

September 06, 2024

BSE Limited

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

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.

Dear Sir/Madam,

Sub: Annual Report for the Financial Year ended March 31, 2024 – Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is further to our letter dated August 7, 2024 wherein the Company had informed that the 33rd Annual General Meeting (AGM) of the Company is scheduled to be held on Monday, September 30, 2024 through Video Conferencing / Other Audio-Visual Means, in accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

In terms of the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report along with the Notice convening the 33rd Annual General Meeting (AGM) of the Company which has been sent through electronic mode to the Members.

The Annual Report along with Notice convening the 33rd AGM has also been uploaded on the Company's website at <https://www.caplinpoint.net/index.php/annual-report/>

This is for your kind information and records.

Kindly acknowledge the receipt.

Thanking You,

Sincerely yours,

For Caplin Point Laboratories Limited

Venkatram G

General Counsel & Company Secretary

Membership No A23989



Be Unique. Go Big.

Caplin Point Laboratories Limited
Annual Report 2023-24



Be Unique.

Go Big.

When you aim big, one thing is for sure. You will have to do things differently, actions that are unique, to get there. We believe in this maxim. This led us to unconventional markets where today we have cornered a big chunk of it. Made us adopt a distinctive end-to-end business model: from manufacturing to last-mile distribution.

And the results, as you will be seeing in the subsequent pages, have been rather spectacular and of epic proportions. Because, we know that the paths to bigger things in life are the ones that are less travelled.



Capex Spend of
>₹500 Crores

Opex Spend of
>₹1400 Crores

Cash Reserves of
>₹900 Crores

Dividend Payout of
>₹125 Crores

Remarkable growth in the last 4 years with Zero Debt and all funding through internal accruals.

‘Stakeholders, in the thick of Wealth’ – In the thirty years of being a listed company, we had exhibited an ability to turnaround, stick around, strategize unique and grow big benefitting all stakeholders.

An account of testimony to these wealth-creation facts:

- “This Multibagger pharma **stock turns ₹10,000 to ₹2.7 Lakh in 10 years**” – By ETMarkets.com dated 13th July’ 2024
- **The Stock Price** of the Company as on 31st March, 2014 was ₹193 (FV: ₹10), which has grown to reach ₹1315.35 (FV: ₹2) on 31st March 2024 which is an astronomical **increase of more than 3300%** in the last decade.
- **Market Cap** was close to ₹10 Crores on 31st March, 2004, it rose to ₹292 Crores on 31st March, 2014 and is near ₹10,000 Crores as at the end of financial year 2024, which is a truly unique, consistent and stellar performance, in the last 10 years. Subsequently, as on the date of this report i.e. 7th August, 2024, the market cap had reached above ₹12,000 Crores.

Truly Unique about Caplin, Exceptionally Big for Stakeholders

‘Company, in the Pink of Health’ - A financial health, performance and prudence that is uniquely achieved, nurtured and sustained.

A few glimpses of Company’s financial health and prudence:

Caplin Point is the only pharmaceutical company to feature 7 times on Forbes Asia’s “200 Best under a Billion companies”, for the years 2024, 2023, 2022, 2021, 2016 2015 and 2014.

An aggregate of nearly ₹3000 Crores of outlay towards business growth and rewarding stakeholders



Money is just another brick in the wall, but without the four (4) key pillars of Integrity, Quality, Safety and Productivity, no wealth creation can sustain in pharmaceutical industry.

– Mr C.C. Paarthipan, Chairman

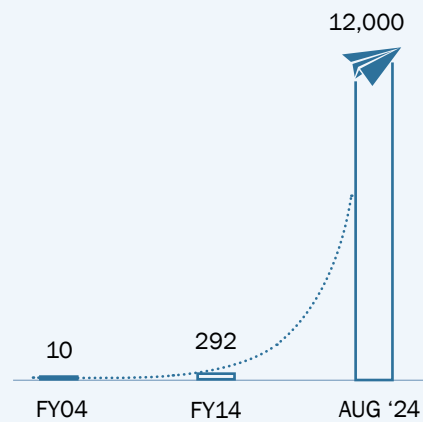
Forbes Asia BEST UNDER A BILLION

CAPLIN POINT IS LISTED AGAIN
ON THE PRESTIGIOUS LIST OF
TOP 200 COMPANIES FROM
ACROSS ASIA-PACIFIC FOR
THE SEVENTH TIME!

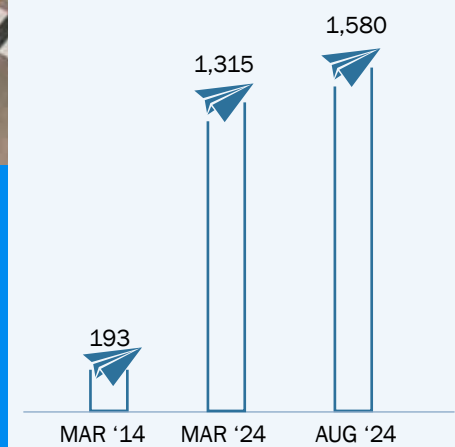




Market Capitalization
(₹Crores)



Stock Price-Value (₹)



Unique Strategies.



Bigger Gains.

At Caplin, our unique story has been that of consistently evolving, adapting, streamlining and again going back to evolving to next level and completing the full circle again. We had been cognizant of our responsibility to ensure, achieve and sustain a profitable growth for our stakeholders.

In a fiercely competitive business world, a business needs to create unique value proposition and unique business model to sustain and thrive among big players, multinational corporations. We believe that over the years, our Company has made unique and brave choices and decisions that have positioned us where we are today.


THE BIG PILLARS OF OUR UNIQUE SUCCESS STORY

1. Choosing the brave to venture markets: We ventured in some of the world's toughest, not only markets but, geopolitical places to do business. Thereby giving us the first mover advantage wherein today it is difficult for any new player to come at par. Today our

LATAM business contribution to revenue stands at eighty percent (80%) along with a growing presence in the US market to about eighteen percent (18%) and two percent (2%) from the African markets.

- 2. Choosing the unserved or underserved market segments:** We chose to serve the people at the Bottom of Pyramid (BoP) in the markets that we ventured in. Our commitment and strategy to serve the BoP gave us a strong foothold in this large market segment, thereby a larger market share.
- 3. Staying closer to our markets and our consumers:** Our strategy has been to have forward integration by having a strong distribution network with a greater control over it. This has positioned us to sell our products undeterred, unhindered, with better market feedback and consistent growth & innovation. The same started with our unique 'stock and sale' model in Angola, way back in year 2001. Today we have 30,000+ distribution touch points in the LATAM market alone.





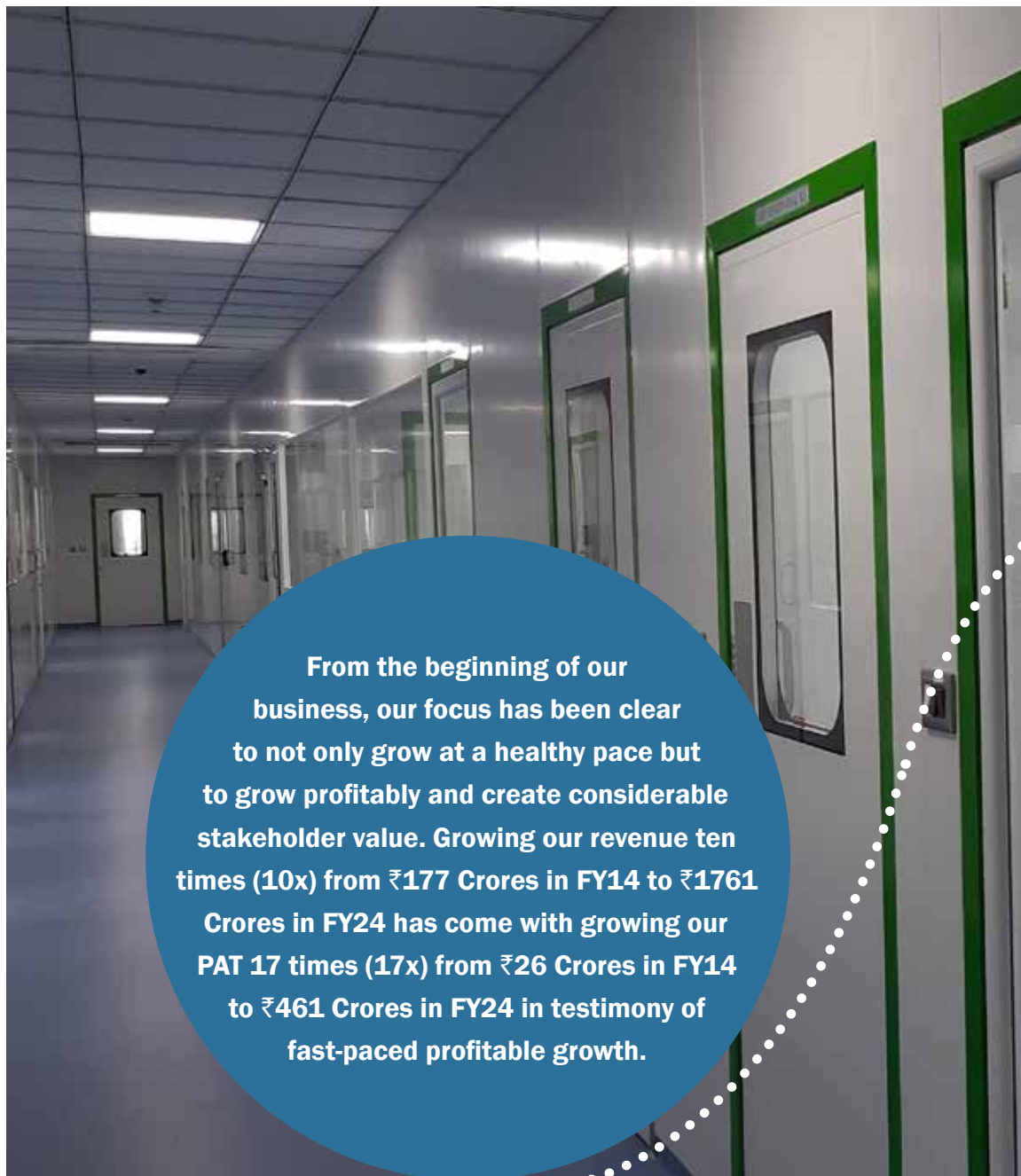
Today we have 30,000+
distribution touch
points in the LATAM market
alone.

4. Consistent profitable growth with sustained value creation:

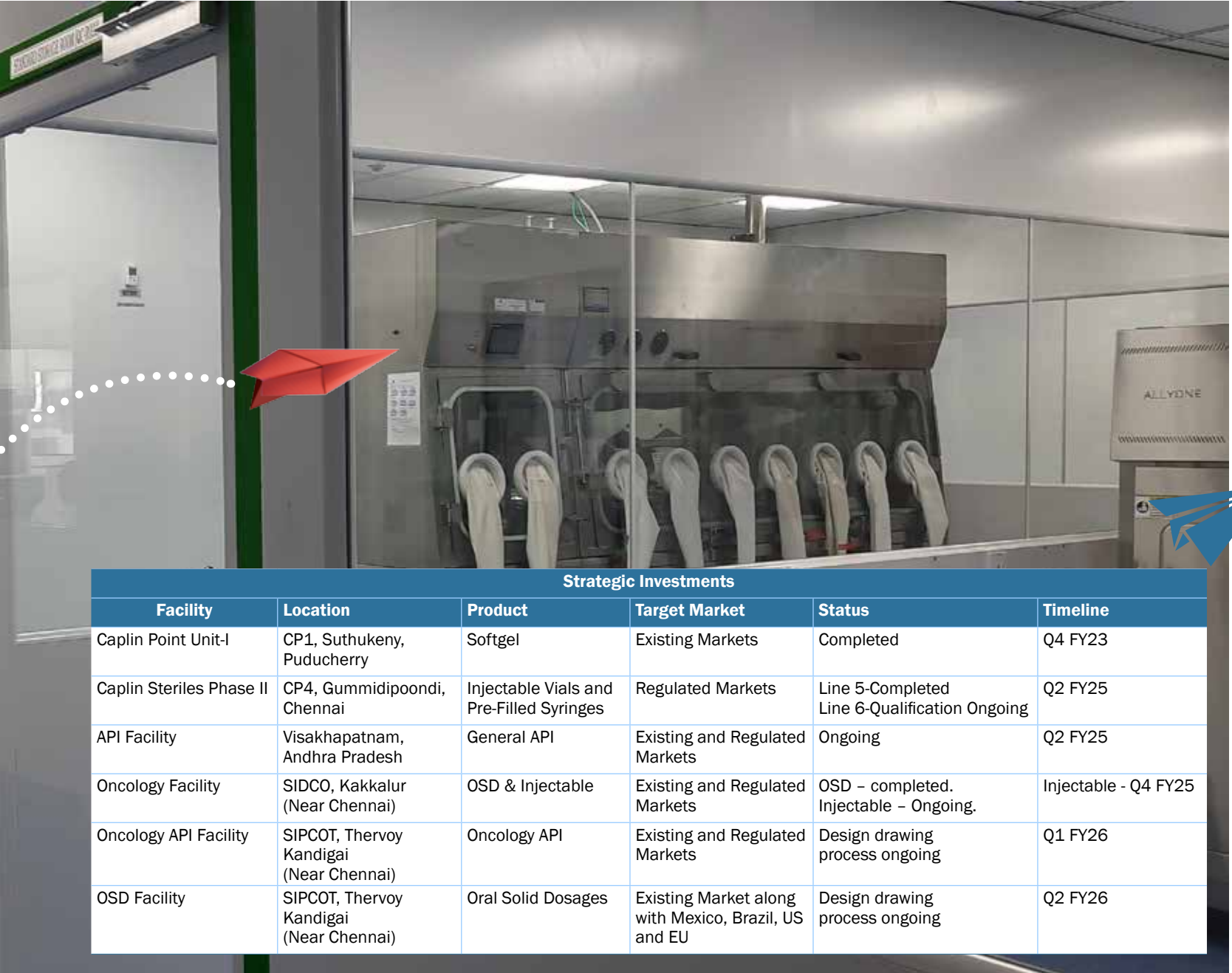
From the beginning of our business, our focus has been clear to not only grow at a healthy pace but to grow profitably and create considerable stakeholder value. Growing our revenue ten times (10x) from ₹177 Crores in FY14 to ₹1761 Crores in FY24 has come with growing our PAT 17 times (17x) from ₹26 Crores in FY14 to ₹461 Crores in FY24, in testimony of fast-paced profitable growth. Our Free Cash Reserves having grown considerably from just above hundred percent (100%) of our PAT value in FY14 to almost two hundred percent (200%) the value of our PAT in FY24, is yet another testament to true value creation.

5. Manufacturing with agility and de-risking:

Our manufacturing strategy has been to develop world-class quality generics at affordable prices in the most agile and cost-effective manner. Right from having outsourced manufacturing early in our business in 2005 from China to having first EU & USFDA approval for Liquid Injectable facility in 2017, to now having a total of Nine (9) manufacturing & R&D facilities along with a Corporate Office, these milestones are a testimony to our success.




From the beginning of our business, our focus has been clear to not only grow at a healthy pace but to grow profitably and create considerable stakeholder value. Growing our revenue ten times (10x) from ₹177 Crores in FY14 to ₹1761 Crores in FY24 has come with growing our PAT 17 times (17x) from ₹26 Crores in FY14 to ₹461 Crores in FY24 in testimony of fast-paced profitable growth.



Strategic Investments

Facility	Location	Product	Target Market	Status	Timeline
Caplin Point Unit-I	CP1, Suthukeny, Puducherry	Softgel	Existing Markets	Completed	Q4 FY23
Caplin Steriles Phase II	CP4, Gummidipoondi, Chennai	Injectable Vials and Pre-Filled Syringes	Regulated Markets	Line 5-Completed Line 6-Qualification Ongoing	Q2 FY25
API Facility	Visakhapatnam, Andhra Pradesh	General API	Existing and Regulated Markets	Ongoing	Q2 FY25
Oncology Facility	SIDCO, Kakkalur (Near Chennai)	OSD & Injectable	Existing and Regulated Markets	OSD – completed. Injectable – Ongoing.	Injectable - Q4 FY25
Oncology API Facility	SIPCOT, Thervoy Kandigai (Near Chennai)	Oncology API	Existing and Regulated Markets	Design drawing process ongoing	Q1 FY26
OSD Facility	SIPCOT, Thervoy Kandigai (Near Chennai)	Oral Solid Dosages	Existing Market along with Mexico, Brazil, US and EU	Design drawing process ongoing	Q2 FY26



Today we account for about **18%** of our revenues from the highly regulated market of the US with some niche products and have a larger shelf share alongside leading global corporations, both in the US and in our other markets of presence.

6. **Diversified product-mix with growing branded and niche products:** We started with generic products that plugged the market gaps and today we have approvals for difficult-to-manufacture Softgels, Injectable(s) and Ready-to-use Bags. Today we address 36 therapeutic areas of treatments that cover 65% of the WHO's essential drug list. Our branded generics have increased from 5% of our revenues in FY12 to 25% of revenues in FY24, in emerging markets.
7. **Riding high on R&D:** While we started as a market driven generic products company, we had a clear focus to grow into a technology-driven, research-led, innovative products company. We had the choice to moderately grow our plain vanilla product business at its own pace. However, we chose the unique path of launching our own specialty products and branded generics that not only suit the lesser regulated markets but also meet the stringent regulatory standards of highly regulated markets like the US and EU. We invested over ₹500 Crores in R&D between FY14 and FY24. While our R&D spend stood at 4.5% of our revenues in FY24 we were not hesitant to increase it to 10.9% in FY19 when it was the need of the hour.

8. **An increasingly expanding market presence:** Starting from Guinea to two geographies with 10 countries, we have come a long way to have successfully expanded to the US & EU and other regulated markets. FY24 has been a milestone year wherein we have set up a frontline arm of Caplin Steriles Limited in US in the name and style of Caplin Steriles USA Inc whose operations are headquartered at Hamilton, New Jersey. Today we account for about 18% of our revenues from the highly regulated market of the US with some niche products and have a larger shelf share alongside leading global corporations, both in the US and in our other markets of presence.
9. **Consistently building, an increasingly end-to-end integrated business:** As a business, it has been our endeavor to not just grow, build infrastructure and earn profits. Our strategy has been to be in control of our business value chain to the greatest extent possible. By being present across the value chain, we will be able to reach markets better, deliver better products, sell higher volumes, gain better margins, establish knowledge might and keep innovating as per the need of the hour. Today Caplin is present right from the production of certain KSMs and APIs

to Clinical Research (CRO) to Innovative and branded Generics Production to Owned ANDAs and to maintaining a robust distribution network.

10. **Technology integration in the digital age:** As part of its digital transformation initiative, Caplin has drawn out a cutting-edge digital transformation roadmap that integrates its factories, global supply chains, customers, and markets, ensuring a robust and sustainable growth model. The company will pursue a dual-path digital strategy, driving the adoption of advanced digital solutions such as smart manufacturing, digital twins, supply chain optimization, CRM, Data Lakehouse, advanced AI/ML, XR, and blockchain, while simultaneously elevating its existing investments in S/4 Hana, Labware LIMS, and e-commerce to world-class standards. Central to the Company's digital transformation will be the implementation of comprehensive shop floor digitization, encompassing Master Batch Record (MBR), Batch Manufacturing Record (BMR,) Batch Packing Record (BPR), and evolving subsequently to sophisticated digital twin solutions. This will form the backbone of our smart manufacturing strategy.



Our Big Strategic Roadmap

CORE BUSINESS TO SHOW CONSISTENT GROWTH

Caplin's core business which is focused on Latin America and Francophone Africa is expected to grow at a steady pace with industry-average margins and benchmark cash flows.

US BUSINESS TO BOOST THE GROWTH

Aspiration is to have exceptional compliance record and focus on niche products which continues to be in shortage in US market. Caplin believes the US business to be one of its primary engines that will drive growth.

BACKED BY ENHANCED VALUE CHAIN

Backward and forward integration to help save cost, capture more market and control supply chain which is expected to boost earnings.

STRONG BALANCE SHEET

Caplin's DNA of remaining debt-free and self-sustaining is highlighted by increasing cash surplus over the years. Strong Balance sheet of Caplin acts as an anchor for our long-term vision.

EXPANDING PRESENCE THROUGH GEOGRAPHIC DIVERSIFICATION

Caplin is actively pursuing opportunities in more regulated markets like Canada, Australia, MENA, Russia/CIS as well as expand its presence in the larger LATAM markets of Mexico and Brazil in the near to medium-term horizon.



Caution on Forward-looking Statements

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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Unique Steps.

Big

Milestones.

Starting with Guinea, the second largest gateway to Francophone Africa after Nigeria. Since then, the Company has never looked back and created a leadership position for itself.

OUR TRANSFORMATION STORY OVER THE DECADES

One of the biggest strengths, turning point and foundation pillars of success at Caplin has been the Company's and its visionary founding managements' ability

to tread the untrodden paths. Caplin has a unique strength to its credit of venturing the markets that were once considered 'dangerous' to venture even on a personal front, let alone the setting up of business.

The Company started its tough success journey in the African and Latin American (LATAM) markets. Starting with Guinea, the second largest gateway to Francophone Africa after Nigeria. Since then, the Company has never looked back and created a leadership position for itself. These markets were not attended to any established multi-national or any Indian company at that point of time. This unique market venture led to a dominant

market share in rest of the African and LATAM markets where we operate today. Our formidable presence in these markets has become relatively difficult to replicate.

At Caplin, consistent evolution, improvement and setting new benchmarks is part of our DNA. The relentless zeal to accept nothing but the best, has given us some of the best milestones for our Company in our business segment and business size.

Here is our story of transformation, milestone-after-milestone.



UNIQUE STEPS FOR BIG MILESTONES. BETTER DESTINATIONS.

1990

Incorporation

2001

Entered Angola with unique Stock & Sale model

2006

Entered the Caribbean and Latin America

1994

Listed on Stock Exchange

2005

Started outsourcing from China

2014

Work on Regulated Markets Injectable unit starts

2017

Liquid injectable facility gets EU & USFDA Approval

2021

Commences Capex expansion in multiple projects equaling ₹600 Cr. CRO wing Amaris Clinical gets USFDA approval

2019

Fidelity investment into Caplin Steriles

2018

Started first commercial shipments to US

2023

Incorporates Caplin Steriles USA Inc for launching own label in US

2022

Company acquires API plant in Vizag, as part of backward integration move. Amaris Clinical gets ISP Chile approval

2024

Oncology facility started production at SIDCO Kakkalur, Chennai

CONTRACT MANUFACTURER

- Market - led Company
- Plain vanilla generic products
- Introducing products that plugged marketplace gaps
- Negative - working capital business
- 2 main geographies 10 countries (Latin America & Francophone Africa)

BECOMING A RESPONSIBLE PHARMA COMPANY

- Technology and research - led marketing Company
- Mix of generics, branded generics and specialty molecules and Injectables
- Launch specialty niche products that Create new markets in varied therapy segments
- Selective use of Credit strategy to increase market share and remain cash surplus
- Extended to Regulated markets like USA with recent entry into Canada, Australia, Mexico and Brazil shortly

DIVERSIFIED PRODUCT PORTFOLIO

- 4000+ Products registered and 650+ Pharmaceutical formulations
- 36 Therapeutic Segments
- Product mix covers over 65% of WHO essential drug list
- Latest focus towards complex spaces
- Accounts for larger shelf share across pharmacies on account of a widening product basket

Unique Approach.

Big Decisions.



Caplin Point is a fast growing, fully integrated pharmaceutical company from India. Caplin has a dominant presence in Latin America, Francophone Africa and has a growing presence in the regulated markets such as USA and EU.

The Company was established in 1990 to manufacture a range of ointments, creams and other external applications. The Company was subsequently listed in 1994 following an Initial Public Offering (IPO) which was oversubscribed 117 times, highest in Indian pharmaceutical industry. The Company's expansion journey started post the IPO by setting up a manufacturing facility at Pondicherry from the IPO proceeds and has continued throughout the thirty years after

listing where the Company had expanded its product range and increased its production capacity.

The Company started with a focus on the emerging markets of Latin America, Caribbean, Francophone and Southern Africa and is today one of the leading suppliers of Pharmaceuticals in these regions. Company thrives on a unique business model of owning distribution networks, catering predominantly to the Bottom of the Pyramid, in the areas of its presence.

Caplin Point maintains deep focus on innovative technologies and products, with a sizeable part of its annual earnings invested into Research & Development of safe and effective products across varied dosage forms.

As a mid-sized pharmaceutical company, Caplin Point has distinctive presence across the industry value chain – in R&D, manufacturing of finished formulations, APIs, clinical research, front-end generic presence in Latin America, brand marketing in Francophone Africa and a USFDA/EU-GMP approved injectable facility.

Products:

Tablets, Capsules, Injections (liquid & lyophilized, prefilled syringes), Ophthalmic, Liquid Orals, Softgel Capsules, Ointments, Creams & Gels, Powder for injections, Suppositories & Ovules, Pre-Mix Bag Formulations, Inhalers & Sprays and IV infusion.

4000 +
product licenses
across the globe

650 +
pharmaceutical
formulations

36
therapeutic
areas

Various facilities
approved by
USFDA, EU-GMP,
ANVISA-Brazil,
INVIMA-Colombia,
COFEPRIS-Mexico.

Awarded "The
Emerging Company
of 2018" by
Economic Times
Family Business
Awards.

Second Largest
wealth creator
for the decade
ending 2020 as per
Economic Times

Rated #1
in India for "Most
Consistent Profitable
Growth across the last
10 years" as per *Value
Research Magazine*

Most
oversubscribed
public offer (IPO)
in Indian pharma
industry -117
times

Debt-free financial
structure, with
impressive ₹916
Crores of Cash
Reserves

R&D Focus –
R&D spend 4.5%
of revenue, from
₹66 Crores in
FY23 to ₹76
Crores in FY24

Branded
Generics up
from 5% of
revenue in FY12
to 25% in FY24
– Emerging
Markets.

Unique business
model of owning
distribution
networks,
serving BoP



Unique Actions.

Bigger
Outcomes.



OPERATIONAL HIGHLIGHTS – FY24

The story of consistent growth, relentless innovation, steadfast commitment to value creation at Caplin continues year on year. We believe that coming out of our comfort zone and spending a year or two of rigor can give us many years of ease to grow.

This FY has been a milestone year for Caplin in more than one ways. Our operational excellence and

strategic progress have given us some achievements to highlight.

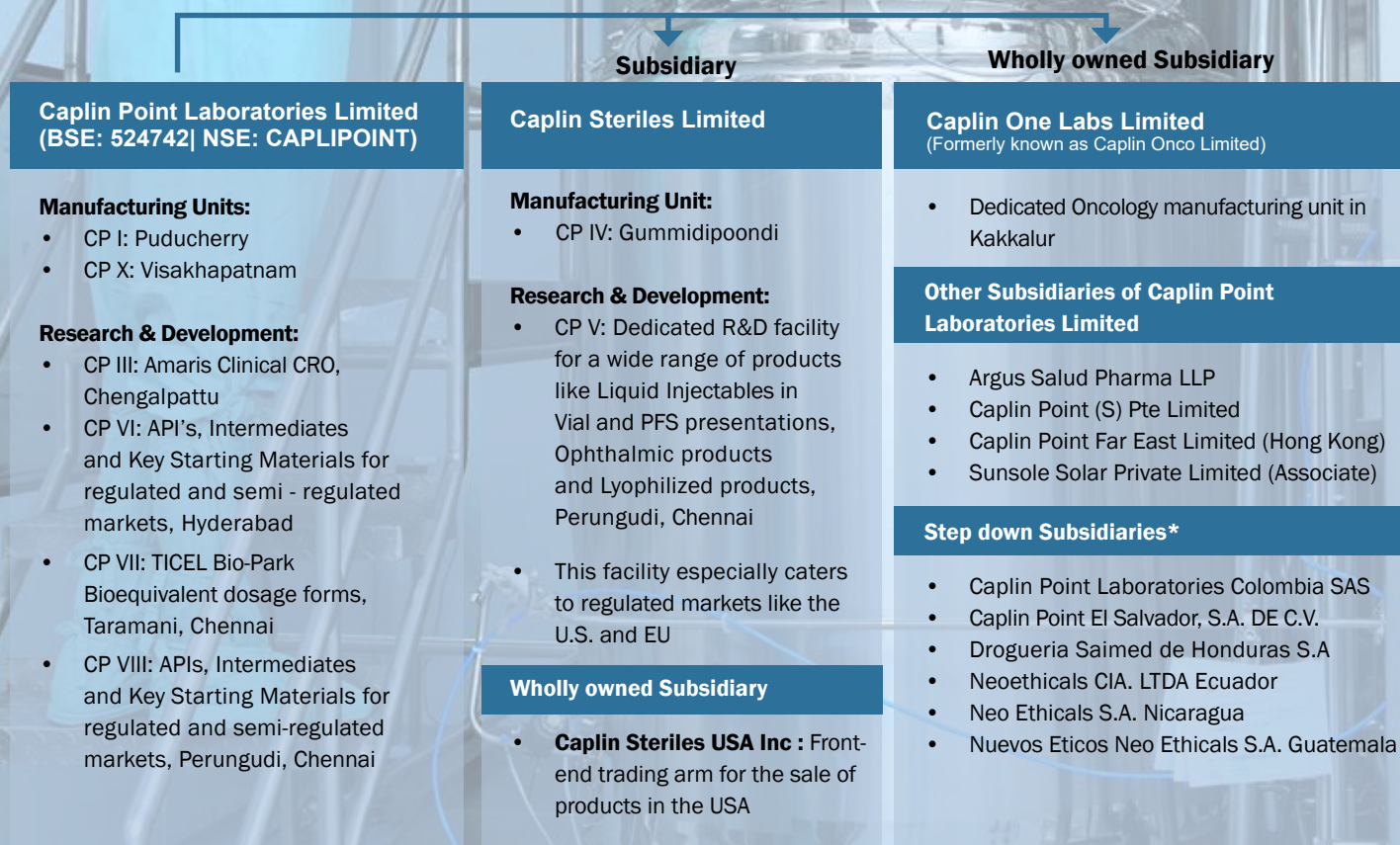
Expanding capacities

- **Caplin One Labs**, a wholly owned subsidiary of the Company, had **completed its oncology facility at Kakkalur, near Chennai**. Commenced operations in March 2024 and aims to become profitable within six Quarters.

- Company had signed a MOU with the Govt of Tamil Nadu committing **to invest ₹700 Crores in the State** through itself and its Subsidiaries at the **Tamil Nadu Global Investors Meet, 2024**.



Caplin Point Structure



*All the step down subsidiaries are the subsidiaries of Caplin Point Far East Limited - Hong Kong.

US MARKET

- **Established Caplin Steriles USA Inc.** at Delaware, **the front-end arm** of Caplin Steriles Ltd. **Plans to launch 15+ own-label products in the US within first 12 months** of getting the state licenses. As of the date of this report, nearly 45 (out of 50) state licenses were already taken (this was 25 states as on 31st March, 2024).
- Filed Company's first Emulsion injection for the approval of USFDA with a partner.
- Receives three Ophthalmic product approvals from USFDA, with one product launched and the other 2 to be launched during the current financial year. Total approved ANDAs under Caplin Steriles' name is 21.
- US business delivers robust and consistent growth, with revenue growing 51% over last year.
- To be launched products include several niche products in the segments of Injectables, including Ready-To-Use Bags, PP Vials, Injectable Suspensions, and Ophthalmic Solutions.
- Company has 12 ANDAs under

review, with 3-4 approvals expected within coming months. Products under review are combination of Suspension and Emulsion Injectables, Ready-To-Use Bags and Ophthalmic Solutions and Emulsion.

LATAM AND OTHER MARKETS

- Received Colombia's INVIMA approval for Caplin Steriles and Softgel Facility at CP-I, Puducherry, enabling revenue growth in newer markets of Mexico, Chile, and Colombia in the coming quarters.
 - Company has shortlisted 25 Soft gel products to be filed in Mexico over the next 24 months, with all BE studies being done at Amaris Clinical, the in-house CRO.
 - Company has 7 Injectable products approved in Mexico with a further 23 products under review. Plans to file 50 products overall in the next 12 months, both from internal pipeline and outsourcing partners, a repeat of Caplin's collaborative strategy in Central America.
 - 90 products registered in Chile which had shown a growth of 37% in comparison to the previous year in revenue terms. Alignment of Chile operations with the unique business model of Caplin – being closer to customers.
- Completion of registration of 25 oncology products with 50 more product registrations in the pipeline in LATAM market, particularly in Nicaragua and El-Salvador.
 - Company receives major orders for Speciality products from LATAM. Orders would be serviced using CMOs initially, before moving to own high potent site in the next few months.
 - Company draws up plans to enter niche segments of Biosimilars and other Biologics such as Insulin, initially with a "Fill-Finish" concept, which would be manufactured in line with requirements from Regulated markets.
 - Company has filed several products in non-US markets such as Canada, Australia, Mexico, South Africa, China etc. Some approvals and launches are expected during the current financial year.



