



CAPLIN POINT[®]
Laboratories

Caplin Point Laboratories Limited

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CIN : L24231TN1990PLC019053

01.06.2018

BSE Limited
Department of Corporate Relationship
1st Floor, New Trade Ring, Rotunda Building
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001
Scrip Code : 524742

By BSE Listing

National Stock Exchange of India Ltd.,
Department of Corporate Services
Exchange Plaza, 5th Floor,
C-1, Block G, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Scrip Code : CAPLIPOINT.

By NEAPS

Dear Sirs,

SUB: CAPLIN POINT LABORATORIES LIMITED- INFORMATION TO INVESTORS.

Please find the enclosed information to the Investors.

Kindly take the information on your records.

Thanking You,

Yours Faithfully,
For Caplin Point Laboratories Limited

Company Secretary
Enclosure : As above



INFORMATION TO INVESTORS

The Company had declared the audited financial results for FY 18 and Q4 FY 18 on May 28th, 2018. The Company had shown a revenue growth of 34% and PAT growth of 51% over the previous year, which is clearly higher than industry average in the Company's operating segment. The Company does however take into account a few investors' apprehensions over the Company's receivables increasing in the latest results, and would like to provide the following explanations in relation to the same:

1. In the current markets and segments where the Company was operating, the Company's substantial product range had been well established thereby enabling the Company to demand advances from its customers. As the payment terms for its suppliers at the back end had been around 60-120 days, the Company had previously developed a negative working capital cycle.

As the Company moves into larger geographies and newer segments of products, there is a requirement to extend a line of credit to customers, until the Company and its products are established in the newer areas. This may require 36-48 months before the Company starts to work towards advance payment terms with the newer customers and markets.

2. The Company's business until recent years had been predominantly into generics, for which there is a tendency for price erosion and increased competition over a period of time. Due to the Company's unique business model, erosion of revenue and profits were largely avoided in most markets. However, the Company understands that to build a long lasting brand loyalty and increase profitability, it is imperative for the Company to get into branded generics in its established markets. This step towards moving to higher margin branded generics business also requires the Company to extend a line of credit to its customers, until the brands get established well enough to start demanding advances.
3. Despite the increase in receivables, the Company wishes to inform that the Cash & Cash Equivalent surplus has increased by INR 15cr over last year, to INR 125cr. There has been an investment into Fixed Assets to the tune of INR 52cr, which has been funded internally. The Company had also declared a dividend of 100% (INR 2/share) in the recent board meeting.
4. Over the last few years, the Company has invested over INR 320cr into Capital and Operational expenditure for its US FDA approved injectable plant, from internal accruals. Despite huge increases in Capex and Opex over the last few years, the Company continues to remain debt-free, with an EBIDTA, PAT and Cash flow that is above industry average.

The Company wishes to reassure investors that the health of the organization is sound and once again reiterates its intention to convert the top line of 2015/16 into the bottom line of 2021/22.

The Company trusts that the above information is found useful and reassuring for the investors and all other stakeholders.

