognition

Ranked #1 in India across industries for average R&D spend as a percentage of revenue in the past 5 years (CNBC-18. Dec 2020)

The Second Largest Wealth Creator among Mid Cap ending 2020 (Source: The Economic Times, 31.12.2020)

Empowering India Awards, 2019 (Category: Pharmaceuticals, healthcare and bio-technology)

The Economic Times Award for Excellence in Business Performance (Rs 100-750 crore standalone revenue category) 2019

Pharmexcil Outstanding Exports Award, 2018

The Economic Times - Family Business of the Year Award, 2018

IPF's Industrial Excellence Award, 2017

Financial Express CFO Awards, 2017, 2019

Nanayam Vikatan's Gold Phoenix Award to Mr. C C Paarthipan, 2017

Forbes Asia Best Under a Billion Award, 2016

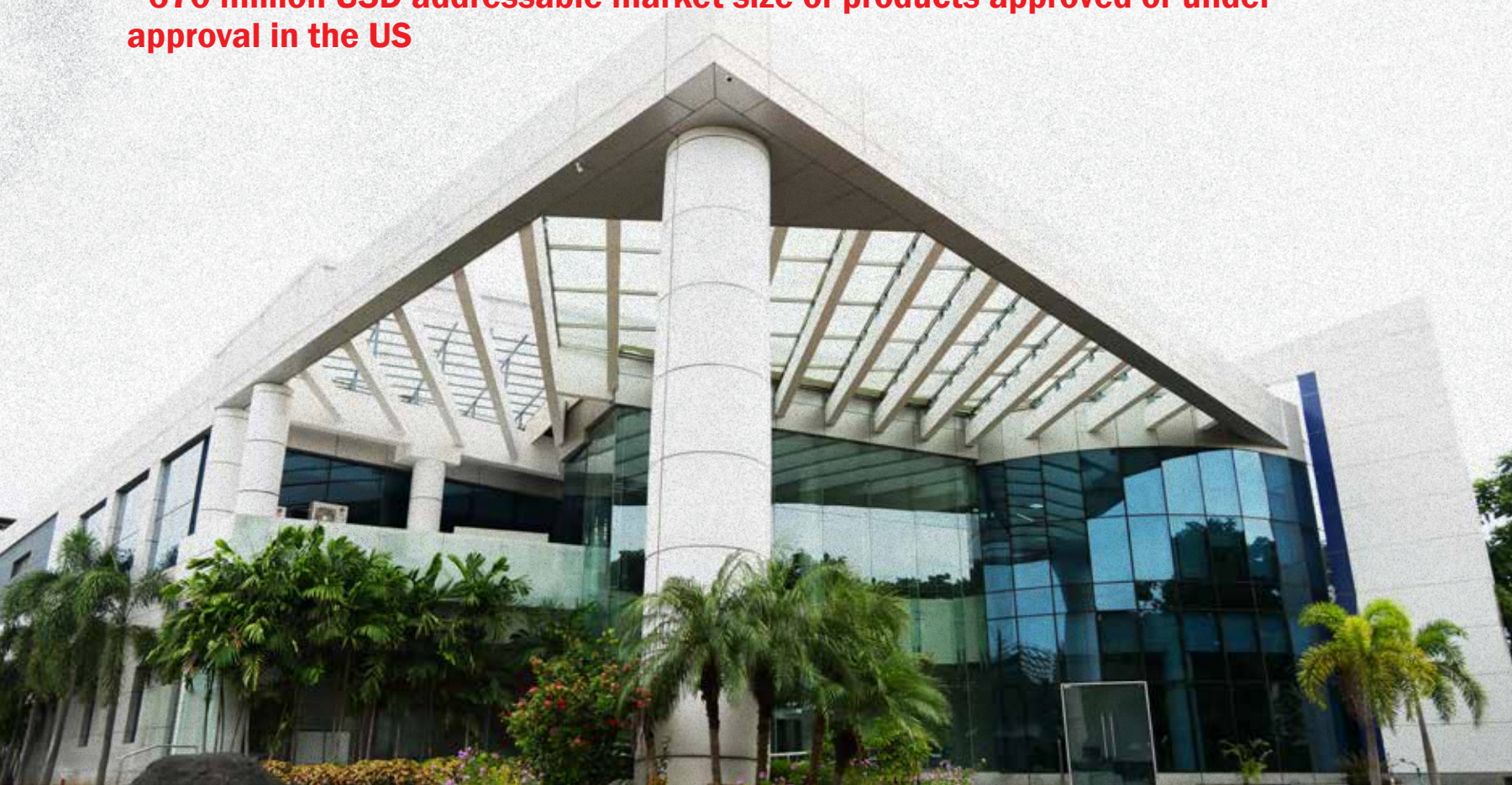
Forbes Asia Best Under a Billion Award, 2015

Forbes Asia Best Under a Billion Award, 2014

Caplin addressing a large and growing therapeutic space

~3 billion USD addressable market size of products in the pipeline, under approval and approved in the US

~670 million USD addressable market size of products approved or under approval in the US



CAPLIN FOR LONG WAS A PLAIN VANILLA MANUFACTURER/EXPORTER

Market-led company

Presence in two geographies (10 countries in Latin America and Francophone Africa)

Simple generic products

Introduced products that plugged market gaps

Negative-working capital business

Technology and research-led marketing company

Mix of generics, branded generics, specialty molecules and injectables

CAPLIN NOW EVOLVING INTO AN END TO END PHARMA COMPANY

Launching specialty niche products to create new markets across therapies

Prudent use of credit to enhance market share and remain cash surplus

Extended to regulated markets like USA (plans for Canada, Australia, China and Brazil)

Presence in two geographies (23 countries in Latin America and Francophone Africa)