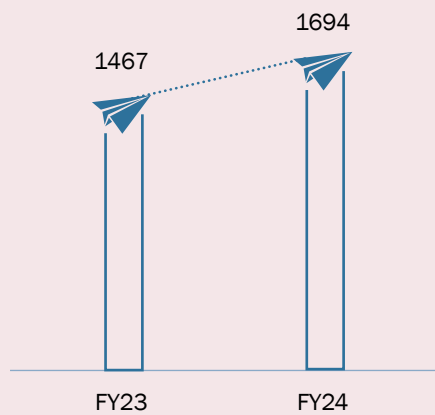
FINANCIAL HIGHLIGHTS - FY24

While we have been ensuring strong operational growth, our strong financial fundamentals have helped us post a strong financial performance.

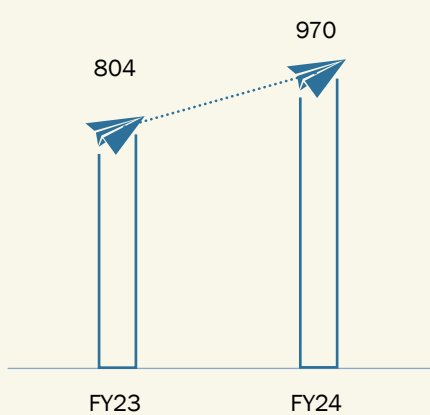
- Operating Revenue up by 16% from ₹1,467 Crores in FY23 to ₹1,694 Crores in FY24
- Gross Profit up by 21% from ₹804 Crores in FY23 to ₹970 Crores in FY24
- EBITDA up by 24% from ₹497 Crores in FY23 to ₹618 Crores in FY24
- EBIT up by 25% from ₹452 Crores in FY23 to ₹565 Crores in FY24
- PAT up by 22% from ₹377 Crores in FY23 to ₹461 Crores in FY24
- Cash Reserves ₹916 Crores in FY24 as compared to ₹772 Crores in FY23
- All Profit margins up (Gross Profit, EBITDA, EBIT, PAT)

Unique Prudence. 
Bigger
Results.

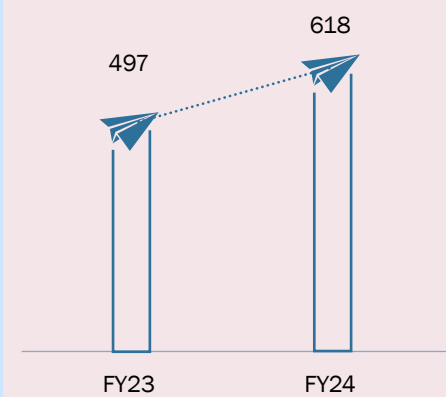
Operating Revenue (₹crores)



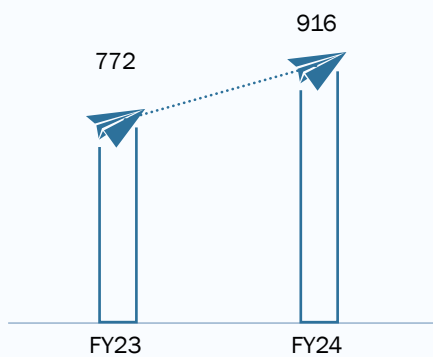
Gross profit (₹crores)



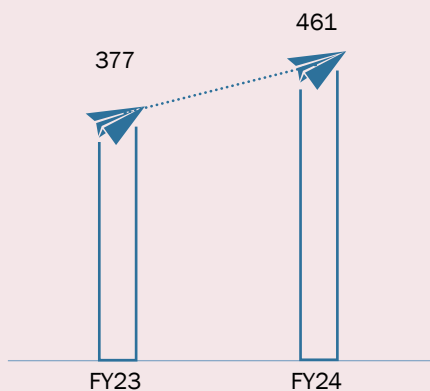
EBITDA (₹crores)



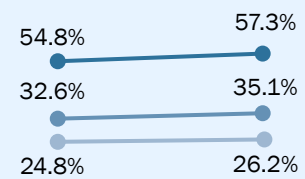
Cash Reserves (₹crores)



PAT (₹crores)



Profit Margins (%)



FY23 F24

- Gross Profit Margin
- EBITDA Margin
- PAT Margin

Unique Offerings. 

Bigger Portfolio.

Wider Customer Base.



The Company has focused on difficult or challenging to manufacture products and increased their pie in its overall manufacturing.

At Caplin, we believe that we are as good as our products. We had started our journey with a mission to provide quality products at affordable prices to consumers at Bottom of Pyramid (BoP) in under served markets. Till date, we are steadfastly committed to providing the same value in products to consumers in our markets of presence.

Caplin had started its journey with plain vanilla products in the generics segment. Over the years, the Company has consistently grown its product portfolio. Today the Company has 4000+ product registrations from 650+ formulations, serving 36+ therapeutic areas of treatment.

Over the decades, the Company has also expanded the share of branded generics. The branded generics stand at 25% today as compared to 5% in FY12.

ANDA approvals from USFDA during FY24:

MARCH 28, 2024: KETOROLAC TROMETHAMINE OPHTHALMIC SOLUTION 0.5% (EYE DROPS)

This product is a generic therapeutic equivalent version of (RLD), ACULAR Ophthalmic Solution of Allergan Inc. The product is nonsteroidal, anti-inflammatory Ophthalmic Solution 0.5%. It is indicated for the treatment

of inflammation following cataract surgery and for the temporary relief of ocular itching due to seasonal allergic conjunctivitis.

JANUARY 08, 2024: OFLOXACIN OTIC SOLUTION 0.3%

This product is a generic therapeutic equivalent version of (RLD), FLOXIN Otic Solution of Daiichi Pharmaceuticals Inc. The product is used as anti-infective (antibacterial) for Otic (ear) use.

SEPTEMBER 20, 2023: NOREPINEPHRINE BITARTRATE INJECTION USP, 4 MG/4 ML (1 MG/ML) SINGLE-DOSE VIAL

This product is a generic therapeutic equivalent version of (RLD), LEVOPHED injection of Hospira Inc. It is used for restoration of blood pressure in adult patients with acute hypotensive states.

JUNE 12, 2023: CISATRACURIUM BESYLATE INJECTION USP, 10 MG/5 ML (2 MG/ML) AND 200 MG/20 ML (10 MG/ML) SINGLE-DOSE VIALS; AND 20 MG/10 ML (2 MG/ML) MULTIPLE-DOSE VIALS (PRESERVED)

This product is a generic therapeutic equivalent version of (RLD), NIMBEX injection of AbbVie Inc. It is a non-depolarizing skeletal neuromuscular blocker, indicated as an adjunct to general anesthesia to facilitate tracheal intubation and to provide skeletal muscle relaxation during surgical procedures.

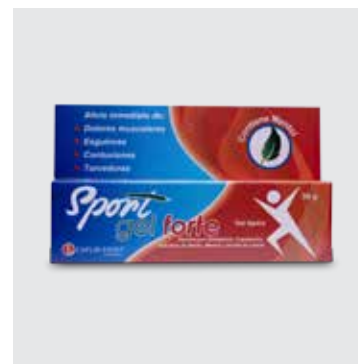
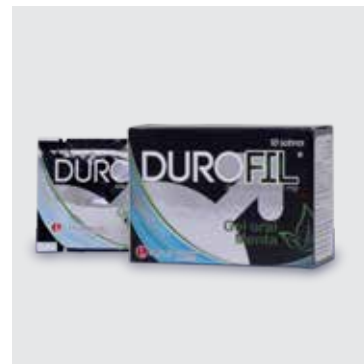
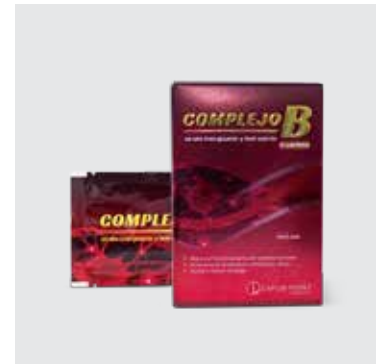
MAY 12, 2023: KETOROLAC TROMETHAMINE INJECTION USP, 15 MG/ML AND 30 MG/ML SINGLE-DOSE VIAL

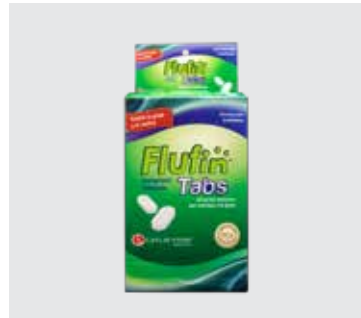
This product is a generic therapeutic equivalent version of (RLD), TORADOL injection of Roche. The product is a nonsteroidal anti-inflammatory drug (NSAID), indicated for the short-term (≤ 5 days) management of moderately severe acute pain.





Products at a glance



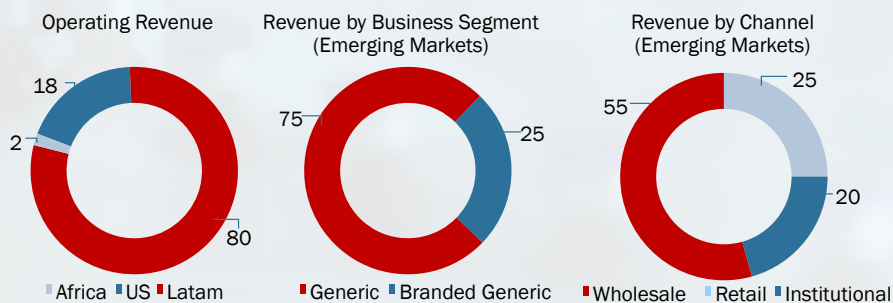


Unique Capabilities.

Bigger Capacities.

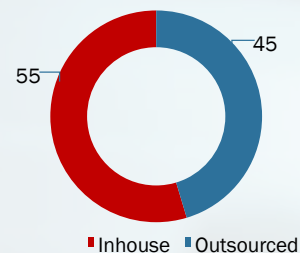


Revenue Break up and Manufacturing Strategy

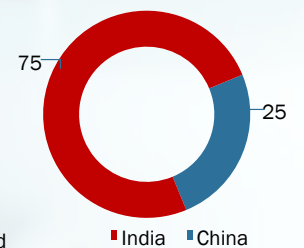


Caplin covers a wide spectrum of pharmaceutical formulation and therapeutic segments across 23 countries with total revenue of ₹1,761 Cr in FY 2024

Manufacturing & outsourcing



Exports



Caplin's smart strategy of balanced manufacturing and outsourcing makes it possible to be a lean organisation as well as de-risk against cost escalations, currency fluctuations and other headwinds

Caplin's strategy of balanced approach to in-house manufacturing and outsourcing enables the Company to be a lean organisation as well as de-risked against cost escalations, currency fluctuations and other headwinds. While production of key innovative products and R&D is done in-house, certain products are outsourced from quality-conscious partners in India and China. This balanced strategic approach to manufacturing has helped Caplin to grow both on quantity as well as quality by keeping all regulatory compliances in check.

Today, Caplin boasts of a wide portfolio of pharmaceutical formulations across 23 countries. The Company has to its credit 4000+ product registrations and 650+ Pharma Formulations across 36 Therapeutics areas.

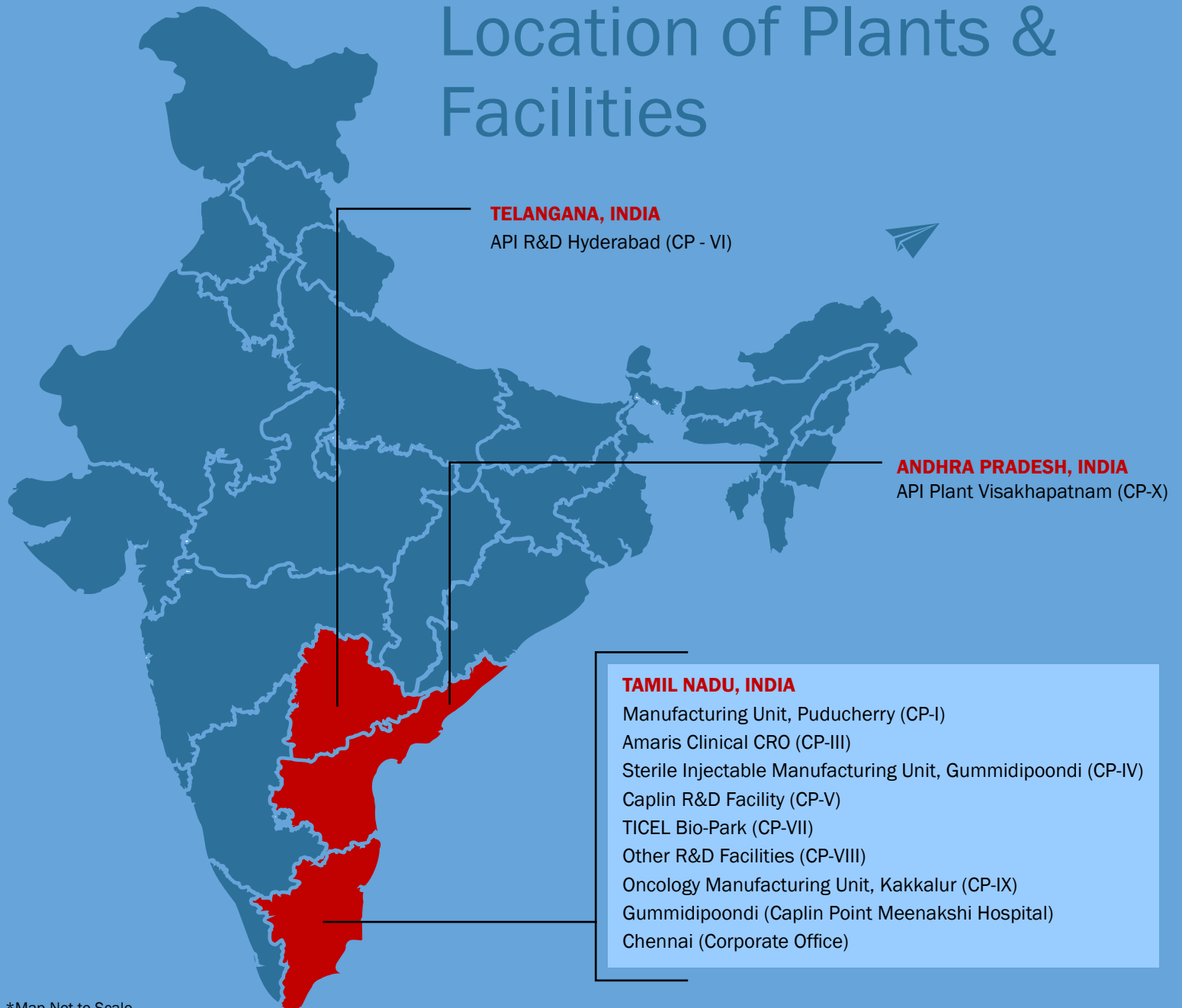
Regulatory Updates FY24:

At Caplin, we have adopted always ready approach from compliance perspective. This implies that our facilities are always in ready position for regulatory checks or inspections. Our level of readiness is even higher in the facilities that have higher compliance requirements due to approvals of leading regulatory authorities.

During FY24, following regulatory developments have taken place:

- Caplin Steriles received the Establishment Inspection Report (EIR) from the USFDA for its injectable and ophthalmic manufacturing unit located near Chennai. The unit underwent an inspection from US FDA between May 22nd, 2023 and May 31st, 2023. The inspection classification was determined by the agency as Voluntary Action Indicated (VAI).
- Received Colombia's INVIMA approval for Caplin Steriles and Softgel Facility at CP-I, Puducherry.

Location of Plants & Facilities



*Map Not to Scale



Chennai (Corporate Office)





Unique Focus.

Bigger Research.

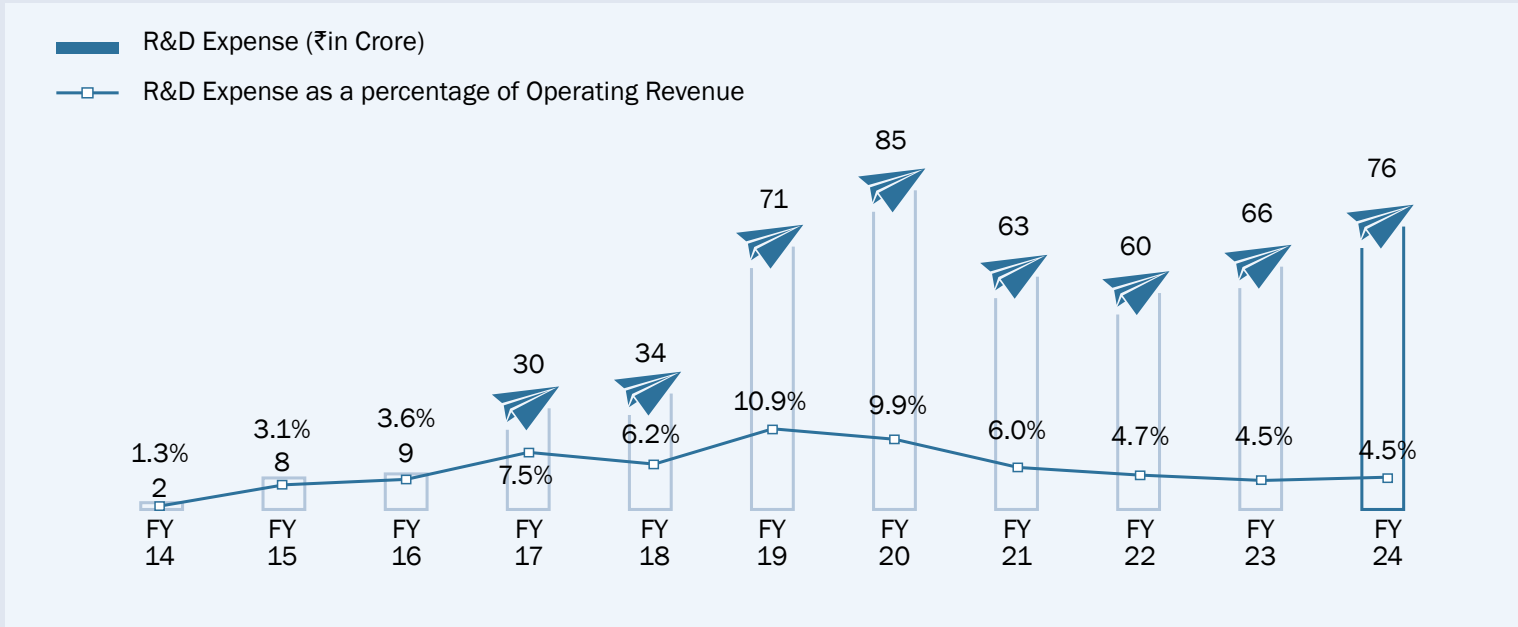
Better Products.

At Caplin, our unique approach to research and innovation is driven by absolute commitment, long-term vision and believe in the power of science and technology. Over the years, our investment in innovation and research & development has seen a sustained increase. From ₹2 Crores in FY14 to ₹76 Crores in FY24, we have come a long way. We have put our best efforts to

accelerate, moderate and stabilize our R&D spends as per prevalent business conditions.

Our sustained investments in innovation and R&D have seen us successfully foraying in the less regulated markets of LATAM & Africa to the most regulated markets of the US, UK and Europe.

Our vertical integration right from certain KSM to Clinical Research to branded generics to niche products has all been made possible with the consistent and relentless R&D investments in our business.



During FY24:

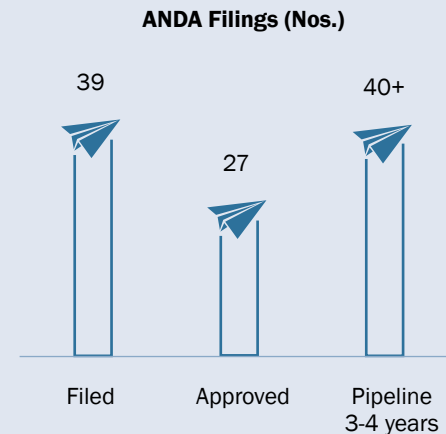
- ₹76 Crores - we made 2nd highest R&D investment in FY24 since FY20
- Our Capex + Opex stood at 16.4% of PAT
- Our R&D spends have remained steady at 4.5% on increased revenues

5 dedicated R&D Facilities, 3 Facilities are DSIR approved

385 member strong R&D team

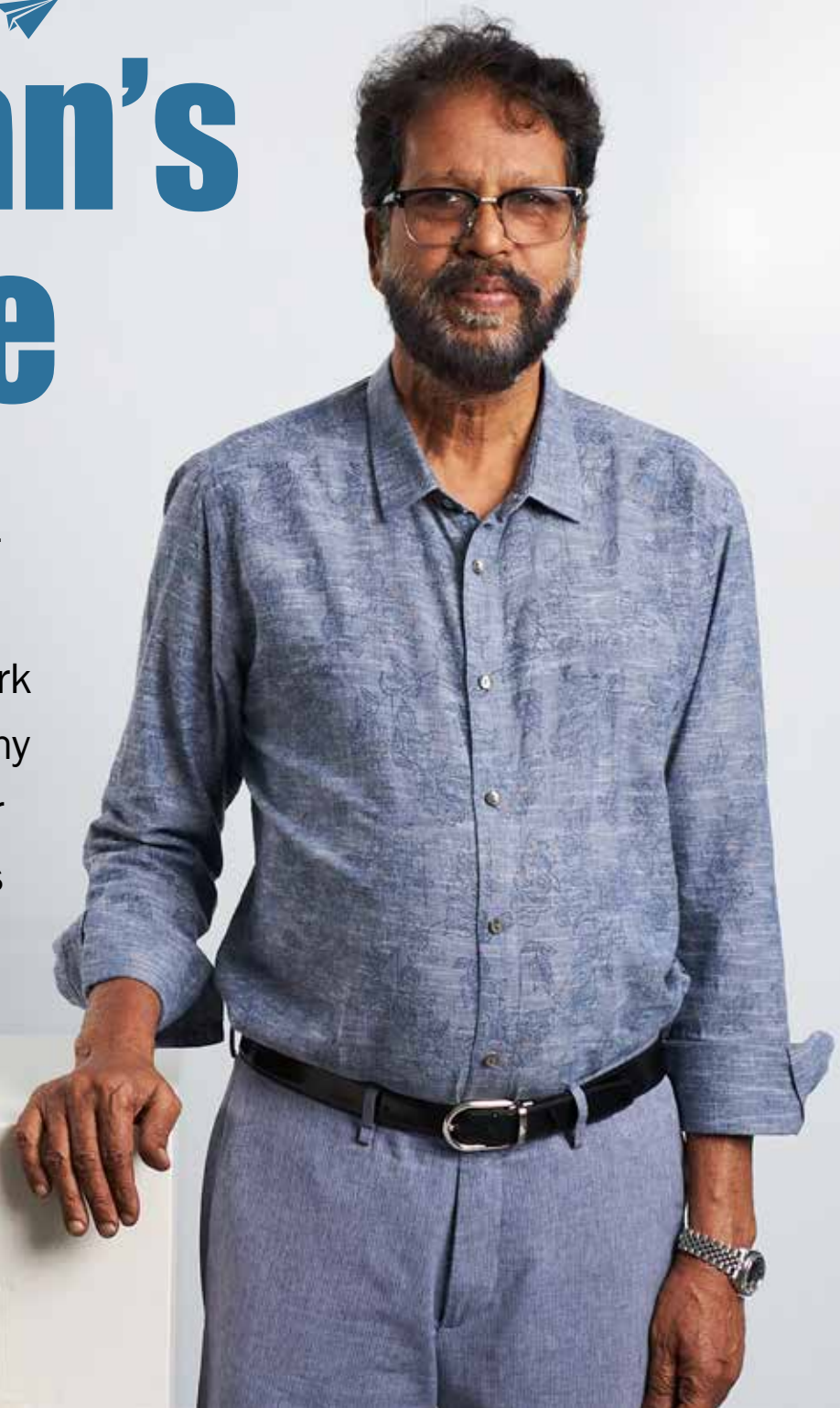
R&D for 80+ APIs Completed, to be used for backward integration in US and Emerging markets

Caplin ranks amongst the top companies in India, for R&D spend as a % of revenue as per CNBCTV18, 2020 report



Chairman's Message

I am very happy to share that your Company has delivered yet another year of stellar performance during FY 2023-24. Riding on our hard work and sustained efforts, your Company was able to achieve its highest ever operating turnover of ₹1694 Crores during the year.



Further, it is my privilege to write to you and present the Annual Report for FY 2023-24. I hope this communication finds you in good health and spirits.

MACRO BUSINESS ENVIRONMENT

The world is facing a period of uncertainty, where we have moved on from the pandemic to the ongoing geopolitical tensions. On the economic front, despite initial recession fears, the global economy has displayed resilience, avoiding major recessions or significant spikes in unemployment. Nevertheless, the outlook for global GDP growth remains subdued reflecting the ongoing challenges and uncertainties. Amidst this global backdrop, India is emerging as a bright spot, defining its role in the new world order. The Indian economy has shown resilience and adaptability, even in the face of global headwinds.

The next leg of growth in pharma necessitates skill advancement, the use of innovation and technology, and the establishment of a strong supply chain. The Government has taken several measures to create and nurture an ecosystem that promotes innovation. This is reflected in the setting up of centres for excellence to promote collaborative research in the pharmaceutical sector, and in artificial intelligence, including, for the health sector. The recently introduced Promotion of Research and

Innovation in Pharma MedTech Sector is expected to herald a transformation in the pharmaceutical sector towards innovation.

FINANCIAL PERFORMANCE

I am very happy to share that your Company has delivered yet another year of stellar performance during FY 2023-24. Riding on our hard work and sustained efforts, your Company was able to achieve its highest ever operating turnover of ₹1694 Crores during the year. Further;


- Profit after Tax (PAT) at ₹461 Crores, was up 22% Y-o-Y
- Cash Reserves at ₹916 Crores, saw an increase of ₹144 Crores Y-o-Y
- Cash flow from Operations at ₹318 Crores, witnessed an increase of ₹47 Crores Y-o-Y

We have allocated an overall Capex budget of approximately ₹600-650 Crores for the investment projects, most of which are nearing completion. The intended Capex aims to enhance existing production capacities, widen the product range, and achieve backward integration for a majority of the products. The Capex will be financed solely through internal accruals, and the Company will remain net cash positive throughout the process.

When you are in a state of uniqueness, you are allowing your soul to express itself. You allow others to see a little bit of what makes up your soul. And when people see this, they want more and want to be a part of it. They feel like they can learn from you because you have something unique that they don't have. This uniqueness can be a source of attraction that is magnetic to others who are also unique themselves. You may attract people who have the same purpose as you in life, so they can work together towards something greater



The world is facing a period of uncertainty, where we have moved on from the pandemic to the ongoing geopolitical tensions. On the economic front, despite initial recession fears, the global economy has displayed resilience, avoiding major recessions or significant spikes in unemployment. Nevertheless, the outlook for global GDP growth remains subdued reflecting the ongoing challenges and uncertainties.



We focused on staying closer to the customers by acquiring, controlling and integrating distribution network, which made us different from our competitors and provided a definite path to sustainable and profitable growth.

than they could do by themselves. Your Company has always been uniquely placed in terms of the geographies it operates or the business model it has carved for itself.

Your Company has shown benchmark growth numbers across all parameters in the last decade, and we aim to continue the same in the next decade. As we embark on a journey into the larger markets of Latam, US, and other regulated markets, we aim to stick to our proven strategy of catering to the Bottom of the Pyramid, with an end-to-end business model. This next trajectory of growth will be supported by focused investment into technology in products, facilities and markets. We remain committed to driving sustainable growth with strong cash flows.

“The greatest danger is not that we aim too high and miss it, but that we aim too low and reach it.”

– Michael Angelo



At Caplin, we charted a different and unique path which no other Pharmaceutical Company was even looking for. When the chips were down and we were looking at an uncertain future, we dared to enter one of the most difficult markets of Africa and Latin America and due to our hard work and perseverance, today Caplin is among leaders and driving the business backbone from there.

We focused on staying closer to the customers by acquiring, controlling and integrating distribution network, which made us different from our competitors and provided a definite path to sustainable and profitable growth.

**“As a company we focus on Good Distribution Practices and fondly call it GDP
– A mainstay of our success”**

Building on to our strong foundation, this is the right time to directly approach the US market under our own brand name. As a company we have always been very focused towards having control over the marketing end of things, which is what our entire Latin America business has been built around. Our newly set up, subsidiary in USA, namely Caplin Steriles U.S.A Inc. is making very good progress at

this point. We have already received 25 state licenses out of the all 50 states we applied for as on 31st March, 2024. We feel confident that shortly we will be able to secure licenses for all the 50 states. We are hopeful that by Q3 of FY 2024-25, we will start selling our products directly in the U. S. market.

“Henceforth, our game will be that of marathon and not sprint.”

As a corporate citizen, Caplin always follows environmental, social and sustainability best practices for the best of the stakeholders’ interest. We are putting our best foot forward in terms of ensuring environmentally friendly operations in all our units. We are also focusing on empowering women in the surrounding areas of our facilities by giving them more and more of fair and profitable employment opportunities. We are investing in setting up a healthcare facility in a rural village in Thiruvallur district in the vicinity of the factory as part of our CSR initiatives. This will be the first facility which will concentrate on breast cancer diagnosis and treatment (through Mammogram), cardiac arrest, stroke etc. This healthcare facility is expected to cater to the demand for quality healthcare with little or no cost to the people at the bottom of the pyramid.

We are consistently striving to leave least possible carbon footprint in form of industrial waste and natural resource usage.

“We are and will always be a contributor and not a polluter.”

We have now embarked on the next stage of growth trajectory and the Caplin team is fully committed to continue to build on the momentum over the coming year. Our success is made possible by the hard work and dedication of our teams, the trust of our investors, and the guidance of our stakeholders. We remain committed to quality, safety, compliance and operational excellence.

I would like to express my sincere gratitude to the Board for its continued guidance and support. I also convey my heartfelt appreciation for all our business partners, vendors and other business associates who have firmly stood by your Company. We deeply value the faith, guidance and support of all our shareholders and will continue to strive for greater heights and excellence in the years to come.

Warm regards,

C C Paarthipan
Chairman





From the **MD's Desk**



Our market development continued on both ends of our business – emerging markets as well as U.S. & regulated markets. Our capex and opex projects progressed very well and we were able to add to our capabilities as per our strategic agenda.

Dear Shareholders,

It is indeed my immense pleasure to bring to you, the Company's performance, operational highlights and key developments during FY24.

FY24 has turned out to be another year of unique milestones and bigger outcomes for better tomorrow. Our quest to perform better, create value and ingrain sustainability into growth and profitability, continued unabated. Our revenues grew, our profitability growth was even better than revenue growth and we were able to increase our cash & cash equivalent significantly. Our market development continued on both ends of our business – emerging markets as well as U.S. & regulated markets. Our capex and opex projects progressed very well and we were able to add to our capabilities as per our strategic agenda.

Your Company featured on the Forbes list of 'Asia's 200 Best Under a Billion Company'. This was our 7th recurring recognition on this coveted list which is also the most for any pharmaceutical company.

During FY24, we posted our highest ever financial performance. Our total revenues reached ₹1,761 Crores in FY24, up by 16% from ₹1,523 Crores in FY23. Our revenue mix in terms of geographic contribution became more versatile with U.S. & regulated markets contributing 18%, Emerging Markets contributing 80% and Africa Markets contributing the remaining 2%. Our Operating Profit (EBITDA) was up by 24%, from ₹497



During FY24, we posted our highest ever financial performance. Our total revenues reached ₹1,761 Crores in FY24, up by 16% from ₹1,523 Crores in FY23. Our revenue mix in terms of geographic contribution became more versatile with U.S. & regulated markets contributing 18%, Emerging Markets contributing 80% and Africa Markets contributing the remaining 2%.

Crores in FY23 to RS.618 Crores in FY24. Our Net Profits (PAT) grew from by 22% from ₹377 Crores in FY23 to ₹461 Crores in FY24. Our fiscal prudence and commitment to value creation have led us to stay a zero-debt Company with ₹916 Crores of Cash Reserves in FY24, which were up from ₹772 Crores in FY23.

FY24 has been a genuine game shifting year for your Company. During the year, your Company made many-a-unique headways across markets, products and projects. These milestones are going to fuel the next phase

of our growth journey which will be steadily-paced, with growth and profit sustainability deep ingrained.

The major developments during FY24, across products, markets, project and regulatory functions are as under:

MARKET DEVELOPMENTS:

During the year, Caplin Steriles USA Inc was established as part of our unique strategy for bigger gains in the U.S. market. This new entity has its operational headquarters at Hamilton, New Jersey and registered office at Delaware. This will be the front-end arm of Caplin Steriles Limited which will provide us with our own brand presence in the U.S. market. Caplin Steriles had received its First Otic Product approval, filed three (3) Ready-To-Use Bag Products and first Emulsion Injection and has also received USFDA Approvals for various New Products.

Your Company had received major orders for speciality products from LATAM Markets. This new order would be serviced through CMO model initially, before moving to own high potent site in coming months. Along with this, your Company is actively pursuing opportunities in more regulated markets like Canada, Australia, MENA, Russia/CIS as well as expanding its presence in the larger LATAM markets of Mexico and Brazil in the near to medium-term horizon.



REGULATORY DEVELOPMENTS:

On the Regulatory side, Caplin Steriles facility and Caplin Point's Softgel Facility got INVIMA Colombia Approval giving a big boost to our plans to launch products in newer markets of Mexico, Chile and Colombia. Meanwhile, USFDA GMP and PAI Inspection of Caplin Steriles' Gummidipoondi site was completed during the year with four minor observations which were procedural in nature and for which corrective and preventive actions have been completed within the stipulated period. There were also no repeat observations or observations pertaining to data integrity.

CAPEX PROJECTS:

This year saw brisk activity on the Capex front. The Oncology facility at Kakkalur established by Caplin One Labs, a wholly owned subsidiary of your Company, has commenced its operations in March 2024. This capacity addition is expected to add significant value going forward. Your Company progressed towards installation of unique 'Dual-Chamber Syringe' line at its Puducherry facility. This line will produce Dual-Chamber, Pre-Filled Syringe products for LATAM Markets. As a product, this is a segment with limited competition.

Last, but not the least, your Company has committed to invest up to ₹700 Crores in Tamil Nadu state on various projects vide an MOU signed with the Government of Tamil Nadu at the Tamil Nadu Global Investors Meet, 2024.



Our unique business model of providing best quality products at affordable prices to the Bottom of Pyramid (BoP) through own distribution network continues to be our strength. However, we will be fast adapting to a rather more brand driven, process-focused and highly regulated business model for the U.S. and regulated markets. Our R&D spends are steady even with a higher revenue base and our product development and filing are likely to continue at the present pace.

R&D DEVELOPMENTS:

Your Company's R&D expense for the last three years has remained steady at 4.5% as a percentage of revenue even at a 16% higher revenue. The R&D expenses increased in value terms from ₹66 Crores in FY23 to ₹76 Crores during the financial year. Amaris Clinical, the CRO wing of Caplin Point, completed BE studies for nine products during the year and is expected to complete BE studies for eight more products during the year 2024-25. As at end of the financial year, your Company had 27 ANDAs that stand approved from a total of 39 ANDAs filed.

IT AND TECHNOLOGY DEVELOPMENTS:

Your Company is progressively working on digitalization of operations beyond just plant automation. We are working actively on developing our own software program to further opportunities. This software development may work well towards future asset-light associations/ collaborations.

FUTURE OUTLOOK:

Going forward, our emerging markets business is expected to grow at a steady pace while the U.S. & regulated markets are expected to grow at a much higher pace, providing a strong alternate growth engine for the future. Our unique business model of providing best quality products at affordable prices to the Bottom of Pyramid (BoP) through own distribution network continues to be our strength. However, we will be fast adapting to a rather more brand driven, process-focused and highly regulated business model for the U.S. and regulated markets. Our R&D spends are steady even with a higher revenue base and our product development and filing are likely to continue at the present pace. With markets improving and the Indian economy performing better, we can expect good times ahead for the economy, industry and our business.

Dr. Sridhar Ganesan
Managing Director



Speaks on our **LATAM Markets**

ASHOK PARTHEEBAN **BUSINESS HEAD LATAM**

“Get closer than ever to your customers. So close, in fact, that you tell them what they need well before they realize it themselves.”

– Steve Jobs

Key to our continuous growth in Latam has been our ability to understand the changing dynamics on a firsthand basis because of our local presence in these countries. The first thing we understood going into FY 2024 was that the COVID-related business was coming to a quicker end than other companies were able to foresee. We continued to keep an eye on our stock positions and also the stocks at

our wholesalers and retailers, especially on these products to make sure that we never had an impacting expiry issue or a sales return issue. Once that was taken care of, we needed to see how we could continue a healthy and sustainable growth going forward without hoping for another pandemic to be a tool to catapult us. *Like the saying goes, “banking on luck is never a good strategy and hope is not a good tactic either”.*



Our investment in R&D has always been an ace up our sleeve. While most of our competitors turn to even copy the color of our tablets and our boxes, they fail to understand that price is not the only motivator for a local retailer. That's the main reason we continue to launch newer products and innovative drug delivery systems that smaller countries in Latam are not used to. We launched 9 different products in pre-filled syringes. We launched 35 other molecules in OSD, soft gels and injectable in FY 2024.

I'm also proud to inform that we have successfully registered 24 oncology products in Central America and they contributed to \$3.2m in sales during the financial year. Going forward, this area will be a key contributor to our revenue and margins. Sales in our subsidiaries in Latam grew a healthy 9% in comparison to our previous FY. Total sales of Latam grew from \$123.9m to \$135.13m in FY 2024. El Salvador, headed by Mr. Senthil Kumar, is a market which despite its small population and strong competition has perennially helped in our growth and has significantly contributed to our bottom line. We have 50 products in the pipeline which will get us desirable margins in the next two years. Notable improvements came from Nicaragua which grew by 16% due to the oncology sales and Honduras which improved by 20% because of new launches and venturing into brand marketing.

Two countries we are banking on for the next financial year are Chile and Mexico. We have around 90 products registered in Chile and have won Cenabast contracts for 15 products

that will be going through to FY 2025. Chile has shown a growth of 37% in comparison to the previous year. We have recently appointed a country head for Chile to head our local operations. Previously, we were exporting to importers but with a basket of 90 products, we believe that it's the right time that we started being closer to our customers in Chile as well.

We exported our first million dollars to Mexico in 2024. We may only have 7 products registered but there are 23 in pipeline which will eventually be approved before the end of 2024 or early 2025. We have also struck deals with 4 large Chinese companies that have FDA or EU approvals for oncology, penicillin and Cephalosporin preparations for Mexico. In total we are yet to file around 50 products in Mexico from our own facilities and these Chinese partners. Our soft gel facility in Puducherry passed INVIMA inspection which means that we will be able to register our fast-moving gels also in Mexico.

We have our eyes set on Venezuela too for 2025. We will be filing 50 fast selling molecules in that country based on our previous experience. The regulations are slowly changing in this country, which is for the better for companies focusing on selling quality products at affordable prices. Previously, anyone with a freesale certificate could export to Venezuela through an import permit. The MOH is putting a restriction on such permits, and it will be only through permanent sanitary registrations that a company would be able to export into Venezuela. We will be well prepared when that law comes into existence in 2025.

When we started two of our own retail pharmacies in 2008 in Guatemala as an experiment, little did we know that this experiment would lead to such a huge advantage in having a say in future product launches. Although we couldn't reach the magic number of 50 retail stores this year, we managed to open 4 more to reach 45 retail stores. We have a database of 46,000 chronic patients who are affiliated to our loyalty program by name "plan confianza caplin" where we give them the third month prescription for free if they purchase the first two months.

From everything I have mentioned above, our shareholders can see that we are a company built on solid foundation which is a powerful combination of R&D, staying closer to the customer and being data driven. Evolution is the word that comes to my mind when I look back from the day I started working with Chairman as a 21-year-old in 2003 to this date. Like what Peter Thiel says in his famous book, "progress without planning is evolution". These days, I'm working closely with my brother and COO Vivek on the front-end of our US operations also. After all, what is a butterfly if not the flowering of a caterpillar.



Speaks on our

Regulated Markets Business

VIVEK PARTHEEBAN
CHIEF OPERATING OFFICER

Caplin Steriles continues to be an outperformer for the organization, as we consolidate our position in the Regulated Markets, specifically US where we currently sit on 27 product approvals. In addition, we have another 12 products under active review with US FDA and a pipeline of more than 40 ANDAs that are at various stages of development at R&D.

The company has shown a remarkable 51% increase in topline growth compared

to last year, and continued its breakeven status with a decent bottom line. This is despite continuing to spend on R&D, Regulatory, Facility and product filings. Cashflow of the company has increased at a robust pace during the year. The growth in revenue is attributable to increase in market-share in existing products combined with a slew of new launches. The revenue mix is stable at 75% - product revenue and 25% - Milestone and Profit Share.



The current year is expected to outshine the previous year once again since the company's order book and pipeline remains robust. Caplin Steriles' entry into the Ophthalmic space has commenced with approvals for 5 Ophthalmic/Otic products in quick succession and 4 of these have been launched already with partners, and the last one to be launched in the coming months. In addition to Ophthalmic products, the company is glad to announce the first approval for a Ready to Use (RTU) Bag product, which will be launched in January 2025. Our pipeline of products pending approval with FDA is a healthy mix of Injectable solutions, suspensions, emulsions, RTU Bags, Ophthalmic solutions and Emulsion.

This diversified portfolio of offering puts the company in a strong position towards its next daring development – setting up Caplin Steriles own label in the US. Taking a leaf out of the parent company's book, Caplin Steriles is embarking on a strategic evolution in its foray into regulated markets, which is to have our own distribution in the US. The company is in a unique position where it can get to market with nearly 15+ products, under its own label, within the first 12 months of getting all state licenses. In connection with this, the company has already set up Caplin Steriles USA Inc (CSU), registered in Delaware and headquartered out of Hamilton, New Jersey. The company is

shortly setting up an office in Chicago as well, a location known very well for generic injectable companies in the US. CSU already has 5 people on its rolls, covering all major aspects of sales and distribution, each coming in with decades of experience in the industry. I am also working closely with my brother and Business Head - LATAM Ashok to further fortify the front end presence in the US.

In due course of time, the company will also look to in-license products from highly quality conscious suppliers, to augment its portfolio in the US. We have identified 3 manufacturers already and are in active discussions in this regard. This is once again following a pattern of the parent company, where outsourcing continues to play a major role in its success.

As a company, we have 4 major non-negotiables, which we call the pillars of the company – Integrity, Quality, Safety and Productivity. This laser-sharp focus on these pillars is surely expected to result in Caplin Steriles clearing the USFDA Audit (which was underway as of the date of this report) and the expected audit from Brazil-ANVISA without any observations. Productivity hasn't taken a backseat either, as the number of units of products sold has grown by 77% compared to last year.



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Caplin aims to complete further expansion (under a separate FEI number), within the next 18 months, where 4 more production lines will be added. This unit will have the highest levels of automation and will be digitalized entirely from day one.

As a company that aims to be at the forefront of cutting-edge improvements in technology, we continue to place the highest emphasis on automation and digitalization at our facility. Our Quality Control and Microbiology departments are nearly 80% paperless and we aim to go 100% paperless within this year. We're in the process of converting our entire array of Physical Logbooks into e-Logbooks, which will be completed in the next few months. This is a precursor for our eventual plan of converting all Batch Manufacturing and Packing Records also into electronic format, whereby we can call ourselves truly paperless.

In addition to the US, the company has filed and received approvals from several other regulated markets such as Canada, Australia, Mexico, UAE, South Africa etc,

which are likely to boost the company's growth in the coming years. With the expected ANVISA approval, the company will renew its focus on Brazil, a key target for our expansion into the larger markets of Latin America.

Caplin prides itself on being future-ready, and in line with this mantra, we have completed our expansion of the CSL plant Phase 2, adding a High-Speed Vial line from Sytegon (Bosch), which has already started making an immense contribution to the revenues. A pre-filled syringe line from Steriline Italy is also added, which is under qualification and we expect to file products from this line in 8-9 months. In addition to this, Caplin aims to complete further expansion (under a separate FEI number), within the next 18 months, where 4 more production lines will be added. This unit will have the highest levels of automation and will be digitalized entirely from day one.

Shortages in the US market for injectables continues to be at sky high levels, and our entry with our own label puts us in a good position to help do our part in alleviating this to some extent. Sticking true to our motto of taking the road less travelled, CSU will focus on the smaller and underserved accounts at the bottom of the pyramid in the US, rather than targeting the largest GPOs and Wholesalers. We understand this may

not be the fastest way to grow revenues, but we have seen from Latin America that this is indeed the more sustainable way to grow our presence in the US. And once our foothold is established using our high levels of compliance and supply continuity, we feel this business model will be richly rewarded.

There is no alternate to having "skin in the game", especially when it comes to growing a fledgling business, and one where the variables are numerous in number. Our Chairman has been at CSL facility managing overall strategy and operations for the last couple of years and we're glad to report that the result is in plain sight for everyone to see. The same is well appreciated by the numerous auditors who have visited the facility.

Caplin Steriles will continue to be an outperformer for the overall organization as it matures into an organization that mimics the parent company in all benchmarks. We remain excited to drive this next level of growth in the Regulated market space that will bring in immense value to its stakeholders in the coming years.



Our Digital Vision

The company will pursue a dual-path digital strategy, driving the adoption of advanced digital solutions as detailed above, while simultaneously elevating its existing investments in S/4 Hana, Labware LIMS, and e-commerce to world-class standards.

Speaks on our **Digital Transformation**



T. MANIKANDAN

CHIEF TRANSFORMATION & DIGITAL OFFICER

Digital transformation is revolutionizing industries across the board, and the pharmaceutical sector is no exception. The industry is undergoing a profound digital overhaul, driven by the need to boost efficiency, enhance business outcomes, and comply with stringent regulatory requirements. Integrated, cutting-edge digital platforms—encompassing Industrial Internet of Things (IIOT), Smart Factories, Digital Twins, DataOps, AI/ML, XR, and Blockchain—hold tremendous potential to redefine every facet of the pharmaceutical value chain, from R&D and drug discovery to clinical trials, manufacturing, distribution, and personalized patient care.

Over the past decade, Caplin's exponential growth has significantly enhanced shareholder value, fuelled by its unique business model and unwavering commitment to its four core value pillars of Integrity, Quality, Safety, and Productivity.

As part of its ambitious growth strategy for the next decade and beyond, Caplin is poised to

propel itself forward with a cutting-edge digital transformation roadmap that integrates its factories, global supply chains, customers, and markets, ensuring a robust and sustainable growth model. The company will pursue a dual-path digital strategy, driving the adoption of advanced digital solutions as detailed above, while simultaneously elevating its existing investments in S/4 Hana, Labware LIMS, and e-commerce to world-class standards.

SMART MANUFACTURING

At Caplin, manufacturing operations are at the heart of our business model, and we are poised for continuous expansion with new production lines and vertical integrations to support the business growth. Therefore, central to our digital transformation is the implementation of comprehensive shopfloor digitization, encompassing Master Batch Record (MBR), Batch Manufacturing Record (BMR,) Batch Packing Record (BPR), and evolving subsequently to sophisticated digital twin solutions. This will form the backbone of our smart manufacturing strategy.

Our approach to smart manufacturing will be deployed across all production facilities, addressing every facet of the shopfloor—from batch and packaging management to workflow automation of production lines and areas. This includes precise tracking of all shopfloor activities including SOPs and logbooks, digitization of Quality Assurance processes, and real-time machine integration. Robust dashboards will offer insights into asset performance, efficiency, productivity, safety, and quality, providing a comprehensive view of manufacturing operations.

Moreover, our smart manufacturing solutions will be seamlessly integrated with S/4 Hana and Labware LIMS, enabling real-time data collection and analysis. This integration will support informed decision-making and drive continuous improvements in manufacturing processes. By enhancing traceability and ensuring rigorous compliance with global regulatory standards, our digitized shopfloor solutions will boost productivity, visibility, control, and compliance, as well as provide scalable and repeatable solutions for future business growth.

DIGITAL TWINS

Pharmaceutical manufacturing is uniquely complex due to the involvement of chemicals and the stringent regulatory environments designed to protect human health and safety. In such a dynamic and highly regulated industry, digital twins—a virtual replica of physical assets and processes—emerge as a transformative technology.

At Caplin, digital twins can become instrumental in monitoring and managing



The CRM system will collect and analyse customer data, providing valuable insights into buying patterns and feedback. This intelligence will allow Caplin to refine its marketing strategies, optimize the performance of our sales force, and elevate customer service.

our manufacturing processes in real-time, ensuring that medicines are produced with precision quality and specification. This technology will enable the simulation and optimization of manufacturing processes, providing decision-makers with real-time insights into asset behaviours, which can optimize production costs and time.

By synchronizing physical assets with their digital counterparts through continuous two-way digital exchange, digital twins can offer insights that are otherwise inaccessible during both the production process and the asset's operational lifespan. This connection will facilitate a comprehensive view of the production environment, allowing for real-time monitoring and control while ensuring consistent and predictable quality.

Moreover, digital twins will enable the simulation of various scenarios, helping us to

identify opportunities for improvement and implement proactive measures. This capability not only enhances existing processes but also can support the development of new products by offering a virtual testing environment, thereby accelerating innovation cycles.

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

As Caplin expands its presence into developed markets like the United States, CRM would be an important initiative as a part of our long-term digital strategy. Implementing a robust CRM system for our institutional customers in these markets will enable us to better understand and engage with them, delivering personalized experiences that lead to customer satisfaction and loyalty.

The CRM system will collect and analyse customer data, providing valuable insights into buying patterns and feedback. This intelligence will allow Caplin to refine its marketing strategies, optimize the performance of our sales force, and elevate customer service. By leveraging CRM, we aim to build deeper relationships with our customers, foster long-term loyalty, and drive sustainable business growth.

DATA LAKEHOUSE

A proprietary Data Lakehouse with a unified data platform that integrates both structured and unstructured data from various sources will empower Caplin to efficiently store, process, and analyse large volumes of data. This modern data platform will deliver valuable insights, driving informed decision-making across the organization.

The integrated data platform will support advanced analytics, machine learning, and AI applications, providing a comprehensive view of Caplin's operations. The Data Lakehouse will also strengthen data governance, ensuring the integrity, quality, security, and compliance of data with regulatory standards. By leveraging this powerful platform, Caplin can gain deeper insights into market trends, operational performance, and customer behaviour, thereby driving business growth.

ARTIFICIAL INTELLIGENCE (AI)

In the realm of pharmaceutical manufacturing, especially for generics across all dosage forms, AI technologies can play a pivotal role in enhancing business efficiency, quality, and scalability. AI-driven technologies can revolutionize production processes by enabling real-time monitoring, predictive maintenance, and process optimization. These advancements ensure consistent product quality and compliance with stringent regulatory standards.

At Caplin, AI algorithms can optimize manufacturing processes by analysing historical data and identifying patterns that lead to continuous improvements and operational excellence. By continuously learning and adapting, AI systems can recommend adjustments to process

parameters, resulting in predictive yield improvements and reduced waste.

AI can also enhance quality control. Machine learning models can analyse data from various stages of our production for strict compliance with our standard operating procedures. This real-time monitoring allows for immediate Corrective and Preventive Actions (CAPA), ensuring that every batch meets the highest quality standards.

Moreover, AI-powered image recognition systems can be used for automated inspection of tablets, capsules, and other dosage forms, to monitor parameters that may not be visible to the human eye. This automation elevates the precision and consistency of quality assessments.

AI's contribution can extend to our predictive maintenance as well. By analysing data from various equipment, AI can predict potential failures and maintenance needs before they occur. This proactive approach minimizes downtime, reduces maintenance costs, and ensures smoothest production.

Furthermore, AI can play a crucial role in promoting sustainable production. By continuously analysing energy consumption

patterns, AI algorithms can suggest strategies to reduce energy usage without compromising product quality. This not only lowers operational costs but also supports sustainability initiatives by reducing the environmental footprint of our manufacturing operations.

EXTENDED REALITY (XR)

Extended Reality (XR) technologies, particularly Virtual Reality (VR), hold significant potential for transforming training and development in pharmaceutical manufacturing. By leveraging VR simulations, Caplin can create immersive, hands-on training experiences that enhance employee skills and productivity. These simulations can replicate complex manufacturing processes, allowing employees to practice and perfect their tasks in a risk-free environment. This ensures that our workforce remains well-prepared, continuously trained, and equipped to maintain the highest standards of operational excellence.



Board of Directors



MR. C.C.PAARTHIPAN

Chairman

Mr. Paarthipan is a first generation entrepreneur. He has more than 3 decades of rich experience in the Pharmaceutical industry. He started his professional journey in the 80's as a medical representative. Over the decades, he has scaled multiple heights to bring Caplin Point to its present position. Visionary with strong decision making and absolute commitment, choosing unique opportunities and braving big challenges, he has taken the Company's products to different corners of the globe, catering predominantly to the market's bottom of the pyramid (BoP) part with a combination of good quality and affordable products. As Chairman of the Board, he continues to actively head the organization in its multi-pronged growth journey.



DR. SRIDHAR GANESAN

Managing Director

Dr. Sridhar Ganesan comes with over 3 decades of experience in varied global leadership roles in the Pharmaceutical Industry. He has demonstrated his prudent skills in roles including but not limited to Profit Center Management; Global Marketing; Middle East and African engagement; international collaborative and cooperative relationship building; new pharmaceutical project planning & implementation; production; new product development; Quality Assurance; and Factory Management. Currently he is Managing Director of Caplin Point Laboratories Limited and spearheads the Company's rapid growth with a global footprint. Previously, he has held leadership positions in several international assignments and has expertise not only in the industry but also in unique needs of developing countries in South Asia, Middle East and Africa.





MR. D. SATHYANARAYANAN

Independent Director

Mr D Sathyanarayanan has over 30 years of experience in the application development and implementation of software. He brings valuable expertise in expansion into newer horizons. Previously, he was Chief Technology Officer at MedTech India, a health care solutions provider. He has a Bachelor's degree from Indian Institute of Technology and a Master in Science from Stanford University.



DR. R. NAGENDRAN

Independent Director

Dr R Nagendran has a Ph. D in Ecology & Ethology and an M. SC in Zoology. He is a Former Expert Member of the National Green Tribunal and former Head of Department of Environmental Science in St. Joseph's College, Bangalore. He a qualified ISO Environmental Auditor, approved by Environmental Auditors Registration Association (EARA) and ANSIRAB-QSD, USA. He had taught Environmental Science in various prestigious institutions like Anna University. His areas of expertise include Environmental Management, Sustainability and Policy advisory among others.





DR. C. K. GARIYALI

Independent Director

Dr C K Gariyali, is a retired IAS officer and holds a Doctorate in Women Studies and she has been Principal Secretary to the Governor of Tamil Nadu from 2005- 2008 and Secretary to Honourable Chief Minister of Tamil Nadu from 2001-2002 and she has been district collector of Madras and South Arcot Districts from 1981-1984 and she has held various administrative positions in various government organisations during her career.

She has worked with various International Agencies like World Bank, DANIDA (Danish International Development Agency), CIRDAP (Centre for Integrated Rural Development in Asia and Pacific), IFAD (International Food and Agricultural Development Agency), etc.

She has served on various committees constituted by Government of India and International Agencies like:

National Committee on Maternal and Child Health
National Committee on Social Security and Safety Net
National Committee on School Noon – Meal Program
UNICEF Committee on Twenty Point Programme for child

Dr C K Gariyali is involved in various community work with prime focus on women empowerment, poverty eradication and reduction, amongst the women through self- help groups/movements and she is a founder trustee of Equitas Development Initiative Trust which primarily focuses on empowering small business women, vendors and hawkers and improving their standards and quality of living. She has authored various books on women empowerment and received various state awards from Government of Tamil Nadu and India and from NABARD for Excellence in Credit Linkage to Self Help Groups.



MR. S DEENADAYALAN

Independent Director

Mr S Deenadayalan is a Post Graduate degree in Social Work from Madras School of Social Work and Under Graduate degree in Sociology from Annamalai University. He has extensively worked and mentor's individuals enabling them to become successful professionals and more than 30,000 municipal school students have been benefitted by his idealistic model. He is Founder of CEO group (Customer, Employees, Owner or Organisation). His areas of expertise include entrepreneurship, leadership mentoring, Human Resource Management etc



Corporate Information



BOARD OF DIRECTORS

Mr. C C Paarthipan, Chairman
Dr. Sridhar Ganesan, Managing Director
Mr. D Sathyanarayanan, Independent Director
Dr. C K Gariyali, Independent Director
Dr. R Nagendran, Independent Director
Mr. S Deenadayalan, Independent Director

CHIEF FINANCIAL OFFICER

Mr. D Muralidharan

COMPANY SECRETARY

Mr. Venkatram G

STATUTORY AUDITORS

M/s. Brahmayya & Co.
Chartered Accountants, Chennai

SECRETARIAL AUDITORS

M/s. M. Alagar & Associates
Practising Company Secretaries, Chennai

BANKERS

CSB Bank Ltd.
Axis Bank Ltd.
ICICI Bank Ltd.
Kotak Mahindra Bank Ltd.

REGISTERED & CORPORATE OFFICE

3rd Floor, "Ashvich Towers", No.3,
Developed Plots Industrial Estate, Perungudi,
Chennai - 600 096.

FACTORIES

UNIT I

85/3, Suthukeny Village, Mannadipet
Commune Panchayat, Puducherry – 605 502.

UNIT IV (Caplin Steriles Ltd.)

Survey No.895 & 897, Guruvarajakandigai,
Sirupuzhalpettai (post), Gummidipoondi
Taluk, Thiruvallur - 601201

UNIT IX (Caplin One Labs Ltd.)

G 44 - 46, SIDCO Industrial Estate, Kakkalur,
Thiruvallur District, Tamil Nadu - 602 003

UNIT X

Plot no 28-H and 28-I, APIIC, AP-SEZ,
Denotified Area Rambilli Mandal,
Atchutapuram Visakhapatnam, Andra
Pradesh -531011

R&D

UNIT III

Plot No.44,8th Avenue Domestic Tariff Area,
Mahindra World City, Chengalpattu Taluk,
Chengalpattu - 603 004

UNIT V (Caplin Steriles Ltd.)

AshvichTower, 2nd Floor, No 3 Developed
Plots Industrial Estate, Perungudi,
Chennai - 600096

UNIT VI

4th Floor, Plot No. 95 & 96, Road no.9, ALEAP
Industrial Estates, Gajularamm Village,
Qutbullapur Mandal,
Hyderabad - 500 090.

UNIT VII

Module no.307 & 308, 3rd Floor, Tichel Park,
Phase II, CSIR Road, Taramani,
Chennai - 600 113.

UNIT VIII

Ashvich Towers, No. 3, Developed Plots,
Industrial Estates, Perungudi,
Chennai – 600 096

Caplin Point Meenakshi Hospital

No. 19, Chinnapuliyur Village,
Sirupuzhalpettai (Post), Gummidipoondi
Taluk, Tamil Nadu – 601 201.

STOCK EXCHANGES WHERE SHARES OF THE COMPANY ARE LISTED

National Stock Exchange of India Limited
(NSE) - CAPLIPOINT
BSE Limited (BSE) – 524742

Registrar and Share Transfer Agent

M/s. Integrated Registry Management
Services Private Limited
Unit: Caplin Point Laboratories Ltd.
IInd Floor, "Kences Towers" No.1 Ramakrishna
Street, North Usman Road, T Nagar,
Chennai - 600 017.
Phone: 044 2814 0801 - 803
Fax: 044 2814 2479
E-mail: csdstd@integratedindia.in

Website & E-mail

www.caplinpoint.net
investor@caplinpoint.net

Corporate Identification Number (CIN)

L24231TN1990PLC019053

Unique Societal & Environmental Needs.

Bigger Engagements.

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY.

At Caplin, we are deeply committed to giving back to society and the environment through our business operations. This commitment is woven into our vision, strategies, and operational excellence, ensuring that society, the environment, and our people are integral to our growth journey. Over the years, Caplin has fostered strong connections with communities around its areas of operation and other locations. Our objective is to actively engage with society, promoting financial inclusion, social inclusion, good health, and education for all.

AS PART OF CAPLIN CARES INITIATIVE, WE TARGET THE FOLLOWING GOALS GOING FORWARD:

- Strive to achieve Zero Liquid Discharge at all our facilities
- In an era marked by persistent climate change and human-induced disasters, Caplin is committed to alleviate human suffering by providing comprehensive disaster relief support such as relief funds, essential food

supplies, medicines, and other critical materials to sustain livelihoods in communities affected by such disasters.

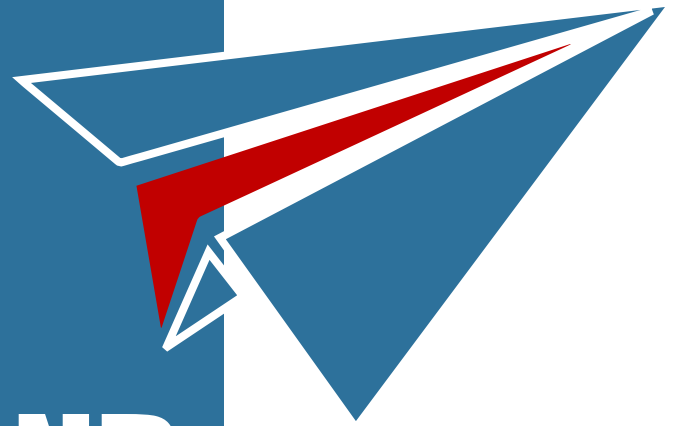
- We are committed to expanding the utilization of renewable energy sources, aiming to surpass the reliance on traditional energy sources.
- We are committed to integrate our value chain partners into all sustainability and social responsibility initiatives, ensuring a collaborative approach to achieving shared goals.
- We prioritize the recruitment of employees from disadvantaged communities and local areas wherever feasible. The Company also invests in creating a sustainable talent pipeline by offering industry-relevant skill development programs and nurturing local talent through internship opportunities at educational institutions near

its corporate and manufacturing facilities.

- We are dedicated in maintaining a safe and healthy workplace environment for all our employees.
- We are committed to making quality healthcare accessible to underprivileged communities by organizing medical camps, supporting treatments, and establishing charitable hospitals. Towards this, we are already at the advanced stage of setting up a comprehensive Hospital cum Diagnostic center serving the local needs.



MANAGEMENT DISCUSSION AND ANALYSIS



ECONOMIC OVERVIEW

GLOBAL ECONOMY

The global economy is anticipated to grow at a steady pace in 2024 and 2025, sustaining the growth rate of 3.2% recorded in 2023.

This stability reflects a balance between slight growth acceleration in advanced economies and a modest slowdown in emerging markets and developing economies. Advanced economies are expected to experience growth increasing from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. Conversely, growth in emerging markets and developing economies is projected to decline marginally from 4.3% in 2023 to 4.2% in 2024 and 2025.

Several factors contribute to this growth outlook. These include the persistence of high interest rates aimed at controlling inflation, the gradual reduction of fiscal support, and low underlying productivity growth. The global inflation rate is expected to decline from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies likely to achieve their inflation targets sooner than emerging markets. Despite these challenges, the global economy has demonstrated remarkable resilience, supported by favourable supply developments and significant central bank rate hikes. The main risks to the global economic outlook remain geopolitical tensions, persistent core inflation, and potential new price spikes. Conversely, faster-than-expected inflation declines, timely

structural reforms, and advancements in artificial intelligence could boost productivity and economic growth.

Source: International Monetary Fund

INDIAN ECONOMY - OVERVIEW

The Asian Development Bank (ADB) upgrades India's gross domestic product (GDP) growth forecast for fiscal year (FY) 2024 ending on March 31, 2025 from 6.7% to 7% and 7.2% in FY2025, driven by robust public and private investment and strong services sector.

The drivers for growth in FY2024 include higher capital expenditure on infrastructure development both by central and state governments, rise in private corporate

investment, strong service sector performance and improved consumer confidence. Growth momentum is expected to accelerate in FY2025 backed by improved goods exports and an increase in manufacturing productivity and agricultural output.

INDIAN ECONOMY - PERFORMANCE

Growth increased to 7.6% during FY 2023-24 primarily driven by manufacturing, construction and service industries. Agricultural growth dropped sharply due to the impact of erratic rainfall. This decline was offset by an increase in manufacturing growth to 8.5%. Construction sector also grew significantly by 10.7% due to strong housing demand. Service industry, which



account for 50% of GDP, increased by 7.5%, led by financial, real estate, and professional services. Net indirect taxes received a boost in FY 2023 due to a reduction in central government subsidy expenditure following high fertilizer subsidies in FY 2023.

Increase in investment led to the growth of GDP in FY2023 while consumption remained muted. Gross capital formation increased by 10.2% in FY2023-24, contributing 3.4% to GDP growth as public and private sector capital expenditure expanded significantly. Consumption was subdued, however, with growth falling to 3% due to weak rural demand and modest growth in public consumption under fiscal consolidation, adding 2.1% to growth. Exports increased modestly at 1.5% in real terms, while imports grew by 10.9%, driven by greater domestic demand for inputs and capital goods. As a result, net exports declined, reducing 2.3 % points from growth.

This sustained growth trajectory is expected to propel India closer to the USD 7 Trillion mark, making it the third-largest economy in the world by 2031. The government's continued focus on infrastructure development, digitalization and economic reforms, coupled with India emerging as a preferred manufacturing hub, is expected to enhance productivity and support long-term growth.

INDIAN PHARMACEUTICAL INDUSTRY

India's pharmaceutical market, currently valued at USD 50 Billion is the world's



third largest by volume. With a diversified product base covering generic drugs, active pharmaceutical ingredients, bulk drugs, over-the-counter drugs, vaccines, biologics and biosimilars, the Indian pharmaceutical industry maintains a strong presence at the global level. Often referred to as the "Pharmacy of the world" it offers around 60,000 generic brands across 60 therapeutic categories, accounting for 20% of global generic drug exports by volume. It is not surprising that, 8 of the top 20 global generic companies are headquartered in India.

India's pharmaceutical sector boasts high rates of quality compliance, with 703 US FDA approved facilities (as of April 2023),

386 European GMP-compliant plants (as of November 2022) and 2418 WHO-GMP-approved plants. To further bolster the regulatory framework, in December 2023, revised pharma manufacturing rules were notified under Schedule-M relating to Good Manufacturing Practices, a mandatory requirement that safeguards quality and brings the existing regime in line with global standards.

India's pharmaceutical industry has traditionally been dependent on API imports from a single country. The Production Linked Incentives (PLI) schemes for bulk drugs and pharmaceuticals have helped stabilize the import of bulk drugs and improved

our supply chain resilience. Under the scheme, fermentation-based manufacturing capabilities got strengthened through production of antibiotics such as Penicillin G and Clavulanic Acid. The CAGR of import of bulk drugs between FY22 and FY24 was 2.3 per cent, as compared to the CAGR of 5.9 per cent for exports. India has become a net exporter of bulk drugs. During FY24, the value of export and import of bulk drugs was ₹39,632 Crore and ₹37,722 Crore respectively

CHALLENGES AND OUTLOOK

India is largely dependent on imports for many antibiotic APIs manufactured through fermentation. This dependency is largely due to a lack of cost-effective options in domestic API manufacturing compared to imports. Domestic infrastructure and R&D capabilities have improved considerably in recent years, but challenges persist.

Export has been driven by consistent innovation over the past 5-6 decades. The export growth can be sustained by increasing the capabilities in biopharmaceuticals manufacturing.

The next phase of growth in pharmaceutical sector requires skill advancement, leveraging innovation and technology, and developing a strong supply chain.

The government has implemented several measures to establish and support an ecosystem that promotes innovation. This is



reflected by the establishment of centres of excellence to facilitate collaborative research in the pharmaceutical sector, as well as in artificial intelligence for the health sector. The recently introduced Promotion of Research and Innovation in Pharma MedTech Sector is expected to drive a transformation in the pharmaceutical sector towards innovation.

Source: Economic survey 2024.

GLOBAL PHARMACEUTICAL INDUSTRY

OUTLOOK

The projected revenue in the pharmaceuticals industry is estimated to reach US\$1,155.00 billion in 2024. Among the various segments, Oncology Drugs are expected to be the largest, with a projected market volume of US\$194.10 billion in 2024. Looking ahead,

this sector is anticipated to exhibit an annual growth rate (CAGR 2024-2029) of 4.71%, resulting in a market volume of US\$1,454 billion by 2029. On a global scale, the United States is expected to generate the highest revenue of US\$630.30 billion in 2024. The Pharmaceuticals market encompasses various countries worldwide. Due to its advanced healthcare infrastructure and strong R&D capabilities, the United States remains at the forefront of pharmaceutical innovation worldwide.

CUSTOMER PREFERENCES

Customers in the pharmaceuticals market are increasingly seeking personalized and targeted treatments, with a focus on preventative healthcare. This has led to a rise in demand for precision medicines,

which are tailored to specific genetic profiles and offer more effective treatments with fewer side effects. In comparison to the revenue generated by prescription drugs, OTC pharmaceuticals only play a relatively minor role. The prescription drug market is predominantly characterized by original products. However, there is an increasing demand for OTC drugs, which are easily accessible and can be purchased without a prescription.

TRENDS IN THE MARKET

The pharmaceuticals market is characterized by disruptions due to innovative drugs and expiring patents. The market has traditionally been dominated by large pharmaceutical companies, which invests heavily in research and development to bring new drugs to market. However, there has been an increase in the number of generic drug manufacturers, who can offer cheaper alternatives to branded drugs. This has resulted in increased competition and a shift towards more affordable healthcare. In Europe, there has been a focus on cost containment, with governments and healthcare providers seeking ways to reduce the healthcare costs. This has accelerated the use of biosimilars, which are less expensive alternatives to biologic drugs. In Asia, the pharmaceuticals market has been growing rapidly, driven by an increasing demand for healthcare services and a rise in disposable income. There has been a focus on innovation, with

a rise in the number of biotech startups and a growing interest in precision medicine. Additionally, there has been a shift towards online pharmacies and telemedicine, which offer greater convenience and accessibility for patients.

LOCAL SPECIAL CIRCUMSTANCES

In general, the pharmaceuticals market is highly regulated, characterized by strict approval processes and strong patent legislation. Regulations, drug availability and approval, and duration of exclusivity differ significantly from country to country. In Africa, the pharmaceuticals market has faced challenges due to lack of infrastructure and regulatory frameworks, making it difficult for pharmaceutical companies to operate in the region. However, interest in the market is growing, with increased investment and partnerships with local companies. Additionally, efforts are being made to improve access to healthcare, with a rise in the number of mobile health clinics and community health workers.

UNDERLYING MACROECONOMIC FACTORS

The pharmaceuticals market is significantly influenced by macroeconomic factors, such as government policies, healthcare spending, and demographic trends. In developed countries, there has been a rise in healthcare spending, driven by an aging population and a rise in chronic diseases. In developing countries, there has been a focus

on improving access to healthcare, with a rise in government funding and investment from international organizations. Additionally, the trend towards digitalization and automation has enhanced efficiency and cost savings in the pharmaceutical supply chain.

Source: <https://www.statista.com/>

CAPLIN AT A GLANCE

We are one of the fastest-growing pharmaceutical company with a unique business model catering predominantly to emerging markets of Latin America and Africa. We are also one of the few companies that show consistent high-quality growth in Revenues, Profits and Cash flow over the last 15 years.

The Company has state of the art manufacturing facilities that cater to a complete range of finished dosage forms. The Company has also entered regulated markets such as US through its Subsidiary Caplin Steriles Limited and further has incorporated its step-down Subsidiary Caplin Steriles USA Inc during the year, for commencing its direct front-end distribution in the US from FY24-25.

FINANCIAL PERFORMANCE DURING THE YEAR

The Company delivered yet another stellar performance during FY 2023-24. Under the visionary Leadership of its founder Chairman and riding on the handwork and sustained

efforts of a young and dynamic operational leadership team, the Company was able to achieve its highest ever income of ₹1,761 crores during the year.

FINANCIAL HIGHLIGHTS

- Revenue grew by 16% YoY to ₹1,761 Crores
- Profit after Tax (PAT) at ₹461 Crores up 22% YoY
- Cash Reserves at ₹916 Crores, an increase of ₹144 Crores YoY
- Cash flow from Operations at ₹318 Crores, an increase of ₹47 Crores YoY

GEOGRAPHICAL REVENUES

- Revenue from Latin America and Rest of World at 82% and from the US at 18%
- Revenue of Caplin Steriles (Company's Subsidiary), crosses ₹100 Crores for the first time in Q4 FY 24.
- Caplin Steriles' revenue composition demonstrates a balanced mix of Product Supply and Milestone + Profit Share, with the split for FY 2023-24, in the range of 75% and 25% respectively.



Under the visionary Leadership of its founder Chairman and riding on the handwork and sustained efforts of a young and dynamic operational leadership team, the Company was able to achieve its highest ever turnover of ₹1,761 crores during the year.





CAPEX DETAILS DURING THE YEAR AND FUTURE PLANS

The Company has allocated an overall Capex budget of approximately ₹600-650 Crores for the investment projects, most of which are nearing completion. The intended Capex aims to enhance existing production capacities,

widen the product range, and achieve backward integration for a majority of the products. The Capex will be financed solely through internal accruals, and the Company will remain net cash positive throughout the process.


OTHER HIGHLIGHTS DURING THE YEAR:

- Delivered robust and consistent growth in the US, with revenue growing 51% over last year
- Total approved ANDAs under Caplin Steriles name – 21, including five approvals received during the year
- The Company has received INVIMA approval for its Softgel line at the CP-1 site in Puducherry, opening doors to key markets in Mexico, Chile, and Colombia. This complements Caplin's strong presence in the Softgel segment in Central America
- The company's dominant presence in Latin America continues to drive strong growth with continued focus towards Cashflow, Bottom Line and Top Line growth across all segments
- Caplin One Labs (Company's Subsidiary) commences commercial operations. Completes first shipment of products in March 2024.
- Company has shortlisted 25 Softgel products to be filed in Mexico over the

next 24 months, with all BE studies being done at Amaris Clinical, the in-house CRO facility of the Company

- Company's 7 Injectable products were approved in Mexico with a further 23 products under review
- Caplin Steriles has 12 ANDAs under review, with many of the approvals expected during the current financial year.
- Products under review are combination of Suspension and Emulsion Injectables, Ready-To-Use Bags and Ophthalmic Solutions and Emulsion

The intended Capex aims to enhance existing production capacities, widen the product range, and achieve backward integration for a majority of the products. The Capex will be financed solely through internal accruals, and the Company will remain net cash positive throughout the process



- The Company and Caplin Steriles had filed several products in non-US markets such as Canada, Australia, Mexico, South Africa, China etc. Approvals and launches are expected to commence within FY25.

UPDATE ON API FACILITIES

The API facility in Vizag is currently being refurbished and is anticipated to commence its operations between Q2 and Q3 of the FY 2024-25.

FINANCIAL RATIOS

Below are some of the Key Financial ratios:

Particulars	Consolidated			Standalone			Reason (If variation is more than 25%)
	FY 2023-24	FY 2022-23	Variance%	FY 2023-24	FY 2022-23	Variance %	
Debtors Turnover Ratio	3.62	4.13	(12.32)%	5.76	7.45	(22.60)%	
Inventory Turnover Ratio	2.22	2.57	(13.56)%	2.98	4.20	(29.07)%	Higher closing Inventory in Standalone books due to change in delivery terms from FOB to CIF during the current year
Current Ratio	5.71	5.79	(1.34)%	5.89	4.52	30.50%	Standalone: Increase in inventory as explained above together with increase in receivable and reduction in customer advance have led to higher current ratio.
Interest Coverage Ratio	NA	NA	NA	NA	NA	NA	
Debt Equity Ratio	NA	NA	NA	NA	NA	NA	
Operating Profit Margin %	35.11%	32.64%	7.57%	53.76%	50.82%	5.79%	
Net Profit Margin %	26.20%	24.76%	5.83%	38.82%	37.33%	3.99%	
Return on Net worth % (RONW)	21.69%	22.06%	(1.68)%	22.43%	22.63%	(0.89)%	Consolidated: Marginal decrease due to increase in base. Standalone: Marginal decrease due to higher dividend income in the FY 2022-23 when compared to FY 2023-24.

API facility dedicated for Oncology products is proposed to be set up in Thervoy Kandigai SIPCOT, Chennai. It is expected to commence its operations between Q1 and Q2 of FY 2025-26.

UPDATE ON US BUSINESS THROUGH CAPLIN STERILES USA INC

During the year, Caplin Steriles has incorporated its wholly owned subsidiary company in the USA namely Caplin Steriles USA Inc as part of the Company's initiatives

to commence its own front-end operations in the US. As on 31st March, 2024, Caplin Steriles USA Inc has received 25 out of 50 state licenses and is on target to launch its first products by Q3 FY 2024-25. It is also planning to launch 30 products (including 15+ products in own label) in the first 12 months of its operations.



RISK MANAGEMENT

The Company has a well - established process of risk management which, inter-alia, includes identification of design gaps, analysis and assessment of various risks, formulation of risk mitigation strategies and implementation of the same to minimise the impact of such risks on the business and operations. The process ensures that new risks, which might arise, or the impact of existing risks which might have increased, are identified and a strategy is put in place for mitigating such risks.

The major risks identified by the management are regulatory, competition, supply chain disruption, cyber & data security along with economic and political risks. The Board has formed a Risk Management Committee which periodically examines critical events impacting the risk profile, existing and emerging risks and other uncertainties, and monitors the progress of planned actions. A review of the risk management policy is carried out annually by the Risk Management Committee and the Board of Directors.

The Board of Directors directly oversee the risk management framework. The Risk Management Committee meets twice a year at the minimum and additionally whenever necessary. In addition, the Company's senior leadership team undertakes various risk governance measures at the operational level as per the requirements. While every company,



as part of its risk management strategy, tries to put in place mitigation measures to the extent possible, risks cannot be wished away. A summarised account of some of the key risks and mitigation measures drawn from management reviews and deliberations of Risk Management Committee is listed below.

IDENTIFIED RISKS AND ITS MITIGATION STRATEGY

Geographical risk

Dependence of the Company on a specific geography can affect balanced growth.

Mitigation strategy

The Company has a strong presence in Latin America. On the one hand, the Company is enlarging its presence in Latin America and on the other hand the Company has been



The Board has formed a Risk Management Committee which periodically examines critical events impacting the risk profile, existing and emerging risks and other uncertainties, and monitors the progress of planned actions. A review of the risk management policy is carried out annually by the Risk Management Committee and the Board of Directors.



gradually stepping up its presence in the US and other regulated markets, which will reduce its dependency in Latin America in the future.


Currency fluctuation and receivables risk

The Company is exposed to currency fluctuations due to its international presence.

Mitigation strategy

Company has a natural hedge with respect to outsourced operations from China and also import of Capex purchases. Sizeable amount of Cash and Cash equivalents is parked in USD.

Company monitors receivables ageing closely against agreed credit terms. Overdues primarily represent dues from Government agencies where the recoverability is highly secure.



It has networked pharmacies and medical practitioners to its portal, enhancing their convenience and effectiveness. It is addressing the injectables space within US, an area marked by relatively less number of players. The Company has also entered into the Oncology space, which is a niche market with less competition as compared to the relatively overcrowded traditional generic business market.

Quality risk

The Company's top line and brand could be affected by a decline in product quality.

Mitigation strategy

The facilities of the Company and its Subsidiary Caplin Steriles are US FDA, EU-GMP, ANVISA, INVIMA and WHO-GMP-approved, endorsing high level of quality assurance systems. While there is a robust in-house QC and QA SOPs and teams for ensuring high level of quality adherence, the Company also undertakes periodical audits (external and internal) to benchmark practices in line with global standards.

Liquidity risk

The Company's ability to fund operations or report surpluses could be affected by a global economic slowdown.

Mitigation strategy

The Cash Reserves (including liquid investments) of the Company on a Consolidated basis stood at ₹916 Crores as on 31st March 2024 which can comfortably fund operations for over a year in challenging environments.

Also, the Company being in Pharmaceutical industry, the impact of any slow-downs/ pandemic in the past has either been nil or negligible.



Competition risk

The Company's prospects can be affected by rising competition

Mitigation strategy

The Company has selected to market products marked by superior quality. It is present in countries with relatively low competition. It has networked pharmacies and medical practitioners to its portal, enhancing their convenience and effectiveness. It is

addressing the injectables space within US, an area marked by relatively less number of players. The Company has also entered into the Oncology space, which is a niche market with less competition as compared to the relatively overcrowded traditional generic business market.

Policy risk

The business of the Company might be hampered due to change in policies regarding generic medicines

Mitigation strategy

Medical needs have witnessed a rapid growth owing to growing population and changing everyday habits. Increase in prices of branded drugs has led to the promotion of generics by various governments, strengthening a case for affordable health care. The Company has reinforced its position in this growing space through the delivery of quality and validated generic products.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established adequate internal control systems that are appropriate for its business nature, size, and operational complexity. These systems have been functioning effectively. The Directors have implemented policies and procedures to ensure the orderly and efficient conduct of business, adherence to company policies, safeguarding of assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

In addition, the Company has engaged professional Internal Audit firm to test and evaluate all internal control systems and recommend corrective and remedial measures. The Audit Committee regularly deliberates with management members, review the laid-down systems, and consult with the internal audit team and statutory auditors to gauge their opinions on internal financial control systems.

The Committee is satisfied with the adequacy and effectiveness of these systems and keeps the Board of Directors informed. However, the Company acknowledges that any internal control framework has inherent limitations. Therefore, periodic audits and reviews are conducted to ensure that the systems are regularly updated.



INDUSTRIAL RELATION AND HUMAN RESOURCES

Industrial Relations scenario continued to be cordial during the year. Our employees are our most valuable assets. The Company remains dedicated to key drivers of employee engagement, career growth, learning opportunities, fair performance evaluations, rewards, and employee well-being by continually enhancing its HR processes to ensure scalability, agility, and a consistent employee experience. Additionally, the Company organizes workshops to enhance employees' skill sets and encourage their

overall engagement. Individual goals are assigned to employees, aligned with the company's objectives, serving as a strong motivator and improving overall business efficiency. Furthermore, our open-door policy allows employees to voice concerns and share opinions or suggestions, leading to high engagement levels and a lower employee turnover rate.

HR highlights during the year:

1. Recruitment and Talent Acquisition:

To support expansion projects and business growth, the Human



The Directors have implemented policies and procedures to ensure the orderly and efficient conduct of business, adherence to company policies, safeguarding of assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

Resources department implemented a comprehensive talent acquisition strategy. This approach combines traditional and digital methods, including web portal sourcing, referrals, and LinkedIn promotions, to swiftly identify and hire qualified professionals. Additionally, an internal resume management tool was developed to streamline the recruiting process and efficiently manage the candidate pool. Moreover, Talent acquisition focuses on long-term strategic workforce planning and employer branding, ensuring the right fit for sustained success within the organization

2. Employee Training and Development:

Caplin Point acknowledges the significance of cultivating a continuous learning culture. Additionally, Caplin Connect—an internal digital kiosk—facilitates internal communication and provides employees with access to organizational policies and procedures, enabling training and familiarization.

3. Employee Engagement and Well-being:

In consideration of employee well-being, HR implemented engagement strategies with top managements support to foster a positive work environment. These initiatives include:

- a. Disseminating major business updates throughout the organization, promoting inclusivity among employees
- b. Celebrating various festivities as well as acknowledging both big and small wins together
- c. Organizing the Caplin Cricket Premier League (CCPL), where teams from different entities represented each location, competing for the CCP trophy
- d. Encouraging around 300 employees from various locations to participate in the Chennai Marathon 2023 as a social cause, promoting inclusivity for the disadvantaged

- e. Arranging medical camps for employees

4. Diversity and Inclusion: As part of our ongoing commitment to fostering an inclusive work environment, we familiarized our equal opportunity policy and raised awareness among employees at all levels. Our goal is to create an inclusive workplace for everyone.

5. Performance Management: In addition to the existing performance management system, we have started to implement Variable Pay and ESOP (Employee Stock Ownership Plan) payment based on the achievement of key performance indicators (KPIs).

Overall, In the fiscal year 2023–2024, Caplin Points HR initiatives focused on attracting and retaining top talent, enhancing employee development and engagement, fostering diversity and inclusion, and improving performance management practices. Total number of employees on rolls at consolidated level as on March 31, 2024 stands at 2425.

Adherence to accounting standards

The Company continues to adhere to standard accounting policies under the Indian Accounting Standards (Ind AS), as applicable.



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MANAGEMENT REPORTS

DIRECTORS' REPORT

To the Members,

The Directors present their 33rd Annual Report on the business and operations of the Company and the financial statements for the year ended March 31, 2024.

1. FINANCIAL HIGHLIGHTS

₹ in Crores

Financial Results	Standalone		Consolidated	
Particulars	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	625.09	528.61	1,694.10	1466.73
Other Income	105.84	99.00	66.94	55.98
Total Income	730.93	627.61	1,761.04	1522.71
Profit Before Interest, Depreciation and Tax	392.92	318.92	618.37	497.04
Less: Finance cost	0.10	0.12	0.78	0.78
Less : Depreciation and amortisation expenses	27.08	25.65	53.44	44.99
Add: Share of Profit in Associate	0.00	0.00	0.27	0.08
Profit Before Tax	365.74	293.15	564.43	451.35
Less: Tax Expenses	82.03	58.89	103.01	74.36
Profit After Tax	283.71	234.26	461.42	376.99
Less: Non-controlling Interest	0.00	0.00	4.33	0.73
Net profit attributable to the Shareholders of the Company	283.71	234.26	457.08	376.26

2. OPERATIONS REVIEW /PERFORMANCE

The Company has, on standalone basis, registered total revenue from operations of ₹ 625.09 Crores (Total Income ₹ 730.93 Crores) during the year under review as against ₹ 528.61 Crores (Total Income ₹ 627.61 Crores) in the previous Financial Year. The Profit After Tax was ₹ 283.71 Crores during the year under review as against

₹ 234.26 Crores in the previous Financial Year. The Company has on consolidated basis, registered total revenue from operations of ₹ 1,694.10 Crores (Total Income ₹ 1,761.04 Crores) during the year under review as against ₹ 1466.73 Crores (Total Income ₹ 1,522.71 Crores) in the previous Financial Year.

3. MANAGEMENT DISCUSSION & ANALYSIS AND BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) separate section on Management Discussion & Analysis, as approved by the Board, which includes details on the state of affairs of the Company along with operational performance / review, forms part of this Report. The Business Responsibility and Sustainability Report of the Company for the year ended March 31, 2024, as approved by the Board, is provided in a separate section and forms part of this Report and is also made available on the website of the Company at <https://www.caplinpoint.net/index.php/annual-report/>.

4. DIVIDEND

The Board of Directors at their Meeting held on May 16, 2024, declared an Interim Dividend of ₹ 2.50 (125%) per equity share of ₹ 2/- each, for the Financial Year 2023-24 and it was paid to those shareholders whose name appeared in the Register of Members and beneficial owners as on the record date i.e May 31, 2024.

Further, the Board of Directors, at their meeting held on August 7, 2024, have recommended a Final Dividend of ₹ 2.5 (125%) per equity share of ₹ 2 /- each, for the Financial Year 2023-24, subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM). If approved, the total dividend for the Financial Year 2023-24 would amount to ₹ 5/- per equity share (250%) of ₹ 2/- each.

In compliance with Regulation 43A of the Listing Regulations, the Dividend Distribution Policy is uploaded on the Company's website at https://www.caplinpoint.net/wp-content/uploads/2021/07/Dividend_Distribution_Policy.pdf

5. TRANSFER TO RESERVES

The Board of Directors have decided to retain the entire amount of profits for the Financial Year 2023-24 in profit and loss account.

6. SUBSIDIARIES/ASSOCIATES

During the Financial Year, there were no material development in the status of subsidiary companies. Nuevos Eticos Neo Ethicals S.A - Guatemala, Caplin Steriles Limited and Caplin Point Far East Limited, Hong Kong continue to be the material subsidiaries of the Company. Further during the year, Caplin Steriles Limited, a subsidiary of the company had incorporated a Wholly-Owned Subsidiary, Caplin Steriles USA Inc. in Delaware, on August 18, 2023. For the FY 2023-24, the financials of Caplin Steriles USA Inc has been consolidated with the Financial Statements of the company.

Pursuant to Section 129(3) of the Act, 2013, a statement containing the salient features of the financial statements of subsidiaries in the prescribed Form AOC-1 is annexed as **Annexure - I** to this Report.

7. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Act, 2013 and Listing Regulations, the Consolidated Financial Statements prepared in accordance with the Indian Accounting Standards, are attached to this report. The Consolidated Financial Statements along with relevant documents and separate audited Financial Statements in respect of the subsidiaries are available on the website of the Company.

8. DEPOSITS

The Company did not accept any deposits from the public within the meaning of Chapter V of the Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended March 31, 2024.

9. SHARE CAPITAL

The paid up share capital as on March 31, 2024 stood at ₹ 15,18,83,492/- consisting of 7,59,41,746 equity shares of ₹ 2/- each.

During the Financial Year the company had allotted 39,000 shares under various ESOP Schemes.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT, 2013

Particulars of loans, guarantees and investments as on March 31, 2024 are given in the Note No. 3A, 4 and 8 to the Standalone Financial Statements.

11. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company met 4 (four) times during the year under review. The dates of the Board meeting and the attendance of the Directors at the said meetings are provided in the Corporate Governance Report, which forms part of this Report.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Directors

As on March 31, 2024, Board comprised of six Directors out of which four are Independent Directors (including an Independent Woman Director) a Managing Director and one Promoter Director.

Mr. C C Paarthipan is a Promoter Director who is also the Non-Executive Chairman of the company. Dr. Sridhar Ganesan is the Managing Director of the Company. Dr R Nagendran (DIN: 08943531), Mr. S Deenadayalan (DIN: 01951620) Dr. C K Gariyali (DIN: 08711546) and Mr. D. Sathyanarayanan (DIN: 07650566) are the other Independent Directors on the Board.

Mr. R Viswanathan (DIN: 07173713) ceased to be an Independent Director on the Board with effect from the close of business hours of May 11, 2023 as he had served the maximum tenure permitted for an Independent Director.

Mr. D Sathyanarayanan (DIN: 07650566) will cease to be an Independent Director with effect from November 8, 2024 as he had served the maximum tenure permitted for an Independent Director. To meet the requirement of Board Composition under the Listing Regulations, the Board, on the recommendation of the Nomination and Remuneration Committee, had proposed, for the approval of shareholders at the forthcoming AGM, the

induction of Mr R Vijayaraghavan (holding DIN: 00026763), as an Independent Director of the Company. In the opinion of the Board and the Nomination and Remuneration Committee, Mr R Vijayaraghavan is eligible and qualified to be appointed as an Independent Director. He is proposed to be appointed for a period of five years from the date of AGM. During this tenure Mr R Vijayaraghavan will cross seventy-five years of age. Suitable justification for inducting him in the Board is given as part of the AGM Notice. Mr R Vijayaraghavan has submitted all the relevant declarations which were taken on record by the Nomination and Remuneration Committee and the Board.

During the year, the shareholders had approved the re-appointment of Dr. C K Gariyali as an Independent Director for a second term of three years w.e.f from March 04, 2023.

b. Company Secretary and Compliance Officer

Mr. Venkatram G is the Company Secretary & Compliance Officer of the Company.

c. Retirement by rotation

Pursuant to Section 152 (6) of the Act, 2013, Dr. Sridhar Ganesan (DIN: 06819026), Managing Director, retires by rotation and being eligible offers himself for re-appointment.

d. Key Managerial Personnel (KMP)

Dr. Sridhar Ganesan, Managing Director, Mr. D Muralidharan, Chief Financial Officer and Mr. Venkatram G, Company Secretary & Compliance Officer are the KMP's of the Company. The tenure of Dr. Sridhar Ganesan as Managing Director ends on August 24, 2024. The Board of Directors at their meeting held on August 07, 2024 had re-appointed him for further term of two years subject to the shareholders' approval which is being sought in the forthcoming AGM.

13. DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Act, 2013, all Independent Directors have declared that they meet the criteria of independence as provided under the Act, 2013 and Listing Regulations and the

Board confirms that they fulfil the conditions specified under the Act and the Listing Regulations and are independent of the management.

14. CRITERIA FOR APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY

The Company's selection process of the Directors involves the Nomination and Remuneration Committee identifying the persons of integrity who bring in a mix of expertise in varied fields, experience and leadership qualities as per the Board Diversity policy and also ensures positive attributes, independence, age and other criteria as laid down under the Act, Listing Regulations or other applicable laws. Details of Remuneration and the policy on Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel is provided as part of the Corporate Governance report and the policy is available at <https://www.caplinpoint.net/wp-content/uploads/2021/07/Nomination-and-Remuneration-Policy.pdf>

15. ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act, 2013 and Listing Regulations, the Board of Directors has carried out annual performance evaluation of its own performance, the Directors Individually, as well as the evaluation of the working of its Committees. The manner in which the evaluation was carried out has been explained in the Corporate Governance Report which forms part of this report.

16. BOARD COMMITTEES

The Company has formed all the statutory Committees namely, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee, the Stakeholders' Relationship Committee and the Risk Management Committee.

Detailed information about these Committees and relevant information for the year under review are given in the Corporate Governance Report. There have been no instances where the Board did not accept the recommendations of its Committees including the Audit Committee.

17. DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards (IND AS) had been followed along with proper explanation relating to material departures;
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for that period;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual accounts on a “going concern” basis;
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. STATUTORY COMPLIANCE

During the year under review, the Company has commenced the automation of the process of compliance management by implementing a tool to review and monitor all compliances with laws applicable to the respective functions across all the units. To take care of the continuously evolving compliance scenario, the Company is constantly striving to strengthen the compliance reporting framework.

19. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments, affecting the financial position of the Company, which have occurred between

the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134 (3)(m) of the Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, particulars of conservation of energy, technology absorption, foreign exchange earnings and outgo, as are given as **Annexure - II** to this Directors' Report.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted CSR Committee and based on its recommendations, the Board had formulated the CSR Policy. During the year under review, the Company, through Caplin Point Meenakshi CSR Trust ('CSR Trust'), had commenced the construction of a Hospital-cum-Diagnostic centre including in-house pharmacy subsuming the CSR budgets for ongoing projects from the previous Financial Years. Since Healthcare is one of the fundamental area of attention under the Company's CSR Policy and also because the CSR budget for the earlier Financial Years included the setting up of Healthcare Facility, the CSR Committee and the Board felt it appropriate to focus the CSR efforts of the Company on the construction of the Hospital, which will serve the people at the bottom of the pyramid. The land and building of the Company situated at No. 19, Chinnapuliur Village, Sirupuzhalpettai (Post), Gummidipoondi Taluk, Tamil Nadu – 601 201, which has been leased to the CSR Trust at a nominal cost by the company, shall be utilised by the CSR Trust for setting up the Hospital-cum-Diagnostic centre.

Disclosure under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure - III** to this report.

22. INTERNAL FINANCIAL CONTROLS

The Company has established adequate internal controls framework comprising of policies, procedures, and mechanisms surrounding operational efficiency, minimising risks, and supporting decision-making and accountability. Details in respect of adequacy of internal financial controls concerning the financial statements are stated in the Management Discussion and Analysis section which forms part of this Report.

23. VIGIL MECHANISM

The Company is committed to ethical conduct of business and towards this had empowered the employees and other stakeholders to report any unethical practices without fear of any repercussion. The details of the Whistle Blower Policy and the mechanism are given in the Corporate Governance Report which forms part of this report.

24. AUDITORS

a. Statutory auditors

The Audit Committee and the Board at their meeting held on August 07, 2023 had recommended and the Shareholders at their 32nd AGM held on 21st September 2023 had approved the appointment of M/s Brahmayya & Co, Chartered Accountants, (Firm Registration No. 000511S) Chennai, as Statutory Auditors of the Company to hold office from the conclusion of 32nd AGM till the conclusion of 37th AGM.

The Auditor's Report for the Financial Year 2023-24 has been issued with an unmodified opinion.

b. Secretarial auditors

M/s. Alagar and Associates was appointed as the Secretarial Auditors of the Company for the Financial Year March 31, 2024. The Secretarial Audit Report for the Financial Year 2023-24, given by M/s. Alagar and Associates, Company Secretaries, Chennai is attached as **Annexure - IV** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or other remarks.

Pursuant to Regulation 24A of Listing Regulations, the company shall annex with its Annual Report the Secretarial Audit Report of its material unlisted subsidiary incorporated in India. Caplin Steriles Limited being a material unlisted subsidiary of the Company, the Secretarial Audit Report is annexed as **Annexure - IV-A** to this Directors Report.

c. Internal auditors

The Board had re-appointed M/s. TBL & Associates as Internal Auditors for carrying out internal audit of the Company, for the Financial Year 2023-24. The internal audit for the Financial Year

2023-24 was completed as per the scope defined by the Audit Committee.

25. REPORTING OF FRAUDS BY AUDITORS

The Statutory Auditors, Internal Auditors and the Secretarial Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

26. CORPORATE GOVERNANCE

Pursuant to Regulation 34 of Listing Regulations, a Report on Corporate Governance is given separately which forms part of this Report.

27. ANNUAL RETURN

The Annual Return in Form MGT-7 for FY 2022-23 is uploaded on the website of the Company and can be accessed at https://www.caplinpoint.net/wp-content/uploads/2022/06/CPL_MGT_7_2023.pdf.

28. RISK MANAGEMENT

The Company has constituted a Risk Management Committee in compliance with the requirements of Regulation 21 of the Listing Regulations. The details of this Committee and its terms of reference are set out in Corporate Governance Report, which forms part of this Report.

29. EMPLOYEE STOCK OPTION PLAN

The Company has three stock option schemes in force (i.e) Caplin Point Employee Stock Option Plan - 2015, Caplin Point Employee Stock Option Plan - 2017 and Caplin Point Laboratories Limited Employees Stock Option Plan - 2021. Out of the total options granted, 3,73,821 options are outstanding as on March 31, 2024 across all the Schemes. 3,91,746 equity shares had been allotted so far pursuant to exercise of Options. The details as required under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on March 31, 2024 is available at <https://www.caplinpoint.net/index.php/shareholder-information/>

The Company believes that equity based compensation schemes are an effective tool to reward the employees who contribute to

the growth of the Company, to attract new talents, to retain the key resources in the organisation and for the benefit of the present and future employees of the Company and its subsidiaries.

30. EMPLOYEES RELATED DISCLOSURES

The statements required under Section 197, of the Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of **Annexure - V** to this Report.

31. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions are at arm's length basis and were approved by the Audit Committee. Those transactions that are not in the normal course of business are approved by the Board in addition to Audit Committee and, if material, are taken to shareholders for approval.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are planned/ repetitive in nature. Related Party Transactions entered pursuant to the omnibus approval so granted are placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. All the Related Party Transactions have been disclosed in Note No. 44 to the Standalone Financial Statements forming part of this Annual Report.

Particulars of transactions with related parties, in prescribed form AOC-2 is enclosed as **Annexure - VI** to this Report.

The related party transaction policy and material related party transactions have been uploaded on the website of the Company at <https://www.caplinpoint.net/wp-content/uploads/2021/07/Related-Party-Transaction-Policy.pdf>

32. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

33. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Pursuant to the provisions of Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on Prevention of Sexual Harassment at Workplace and Internal Complaints Committees (ICC) has been set up to redress complaints. There were no complaints relating to sexual harassment, pending at the beginning of Financial Year, received during the year and pending as at the end of the Financial Year 2023-24.

34. INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, the Company has credited 1,13,725 unclaimed equity shares of ₹ 2/- each to IEPF pertaining to those shareholders who have not encashed/claimed their dividends for a period of seven consecutive years. The voting rights on the shares outstanding in the IEPF Authority as on March 31, 2024 shall remain frozen till the rightful owner of such shares claims the shares.

Pursuant to Sections 124 and 125 of the Act, 2013, the unpaid or unclaimed dividend for the Financial Year 2016-17(final) has to be transferred to IEPF. Members, who have not yet en-cashed or claimed the dividends that are yet to be transferred to the IEPF, are requested to refer the Corporate Governance Report.

35. OTHER DISCLOSURES

- a. There has been no change in the nature of business of the Company during the year under review.
- b. Pursuant to Section 197 (14) of the Act, 2013, the Managing Director of the Company did not receive any remuneration or commission from any of its subsidiaries.
- c. The Company maintains cost records as per Companies (Cost Records and Audit) Rules, 2014.
- d. The Board confirms the compliance with the provisions of the Secretarial Standards notified by the Institute of Company Secretaries of India, New Delhi.

- e. There were no applications made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016.
- f. There was no instance of any one-time settlement or any requirement of a valuation for any loan from the banks or financial institutions during the year

36. ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its sincere appreciation to the customers, suppliers, business partners and

shareholders for their support. The Directors would like to thank the Bankers and financial Institutions as well. The Directors would take this opportunity to appreciate and sincerely acknowledge the dedication and hard work of the employees for the growth of the Company.

For and on behalf of the Board of Directors

Place: Chennai
Date: August 07, 2024

C C Paarthipan
Chairman

FORM AOC-1

(Pursuant to first Proviso to Sub-Section (3) of Section 129, of the Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

PART "A": SUBSIDIARIES

(Amount in ₹)

S. No.	Particulars	Details					
1	Name of the subsidiary	Caplin Steriles Limited	Caplin Steriles USA Inc**	Argus Salud Pharma LLP	Caplin Point Far East Limited - Hong Kong (Consolidated)***	Caplin Point (S) Pte. Ltd - Singapore	Caplin One Labs Limited (Formerly known as Caplin Onco Limited)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	Date of Acquisition	December 12, 2018	August 18, 2023	April 13, 2010	May 13, 2014	October 4, 2019	June 2, 2021
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Not Applicable	1 USD = 83.37*	Not applicable	1 USD = 83.37*	1 USD = 83.37*	Not Applicable
5	Share capital	1,799,570,886	25,011,000	9,910,000	962,423	4,168,500	700,000,000
6	Reserves & surplus	1,116,632,534	(13,090,719)	4,438,540	8,839,337,014	(1,834,150)	(42,569,721)
7	Total assets	6,173,207,902	11,952,966	44,280,670	11,202,345,531	2,434,394	1,652,722,256
8	Total Liabilities	3,257,004,482	41,685	29,932,130	2,362,046,093	100,044	995,291,977
9	Investments #	14,000,000	-	-	-	-	-
10	Turnover	3,133,669,801	-	40,742,913	10,771,735,729	-	5,361,920
11	Profit before taxation	250,474,973	(16,444,204)	6,450,459	2,459,107,531	29,150	(33,961,097)
12	Provision for taxation	(62,724,672)	3,435,619	(2,012,543)	(155,439,197)	-	5,756,007
13	Profit after taxation	187,750,301	(13,008,585)	4,437,916	2,303,668,335	29,150	(28,205,090)
14	Proposed Dividend	-	-	-	-	-	-
15	% of shareholding	99.999%	100.00%	99.90%	100.00%	100.00%	100.00%

*Indian Rupee equivalent of the foreign currency translated as per exchange rate as at March 31, 2024 as mentioned in SI No.4 above

Investments other than in subsidiary companies

** Caplin Steriles Limited, a subsidiary of the company had incorporated a Wholly-Owned Subsidiary, Caplin Steriles USA Inc. in Delaware, on August 18, 2023. For the FY 2023-24, the financials of Caplin Steriles USA Inc has been consolidated with the Financial Statements of the company

***Represents details as per Consolidated Financial Statements of Caplin Point Far East Limited which includes the financial statements of its subsidiaries Caplin Point El Salvador, S.A. De C.V., Drogueria Saimed de Honduras S.A, Neoethicals CIA.LTDA - Ecuador, Neo Ethicals S.A - Nicaragua, Nuevos Eticos Neo Ethicals S.A - Guatemala and Caplin Point Laboratories Colombia SAS

Notes:

- Name of subsidiaries which are yet to commence commercial operations: Caplin Point (S) Pte. Ltd.
- Name of subsidiaries which have been liquidated or sold during the year: NIL

PART “B”: ASSOCIATES AND JOINT VENTURES

S. No.	Name of associates/Joint ventures	Latest audited balance sheet Date	Date on which the Joint venture was acquired	Shares of Associate/Joint ventures held by the company on the year end			Description of how there is significant influence	Reason Why the Joint venture is not consolidated	Net worth attributable To shareholding as per latest audited balance sheet	Profit / Loss for the year	
				No. of Shares	Amount of Investment In Associates/Joint Venture	Extent of Holding %				i. Considered in Consolidation	ii. Not Considered in Consolidation
1	Sunsole Solar Private Limited	31.12.2022	09.03.2022	175,000	14,000,000	28.01%	Not applicable	Not applicable	16,876,255	2,659,099	-

For and on behalf of the Board of Directors

C C Paarthipan
 Chairman
 DIN:01218784

Dr Sridhar Ganesan
 Managing Director
 DIN:06819026

Muralidharan D
 Chief Financial Officer

Venkatram G
 General Counsel & Company Secretary
 Membership No: A23989

Place: Chennai

Date: August 07, 2024

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

(A) CONSERVATION OF ENERGY

1. The steps taken or impact on conservation of energy	Power consumption for FY24 was 1,36,44,805 units as against 95,44,258 units in FY23. The unit consumption has increased by 42.96 % YOY. The Company had taken various measures during the year, which are described in the Business Responsibility and Sustainability Report regarding energy conservation.
2. The steps taken by the company for utilizing alternate sources of energy	<p>The Company, through its Subsidiary Caplin Steriles Limited, had taken steps to invest additional funds in a new renewable energy company for the purpose of purchasing the solar power generated by it. Already, Caplin Steriles Limited procures a significant part of its energy requirements from Sun Sole Solar Private Limited, an associate Company.</p> <p>Due to this, as at the end of the financial year, out of the total energy utilized by the Company significant portion of energy comes from solar power.</p> <p>In addition, the company has been purchasing solar power for its office to replace power purchased from other sources. This has increased the proportion of renewable energy vis-à-vis non- renewable source of power. Out of the total power consumed, as of March 31, 2024, at the Corporate Office alone 81.2% is from renewable energy source while across all the units, 27.77% is from renewable energy.</p>
3. The capital investment on energy conservation equipment	NIL

(in ₹)

Power and Fuel Consumption	Year ended March 31, 2024	Year ended March 31, 2023
Electricity		
Purchased units	1,32,24,943.00	90,66,573.00
Total amount paid	10,77,59,422.03	6,02,68,600.00
Rate per unit	8.15	6.65
Own generation by		
Diesel Generator (units)	2,51,243.00	2,85,588.00
Amount paid	72,62,144.57	76,16,519.00
Rate per unit	28.90	26.67
Third party		
Third party (units)	1,68,619.00	1,92,097.00
Amount paid	9,80,470.00	14,75,006.00
Rate per unit	5.81	7.68
Others		
Diesel Consumed for Boiler (in Litres)	1,410.00	73,500.00
Total Amount paid	1,21,725.00	62,21,114.00
Rate per Litre	86.33	84.64
Furnace Oil Consumed for Boiler (in Litres)	13,130.00	-
Total Amount paid	6,20,998.00	-
Rate per Litre	47.30	-
Light Diesel Oil Consumed for Boiler(in Litres)	7,39,301.00	3,77,367.00
Total Amount paid	4,89,05,705.00	2,33,51,228.00
Rate per Litre	66.15	61.88

(B) TECHNOLOGY ABSORPTION
i. Efforts made towards technology absorption

- a. New products developments, Developments NSAIDS, Anti-Depressants, Anti-emetic, Anti- Coagulants, etc
- b. Quality Improvements in Projects for major products
- c. FR & D efforts in conducting trails, stabilization of process and optimization of process
- d. Company's R & D initiatives lay emphasis on innovation and continues products improvements to widen the range of products / applications
- e. Formulation development and analytical development of injectable and ophthalmic
- f. Support to QC in transferring the analytical methods
- g. Support to regulatory department in compiling documents required for dossier submission
- h. The Company also lays emphasis on technology and innovation in its method of functioning and operations

ii. Benefits derived as a result of R& D

Provides Company an opportunity to widen the range and application of products. Continuous process improvements resulting in optimization of products and cost reduction

iii. Imported Technology (Imported during the Last three years reckoned from the beginning of the financial year)

- | | |
|-----------------------------------------------------------------------------------------------|----------------|
| a. Details of technology imported: | NIL |
| b. The year of import: | Not applicable |
| c. Whether the technology been fully absorbed: | Not applicable |
| d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof: | Not applicable |

iv. Expenditure incurred on Research and Development

The Company has incurred an expenditure of ₹ 30.74 Crores towards Research and Development (₹ 28.74 Crores of Revenue Expenditure and ₹ 2.00 Crores of Capital Expenditure).

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount ₹ in Crores)

Foreign exchange earned	598.54
Foreign exchange used	25.44

For and on behalf of the Board of Directors
Place: Chennai
Date: August 07, 2024
C C Paarthipan
Chairman

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

(Pursuant to Section 135 of the Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, as amended)

1. Brief outline on CSR Policy of the Company

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of the Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

The Company recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The company endeavors to make CSR a key business process for sustainable development. The Company is responsible to continuously enhance Shareholders' wealth; it is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our company is committed towards aligning with nature; and has adopted eco-friendly practices.

2. Composition of CSR Committee

S. No.	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee held during the year
1.	Mr. C C Paarthipan	Chairman / Non- Executive Director	3	3
2.	Dr. Sridhar Ganesan	Member/ Managing Director		3
3.	Mr. S Deenadayalan	Member / Independent Director		3

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

S. No.	Particulars	Weblink
1.	CSR Committee	https://www.caplinpoint.net/wp-content/uploads/2021/11/List-of-Directors-and-Committees-270523.pdf
2.	CSR Policy	https://www.caplinpoint.net/wp-content/uploads/2021/07/Corporate-Social-Responsibility-Policy.pdf
3.	CSR Projects	https://www.caplinpoint.net/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

5. a. Average net profit of the company as per sub-section (5) of section 135: ₹ 257.52 Crores
- b. Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 5.15 Crores
- c. Surplus arising out of the CSR Projects or programmes or activities of the previous Financial Years: NIL
- d. Amount required to be set-off for the Financial Year, if any: NIL
- e. Total CSR obligation for the Financial Year [(b)+(c) -(d)]: ₹ 5.15 Crores

6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : During the year ₹ 0.80 Crores was spent towards other than Ongoing Projects and ₹ 3.53 Crores was spent towards On-going project of the FY 2020-21.
- b. Amount spent in Administrative overheads: ₹ 0.11 Crores
- c. Amount spent on Impact Assessment, if applicable: Not Applicable
- d. Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 4.44 Crores

7. a. CSR amount spent or unspent for the Financial Year

(₹ in Crores)

Total Amount Spent for the Financial Year.	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
0.80	4.35	April 29, 2024	Not Applicable		

- b. Excess amount for set-off, if any: Not Applicable

- c. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years

(₹ in Crores)

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of Transfer		
1	2022-23	4.5	4.5	0	NIL	NIL	4.5	No
2	2021-22	3.15	3.15	0	NIL	NIL	3.15	No
3	2020-21	3.99	3.64	3.64	NIL	NIL	NIL	No

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: No

Details of Capital Asset purchased as on March 31, 2024

Date of Purchase	Vehicle Name & Number	Value of Asset	Address
04-02-2023	Ambulance (Van) – TN14 AC 9121	INR 25,24,668/-	No. 19, Chinnapuliur Village, Sirupuzhalpettai post, Gummidipoondi Taluk, Thiruvallur Pincode: 601201.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

The company has identified certain on-going projects for which the amount has been earmarked, the spending will be ensured within the statutorily available time line.

For and on behalf of the Board of Directors

Place: Chennai
Date: August 07, 2024

C C Paarthipan
Chairman of CSR Committee
DIN:01218784

Dr. Sridhar Ganesan
Managing Director
DIN: 06819026

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,
The Members,
Caplin Point Laboratories Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Caplin Point Laboratories Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period covering the **Financial Year ended March 31, 2024 ("Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended March 31, 2024 according to the provisions of:

- a) The Companies Act, 2013 (the 'Act') & the Rules made thereunder, including Secretarial Standards issued by Institute of Company Secretaries of India ('ICSI') and notified as on date;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d) Foreign Exchange Management Act, 1999 and the Rules, Regulations, notifications and circulars made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(there were no events requiring compliance during the Audit Period)**
 - (iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (v) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.
 - (vi) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (vii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(there were no events requiring compliance during the Audit Period)**
 - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(there were no events requiring compliance during the Audit Period)**

- (ix) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(there were no events requiring compliance during the Audit Period)**
- f) Based on the information received and representation made by the Company, we report there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure Compliance's with applicable laws, rules, regulations and guidelines including specific laws which are applicable to the Company as listed below.
- (i) Factories Act, 1948
 - (ii) Air (Prevention & Control of Pollution) Act, 1981
 - (iii) Water (Prevention & Control of Pollution) Act, 1974
 - (iv) Environment Protection Act, 1986
 - (v) Drugs and Cosmetics Act, 1940
 - (vi) The Boilers Act, 1923
 - (vii) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

During the period under review, the Company has complied with applicable statutory provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously and there was no instance of dissent by any director during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and guidelines.

We further report that during the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. –

- (i) The Company has allotted its shares under Employee Stock Option Plan to its employees including employees of subsidiaries.

**For M/s. M. Alagar & Associates
Practising Company Secretaries
Peer Review Certificate No: 1707/2022**

**M. Alagar
Managing Partner**

**Place: Chennai
Date: August 07, 2024**

**FCS No: 7488/ CoP No: 8196
UDIN: F007488F000914669**

This report is to be read with the Annexure which forms an integral part of this report.

ANNEXURE - I

To,

The Members,

Caplin Point Laboratories Limited

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For M/s. M. Alagar & Associates
Practising Company Secretaries
Peer Review Certificate No: 1707/2022

Place: Chennai

Date: August 07, 2024

M. Alagar
Managing Partner
FCS No: 7488/ CoP No: 8196
UDIN: F007488F000914669

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,
The Members,
Caplin Steriles Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Caplin Steriles Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period covering the **Financial Year ended March 31, 2024 ("Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended March 31, 2024 according to the provisions of:

- a) The Companies Act, 2013 (the 'Act') & the Rules made thereunder, including Secretarial Standards issued by Institute of Company Secretaries of India ('ICSI') and notified as on date;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;- **Not Applicable to the Company**
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- d) Foreign Exchange Management Act, 1999 and the Rules, Regulations, notifications and circulars made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): **Not Applicable to the Company**
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (v) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.
 - (vi) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (vii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (ix) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

f) Based on the information received and representation made by the Company, we report there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure Compliances with applicable laws, rules, regulations and guidelines including specific laws which are applicable to the Company as listed below.

- (i) Factories Act, 1948
- (ii) Air (Prevention & Control of Pollution) Act, 1981
- (iii) Water (Prevention & Control of Pollution) Act, 1974
- (iv) Environment Protection Act, 1986
- (v) Drugs and Cosmetics Act, 1940
- (vi) The Boilers Act, 1923
- (vii) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

During the period under review, the Company has complied with applicable statutory provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously and there was no instance of dissent by any director during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and guidelines.

We further report that during the audit period there were no events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc has occurred. -

For M/s. M. Alagar & Associates
Practising Company Secretaries
Peer Review Certificate No: 1707/2022

Place: Chennai
Date: August 02, 2024

M. Alagar
Managing Partner
FCS No: 7488/ CoP No: 8196
UDIN: F007488F000878259

This report is to be read with the Annexure which forms an integral part of this report.

ANNEXURE - I

To,
The Members,
Caplin Steriles Limited

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For M/s. M. Alagar & Associates
Practising Company Secretaries
Peer Review Certificate No: 1707/2022

M. Alagar
Managing Partner
FCS No: 7488/ CoP No: 8196
UDIN: F007488F000878259

Place: Chennai
Date: August 02, 2024

Annexure - V
PARTICULARS OF EMPLOYEE RELATED DISCLOSURES

Pursuant to Section 197 of the Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company as on March 31, 2024 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year:**

S.No	Name of the Director/KMP	Designation	Ratio to Median in Remuneration	% of increase in Remuneration
1	Mr C C Paarthipan	Chairman	0.00 Times	NIL
2	Dr Sridhar Ganesan	Managing Director	26.38 Times	7%
3	Mr D Muralidharan	Chief Financial Officer	25.82 Times	NIL
4	Mr Venkatram G	General Counsel & Company Secretary	10.62 Times	11%

Mr. D Sathyanarayanan, Dr C K Gariyali, Mr S Deenadayalan and Dr R Nagendran were paid only sitting fees for attending the Board/Committee Meetings.

- ii. The percentage increase in the median remuneration of employees in the financial year: 9.64%**
- iii. Number of Permanent employees in the rolls of the Company as on March 31, 2024: 859**
- iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

In the Financial Year 2023-24 there is an average increase of 15.38% in the remuneration of all the employees other than the managerial personnel and Percentage increase in the remuneration of Managing Director is 7%.

- v. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

vi. Names of the top ten employees in terms of remuneration drawn:

S. No	Employee Name	Gross Salary (₹ in Crores)	Perquisites (₹ in Cores)	EPF Employer Contribution (₹ in Crores)	Total (₹ in Crores)	Designation	Qualification	Experience (No. of years) (Overall experience including Caplin)	Date of commencement of employment	Age (yrs)	Last employment held by such employee before joining the company (with Designation)	Percentage of Equity Shares held	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Umesh setty	0.62	0.52	0.05	1.19	Senior Vice President	M Pharm	24	November 14, 2018	50	Ajanta Pharma/ Deputy General Manager	0.01%	No
2	Dr.Sridhar Ganesan	0.53	0.36	0.04	0.93	Managing Director	B Pharm, M S, Doct of HMD	45	August 25, 2014	69	National pharmaceutical/ CEO	0.13%	No
3	Muralidharan D	0.51	0.36	0.04	0.91	Chief Financial Officer	B Com, ACS, CWA	47	February 19, 2016	68	Merck Specialities Pvt Ltd/ Chief Commercial Head	0.02%	No
4	Neelakandan K	0.69	0.04	0.06	0.79	Senior Vice President	Ph D	21	May 13, 2019	43	Emcure Pharmaceutical / General Manager	0.01%	No
5	Gunasakaran S	0.52	-	0.00	0.52	President	M D	16	June 03, 2020	43	Azidus laboratories Ltd/ Vice President	0.01%	No
6	Sivakumar Balasubramanian	0.36	0.04	0.00	0.40	Plant Head	M B A	19.3	March 18, 2005	43	-	0.33%	No
7	Venkatram G	0.35	-	0.03	0.38	General Counsel & Company Secretary	B. Com, MBA, ACS, LLB	20	June 01, 2022	41	India Nippon Electricals Ltd / Company Secretary, Compliance & Legal Head	-	No
8	Anand G K	0.34	-	0.00	0.34	Vice President	M sc	29	November 19, 2015	52	Fourrts India Laboratories Pvt Ltd. / Assistant General Manager	-	No
9	Umapathy V	0.21	0.10	0.02	0.33	General Manager	Ph D	35.5	May 09, 2005	58	Vel's College of Science / Associate professor	0.01%	No
10	Meka Srinivasa Reddy	0.32	0.00	0.00	0.32	Senior General Manager	M Sc (Chemistry)	21.4	March 02, 2020	49	Mediviz Pharma / General Manager	-	No

vii. Employed throughout the Financial Year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees: refer S.No 1 of point no (vi)

viii. Employed for a part of the Financial Year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month:

Employee Name	Gross Salary (₹ in Crores)	Perquisites (₹ in Crores)	EPF Employer Contribution (₹ in Crores)	Total (₹ in Crores)	Designation	Qualification	Experience (No. of years) (Overall experience including Caplin)	Date of commencement of employment	Age (yrs)	Last employment held by such employee before joining the company (with Designation)	Percentage of Equity Shares held	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Hero Velladurai	0.59	0.70	0.04	1.34	President	MSc, PhD	29	September 04, 2019	51	Aurobindo Pharma/ Associate Vice President	0.00%	No

ix. Employed throughout the Financial Year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: NIL

x. The percentage of equity shares held by the employee in the company and whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:

Name	Designation	Remuneration (₹ in crores)	Qualification	Experience (No. of years) (Overall experience including Caplin)	Date of commencement of employment	Age (yrs)	Last employment held by such employee before joining the company (with Designation)	Percentage of Equity Shares held	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Partheeban Vivek Siddarth	Chief Operating Officer	0.19	OPM, B.Sc Biotechnology	19 years 4 months	March 01, 2005	40	NA	11.85%	Yes, son of Mr. C C Paarthipan, Chairman

For and on behalf of the Board of Directors

Place: Chennai
Date: August 07, 2024

C C Paarthipan
Chairman

AOC – 2

(Pursuant to Section 134 (3) (h) of the Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contract / arrangements entered in to by the Company with the related parties referred to in sub-Section 188 (1) of the Act, 2013 including certain arm's length transactions under third proviso thereto.

1 Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to by the Company during the year ended March 31, 2024 which were not at arm's length basis.

2 Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No	Name of the Related party and relationship	Durations	Salient terms	Date approved by Board / Audit Committee	Nature of Transactions	Amount (in ₹ Crores)
1	Caplin Steriles Limited - Subsidiary	01.04.2023 to 31.03.2024	The salient terms are as per the shareholders' approval accorded on September 29, 2022 and September 21, 2023	February 11, 2023	Sale of RODTEP scrips	2.34
2	Caplin Steriles Limited - Subsidiary	01.04.2023 to 31.03.2024		February 11, 2023	Corporate Office common expenditure received	0.61
3	Caplin Steriles Limited - Subsidiary	01.04.2023 to 31.03.2024		February 11, 2023	Software and system related expenses recovery	0.29
4	Caplin Steriles Limited - Subsidiary	01.04.2023 to 31.03.2024		February 11, 2023	Sale of Materials & consumables	0.30
5	Caplin Steriles Limited - Subsidiary	01.04.2023 to 31.03.2024		February 11, 2023	Purchase of Materials	0.49
6	Caplin Steriles Limited - Subsidiary	01.04.2023 to 31.03.2024		February 11, 2023	Rent received for Godown, office and ETP	0.05
7	Caplin Steriles Limited - Subsidiary	01.04.2023 to 31.03.2024		February 11, 2023	Working Capital Loan paid to CSL	23.00
8	Caplin Steriles Limited - Subsidiary	01.04.2023 to 31.03.2024		February 11, 2023	Working Capital Loan repayment by CSL	23.00
9	Caplin Steriles Limited - Subsidiary	01.04.2023 to 31.03.2024		February 11, 2023	Interest Income on Working Capital Loan	0.25
10	Caplin Steriles Limited - Subsidiary	01.04.2023 to 31.03.2024		February 11, 2023	Capex Loan	106.00
11	Caplin Steriles Limited - Subsidiary	01.04.2023 to 31.03.2024		February 11, 2023	Interest on Capex Loan	22.35
12	Caplin Steriles Limited - Subsidiary	01.04.2023 to 31.03.2024		February 11, 2023	Sale of Land	0.25
13	Nuevos Eticos Neo Ethicals S.A - Guatemala	01.04.2023 to 31.03.2024		February 11, 2023	Sale of goods	158.37

For and on behalf of the Board of Directors

Place: Chennai
Date: August 07, 2024

C C Paarthipan
Chairman

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Caplin Point Laboratories Limited ("Caplin") believes in best Corporate Governance practices which stresses the importance of transparency, excellence, accountability and protection of shareholder's interests and this has been the foundation on which Caplin has been conducting business since inception and it is a continuous and ongoing process. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations which would help in maximizing value for all its stakeholders.

The objective of Caplin is to go beyond compliance and ensure good governance incorporating the most cutting-edge, top-performing corporate governance techniques already used around the world.

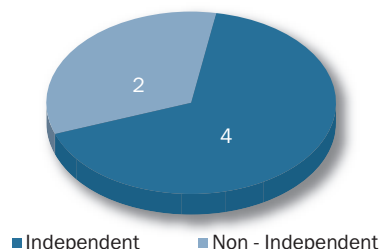
Below is a report on the corporate governance standards as outlined in Regulations 17 to 27 read in conjunction with Schedule V of SEBI Listing Regulations.

2. BOARD OF DIRECTORS

i. Composition and category of Board of Directors

As on March 31, 2024, Board comprised of six Directors out of which four are Independent Directors (including an Independent Woman Director), a Managing Director and one Promoter Director.

Composition of Independent & Non-Independent Directors



Mr. C C Paarthipan is a Promoter Director who is also the Non-Executive Chairman of the company. Dr. Sridhar Ganesan is the Managing Director of the Company.

Mr. R Viswanathan (DIN : 07173713) ceased to be an Independent Director on the Board with effect from the close of business hours of May 11, 2023 as he had served the maximum tenure permitted for an Independent Director .

Mr. D Sathyanarayanan (DIN : 07650566) will cease to an Independent Director with effect from November 8, 2024 as he had served the maximum tenure permitted for an Independent Director. To meet the requirement of Board Composition under the SEBI Listing Regulations, the Board, on the recommendation of the Nomination and Remuneration Committee, had proposed, for the approval of shareholders at the forthcoming AGM, the induction of Mr R Vijayaraghavan (holding DIN: 00026763), as an Independent Director of the Company. In the opinion of the Board and the Nomination and Remuneration Committee, Mr R Vijayaraghavan is eligible and qualified to be appointed as an Independent Director. He is proposed to be appointed for a period of five years from the date of AGM. During this tenure Mr. R Vijayaraghavan will cross seventy-five years of age. Suitable justification for inducting him in the Board is given as part of the AGM Notice. Mr R Vijayaraghavan has submitted all the relevant declarations which were taken on record by the Nomination and Remuneration Committee and the Board.

During the year, the shareholders had approved the re-appointment of Dr. C K Gariyali (DIN:08711546) as an Independent Director for a second term of three years w.e.f from March 04, 2023.

Dr. Sridhar Ganesan (DIN: 06819026), Managing Director, retires by rotation and being eligible offers himself for re-appointment. The tenure of Dr.Sridhar Ganesan as Managing Director ends on August 24, 2024. The Board of Directors at their meeting held on August 07, 2024 had re-appointed him for further term of two years subject to the shareholders' approval which is being sought in the forthcoming Annual General Meeting.

The Composition of the Board is in conformity with the requirement of Regulation 17 of SEBI Listing Regulations and the Act, 2013. In the opinion of the Board, all the Independent Directors have confirmed

that they meet the “Independence Criteria” as mentioned under Section 149 of the Act, 2013 and Regulation 16 (1)(b) of SEBI Listing Regulations. Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every Financial Year, gives a declaration under Section 149(7) of the Act, 2013 that he/she meets the criteria of independence as required under Section 149(6) of the Act, 2013.

As required under Regulation 16 of the SEBI Listing Regulations, it is also ensured that Independent Directors do not hold Non-Independent Directorship position in another company, where any Non-Independent Director of the Company is an Independent Director.

ii. Board Meetings

Board and Committee meetings were held through video conferencing. During the year, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all Laws applicable to the Company, Company’s strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices.

As a matter of good governance practice, all Board meetings are called by proper notice along with structured agenda papers which is backed by comprehensive background information of the business transaction. The Board has complete unrestricted access to all information with regards to the Company.

During the Financial Year under review, the Board of Directors met four times (i.e.) 27-05-2023, 07-08-2023, 09-11-2023 and 09-02-2024. The maximum time gap between two meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

Besides, the Independent Directors held a separate meeting on 29-03-2024 through video conferencing, in compliance with the provisions of the Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations. All the Independent Directors were present at the meeting.

The composition of the Board, attendance of the Directors at the Board Meetings held during the year under review and at the last AGM, number of Directorships, memberships/ chairmanships of the Board and Committees of public Companies are as under:

Name of the Director & DIN	Category	No. of Board meetings attended in the year	Attendance at the previous AGM (21.09.2023)	Directorships in other Public Limited Companies	Committee Position(s) in public Limited Companies (Including Caplin Point Laboratories Limited)		Directorship(s) in other Listed Companies
					Chairman	Member	
Mr. C C Paarthipan DIN : 01218784	Non-Executive Non-Independent Promoter Chairman	4	Yes	2	-	-	-
Dr. Sridhar Ganesan DIN : 06819026	Managing Director	4	Yes	2	-	2	-
Mr. D Sathyanarayanan DIN : 07650566	Independent Director	4	No	-	-	2	-
Dr. C K Gariyali DIN : 08711546	Independent Director	4	Yes	1	-	1	-
Mr. S Deenadayalan DIN : 01951620	Independent Director	3	Yes	-	2	2	-
Dr. R Nagendran DIN : 08943531	Independent Director	4	Yes	1	-	2	-

Notes: -

1. R Viswanathan completed his term of office as Independent Director with effect from the close of business hours of May 11, 2023.
2. As required under the Regulation 17A of the SEBI Listing Regulations, none of the Directors including Independent Directors holds Directorship in more than 7 (seven) listed companies across the Directorships held including that of Caplin Point Laboratories Limited.

3. None of the Directors was a member in more than 10 (ten) Committees, nor a Chairman in more than 5 (five) committees across all companies in which he/she was a Director, including those held in Caplin Point Laboratories Limited. For the purpose of considering the limit of the committees on which a Director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Act, 2013, have been excluded.
4. Only Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning committee positions.
5. None of the Directors of the Company are related to each other.

iii. Familiarization Programme for Independent Directors

Pursuant to the Code of Conduct for Independent Directors specified under the Act, 2013 and requirements of the SEBI Listing Regulations, the Company has framed a familiarization programme for all its Independent Directors. The familiarisation programme for our Directors is customised to suit their individual interests and area of expertise. During the Financial Year under review, the Independent Directors were apprised at frequent intervals on the industry trends, an overview of the Company's business model, strategy, products, market, risk management, group structure and its subsidiaries, and its operations by the senior management team. The Independent Directors were also regularly apprised of all regulatory and policy changes including their roles, rights and responsibilities. Among other matters, presentations on internal control over financial reporting, operational control over financial reporting were also made to the Board Members during the year. The details of familiarization programme are provided at [https://www.caplinpoint.net/wp-](https://www.caplinpoint.net/wp-content/uploads/2021/07/Familiarization-Programme-310324.pdf)

[content/uploads/2021/07/Familiarization-Programme-310324.pdf](https://www.caplinpoint.net/wp-content/uploads/2021/07/Familiarization-Programme-310324.pdf). Further, the Independent Directors were involved and consulted in the areas of their expertise whenever there was a requirement which also provided insights into the business of the Company to the independent director involved.

iv. Key Skills, Expertise and Competencies of the Board

The Board comprises of ideal mix of Directors who have expertise in varied fields to bring divergent thinking to Board room deliberations. These Directors are nominated based on well-defined selection criteria. The Nomination and Remuneration Committee considers, inter alia, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director. The Board of Directors have, based on the recommendations of the Nomination and Remuneration Committee, identified the following core key skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board Members.

Matrix highlighting core skills/expertise/competencies of the Board of Directors

Name of the Director	Financial	Governance	People management and Leadership	Industry Knowledge	Strategic Planning	Risk Management
Mr. C C Paarthipan	√	√	√	√	√	√
Dr. Sridhar Ganesan	√	√	√	√	√	√
Mr. R Viswanathan	√	√	√	√	√	√
Mr. D Sathyanarayanan	√	√	√	√	√	√
Dr. C K Gariyali	√	√	√	√	√	√
Dr R Nagendran	√	√	√		√	
Mr S Deenadayalan	√	√	√		√	√

a. Financial: Basic understanding of financial management, financial statements, financial controls and experience in accounting principles, auditing and reporting.

b. Governance: Ensuring adherence to the Corporate Governance Principles, Company's Codes and Policies, Statutory compliance,

protecting and enhancing stakeholders' value and driving corporate ethics and values, ability to understand, assess and manage risk.

c. People management and Leadership: Effective management of business operations, ability to guide on complex business

decisions, anticipate changes, setting priorities, aligning resources towards achieving goals, expertise in developing talent, succession planning, furthering representation and diversity.

d. Industry Knowledge: Expertise in Pharma and allied Industries

e. Strategic planning: Good business instincts and acumen, ability to provide guidance and active participation in complex decision making, set strategic priorities and focus energy & resources towards achieving goals.

f. Risk Management: Knowledge and expertise of risk management, risk framework, adequacy and efficiency of controls, mitigation of risks etc. in respect of the businesses of the Company.

3. COMMITTEES

A. Audit Committee

a. Terms of Reference

The Audit Committee's terms of reference is in accordance with the provisions of the SEBI Listing Regulations and the Companies Act. The Committee acts as a link between the Management, the Statutory Auditors, Internal Auditors and the Board. The Committee, inter alia, performs the following functions:

- ▶ Recommending the appointment, remuneration and term of appointment of Statutory Auditors of the Company and approval for availing any other services;
- ▶ Reviewing and monitoring the Auditor's independence and performance and effectiveness of audit process;
- ▶ Examining the annual financial statements and auditor's report thereon before submission to the Board for approval;
- ▶ Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- ▶ Reviewing Management Discussion and Analysis of Financial condition and results of operations;
- ▶ Scrutinizing the inter-corporate loans and investments;

- ▶ Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- ▶ Reviewing with the Management, performance of Statutory Auditors and Internal Auditors, adequacy of internal control systems;
- ▶ Reviewing the adequacy of internal audit function and discussing with Internal Auditors any significant finding and follow-up thereon;
- ▶ Evaluating internal financial controls and risk management systems, reviewing the functioning of the whistle blower mechanism;
- ▶ Reviewing the valuation of undertakings or assets of the Company, wherever it is necessary;
- ▶ Reviewing the utilization of loans and/ or advances from/ investment, by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- ▶ Any other functions as may be decided by the Board from time to time.

b. Composition

The composition of the Committee is given below:

Name of the Members	Category
Mr. S Deenadayalan	Chairman, Independent Director
Dr. Sridhar Ganesan	Member, Managing Director
Mr. D Sathyanarayanan	Member, Independent Director
Dr R Nagendran*	Member, Independent Director

* Appointed as a member w.e.f May 27, 2023

c. Meetings

The Audit Committee met four times during the year on 27-05-2023, 07-08-2023, 09-11-2023 and 09-02-2024.

The maximum time gap between two meetings did not exceed 120 days.

Name of the Members	No. of meetings attended
Mr. S Deenadayalan	3
Dr. Sridhar Ganesan	4
Mr. D Sathyanarayanan	4
Dr R Nagendran	4

Mr. S Deenadayalan, the Chairman of the Audit Committee was present at the AGM held on September 21, 2023. The Company Secretary of the company acts as the Secretary to the Committee.

The Committee invites the Statutory Auditors and the Internal Auditors for discussions at the meeting. Chief Financial Officer is a permanent invitee at the Committee meetings. Members of Senior Management team also attend the meetings depending on the agenda.

B. Nomination and Remuneration Committee

a. Terms of Reference

The Nomination and Remuneration Committee's terms of reference is in accordance with the provisions of the SEBI Listing Regulations and the Companies Act. The Committee, inter alia, performs the following functions:

- ▶ Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ▶ Evaluating the balance of skills, knowledge and experience required on the Board. Based on this evaluation, the Committee shall prepare a description of the role and capabilities required of an Independent Director. The person recommended by the Committee to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- i. use the services of external agencies, if required;

- ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

- iii. consider the time commitments of the candidates.

- ▶ Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- ▶ Devising a policy on diversity of board of directors;
- ▶ Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- ▶ Recommend whether to extend or continue the term of appointment of an independent director, on the basis of the report of performance evaluation of independent directors;
- ▶ Recommend to the board, all remuneration, in whatever form, payable to senior management.

The Committee also acts as the Compensation Committee for administration of all the ESOP Schemes of the Company

b. Composition

The composition of the Committee is given below:

Name of the Members	Category
Mr. S Deenadayalan	Chairman, Independent Director
Mr. C C Paarthipan	Member, Non -Executive Non-Independent Director
Dr. C K Gariyali*	Member, Independent Director

* Appointed as member w.e.f May 27, 2023

c. Meetings

The Nomination and Remuneration Committee met three times during the year on 27-05-2023, 07-08-2023 and 09-02-2024.

Name of the Members	No. of meetings Attended
Mr. S Deenadayalan	3
Mr. C C Paarthipan	3
Dr. C K Gariyali	3

Mr. S Deenadayalan, the Chairman of the Nomination and Remuneration Committee was present at the AGM held on September 21, 2023. Company Secretary of the Company acts as the Secretary to the Committee.

d. Annual Performance Evaluation

Pursuant to the provisions of the Act, 2013 and Regulation 25(4) of the SEBI Listing Regulations, the Board has carried out the annual performance evaluation as per the following process:

Pre-meeting

- ▶ The Company Secretary circulated the evaluation forms reflecting the rating criteria along with the rating scale as specified in the Nomination and Remuneration Policy to all the Directors.
- ▶ The note detailing the process of evaluation was circulated to all the Directors

Independent Director (“ID”) Meeting held on March 29, 2024

- ▶ IDs reviewed the performance of all the Directors, the Board and Committees.
- ▶ The IDs elected a lead Independent Director to summarize the deliberations and communicate the summary along with the ratings to the Chairman in case of individual Directors and to the Board/ Nomination Remuneration Committee in case of Board/Committee evaluation.
- ▶ Meeting of IDs was conducted electronically without the presence of executive management.

Board/ Nomination and Remuneration Committee Meeting

- ▶ Chairman considered the individual Director’s evaluation and discussed the same with individual Directors.
- ▶ The lead Independent Director apprised the Nomination and Remuneration Committee and the Board about the rating summary for Board and Committee.
- ▶ The Chairman took note of the suggestions and proposed an implementation plan.

The performance evaluation process comprises of three components:

- ▶ Evaluation of the Board as a whole and its Committees
- ▶ Evaluation of the Individual Directors (including the Independent Directors and Chairman)

Board was evaluated on following parameters:

- ▶ Strategy
- ▶ Performance Management & Succession Plans
- ▶ Execution, Investments, M&A and Financial Controls
- ▶ Talent Management
- ▶ Risk Management
- ▶ Corporate Governance & Compliance
- ▶ Review of Information
- ▶ Monitoring of Committees
- ▶ Overall

Committees were evaluated on the following parameters:

- ▶ Functions and Duties
- ▶ Management Relations
- ▶ Effectiveness of Meetings
- ▶ Overall

Criteria of evaluation of Directors:

- ▶ Generally includes attendance and preparation for Meetings, Communication of opinions and concerns etc.
- ▶ Strategic and Functional abilities
- ▶ Ethics and Values
- ▶ Team Player
- ▶ Self-Development
- ▶ Additional Parameters for Independent Directors and Chairman

e. Remuneration Policy

The Remuneration Policy of the Company is designed and framed to attract, motivate and retain available talents. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

When determining the remuneration policy and arrangements for Executive Directors/ KMP's, the Nomination & Remuneration Committee considers pay, other employee retention benefits such as ESOP etc, and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in the context of the business.

With respect to Senior Management Personnel, the remuneration package shall be fixed based on the recommendation of

the Human Resources department based on internal parity and market conditions for the said Senior Management role. However, the Committee will ensure that the remuneration is reasonable and sufficient to attract, retain and motivate the person to ensure the quality required for the concerned Senior Management position.

The remuneration paid to Managing Director as mentioned in this report has been approved by the Board and shareholders. No remuneration, other than sitting fees for attending the Board/ Committee meetings were paid to the non-Executive Directors.

The remuneration policy has been uploaded on the website of the Company at <https://www.caplinpoint.net/wp-content/uploads/2021/07/Nomination-and-Remuneration-Policy.pdf>

f. Details of Remuneration Paid to Non-Executive Directors for the Financial Year ended March 31, 2024: -

Name of Director	Remuneration	Commission and Performance linked Incentive	Sitting Fees Amount in ₹	Total Amount in ₹	No. Of shares held
Mr. C C Paarthipan	--	--	--	--	1,41,67,192
Mr. D Sathyanarayanan	--	--	1,60,000	1,60,000	--
Dr. C K Gariyali	--	--	1,40,000	1,40,000	--
Mr S Deenadayalan	--	--	1,80,000	1,80,000	70
Dr R Nagendran	--	--	1,60,000	1,60,000	--

At the Board Meeting held on May 16, 2024, considering the enhanced responsibilities and time commitment required of directors, the Sitting Fees payable to Board and Committee meetings were revised as per the following table:

Board / Committee	Existing Sitting Fees	Proposed sitting Fees
Board Meeting	INR 20,000	INR 50,000
Committee meetings	INR 20,000 (for Audit Committee and Nomination & Remuneration Committee)	INR 25,000 (for all the mandatory committees of the Board)

g. Details of remuneration paid to Managing Director for the Financial Year Ended March 31, 2024

Name of Director	Gross ₹ in Crores	Contribution to PF ₹ in Crores	Total ₹ in Crores	No. of Shares held
Dr. Sridhar Ganesan	0.89	0.04	0.93	98,750

There is no severance fees payable to the Managing Director.

The Notice period is bound by the contract of employment.

C. Stakeholders Relationship Committee

a. Terms of Reference

The Stakeholders Relationship Committee's terms of reference is in accordance with the provisions of the SEBI Listing Regulations and the Companies Act. The Committee, inter alia, reviews the mechanism of redressal of grievances of the securities holders, service level of Registrar and Transfer Agents and deals with other matters concerning securities holders including dividend.

b. Composition

The composition of the Committee is given below:

Name of the Members	Category
Mr. S Deenadayalan	Chairman, Independent Director
Mr. D Sathyanarayanan	Member, Independent Director
Dr. Sridhar Ganesan	Member, Managing Director

c. Meetings

The Committee met once during the year on 09-02-2024.

Name of the Members	No. of meetings attended
Mr. S Deenadayalan	1
Mr. D Sathyanarayanan	1
Dr. Sridhar Ganesan	1

Mr. S Deenadayalan, Chairman of the Stakeholders Relationship Committee was present at the AGM held on September 21, 2023. The Company Secretary of the company acts as the Secretary to the Committee and the Company.

The status of Investor Complaints during the year ended March 31, 2024, is as under:

Particulars	No. of Complaints
Complaints as on April 1, 2023	0
Complaints received during the year	19
Complaints resolved during the year	18
Complaints pending as on March 31, 2024	1

D. Risk Management Committee

a. Terms of Reference

The Risk Management Committee's terms of reference is in accordance with the provisions of the SEBI Listing Regulations and the Companies Act. The brief description of the terms of reference of the Committee, inter-alia, are given below: -

- ▶ To formulate a detailed risk management policy which shall include:
 - i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - iii. Business continuity plan
- ▶ To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- ▶ To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- ▶ To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- ▶ To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- ▶ The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

b. Composition

The composition of the Risk Management Committee is given below:

Name of the Members	Category
Mr. D Sathyanarayanan	Chairman, Independent Director
Dr. Sridhar Ganesan	Member, Managing Director
Mr. D Muralidharan	Member, Chief Financial Officer

c. Meetings

The Risk Management Committee met twice during the year on 07-08-2023 and 09-02-2024

Name of the Members	No. of meetings attended
Mr. D Sathyanarayanan	2
Dr. Sridhar Ganesan	2
Mr. D Muralidharan	2

The Company Secretary of the company acts as the Secretary to the Committee.

The Chairman of the Committee appraises the Board about the most significant risks along with the status of action taken by the Management for mitigating such risks and the effectiveness of the Enterprise Risk Management Framework. During the year under review, the company had commenced the implementation of ISO/IEC 27001:2022 for managing information security risks. Details of Risk Management measures taken by the Company have been provided in the Management Discussion and Analysis Report which is attached to the Board's Report.

E. Corporate Social Responsibility Committee

a. Terms of Reference

The Company has constituted a Corporate Social Responsibility ("CSR") Committee pursuant to the provisions of Section 135 of the Act, 2013, read with Companies (Corporate Social Responsibility) Rules, 2014. The responsibilities of CSR committee include:

- ▶ Approving the CSR budget, at the time of approving the annual financial statements of the previous Financial Year, for the current Financial Year, after taking into account the

required spending under the Act as well as the Surplus arising out of any CSR project that needs to be ploughed back, unspent amount carried forward as well as excess spending of the previous Financial Year, if any;

Approving the following:

- ▶ List of CSR projects for the entirety of CSR budget
- ▶ Duration of each of the CSR projects and approving converting a single year project into multi-year (Ongoing) project along with proper justification
- ▶ The selection of implementing agency(ies), if any, on the basis of track record and other criteria such as local credibility, local knowledge, domain expertise, local institutional relationships and their approach to sustainability.
- ▶ Formulating and recommending to the Board, an Annual Action Plan, at the same meeting for approving the CSR budget, comprising the following:
 - i. the list of CSR projects that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - ii. the manner of execution of such projects;
 - iii. the modalities of utilisation of funds and implementation schedules for the projects;
 - iv. monitoring and reporting mechanism for the projects; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the company
- ▶ Making recommendations to the Board about any changes required in the annual action plan along with justifications;
- ▶ Instituting a transparent monitoring mechanism for the implementation of the Projects along with specifying the documentation standards required from the implementation agencies/ inhouse CSR personnel to enable certification of amount spent to the Board by the Committee and Chief Financial Officer

b. Composition

The composition of the Corporate Social Responsibility Committee is given below:

Name of the Members	Category
Mr. C C Paarthipan	Chairman
Mr. S Deenadayalan	Member, Independent Director
Dr. Sridhar Ganesan	Member, Managing Director

c. Meetings

The Corporate Social Responsibility Committee met thrice during the year on 27-05-2023, 07-08-2023 and 09-02-2024

Name of the Members	No. of meetings attended
Mr. C C Paarthipan	3
Dr. Sridhar Ganesan	3
Mr. S Deenadayalan	3

The Company Secretary acts as the Secretary to the Committee.

The CSR Report as required under the Act, 2013 for the year ended March 31, 2024 is attached as Annexure - III to the Board's Report.

4. PARTICULARS OF SENIOR MANAGEMENT PERSONNEL AS ON MARCH 31, 2024

1. Anto Vijinth V, Functional Head -HO, HR & Admin
2. Dinesh R, Functional Head - HO, Production Planning & Inventory Control

3. Dr Gunasakaran S, President, Clinical Research Operations
4. Muralidharan D, Chief Financial Officer, Finance & Accounts
5. Dr Neelakandan K, Vice President, R&D (API), Hyderabad
6. Partheeban Vivek Siddarth, Chief Operating Officer, Operations
7. Paul Premchand J, Vice President, Corporate Affairs
8. Sivakumar Balasubramanian, Plant Head, Puducherry
9. Dr Umapathy V, General Manager, Regulatory Affairs
10. Umesh Setty V, Senior Vice President, R&D (Formulations)
11. Venkatram G, General Counsel & Company Secretary

Mr. Viswanathan Subramanyan, Vice President, Information Technology ceased to be associated with the company w.e.f October 30, 2023 and Dr Hero Velladurai, President, R&D (API) & Shobhit Arora V, Vice President, Business Development, ceased to be associated with the company w.e.f December 14, 2023.

5. EMPLOYEE STOCK OPTION

Detailed information about Employee Stock Option is available at <https://www.caplinpoint.net/index.php/shareholder-information/>

6. GENERAL BODY MEETINGS

Details of AGM held during last three years and the special resolution(s) passed thereat, are as follows:

Year	Date	Time	Location	Special resolutions passed
2023	21-09-2023 (32 nd AGM)	10.00 AM	Through Video Conferencing ("VC").	1. Re-appointment of Dr C K Gariyali as an Independent Director
2022	29-09-2022 (31 st AGM)	10.00 AM	Through Video Conferencing ("VC").	1. Approval for providing loans and guarantees under Section 185 of the Companies Act, 2013 2. Appointment of Dr R. Nagendran as an Independent Director of the Company 3. Appointment of Mr. S. Deenadayalan as an Independent Director of the Company
2021	28-09-2021 (30 th AGM)	10.00 AM	Through Video Conferencing ("VC").	1. Approval of Caplin Point Laboratories Limited Employees Stock Option Plan, 2021. 2. Approval of extension of Caplin Point Laboratories Limited Employees Stock Option Plan, 2021 to the eligible employees of the group companies, subsidiaries including step-down subsidiaries and associates.

During the year under review, no resolution was passed by the Company through Postal Ballot and there is no such proposal to pass any resolution through postal ballot as on the date of this Report.

7. MEANS OF COMMUNICATIONS

i. Results

Quarterly financial results are announced within 45 (forty-five) days from the end of the quarter and annual audited results are announced within 60 (sixty) days from the end of the Financial Year as per the Regulation 33 of the Listing Regulations and are published in the newspapers in accordance with Regulation 47 of the Listing Regulations.

Quarterly financial results are announced to stock exchanges within 30 (thirty) minutes from the closure of the Board meeting at which these are considered and approved.

Quarterly, half- yearly and annual financial results and other public notices issued to the Members are usually published in various leading dailies, such as The Financial Express and Maalai Malar. These quarterly financial results are also hosted on the website of the Company.

ii. Website

The Company's website contains a functional section "Investors" which displays details/information of interest to various stakeholders. Official press releases are sent to the Stock Exchanges and the same is hosted on the website of the Company.

iii. Presentations to Institutional Investors / Analysts

Detailed presentations are made to institutional investors and analysts on a quarterly basis and the same is hosted on the website of the Company. Also the audio recordings of all analyst/ investor calls are posted in the website along with the transcripts.

8. GENERAL INFORMATION TO THE SHAREHOLDERS

Day, Date, Time & Venue of Annual General Meeting	Monday, September 30, 2024 at 10:00 AM through VC/OAVM					
Date of Book Closure	September 24, 2024 to September 30, 2024 ((both days inclusive)					
Dividend Payment Date	Final Dividend as recommended by the Board of Directors, if approved at the meeting, will be paid as per the Statutory timelines					
Financial Year	April 1 to March 31					
Listing of Equity Shares:-	BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 National Stock Exchange of India Ltd. ("NSE") Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (E), Mumbai - 400 051					
Trading symbol	<table border="1"> <tr> <td>NSE</td> <td>CAPLIPOINT</td> </tr> <tr> <td>BSE</td> <td>524742</td> </tr> </table>	NSE	CAPLIPOINT	BSE	524742	
NSE	CAPLIPOINT					
BSE	524742					
ISIN number in national securities Depository Limited (NSDL) and the Central Depository Service (India) Limited (CDSL)	INE475E01026					
Outstanding GDRs/ADRs/ not issued Warrants or any Convertible instruments	Not Issued					
Listing Fees	Annual listing fee for the Financial Year 2023-24 paid to all the Stock Exchanges.					
Depository Fees	Annual custody fee for the Financial Year 2023-24 paid to the Depositories.					
Dematerialization of shares	As on March 31, 2024, 98.84% of the Company's shares were held in dematerialized form.					

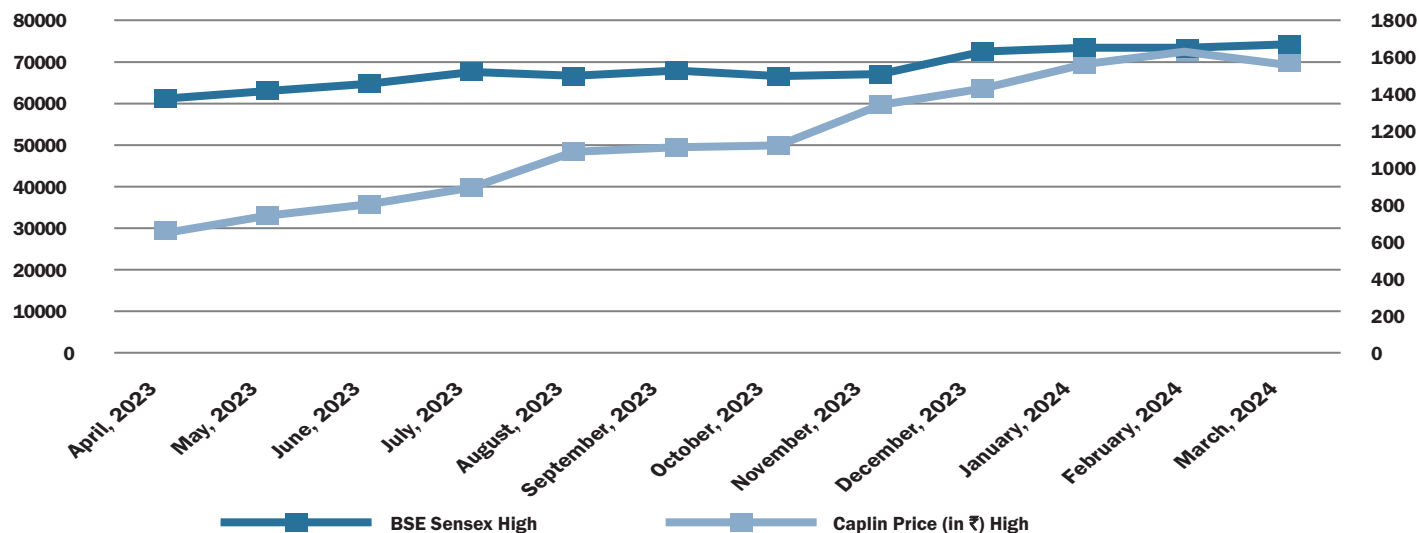
Particulars	No. of Shares	%
Physical	877645	1.16
Demat		
NSDL	68523852	90.23
CDSL	6540249	8.61
Total	75941746	100.00
Registrar and Share Transfer Agents	Integrated Registry Management Services Private Limited, II Floor, "Kences Towers" No.1 Ramakrishna Street, North Usman Road T Nagar, Chennai - 600 017, Phone: 044 - 28140801 - 803, Fax: 044 -28142479	
Share Transfer System	In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.	
Outstanding GDRs / ADRs / Warrants / any other Convertible Instruments	The Company does not have any outstanding GDRs / ADRs / Warrants / Any other Convertible Instruments as on March 31, 2024.	
Commodity Price Risk or Foreign exchange Risk and hedging activities	The Company has adequate governance structure to align and review the risks around procurement in line with external and internal factors. The Company has not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices. Accordingly, no disclosure is required pursuant to SEBI circular dated November 15, 2018.	

9. STOCK MARKET DATA

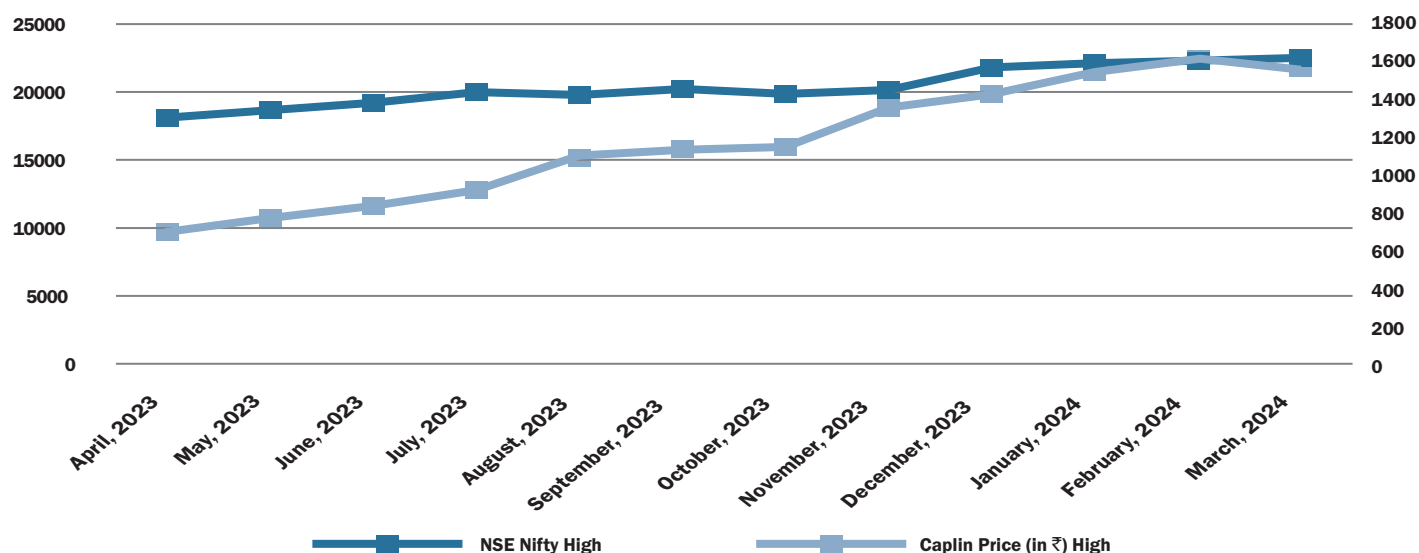
Month and Year	BSE				NSE			
	Caplin Price (in ₹)		BSE Sensex		Caplin Price (in ₹)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
April, 2023	700.00	598.80	61209.46	58793.08	689.80	596.50	18114.65	17312.75
May, 2023	768.15	673.10	63036.12	61002.17	770.00	673.00	18662.45	18042.40
June, 2023	833.00	745.25	64768.58	62359.14	833.00	745.25	19201.70	18464.55
July, 2023	915.45	782.35	67619.17	64836.16	915.05	783.05	19991.85	19234.40
August, 2023	1099.95	878.20	66658.12	66388.26	1096.60	875.80	19795.60	19223.65
September, 2023	1122.00	957.65	67927.23	64818.37	1127.90	960.10	20222.45	19255.70
October, 2023	1138.85	950.00	66592.16	63092.98	1143.95	954.00	19849.75	18837.85
November, 2023	1338.00	1002.35	67069.89	63550.46	1350.00	1001.10	20158.70	18973.70
December, 2023	1431.75	1179.95	72484.34	67149.07	1429.10	1178.00	21801.45	20183.70
January, 2024	1550.00	1340.05	73427.59	70001.60	1550.00	1341.05	22124.15	21137.20
February, 2024	1617.80	1389.90	73413.93	70809.84	1619.05	1389.85	22297.50	21530.20
March, 2024	1556.00	1240.00	74245.17	71674.42	1558.80	1240.00	22526.60	21710.20

10. SHARE PRICE PERFORMANCE IN COMPARISON TO BROAD BASED INDICES - BSE SENSEX AND NSE NIFTY SHARE PRICE MOVEMENT

SHARE PRICE OF CAPLIN IN COMPARISON WITH BSE SENSEX

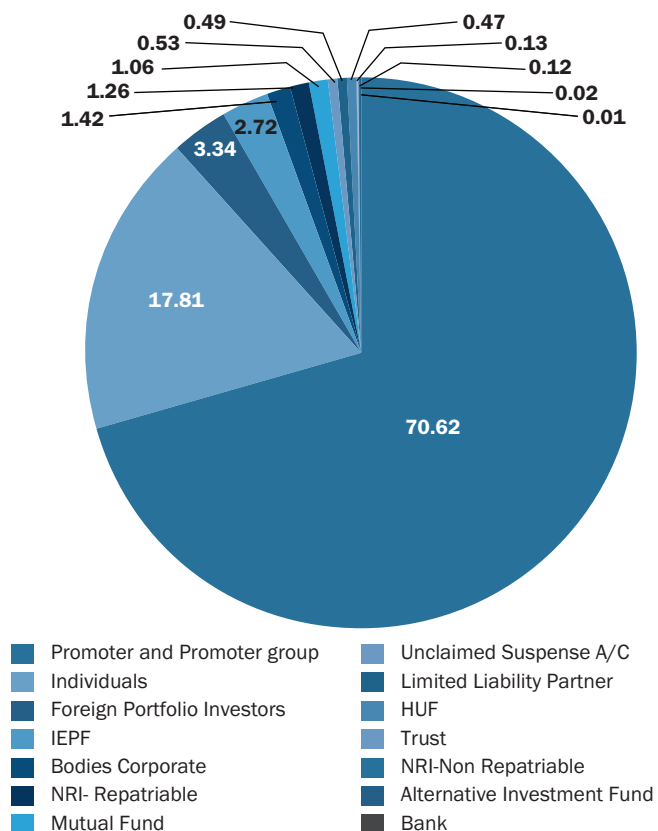


SHARE PRICE OF CAPLIN IN COMPARISON WITH NSE NIFTY



11. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024

Category	Holders	Shares	% to capital
Promoter and Promoter group	7	53632982	70.62
Individuals	77483	13523719	17.81
Foreign Portfolio Investors	111	2533545	3.34
IEPF	1	2067841	2.72
Bodies Corporate	308	1074852	1.42
NRI- Repatriable	2202	959605	1.26
Mutual Fund	10	806760	1.06
Unclaimed Suspense A/C	1	404515	0.53
Limited Liability Partner	49	368583	0.49
HUF	895	358839	0.47
Trust	5	99621	0.13
NRI-Non Repatriable	333	92299	0.12
Alternative Investment Fund	2	15035	0.02
Bank	2	3550	0.01
Total	81409	75941746	100.00



12. DISTRIBUTION SCHEDULE AS ON MARCH 31, 2024

S. No	Category of Shares	No. of Holders	% to Holders	No. of Shares	% to Capital
1	Up to 500	78023	95.84	4574297	6.02
2	501 - 1000	1674	2.05	1309263	1.73
3	1001 - 2000	817	1.00	1209857	1.59
4	2001 - 3000	293	0.36	733204	0.97
5	3001 - 4000	128	0.16	447297	0.59
6	4001 - 5000	110	0.14	518767	0.68
7	5001 - 10000	161	0.20	1152720	1.52
8	Above 10001	203	0.25	65996341	86.90
	Total	81409	100.00	75941746	100.00

13. UNCLAIMED DIVIDEND AS ON MARCH 31, 2024

As per Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, all the shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more are required to be transferred electronically to the Demat Account opened in the name of IEPF Authority by the Ministry of Corporate Affairs.

In case the dividends are not claimed within the due date(s), necessary steps will be initiated by the Company to transfer shares held by the members to IEPF. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

As required under the said provisions, all subsequent corporate benefits that accrue in relation to the above shares will also be credited to the said IEPF Account. In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed.

The following are the details of unclaimed dividend as on March 31, 2024

Financial Year	Due date for claim by shareholders	Due date for transfer to IEPF	(Amount in ₹)
2016-17	28.10.2024	26.11.2024	44,98,533
2017-18	04.11.2025	03.12.2025	6,90,686
2018-19	19.10.2026	17.11.2026	32,94,533
2019-20 (Interim)	10.04.2027	09.05.2027	37,16,979
2019-20 (Final)	04.11.2027	03.12.2027	5,89,838
2020-21 (Interim)	12.06.2028	11.07.2028	17,84,837
2020-21 (Final)	04.11.2028	03.12.2028	17,07,127
2021-22 (Interim)	18.06.2029	17.07.2029	23,90,450
2021-22 (Final)	11.09.2029	10.10.2029	18,71,009
2022-23 (Interim)	03.07.2030	01.08.2030	16,77,179
2022-23 (Final)	11.11.2030	10.12.2030	24,62,693

14. PLANT LOCATIONS

a) Factories

CP - I

85/3, Suthukeny Village, Mannadipet Commune Panchayat, Puducherry – 605 502. E-mail: cp1@caplinpoint.net
 Phone : 0413-2674046, 2674047, Fax : 0413-2674044

b) Research & Development Units of the Company

CP - III	CP - VI	CP - VII	CP - VIII	CP - X
Plot No.44, 8 th Avenue, Domestic Tariff Area, Mahindra World City, Chengalpattu Taluk, Chengalpattu - 603 004	No. 95&96, 4th Floor, Road No. 9, ALEAP Industrial Estates, Gajularamaram Village, Qutubullapur Mandal, Hyderabad, Telangana – 500090	Module no. 307 & 308, 3 rd Floor, Tichel Park, Phase II, CSIR Road, Taramani, Chennai - 600113	Ashvich Towers, No. 3, Developed Plots Industrial Estate, Perungudi, Chennai - 600 096	Plot No. 28 I & 28 H, APIIC, AP-SEZ, Denotified Area, Rambilli Mandal, Atchutapuram, Visakhapatnam – 531 011

c) Address for Correspondence

Registrar and Transfer Agents (Issues relating to shares, dividends and Annual Reports)	Integrated Registry Management Services Private Limited Unit: Caplin Point Laboratories Ltd II Floor, “Kences Towers” No.1 Ramakrishna, Street North Usman Road, T Nagar, Chennai - 600 017 Phone: 044 - 28140801 - 803, Fax: 044 - 28142479. E-mail: csdstd@integratedindia.in
For any other general matters or in case of any difficulties / grievances	Company Secretary & Compliance officer Caplin Point Laboratories Limited “Ashvich Towers” 3 rd Floor, No.3, Developed, Plots Industrial Estates, Perungudi, Chennai- 600 096 Phone: 044 2496 8000, Website: www.caplinpoint.net E-mail: investor@caplinpoint.net

15. OTHER DISCLOSURES

i. Related Party Transactions

There were no materially significant related party transactions made by the Company with its Promoters, their subsidiaries, Directors or Management or relatives etc. that may have potential conflict with the interests of the Company at large. All the related party transactions are at arm's length basis and were approved by the Audit Committee. Those transactions that are not in the normal course of business are approved by the Board in addition to Audit Committee and, if material, are taken to shareholders for approval. The details of related party transactions along with the Loans and advances in the nature of loans to firms/companies in which Directors are interested, is provided in Notes to accounts (Refer Note No. 44 to the Standalone Financial Statements). The policy on Related Party Transactions is hosted on the website of the Company at <https://www.caplinpoint.net/wp-content/uploads/2021/07/Related-Party-Transaction-Policy.pdf>

ii. Prevention of insider trading and code of corporate disclosure practices:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the company had adopted a Code of Conduct to Regulate, Monitor and Report trading by its Designated Persons and their Immediate Relatives and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Company Secretary is the Compliance Officer for this purpose.

iii. Details of Non-Compliance

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company. The Company further confirms that during the year, no material non-compliance was reported.

iv. Vigil Mechanism / Whistle Blower Policy

The Company had created a dedicated email ID and had established an Ethics Committee for addressing instances of violation of Code of Conduct & Business Ethics and also to address complaints received through the Whistle-blower mechanism on a

timely manner. In exceptional cases, the Chairman of the Audit Committee can be approached. The Vigil Mechanism / Whistle Blower Policy, inter-alia, enables the following: -

- ▶ Provides a platform and mechanism for the Employees, Directors and Third-Parties to voice genuine concerns or grievances about unprofessional conduct without fear of reprisal.
- ▶ It provides an environment that promotes responsible and protected whistle-blowing. It reminds Employees, Directors and Third-Parties about their duty to report any suspected violation of any law that applies to the Company and any suspected violation of the Company's Code of Conduct or Ethics Policy and other policies.
- ▶ Above all, it is a dynamic source of information about what may go wrong at various levels within the Company, which will help the Company in realigning various processes and to take corrective actions as part of good governance practice.

During the year under review, the Company had commenced the implementation of an online kiosk where all the policies of the Company were hosted (including the Code of Conduct and Business Ethics, Whistle Blower Policy, POSH Policy etc) with mandatory requirement for all employees to go through and give online confirmation. A certification regarding each employee's completion shall be generated to show the awareness of the policy contents. The Company hereby affirms that no Directors/Employees/ Third-parties have been denied access to the Chairman of the Audit Committee. The whistle blower policy is hosted on the website of the Company at <https://www.caplinpoint.net/wp-content/uploads/2021/07/Whistle-Blower-Policy-Vigil-Mechanism.pdf>

v. Compliance with Mandatory Requirements

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

vi. Policy on Material Subsidiaries

The Company has formulated a Policy on Material Subsidiary as required under SEBI Listing Regulations and the policy is hosted on the website of the Company at <https://www.caplinpoint.net/wp-content/uploads/2021/07/Material-Subsidiary-Policy.pdf>

vii. Utilization of Funds

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations.

viii. Certificate on Non-Disqualification of Directors

The Company has obtained a certificate from M/s. M Alagar Associates, Company Secretaries, Chennai, Secretarial Auditor of the Company, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/ Ministry of Corporate Affairs or any such Statutory Authority.

ix. Recommendations by the Committees

During the year under review, the Board of Directors had accepted all recommendations of the Committees of the Board of Directors, which are mandatorily required to be made.

x. Total Fees paid to Statutory Auditors

During the Financial Year 2023-24, total fees for all services paid by the Company to M/s. Brahmayya & Co, Chartered Accountants, Chennai, Statutory Auditors and all the entities forming part of the same network, aggregate to Rs 0.18 Crores for Statutory Audit, Rs. 0.05 Crores for Tax Audit purposes

xi. Sexual Harassment at Workplace

During the year under review, the Company has not received any complaints in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

xii. Details of material subsidiaries

Caplin Steriles Limited, Caplin Point Far East Limited, Hongkong and Nuevos Eticos Neo Ethicals S.A – Guatemala are the material subsidiaries of the company. Following data is given with respect to the material subsidiaries:

Name of Subsidiary	Date & Place of incorporation	Name of Statutory Auditor	Date of appointment of Statutory Auditor
Caplin Steriles Limited	December 12, 2018 Chennai, Tamilnadu, India	M S K A & Associates	July 12, 2021
Caplin Point Far East Limited, Hongkong	May 13, 2014 Hongkong, China	C&N Certified Public Accountants	February 03, 2016
Nuevos Eticos Neo Ethicals S.A – Guatemala *	November 16, 2004 Guatemala	UHY Pérez & Co.	March 31, 2020

* Subsidiary of the Company since March 31, 2020

xiii. Compliance on Corporate Governance Report

The Corporate Governance Report of the Company for the Financial Year 2023 – 24 is in compliance with the applicable requirements of SEBI Listing Regulations.

xiv. CEO/ CFO Certification

The Managing Director and the CFO of the Company have certified to the Board of Directors, inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the SEBI Listing Regulations for the Financial Year ended March 31, 2024.

xv. Code of Conduct

The Company has received confirmations from the Board and the Senior Management personnel regarding their adherence to the Code of Conduct. The Annual Report of the Company contains a certificate by the Managing Director, on the compliance declarations received from Board of Directors and Senior Management. The Code has been hosted on the Company's website at <https://www.caplinpoint.net/wp-content/uploads/2021/07/Code-of-Conduct-Business-Ethics.pdf>

16. NON-MANDATORY REQUIREMENTS

- i. The Company maintains an office for the Non-Executive Chairman of the Company at the Company's expense and bears the expenses incurred in performance of his duties.
- ii. The auditors' report on financial statements of the Company are unqualified.
- iii. The Chairman and the Managing Director are separate persons. Further the Chairman is a non-executive Director who is not related to the Managing Director.
- iv. The internal auditors of the Company make presentations to the Audit Committee on their reports on a regular basis.

17. UNCLAIMED SUSPENSE ACCOUNT

Details	Number of Members	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (01-04-2023)	326	490140
No.of Shares transferred to IEPF Account	92	63125
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	36	23000
Number of shareholders to whom shares were transferred from suspense account during the year	36	23000
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (31-03-2024)	200	404015

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that for the Financial Year ended March 31, 2024 all members of the Board and the Senior Management Personnel have affirmed in writing their adherence to the Code of Conduct adopted by the Company.

FOR CAPLIN POINT LABORATORIES LTD

Dr. Sridhar Ganesan
Managing Director
DIN: 06819026

Place: Chennai

Date: August 07, 2024

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the **Members of Caplin Point Laboratories Limited**

We have examined the compliance of conditions of Corporate Governance by Caplin Point Laboratories Limited, for the year ended March 31, 2024 as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of Corporate Governance. 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 and the representations made by the Directors and the Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For M. Alagar and Associates
Practicing Company Secretaries
Peer Review Certificate No:1707/2022

Place: Chennai

Date: August 07, 2024

M. Alagar
Managing Partner
FCS No: 7488; CoP No. 8196
UDIN: F007488F000914757

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the **Members of Caplin Point Laboratories Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Caplin Point Laboratories Limited** having CIN: L24231TN1990PLC019053 and having Registered Office at Ashvich Towers, 3rd Floor, No.3, Developed Plots, Industrial Estates, Perungudi, Chennai - 600096, Tamil Nadu (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with **Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal <http://www.mca.gov.in/>) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SL.NO	NAME OF DIRECTOR	DIN	DESIGNATION	DATE OF APPOINTMENT/ RE-APPOINTMENT
1.	Mr. Paarthipan Chingelput Chellappan	01218784	Chairman (Non-Executive and Promoter Director)	01/10/1993
2.	Mr S Deenadayalan	01951620	Independent Director	29/09/2022
3.	Dr. Sridhar Ganesan	06819026	Managing Director (Executive and Non- Independent)	12/02/2014 (Re-appointed on August 25, 2022)
4.	Mr. Damodaran Sathyanarayanan	07650566	Independent Director	09/11/2016 (Re-appointed on November 09, 2019)
5.	Dr. Gariyali Chanderkanta	08711546	Independent Director	04/03/2020 (Re-appointed on March 04, 2023)
6.	Dr R Nagendran	08943531	Independent Director	29/09/2022
7.	*Mr. Rengaraj Viswanathan	07173713	Independent Director	12/05/2015 (Re-appointed on May 12, 2018)

*Mr.Rengaraj Viswanathan (DIN: 07173713) ceased to be an Independent Director upon completion of his second term of five consecutive years from May 12, 2018 to May 11, 2023.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification of registers, records and disclosures. 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.

For M/s. M. Alagar & Associates
Practising Company Secretaries
Firm's Registration No: P2011TN078800

Place: Chennai
Date: August 07, 2024

M. Alagar
Managing Partner
FCS No: 7488; CoP No: 8196
UDIN: F007488F000914735

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity- **L24231TN1990PLC019053**
2. Name of the Listed Entity- **Caplin Point Laboratories Limited**
3. Year of incorporation- **1990**
4. Registered office address- **Ashvich Towers, 3rd Floor, No.3, Developed Plots, Industrial Estate, Perungudi, Chennai, Tamil Nadu 600096**
5. Corporate address- **Ashvich Towers, 3rd Floor, No.3, Developed Plots, Industrial Estate, Perungudi, Chennai, Tamil Nadu 600096**
6. E-mail- **compliance.officer@caplinpoint.net**
7. Telephone- **+91 04424968000**
8. Website- **www.caplinpoint.net**
9. Financial Year for which reporting is being done **April 01, 2023 to March 31, 2024**
10. Name of the Stock Exchange(s) where shares are listed- **BSE and NSE**
11. Paid-up Capital – ₹ **15,18,83,492**
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report- **Mr Venkatram G, General Counsel & Company Secretary, Tel No. 044 24968000, Email: compliance.officer@caplinpoint.net.**
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its Consolidated Financial Statements, taken together) – **The Company had considered all the units of Caplin Point laboratories Limited (CPL) (except the unit located in Vizag which is not yet operational) and Caplin Steriles Limited (CSL) which is a material Subsidiary of the Company incorporated in India.**

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and sale of pharmaceuticals	Pharmaceuticals and finished dose formulation	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Pharmaceuticals and finished dose formulation	21002	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National¹	2 Manufacturing Units and 5 R&D Centers	1 Corporate Office	8
International	The Company's overseas subsidiaries and overseas offices are not considered for the purpose of this reporting.		

¹Units that were yet to commence Manufacturing or R&D activities have not been considered for the purpose of this report.

Registered Office of the Company

- Ashvich Tower, 3rd Floor, No. 3, Developed Plots Industrial Estate, Perungudi, Chennai-600096, Tamil Nadu

Manufacturing Units

- CP - I: No. 85/3, Suthukeny Viillage, Mannadipet Commune Panchayat, Puducherry 605502.
- CP - IV: No. 895&897, Sirupuzhalpettai, Gummidipoondi Taluk, Thiruvallur, Tamil Nadu 601201.

R & D Units

- CP - III: No. 44, 8th Avenue, Domestic Tariff Area, Mahindra World City, Chengalpattu Taluk, Tamil Nadu – 603004.
- CP - VI: No. 95&96, 4th Floor, Road No. 9, ALEAP Industrial Estates, Gajularamaram Village, Qutubullapur Mandal, Hyderabad, Telangana – 500090.
- CP - VII: Module No. 307 & 308, 3rd Floor, TICEL Bio Park, Phase 2, CSIR Road, Taramani, Chennai, Tamil Nadu - 600113.
- CP - V: Ashvich Tower, No. 3 Developed Plots Industrial Estate, Perungudi, Chennai, Tamil Nadu - 600096.
- CP - VIII: Ashvich Tower, No. 3 Developed Plots Industrial Estate, Perungudi, Chennai, Tamil Nadu - 600096.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	The Company's products are not marketed/ sold in India
International (No. of Countries)	47*

* The list of countries includes countries where company is in the process of registering its products.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

100% of the products are exported.

c. A brief on types of customers

The Company follows a unique business model of taking its products direct to the retailers and wholesalers through its Subsidiaries located in Guatemala, Ecuador, El-Salvador, Nicaragua, Honduras and Colombia. The Company exports the products to these Subsidiaries who in turn supply it in the markets where they are situated. The Company's Subsidiary Caplin Steriles Limited exports its products to customers located in regulated markets like the US, Canada, Australia etc.

IV. Employees
18. Details as at the end of Financial Year:
a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES¹						
1.	Permanent (D)	1887	1528	80.98%	359	19.02%
2.	Other than Permanent (E) ²	738	353	47.83%	385	52.17%
3.	Total employees (D + E)	2625	1881	71.66%	744	28.34%
WORKERS						
4.	Permanent (F)	1519	1215	79.99%	304	20.01%
5.	Other than Permanent (G)	738	353	47.83%	385	52.17%
6.	Total workers (F + G)	2257	1568	69.47%	689	30.53%

¹The count of employees given in this table (for both permanent and other than permanent employees) includes the count of workers (both permanent and other than permanent workers) in line with the definition of the respective terms under Industrial Relations Code 2020. Contract workers are considered under other permanent category of employees and workers.

²The Company engages trainees on the same terms as permanent employees of the Company. Hence, they are not considered for the purpose of calculation under Other than permanent employees category.

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	Nil	Nil	Nil	Nil	Nil
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	Total differently abled employees (D + E)	Nil	Nil	Nil	Nil	Nil
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F) ¹	2	2	100%	Nil	Nil
5.	Other than permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	Total differently abled workers (F + G)	2	2	100%	Nil	Nil

¹Shows the count of workers as per Industrial Relations Code, 2020.

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	14 ¹	2	14.28%
Key Management Personnel	6	1	16.66%

¹Director holding common directorship in CPL and CSL are counted twice for the purpose of this report.

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees¹	27.9 %	22.7%	26.9%	35.33%	30.39%	34.59%	31.19%	35.81%	31.85%
Permanent Workers	-	-	-	-	-	-	-	-	-

¹The Turnover rate of the permanent employees includes the turnover rate of permanent workers since the definition of employees under Industrial relations code 2020 includes those covered under the definition of workers.

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)
21. (a) Names of Holding / Subsidiary / Associate companies / Joint Ventures

S. No.	Names of Holding / Subsidiary / Associate companies / Joint Ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture ¹	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Caplin Steriles Limited	Subsidiary	99.999%	Yes
2.	Caplin One Labs Limited (formerly known as Caplin Onco Limited)	Subsidiary	100%	No
3.	Argus Salud Pharma LLP	Subsidiary (LLP)	99.90%	No
4.	Caplin Point Far East Limited	Subsidiary	100%	No
5.	Caplin Point (S) Pte Ltd	Subsidiary	100%	No
6.	Caplin Point Laboratories Colombia SAS	Step down subsidiary	100%	No
7.	Caplin Point El Salvador, S.A. DE C.V.	Step down subsidiary	100%	No
8.	Drogueria Saimed de Honduras S.A	Step down subsidiary	100%	No
9.	Neoethicals CIA. LTDA Ecuador	Step down subsidiary	100%	No
10.	Neo Ethicals S.A. Nicaragua	Step down subsidiary	100%	No
11.	Nuevos Eticos Neo Ethicals S.A. Guatemala	Step down subsidiary	69%	No
12.	Sunsole Solar Private Limited	Associate of Caplin Steriles Limited	28.01%	No
13.	Caplin Steriles USA Inc.	Step down subsidiary	100%	No

¹All the step down subsidiaries except Caplin Steriles USA Inc. are the subsidiaries of Caplin Point Far East Limited – Hong Kong. Caplin Steriles USA Inc. is a subsidiary of Caplin Steriles Limited.

VI. CSR Details
22. Whether CSR¹ is applicable as per section 135 of Companies Act, 2013 (Yes/No): Yes

1. Turnover (In ₹): 6,25,09,12,308/-
2. Net worth (In ₹): 13,89,74,08,287/-

¹Since CSL is not obligated for CSR spending, only the figures pertaining to CPL has been considered.

VII. Transparency and Disclosures Compliances
23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) ⁴	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders ¹	Yes	19	1 ³	Nil	16	Nil	Nil
Employees and workers ²	Yes	48	5	Nil	49	7	Nil
Customers	Yes	12	Nil	Nil	11	Nil	Nil
Value Chain Partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Yes	Nil	Nil	Nil	Nil	Nil	Nil

¹The Company follows the regulations and circulars issued by SEBI with respect to addressing of investor complaints and there is no specific policy in this regard. The Company has appointed M/s. Integrated Registry Management Services Private Limited to receive and dispose of complaints from shareholders in a time bound manner.

²The complaints from employees mainly pertain to Health & Safety and Working Conditions related issues received through safety committee meetings which were taken up and closed on timely manner. Many of the complaints were actually suggestions for improvements which were taken up and resolved. Complaints which are pending as of the close of Financial Year has been resolved subsequently.

³The complaint by shareholders which is shown as pending at the end of FY 23-24 pertains to a matter which is under investigation by enforcement agencies.

⁴Some of the policies are internal in nature and hence has not been posted in the website though it provides for effective redressal of the relevant complaints. Policies that are available for external stakeholders are given in the Company's website at <https://www.caplinpoint.net/index.php/corporate-governance/>.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk / Opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the Risk or Opportunity (Indicate Positive or Negative implications)
1	Developing a pipeline of talented workforce	Opportunity	<p>Inability to meet employees' skill upgradation, career growth and welfare expectations would result in higher employee turnover. This is particularly so since the manufacturing and R&D operations of the Company are located in areas where strong competition exists for relevant skilled manpower.</p> <p>Hence, the Company considers nurturing internal talent by way of upskilling the present employees and creating an active talent pool by partnering with educational institutions as the two key initiatives in developing a talented and robust work force.</p>	–	<p>Positive.</p> <p>Upskilling the workforce will scale up the knowledge and awareness towards good manufacturing and business practices which ensures compliance with all applicable norms and increases quality consciousness.</p> <p>Creating a talent pool which can be readily absorbed into operations will empower those who are entering the industry fresh after their education. It will also ensure that the company's operations do not suffer due to lack of adequate talented manpower.</p>
2	Promoting Diversity	Opportunity	<p>The company recognises the importance of workplace diversity in promoting organisational resilience and having a committed workforce. The Company also recognises the importance of empowering people from varied social and economic background as well as enhancing gender diversity.</p>	--	<p>Positive.</p> <p>Promoting organisational resilience will enable the company to successfully navigate adverse events or circumstances.</p>

S. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk / Opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the Risk or Opportunity (Indicate Positive or Negative implications)
3	Social License to Operate	Opportunity	Company's business growth and growing economic foot print requires increasing acceptance of the Company's fair practices and procedures by all the stakeholders and in particular the community at large where the Company operates. Acceptance of the local community enables creation of shared value by fostering equity, health, education and sustainability.	–	Positive. Strong Social License to Operate will create trust among the stakeholders and enhance corporate credibility in the eyes of investors.
4	Risk of Non Compliance to environment/ health & safety regulations	Risk	Pharmaceutical manufacturing processes falls under the ambit of Hazardous processes which requires strict compliances and stringent compliance requirements increases the risk caused due to any deviance.	The Company implements measures to both adapt and mitigate risks arising due to evolving Compliance requirements. Adapting is done by evaluating the specific actions to be taken by the Company to comply with the requirements including change in business processes, upgrading/modifying operating procedures to meet compliance requirements and evaluating Compliance risks as part of the Risk Management process of the Company.	Negative. Non-compliance may have detrimental effects, such as financial loss and loss of reputation.

S. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk / Opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the Risk or Opportunity (Indicate Positive or Negative implications)
				Mitigating involves a strategy of identifying all applicable Acts, utilising technology for managing and reporting compliances, obtaining assurance of compliance through internal sources like internal compliance audits/ verifications and external sources like Internal Audit verifications, drawing down an action plan for remedying non-compliances and escalating significant instances of non-compliances to appropriate levels for remedial action.	
5	Risk of engagement with such value chain partners who do not share the vision of sustainable development and environmental goals	Risk	Due to the nature of business, Company needs to engage with diverse range of value chain partners. To ensure that those who form the part of the value chain are in line with the manufacturing standards, environmental goals and sustainability objectives of the company is a complex task. But, the risk of deviation in any part of the value chain will have significant impact on both the sustainability and business performance of the Company.	The Company follows a strategy of contractually enforcing key sustainability goals through its sourcing contracts with the value chain partners and also by way of reference to the code of business ethics in the purchase orders issued to vendors. The Company is also subject to similar covenants in contracts with its Customers in regulated markets which specify explicit measures to be taken to comply with the environmental goals and sustainability objectives. These covenants are tracked for performance to avoid breach.	Negative. Risk of violation by value chain partners will have both sustainability and business impact. Breach of contractual terms with customers may lead to claims.

S. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk / Opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the Risk or Opportunity (Indicate Positive or Negative implications)
6	Renewable Energy	Opportunity	Renewable energy usage results in meeting the sustainability objectives of the Company by reducing the Company's carbon foot print. It also results in tangible financial benefit like cost saving.	–	Positive. Reduction in overall indirect emissions and energy cost.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	N	Y	Y	N	Y	Y

Note: While some of the principles are not specifically covered by the policies of the Company, these principles are embedded in various policies of the Company. For e.g., the principle that Business should responsibly influence public and regulatory policy is broadly indicated in the Company's Code of Conduct and Business Ethics. Likewise, many of the principles are covered under various policies of the Company instead of a single policy document.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	N	Y	Y	N	Y	Y

Note: Majority of the Policies are approved by the Board and are posted on Company's website, while few policies that have a bearing on the principles were approved by MD/ COO of the Company which are made available to all the internal stakeholders.

c. Web Link of the Policies, if available	All the policies that were approved by the Board are available on the Company's Website https://www.caplinpoint.net/index.php/corporate-governance/								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes, the Company's policies incorporate necessary procedures wherever necessary and in case the policies do not provide for the procedures, the same are covered under relevant Standard Operating Procedures (SOP).								
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes. The policies like the Code of Conduct and Business Ethics, Whistle blower Mechanism etc. are applicable to all value chain partners.								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustees) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	➤	➤	➤	➤	➤	➤	➤	➤	➤
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>The Company will strive to achieve specific targets in the following areas:</p> <ul style="list-style-type: none"> ➤ Ensuring Zero Discharge in all the units and transparency in disseminating pollution data to local community. ➤ Priority for employees from disadvantaged sections of the society and from local area wherever possible in manpower recruitment. Company will also work to create a stable and sustainable talent pool by giving skill training relevant to the industry, nurturing local talent through internship programs at colleges in the areas surrounding corporate and manufacturing facilities. ➤ Ensuring a safe and healthy workplace for its employees. ➤ Extending medical facilities/making quality medical facility accessible to the underprivileged sections of the society through establishing charitable hospital/ supporting treatments in quality healthcare facilities. ➤ Increasing the use of renewable energy so that it is used more than the traditional sources of energy. ➤ Integration of value chain partners in all the sustainability and social initiatives of the Company. 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<ul style="list-style-type: none"> ➤ The Company had invested additional funds in a new renewable energy company for the purpose of purchasing the solar power generated by it, through its Subsidiary Caplin Steriles Limited. Caplin Steriles Limited had already invested and commenced procurement of solar energy from its associate company Sun Sole Solar Private Limited. Due to this, as at the end of the Financial Year, out of the total energy utilized by the Company significant portion of energy comes from solar power. ➤ The Company had commenced the construction of a hospital cum diagnostic centre with the sole objective of serving the local community as part of its CSR initiatives. ➤ The Company had supported medical treatment of the underprivileged people from local community by sponsoring their treatment in quality healthcare facilities. 								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9																																								
	<ul style="list-style-type: none"> ➤ Contractual terms have been introduced obligating contract manufacturers and other vendors of the Company to follow sustainable and socially responsible practices as part of their business and which covers all the principles. ➤ The Company is in the process of implementing more mechanisms during the current year to meet its environmental, social and governance objectives which shall be presented in the subsequent reports. 																																																
Governance, leadership and oversight																																																	
<p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:</p> <p>The Company is dedicated to conducting its operations and business affairs honestly, morally, and in compliance with all applicable laws and ethical principles. However, the Company is also well aware that ESG is not just about meeting the ethical standards and ensuring compliances but also about how we incorporate sustainability and social responsibility in to our strategy and decision making process so that the steps we take considers the holistic benefits to all the stakeholders.</p> <p>Towards this, the Company will take further steps to strengthen ESG integration into its decision making process and we will also take steps to measure the impact of ESG initiatives for interventions wherever required.</p> <p>As elsewhere specified in the report, the main challenge remains how we will also bring in the value chain partners into this ESG journey on which we had embarked upon. This will be addressed by a multi-pronged strategy like extending the Code of Conduct and Business Ethics, Whistle Blower mechanism etc. to value chain partners, imposing ESG obligations through contractual clauses etc.</p>																																																	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility	Name: Dr Sridhar Ganesan, Managing Director																																																
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No. All sustainability issues are handled by the existing Committees/ Board.																																																
10. Details of Review of NGRBCs by the Company:																																																	
Subject for Review	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0056b3; color: white;">Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</th> <th colspan="9" style="background-color: #0056b3; color: white;">Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</th> </tr> <tr> <th style="background-color: #0056b3; color: white;"></th> <th style="background-color: #0056b3; color: white;">P1</th> <th style="background-color: #0056b3; color: white;">P2</th> <th style="background-color: #0056b3; color: white;">P3</th> <th style="background-color: #0056b3; color: white;">P4</th> <th style="background-color: #0056b3; color: white;">P5</th> <th style="background-color: #0056b3; color: white;">P6</th> <th style="background-color: #0056b3; color: white;">P7</th> <th style="background-color: #0056b3; color: white;">P8</th> <th style="background-color: #0056b3; color: white;">P9</th> </tr> </thead> <tbody> <tr> <td>Performance against above policies and follow up action</td> <td colspan="9">All review of performance against the policies and follow-up action is carried out by the Managing Director of the Company who in turn apprises the Board about any remedial steps to be taken in case of deviation. These reviews are carried out once in a Financial Year.</td> </tr> <tr> <td>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</td> <td colspan="9">The Company fully complies with all the statutory rules and regulations applicable to it.</td> </tr> </tbody> </table>									Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)										P1	P2	P3	P4	P5	P6	P7	P8	P9	Performance against above policies and follow up action	All review of performance against the policies and follow-up action is carried out by the Managing Director of the Company who in turn apprises the Board about any remedial steps to be taken in case of deviation. These reviews are carried out once in a Financial Year.									Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company fully complies with all the statutory rules and regulations applicable to it.								
Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)																																																
	P1	P2	P3	P4	P5	P6	P7	P8	P9																																								
Performance against above policies and follow up action	All review of performance against the policies and follow-up action is carried out by the Managing Director of the Company who in turn apprises the Board about any remedial steps to be taken in case of deviation. These reviews are carried out once in a Financial Year.																																																
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company fully complies with all the statutory rules and regulations applicable to it.																																																

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No. However, the Internal and Secretarial Auditors of the Company assess/ evaluate adherence to the Compliances applicable under various Statutes as well the Company's policies approved by the Board and the findings are reported to the Audit committee/ Board.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	-	-	-	No	-	-	No	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	No	-	-	No	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	No	-	-	No	-	-
It is planned to be done in the next Financial Year (Yes/No)	-	-	-	No	-	-	No	-	-
Any other reason (please specify)	While some of the principles are not specifically covered by the policies of the Company, these principles are embedded in various policies of the Company. For e.g., the principle that Business should responsibly influence public and regulatory policy is broadly indicated in the Company's Code of Conduct and Business Ethics. Likewise, many of the principles are covered under various policies of the Company instead of a single policy document.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

1. Percentage coverage by training and awareness programs on any of the principles during the Financial Year:

Segment	Total Number of Training and Awareness Programmers held ¹	Topics/ Principles covered under the training and its impact	% age of persons in respective Category covered by the awareness Programmers
Board Of Directors	➤	The Independent Directors, at the time of their appointment, are adapted with the organization set-up of the company, the functioning of various divisions, the company's market shares and the industry, control processes, governance mechanism and any such relevant information for the purpose of familiarization – 100%	
	➤	The company also provide regular updates on the latest amendments to the various regulations – Corporate Laws, Environmental Regulations, Labour Laws and such other Statutes as may be applicable to the company – 100%	
Key Managerial Personnel	➤	As a part of the Board process specified above, all Key Managerial Personnel of the Company were given training on all the policies that impinge upon sustainability and social responsibility – 100%	

Segment	Total Number of Training and Awareness Programmers held ¹	Topics/ Principles covered under the training and its impact	% age of persons in respective Category covered by the awareness Programmers
Employees other than BOD and KMPs/ Workers	48	Principle 2 Principle 4 Principle 3 Principle 6	80%
Workers	48	Principle 2 Principle 4 Principle 3 Principle 6	84%

¹Both employees and workers were provided wide ranging training in areas which will enhance health & safety and sustainable practices.

- 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the Financial Year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil

- 3. Of the instances disclosed in question 2 above details of the Appeal/ Revision preferred in cases here monetary or non-monetary action has been appealed**

Not Applicable.

- 4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:**

Though the Company does not have a separate anti -corruption and bribery policy, its Code of Conduct and Business Ethics and the whistle-blower policy covers substantially the processes against corruption and bribery. The Company discourages all forms of Corruption, Bribery and Kick- backs, whether directly by the employees or through any consultants/ third parties. The Company believes in acting in accordance with the highest standards of ethics, integrity and morality. Corruption on the part of those who are associated with the Company means inducing or gratifying any authority or statutory body, through means that are illegitimate, immoral, or incompatible with ethical standards. As per the Code of Conduct and Business Ethics, corruption includes any form of bribery, gift, kickback, hospitality and entertainment, political contribution, improper performance or abstinence from duty for any financial,

professional or any personal gain. The Company prohibits all employees and associates from offering or accepting any undue monetary or other advantage to any person or persons. In case any public official seek illegal gratification from the Company, the same shall be reported to the Managing Director and the Chief Operating Officer by the concerned Employee dealing with the said official for determining the further course of action under relevant Law.

More details about the policy can be had from the link <https://www.caplinpoint.net/wp-content/uploads/2021/07/Code-of-Conduct-Business-Ethics.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest.

The company did not receive any complaints in relation to conflict of interest.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Since there were no complaints in relation to conflict of interest or corruption, corrective action does not arise.

8. Number of days of accounts payables in the following format:

	FY 2023-24	FY 2022-23
Number of days of account payables	143	162

9. Openness of business

Provide details of concentrations of purchases and sales with trading houses, dealers, and related parties along with loans and advances and investments, with related parties in following format:

Parameters	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	6.33%	2.68%
	b. Number of trading houses where purchases are made from	10	6
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	100%	100%
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	62.53%	59.80%
	b. Number of dealers / distributors to whom sales are made	50	27
	c. Sales to top 10 dealers / distributors as % of totals sales to dealers / distributors	100%	100%
Shares of RPTs in	a. Purchases	0.40%	1.85%
	b. Sales	37.47%	40.20%
	c. Loans and advances	99.16%	98.50%
	d. Investments	36.42%	47.60%

PRINCIPLE 2: Business should provide goods and services in a manner that is sustainable and safe
1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of the product and processes to total R&D and capex investments made by the entity, respectively.

	Details of Improvements in environment and social Impacts	FY 2023-24	FY 2022-23
R&D	Nil	Nil	Nil
Capex	FY 2023-24 1. Installation of briquette boiler instead of traditional boilers. 2. Installation of water cooled chiller 3. Purchase of EV vehicles. FY 2022-23 1. New condensate pump for the boiler 2. Total replacement of all lights from CFL to LED 3. Installation of isolator 4. Installation of wet scrubber All the above projects have led to conservation of energy/ reduction of pollution.	6.30%	0.82%

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No): No
b. If yes, what percentage of inputs were sourced sustainably?

Though the Company, does not have a documented procedure on sustainable sourcing, the Company has a process of contractual enforcement of sustainability principles with key vendors so that the inputs sourced by the Company are manufactured by those key vendors adhering to sustainability principles which includes the following:

- Compliance with all Statutory norms labour, health, safety, environment and ethical standards
- Zero tolerance towards corruption, fraud, bribery and other unethical conduct
- Prohibition of Child Labour and protection of human rights
- Equal opportunities and no discrimination on the basis of gender, race, age, caste etc
- Protection of environment
- Safe and healthy workplace

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Since exports account for the entire turnover of the Company and the exports are made specifically through the overseas subsidiaries which are not part of the BRSR reporting for the current year, specific measures cannot be provided for Plastics and Medical/ Hazardous Wastes generated

as a result of such exports. However, the following details are available with respect to plastic waste/ e-waste/ hazardous and other wastes that are generated and disposed within India:

- Hazardous waste is disposed of through authorized disposal facilities under long term agreements.
- E-waste is given for recycling through authorised e-waste Recyclers. The arrangement is being formalized by way of long term agreements.
- Bio-medical waste, which is a critical component of the waste generated, is disposed through authorised recyclers under long term agreements.
- Plastic Wastes are being disposed of under arrangements through recyclers who also handle hazardous and other wastes.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. Since the Company's significant source of plastic waste generation is through export of products, EPR is not applicable for those wastes. However, as an importer of goods/ materials that contain plastic components/ wrapped in plastic materials and also for the negligible quantity of plastic wastes that is disposed locally, the Company has obtained EPR under the new guidelines issued by the Ministry of Environment on Extended Producer Responsibility for Plastic Waste.

Principle 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

1. a. Measures for well-being of employees

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees¹											
Male	1528	1528	100%	1528	100%	0	0	0	0	706	46.20%
Female	359	359	100%	359	100%	359	100%	0	0	177	49.30%
Total	1887	1887	100%	1887	100%	359	19.02%	0	0	883	46.79%
Other than Permanent Employees											
Male	353	353	100%	353	100%	0	0	0	0	63	17.84%
Female	385	385	100%	385	100%	385	100%	0	0	31	8.05%
Total	738	738	100%	738	100%	385	52.17%	0	0	94	12.73%

¹The count of employees given in this table (for both permanent and other than permanent employees) includes the count of workers (both permanent and other than permanent workers) in line with the definition of the respective terms under Industrial Relations Code 2020.

b. Measures for well-being of workers

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Workers											
Male	1215	1215	100%	1215	100%	0	0	0	0	685	56.37%
Female	304	304	100%	304	100%	304	100%	0	0	176	57.89%
Total	1519	1519	100%	1519	100%	304	20%	0	0	861	56.68%
Other than Permanent Workers											
Male	353	353	100%	353	100%	0	0	0	0	63	17.84%
Female	385	385	100%	385	100%	385	100%	0	0	31	8.05%
Total	738	738	100%	738	100%	385	52.17%	0	0	94	12.73%

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24	FY 2022-23
Cost Incurred on well-being measures as a % of total revenue of the company	0.85%	0.84%

2. Details of retirement benefits offered to workers & employees, for Current Financial Year & Previous Financial Year: ESI; PF; Gratuity; others, please specify.

Benefits	FY 2023-24 ¹			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	12.77%	40.22%	Y	28.31%	62.94%	Y
Others – please specify	-	-	-	-	-	-

¹The count of employees given in this table (for both permanent and other than permanent employees) includes the count of workers (both permanent and other than permanent workers) in line with the definition of the respective terms under Industrial Relations Code 2020.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company maintain suitable facilities and infrastructure for persons with disabilities to enable them to effectively discharge their duties in the establishment. We aim to ensure that our physical infrastructure (buildings, furniture, facilities and services in the building/campus) adheres to the accessibility standards given in the Harmonized Guidelines and Space Standards for Barrier Free Built Environment for Persons with Disabilities and Elderly Persons, 2016 and the National Building Code, 2016. In case of facilities that were constructed before the coming into effect the

said Code, steps shall be taken to ensure Compliance. Any new facility that is built, renovated, leased or rented is being evaluated for compliance with accessibility standards at different stages of the building construction and employees facing accessibility issues are provided with dedicated support by way of a reporting mechanism to HR head/ Managing Director.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the equal opportunity policy is adopted and approved by the Board of Directors.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work	Retention Rate ¹	Return to work	Retention Rate
Male	NA	NA	NA	NA
Female	83.33%	NA	80%	67%
Total	83.33%	NA	80%	67%

¹While calculating the retention rate for the year, the Company has considered those women employees/ workers who joined back in the year 2022-23 after their maternity leave and have completed one year of service during the year 2023-24. The count of employees given in this table (for both permanent and other than permanent employees) includes the count of workers (both permanent and other than permanent workers) in like with the definition of the respective terms under Industrial Relations Code 2020.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	YES/NO (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes.
Other than Permanent Workers	<ul style="list-style-type: none"> ➤ During the year, the Company has initiated the rollout of a comprehensive portal comprising all the Codes and Policies applicable to employees and third parties to give awareness of the grievance redressal mechanism. The portal was operationalised subsequent to the end of the Financial Year. ➤ The units have constituted Health & Safety Committees which has wide representation from all employees/ workers. The Committee conducts regular meetings and inspections to identify any unsafe, unhealthy work conditions and also receives grievances from employees/ workers for time bound resolution. All the grievances are recorded along with action plan in the Health & Safety Committee minutes/ reports. ➤ All the units have constituted Internal Complaints Committee under the Prevention of Sexual Harassment Policy. Any grievances from women employees are handled as per the Policy. ➤ The Company's whistle-blower policy covers all employees and workers (including contractual/fixed term and casual) of the Company, whether engaged on part time or full time basis. Under the whistle-blower policy, a dedicated Ethics Committee looks into all complaints and grievances of employees/ workers with regard to any violation of the Company's policies, codes and statutes applicable to its operations. A dedicated e-mail ID ethics@caplinpoint.net/ ethics@caplinsteriles.net has been created to receive and address all grievances and complaints.
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the Listed Entity:

Though the Company does not discriminate against employees/ workers who participate in associations/ unions, no such associations/ unions are in existence.

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / Workers in respective category, who are part of association or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of Union or Associations (D)	% (D / C)
Total Permanent Employees	Nil	Nil	Nil	Nil	Nil	Nil
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil
Total Permanent Workers	Nil	Nil	Nil	Nil	Nil	Nil
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil

8. Details of training given to employees and workers:

Category	FY 2023-24 ¹					FY 2022-23				
	Total (A)	On Health and Safety Measures		On skill Upgradation		Total (D)	On Health and Safety Measures		On skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1528	1270	83.11%	1270	83.11%	1079	780	72.28%	780	72.28%
Female	359	304	84.67%	304	84.67%	196	129	65.81%	129	65.81%
TOTAL	1887	1574	83.41%	1574	83.41%	1275	909	71.29%	909	71.29%
Workers²										
Male	1215	1025	84.36%	1025	84.36%	255	255	100%	255	100%
Female	304	253	83.22%	253	83.22%	112	112	100%	112	100%
TOTAL	1519	1278	84.13%	1278	84.13%	367	367	100%	367	100%

¹The count of employees given in this table (for both permanent and other than permanent employees) includes the count of workers (both permanent and other than permanent workers) in line with the definition of the respective terms under Industrial Relations Code 2020.

²Only permanent workers are considered.

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24 ¹			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1528	1528	100%	1079	1079	100%
Female	359	359	100%	196	196	100%
TOTAL	1887	1887	100%	1275	1275	100%
Workers						
Male	1215	1215	100%	255	255	100%
Female	304	304	100%	112	112	100%
TOTAL	1519	1519	100%	367	367	100%

¹Only permanent workers are considered. Also, the performance evaluation cycle of the Company commences from October of each year and applicable only to those who have joined to the month of June of that year. The count of employees given in this table (for both permanent and other than permanent employees) includes the count of workers (both permanent and other than permanent workers) in line with the definition of the respective terms under Industrial Relations Code 2020.

10. Health and safety Management

a. Whether an occupational health and safety management system has been implemented by the entity?

Yes. The Company has implemented occupational health and safety management system across its facilities. Our Environment, Health and Safety policy applies to all R&D Units and Manufacturing units.

Manufacturing Units has implemented unit specific EHS policy which is as per operations and processes of the unit and in line with Occupational Health & Safety objectives. Company has robust fire safety and detection system to address fire risks and in case of any fire incident, the same shall be notified immediately through SMS to the concerned supervisors.

Our Health and safety management system comprises of the following -

i. Written Instructions and safe work procedures:

In all our manufacturing units, EHS policy and procedures have been placed in designated areas in both local language and in English for providing clear safety instructions to the employees.

ii. Trainings

Employees on all levels receive appropriate safety trainings and necessary refresher trainings. Some of the trainings conducted are:

- Chemical safety, handling and spillage response training
- Safety management training along with mock drill

- Fire alarm & emergency response training
- Incident and Accident reporting training
- Personal Protective equipment training
- Environmental awareness training
- Occupational health training
- Biological materials handling training
- Disaster Management and Business Continuity Plan training
- Other training programs specific to unit's operational requirements

iii. Identifying hazards and managing risk

iv. Health and safety committee meetings

v. Emergency preparedness drills

vi. Inspection of premises, equipment, workplaces & work practices

vii. Comprehensive maintenance contracts for all emergency systems like fire protection system

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The creation of a safer and healthier workplace depends on the identification of hazards, the evaluation of risks connected with those hazards, and the effectiveness assessments of management measures. For routine activities in both R&D and Manufacturing operations risk assessments such as lab related hazards and process risk related assessment are carried out at regular intervals and before starting any new activity. Assessments carried out includes-

- Qualitative risk assessment – (QCERA) Qualitative Chemical Exposure Risk Assessment
- Quantitative risk assessment – (HIRA) Hazard Identification Risk Assessment
- Safety inspection and walkthrough observations of the site including corrective and preventive actions identification
- Comparing and updating SOPs (Standard Operating Procedures) as per the safety standards
- Internal Audits
- Safety Committee meetings
- Availability of Material Safety Data Sheet

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes. Mechanism for incident/near miss incident reporting, investigation and implementation of appropriate corrective measures has been implemented in all the units. Training regarding emergency preparedness and emergency evacuation plan is being given to the employees from time to time along with personal protective equipment and emergency contact details.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

Currently, the Company extends non-occupational medical and health care services to employees and workers in tie-up with hospitals and clinical labs where the employees/ workers will be permitted to take periodic health check-ups.

11. Details of safety related Incidents

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	0.29
	Workers	Nil	0.61
Total recordable work-related injuries ¹	Employees	Nil	3
	Workers	2	4
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

¹ Recordable work related injuries has been taken to include injuries that are both reportable and non-reportable (first aid cases) under the Factories Act, 1948.

12. Measures taken by the entity to ensure a safe and healthy workplace

Company has established mechanisms to ensure the safe and healthy working environment for its employees. EHS policy has been implemented in line with our business objectives and compliance obligations. The measures taken by the Company to ensure health and safety at the workplace are as follow:

- Permit to work system: In manufacturing units, permit-to work system is used to ensure that work is done safely and efficiently. Permits for work execution are prepared by an authorized person (both the issuer and the receiver). Based on safety officer clearance, the work shall be initiated in the work place.
- Qualitative risk assessment – (QCERA) Qualitative Chemical Exposure Risk Assessment
- Quantitative risk assessment – (HIRA) Hazard Identification Risk Assessment
- Environment Monitoring and Display boards at place to monitor the emissions, discharge and waste generation
- Standard operating Procedures
- Elaborate change management process
- Safety Committee reviews

- Pre-start up safety review
- Safety inductions before commencement of new activity
- Process specific trainings

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending Resolution at the end of year	Remarks
Working Conditions ¹	48	5	Nil	49	7	Nil
Health & Safety	0	0	Nil	0	0	Nil

¹The above Complaints were collected during the course of Safety and other Committee meetings where the employees/ workers participate. Many of the complaints were actually suggestions for improvements which were taken up and resolved.

14. Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties) ¹
Health and safety practices	100%
Working Conditions	100%

¹ Assessments were carried out by statutory authorities as part of their regular site visits and also by Internal Auditors who regularly cover compliance with statutory requirements as part of their audit.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Manufacturing units have implemented incident management and reporting systems. All incidents are thoroughly investigated for root causes and trainings are provided to employees/ workers to remediate the root causes so that the incidents do not recur. Similarly, for near misses, there are procedures in place to highlight them, investigate and remediate. Initial and periodic inspections of the workplace are carried out to identify new or recurring hazards. Also, regular trainings are conducted with respect to safety and controlling measures about new or recurring hazards. Adequate information on safe work place are made available throughout the units through sign boards and other mechanisms.

PRINCIPLE 4: Business should respect and be responsive to all its stakeholders
1. Describe the processes for identifying key stakeholder groups of the entity.

Company engages with a broad range of stakeholders in its day to day business. Stakeholder engagement also helps to manage risks and opportunities in business operations. The key stakeholders identified by the Company, on the basis of risks and opportunities they present to the Company, are: Employees, Investors, Vendors, Patients, Regulators and Local Communities.

2. List of stakeholder group identified as a key for entity and the frequency engage with each stakeholder group

Stakeholder Group	Whether identified as vulnerable & Marginalized Group (Yes/No)	Channel of communication	Frequency of Engagement (Annually/Half Yearly / Quarterly/ others)	Purpose and Scope of engagement including key topics and concerns raised during such engagement
Employees	No	Through regular meetings, dedicated employee portal, projects or operations reviews; one-on-one discussions, video/ audio conferences; counselling.	Annually and need based.	Career Management and Growth Prospects, Learning opportunities, compensation structure, building a safety culture and inculcating healthy & safe work practices.
Investors	No	Through Annual Report, company website, Press Releases, interview by Key Managerial Personnel, Investor Presentations and earnings call.	Quarterly and annually.	Financial & operational performance, Business sustainability, Strategy, update on key projects undertaken, communicating growth plans and understanding shareholders expectation.
Regulators	No	Through audits, filing of statutory records & participation in consultative process.	Quarterly, Half-yearly, Annually and need based.	Ensure 100% compliance to all laws and participation in policy making initiatives to drive cross-industry sustainability.
Vendors	No	Through site inspections/ visits, mails & calls.	Annually and need based.	Stronger partnerships, driving sustainability in value chain, product quality, ethical conduct and fair business practices.
Patients	Yes	Through direct presence in the markets and last mile connectivity through distributors, representatives and pharmacists.	Regular.	Reaching out to bottom of the pyramid customers with quality products at affordable cost and better availability.
Local Communities	Yes	Through community interactions.	Annually and need based.	Ascertaining the impactful projects that can be taken up as part of the CSR initiatives.

Principle 5: Business should respect and promote Human Rights
1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 ^{1&2}			FY 2022-23		
	Total (A)	No. employees / workers Covered (B)	% (B / A)	Total (C)	No. employees / workers Covered (D)	% (D / C)
Employees						
Permanent	1887	1887	100%	1275	0	0
Other than permanent	738	738	100%	244	0	0
Total Employees	2625	2625	100%	1519	0	0

Category	FY 2023-24 ^{1&2}			FY 2022-23		
	Total (A)	No. employees / workers Covered (B)	% (B / A)	Total (C)	No. employees / workers Covered (D)	% (D / C)
Workers						
Permanent	1519	1519	100%	367	0	0
Other than permanent	738	738	100%	244	0	0
Total Workers	2257	2257	100%	611	0	0

¹The Company has provided training to its employees and workers on prevention of sexual harassment during the year. For the other aspects, the Company regularly communicates with the employees on human rights issues like ensuring equality, avoiding child labour by posting the relevant policies in the website and in other conspicuous places etc.

²The count of employees given in this table (for both permanent and other than permanent employees) includes the count of workers (both permanent and other than permanent workers) in line with the definition of the respective terms under Industrial Relations Code 2020.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 ¹					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1887	0	0	1887	100%	1275	21	1.64%	1254	98.36%
Male	1528	0	0	1528	100%	1079	10	0.92%	1069	99.08%
Female	359	0	0	359	100%	196	11	5.62%	185	94.38%
Other than Permanent	738	0	0	738	100%	Nil	Nil	Nil	Nil	Nil
Male	353	0	0	353	100%	Nil	Nil	Nil	Nil	Nil
Female	385	0	0	385	100%	Nil	Nil	Nil	Nil	Nil
Workers										
Permanent	1519	0	0	1519	100%	367	Nil	Nil	367	100%
Male	1215	0	0	1215	100%	255	Nil	Nil	255	100%
Female	304	0	0	304	100%	112	Nil	Nil	112	100%
Other than Permanent	738	0	0	738	100%	244	Nil	Nil	244	100%
Male	353	0	0	353	100%	145	Nil	Nil	145	100%
Female	385	0	0	385	100%	99	Nil	Nil	99	100%

¹The count of employees given in this table (for both permanent and other than permanent employees) includes the count of workers (both permanent and other than permanent workers) in line with the definition of the respective terms under Industrial Relations Code 2020.

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
BOD ¹	-	-	-	-
KMP	4	92,46,638	1	14,38,603
Employees other than Directors and Key Managerial Personnel	309	7,50,660	54	3,20,484
Workers ²	1215	3,50,004	304	2,40,756

¹All Non-Executive Directors are paid only sitting fees. MD/WTD has been considered as part of KMP.

²Only permanent workers have been considered for the purpose of the calculation of median remuneration/ salary/ wages.

4. Gross wages paid to females % of total wages paid by the entity, in the following format:

	FY 2023-24	FY-2022-23
Gross wages paid to females as % of total Wages ¹	12%	11%

¹Only permanent employees and permanent worker's data has been taken in to consideration for calculating the data for this table.

5. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

6. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has constituted an Ethics Committee comprising of the following officials:

- i. Managing Director
- ii. Chief Operating Officer
- iii. Chief Financial Officer
- iv. General Counsel & Company Secretary
- v. Head - Human Resources

The Ethics Committee has the following role in respect of any human rights violation issues reported to it:

- i. Conduct the enquiry in a fair and unbiased manner.
- ii. Ensure complete fact-finding.
- iii. Maintain strict confidentiality.
- iv. Decide on the outcome of the investigation, whether an unethical activity has been committed and if so by whom.

- v. Decide on the appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures.
- vi. Minute Committee deliberations and document the final report.
- vii. Submit a report to the Audit Committee regarding the effective functioning of the Whistle-blower mechanism, at such intervals as the Committee may specify which shall not be more than six months.

Apart from the Ethics Committee, the Company also has Internal Complaints Committee for addressing Sexual Harassment issues as per Statutory procedure.

7. Number of Complaints on the following made by employees and workers

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

8. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, in the following format:

	FY 2023-24	FY-2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 (Posh)	NIL	NIL
Complaints on Posh as a % of female employees/workers	NIL	NIL
Complaints on Posh upheld	NIL	NIL

9. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has procedure for safeguarding whistle blower from discrimination and harassment. Complainants are protected and no action by way of discrimination, harassment, victimization, suspension, reduction or discontinuation or any other unfair employment practice like threat or intimidation or termination or suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like will be adopted against any employee or third-party on account of his or her making such Complaint.

10. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. The Company had incorporated the human rights components in key agreement with vendors and suppliers. Also, the Company is subject to various ESG requirements under the contracts it has with its customers.

11. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties for)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others –	100%
1) Health & Safety	
2) Working Conditions	

12. Provide details of any corrective actions taken or underway to address significant risks concerns arising from the assessments at Question above.

No corrective actions were necessary.

Principle 6 Business should respect and make efforts to protect and restore Environment
1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2023-24	FY 2022-23 ¹
From Renewable Sources		
Total electricity consumption (A)	2,54,44,836.00	1,11,64,658.40
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumption from renewable sources (A+B+C)	2,54,44,836.00	1,11,64,658.40
From Non -Renewable sources		
Total Electricity Consumption (D)	7,05,14,511.59	6,46,92,928.80
Total fuel Consumption (E)	8,28,66,984.95	4,62,04,106.81
Energy Consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	15,33,81,496.54	11,08,97,035.61
Total energy consumed from (A+B+C+D+E+F)	17,88,26,332.54	12,20,61,694.01
Energy Intensity per rupee of turnover (total energy consumed/ Revenue from operations)	0.02	0.02
Energy intensity per rupee of turnover adjusted for purchasing power parity (ppp)	0.43	0.37
Energy intensity in terms of physical output	0.12	0.01

¹Previous year's data has been revised to align with the change in formula/methodology or data and assurance approach specified by SEBI.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Not applicable

3. Disclosures related to water

Parameter	FY 2023-24	FY 2022-23 ¹
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	47,261.00	72,800.40
(iii) Third party water	6,56,844.00	13,00,359.00
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7,04,105.00	13,73,159.40
Total volume of water consumption (in kilolitres)	2,07,664.00	5,73,087.40
Water intensity per rupee of turnover (Water consumed / turnover)	0.000022	0.000078
Water intensity per rupee of Turnover adjusted for purchase power parity	0.00050	0.0017

¹Previous year's data has been revised to align with the change in formula/methodology or data and assurance approach specified by SEBI.

4. Provide following details related to water discharged

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify the level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify the level of treatment	-	-
(iii) Seawater	-	-
- No treatment	-	-
- With treatment – please specify the level of treatment	-	-
(iii) Sent to Third parties	-	-
- No treatment	4,62,366.00	7,69,620.00
- With treatment – please specify the level of treatment	-	-
(iv) others- Gardening, Tichel bio Park Common Facility		
- No treatment	2,920.00	750.00
- With treatment –Primary, Secondary and Tertiary	31,155.00	29,702.00
Total water discharged (in kilolitres)	4,96,441.00	8,00,072.00

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Despite not having a ZLD mechanism the Company's water management and treatment practices are meticulously organized across its various units, each employing tailored strategies to ensure efficient treatment and reuse of water, thus minimizing environmental impact and supporting sustainability goals.

Amaris (CRO)

Source and Collection: Trade effluent from the bio-analytical laboratory is collected in a designated solvent waste storage area. This area is routinely inspected to ensure safety and compliance.

Primary Treatment: Involves the removal of suspended solids and organic matter, followed by chemical treatment where lime is used for pH control. Chemical coagulants (Alum) and flocculants (polyelectrolytes) are added to facilitate the aggregation and settling of fine particles.

Secondary Treatment: The treated effluent undergoes solar evaporation using concrete solar beds, effectively reducing liquid waste through natural processes.

CPL R&D (Ticel Bio-Park)

The unit operates a common treatment plant, which includes a 2 KLD Effluent Treatment Plant (ETP) and a 20 KLD Sewage Treatment Plant (STP).

ETP Process: The effluent undergoes collection, flocculation, primary and secondary settling, followed by biological treatment in an aeration tank. Post-treatment, the water is filtered through pressure sand and activated carbon filters.

STP Process: Sewage is collected, aerated, and settled through a Fluidised Bio Reactor system. The treated sewage is filtered, disinfected, and then reused for gardening, floor washing, and toilet flushing. The bio sludge generated is repurposed as manure.

CPL R&D (Hyderabad)

The unit is equipped with 10 KL tanks specifically for storing liquid waste. Pre-treatment processes are not conducted here; instead, once the tanks are full, the effluent's pH is tested, and adjustments are made if necessary before contacting the agency collecting/treating the effluents. Wastewater Management: Domestic wastewater from the facility is discharged directly into drains after pH adjustment, ensuring the effluent complies with regulatory pH ranges.

Head Office, CPL R&D, CSL R&D – (Perungudi)

Like the Ticel Bio-Park, this location also utilizes a 2 KLD Effluent Treatment Plant (ETP) and a 20 KLD Sewage Treatment Plant (STP).

ETP Process: The effluent is treated through collection, flocculation, settling, biological treatment, and filtration, with treated water being reused for gardening and flushing.

STP Process: The Fluidised Bio Reactor system treats sewage by aerating and settling it, followed by filtration and disinfection. The treated water is reused for non-potable purposes, and the bio sludge is used as manure.

CSL Manufacturing Unit (Gummidipoondi)

This unit employs a multi-stage Effluent Treatment Plant (ETP) that includes primary (chemical), secondary (biological), and tertiary (filtration and disinfection) treatment processes. Sewage Treatment: The facility's Sewage Treatment Plant (STP) also follows a biological treatment process. Reuse of Treated Water: The final treated effluent consistently meets Tamil Nadu Pollution Control Board (TNPCB) standards and is reused for gardening, helping to conserve water and enhance greenery within the facility.

CPL Manufacturing Unit (Puducherry)

ETP Mechanisms -The effluent from various production processes (e.g., OSD, suppositories, liquid orals) is collected in a 130 KL influent storage sump. It undergoes flocculation and pH stabilization, primary settling, bioreactor treatment, secondary settling, and final clarification and filtration. The treated water is then passed through a Reverse Osmosis (RO) system, with the permeate being used for utility purposes.

STP Mechanisms- Domestic effluent is screened, aerated, and settled before undergoing multiple filtration stages. The treated sewage is stored and repurposed for gardening, thus minimizing the discharge of untreated wastewater into the environment.

6. Detail of Air emissions by the entity

Parameter	Unit	FY 2023-24	FY 2022-23 ¹
NOx	mg/Nm ³	4554.90	3715.97
SOx	mg/Nm ³	176.16	1943.50
Particulate matter (PM)	mg/Nm ³	599.34	310.03
Persistent organic pollutants (POP)	ppm	Nil	Nil
Volatile organic compounds (VOC)	ppm	Nil	Nil
Hazardous air pollutants (HAP)	ppm	Nil	Nil
Others – please specify	ppm	760.94	487.01

¹Previous year's data has been revised to align with the change in formula/methodology or data and assurance approach specified by SEBI.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format

Parameter	Unit	FY 2023-24	FY 2022-23 ¹
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	6,807.29	2,117.37
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	21,706.66	16,944.34
Total Scope 1 and Scope 2 emissions per rupee of turnover	In kg/ ₹	0.0000030	0.0000026
Total Scope 1 and Scope 2 emissions intensity per rupee of Turnover adjusted for Purchase Power Parity (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.000068	0.000057
Total scope 1 and scope 2 emission intensity in terms of physical output		-	-

¹Previous year's data has been revised to align with the change in formula/methodology or data and assurance approach specified by SEBI.

8. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

In order to conduct monthly assessment of the ambient air quality, stack monitoring, noise monitoring, source emissions, Volatile compound monitoring etc. government approved external laboratories are engaged as follows:

In CSL Manufacturing Unit (Gummidipoondi) Unit - EHS 360 Labs Private Limited

In Amaris (CRO) Unit - EHS 360 Labs Private Limited

In CPL Manufacturing Unit (Puducherry) Unit - Chennai Mettex Lab Private Limited

In CPL R&D (Hyderabad) Unit - Global Enviro Labs

In Head Office, CPL R&D, CSL R&D- (Perungudi) unit - EHS 360 Labs Private Limited

9. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. The company has implemented a series of energy-saving initiatives aimed at reducing its greenhouse gas (GHG) emissions and enhancing sustainability. The introduction of solid fuel fired boilers, specifically 6 Ton and 3 Ton capacity briquettes fired boilers which are renewable and carbon-neutral energy source, not only saves ₹ 15 lakhs per month but also significantly reduces the carbon footprint.

The installation of water-cooled chillers, including an 800 Ton centrifugal and a 400 Ton screw type chiller, replaces the less efficient 185 Ton air-cooled chillers. This transition results in annual cost savings of ₹ 294.1 lakhs and energy savings of 3,676,320 kW, thereby lowering electricity consumption and associated GHG emissions. Furthermore, the reuse of 75 KL/day of reject water from the RO plant for cooling tower condensation and boiler feed water reduces the environmental impact of effluent disposal and conserves water.

Additionally, the decommissioning of 40 TR air-cooled chillers and re-connection to 800 TR water-cooled chillers saves ₹ 22.1 lakhs annually and 276,480 kW of energy per annum, further reducing GHG emissions. The introduction of the Nitrogen Micro Bulk Cylinder (MBC) system optimizes the nitrogen supply process, saving ₹ 3.35 lakhs monthly and reducing logistical emissions.

Together, these initiatives showcase the company's commitment to sustainability and its proactive approach to reducing GHG emissions through efficient energy use, water conservation, and optimized processes.

10. Provide detail of the waste Management by the entity

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	29.92	41.89
E-waste (B)	3.05	0.95
Bio-medical waste (C)	53.64	6.31
Construction and demolition waste (D)	-	Nil
Battery waste (E)	14.27	-

Parameter	FY 2023-24	FY 2022-23
Radioactive waste (F)	-	Nil
Other Hazardous waste. Please specify, if any. (G)	107.38	52.56
Other Non-hazardous waste generated (H).	134.17	76.05
Total (A+B + C + D + E + F + G + H)	342.43	177.76
Waste Intensity per Rupee of turnover	0.000000036	0.000000024
Waste Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	0.00000082	0.00000054
Waste intensity in terms of physical output	0.00000023	0.00000011
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste-Plastic, E-waste, Battery waste, Non- hazardous and Hazardous waste		
(i) Recycled	61.85	47.71
(ii) Re-used	-	--
(iii) Other recovery operations	-	--
Total	61.85	47.71
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste- Plastic, E-waste, Battery waste, Non- hazardous and Hazardous waste		
(i) Incineration	54.07	10.34
(ii) Landfilling	3.65	77.14
(iii) Other disposal operations	222.86	42.57
Total	280.58	130.05

11. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The company implements a comprehensive waste management strategy across all its units to ensure that hazardous waste is handled, stored, and disposed of in an environmentally responsible manner, in compliance with relevant regulations. A standardized procedure for managing both liquid and solid waste has been established, which includes proper waste segregation according to standard guidelines. The company has successfully diverted most of the waste generated at its facilities to authorized recyclers and vendors, ensuring that both hazardous and non-hazardous waste is managed efficiently. Hazardous waste, such as spent solvents, is provided to authorized recyclers; chemical solid waste and spent oil are sent to recycling facilities; used batteries are returned to manufacturers on a buy-back basis; e-waste is sent to recyclers or returned to manufacturers; and biomedical waste is sent to authorized recyclers. For non-hazardous waste, paper waste is sent to authorized vendors for recycling, and plastic waste is sent to recyclers. In FY23-24, the company is initiating the disposal of hazardous waste at an Alternate Fuel Resource Facility (AFRF) to reduce landfill use and incineration, thus minimizing land contamination and air pollution. In AFRF, hazardous waste is pre-processed and then used as fuel in cement factories, further enhancing the company's commitment to sustainable waste management.

12. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The Company refrains from conducting its operations in environmentally fragile or ecologically sensitive regions. This strategic decision underscores the company's commitment to responsible business practices and environmental stewardship, avoiding potential harm to delicate ecosystems. By deliberately choosing locations that are not ecologically sensitive, the company aims to minimize its environmental impact and contribute to the preservation of biodiversity and natural habitats.

13. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year:

N/A. In accordance with the Ministry of Environment, Forest & Climate Change (MoEF) guidelines, the industry/operations are exempt from the requirement to furnish environmental clearance or undergo an Environmental Impact Assessment (EIA).

14. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

Yes. The Company is compliant with the applicable environmental law / regulations / guidelines.

Principle 7 Business when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

1. a. Number of affiliation with trade and Industry Chamber/Associations

The company is member of total 7 trade and industry chambers/ associations

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Drug Manufacturers Association	National
2	Pharmaceuticals Manufacturers Association of Tamil Nadu	State
3	Pharmaceutical Export Promotion Council	National
4	Federation of Indian Exports Organization	National
5	Confederation of Indian Industries	National
6	PDMA – Pondicherry Drug Manufactures Association	State
7	Hindustan Chamber of Commerce	National

2. Provide detail of the corrective action taken or underway on any issues related to anti- competitive conduct by the entity based on adverse orders from regulatory authorities: Company has not been in any issue related to anti – competitive conduct.

No such instance during the Financial Year.

Principle 8 Businesses should promote inclusive growth and equitable development
1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial Year.

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

The Company interacts with local community on a regular basis through formal and informal communication channels.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	4.96%	5.91%
Sourced directly from within the district and neighbouring districts	29.2%	26.10%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	63%	62%
Semi Urban	4%	4%
Urban	No Unit in urban	No Unit in urban
Metropolitan	33%	34%

Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

In markets like Latin America, the Company primarily exports the pharmaceutical products it manufactures to its Subsidiaries situated in multiple countries in the region. As such, the teams in the Subsidiaries are tasked with the responsibility of gathering any grievances from the consumers and receive their complaints and communicate it to the Company for speedy redressal. The Company has a standard policy and procedure of dealing with all such consumer complaints in a time bound manner. In the regulated markets, the receipt and redressal of any consumer complaint is handled as per contractual provisions with the front end partners.

For handling market complaints from Regulated markets also Standard Operating Procedures are in place through Quality Assurance department, Regulatory Affairs department and external Pharmacovigilance team.

In both the cases, the Quality Assurance department is responsible for receiving, logging, initiating investigation, selection of the cross functional team, completing investigations, notifying relevant stakeholders as need be (as per the customer quality agreement terms), implementation of corrective and preventive actions, responding to complainant and maintain the product complaint files.

The external Pharmacovigilance team shall be responsible to investigate complaints related to Adverse Drug Reaction / Adverse Drug Events and provide a report on the investigation to the head Regulatory Affairs. For the purposes of investigation, respective customer helps or external pharmacovigilance services may be utilized. The scope of services of Pharmacovigilance team shall encompass all the deliverables coming under Individual Case Safety Reporting processing (ICSR processing), as follows:

- Literature screening activity
- Case Processing services consisting of:
 - a. Triage, Case Processing, Quality Review & Medical Review and expedited reporting.
 - b. Literature search, analysis and reporting of literature cases.
- Aggregate Reports: Development Safety Update Report (DSURs), Quarterly Periodic Adverse Drug Experience Reports (PADERs) and Periodic Safety Update Reports (PSURs)/ Periodic Benefit Risk Evaluation Reports (PBRERs).
- Clinical overviews (COs).
- Signal Management and Signal reports.
- Risk Management Reports.
- Call Centre Management Support

Regulatory Affairs department shall be responsible to assess the impact from the regulatory aspect and also responsible for field alert / notification to respective health authority/qualified persons for critical failures related to complaint handling.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage of total turnover
Environment and social parameters relevant to the product	Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data Privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber Security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of Essential Services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
other	12	Nil	Nil	11	Nil	Nil

4. Details of instances of product recalls on account of safety issues:

	Number	Reason of recall
Voluntary recalls	1	The recall was initiated during the Financial Year 2023-24 arising out of failure of a product in Long term stability study to meet the product specifications.
Forced recalls	--	--

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The company has Personal Data Protection and Privacy Policy which provides the framework for the cyber security risks related to the data privacy. The policy is available at the link at <https://www.caplinpoint.net/index.php/corporate-governance/>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Apart from the product recall which was detailed in Point No. 4, there were no other instances of product recall/ quality issues/ privacy or cyber security breach requiring corrective action as at the end of the Financial Year. There was also no penalty levied or action taken by regulatory authorities on safety of products/ services. All remedial actions were taken to avoid recurrence of the product recall.



CAPLIN POINT[®]
Laboratories

**STANDALONE
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR’S REPORT

To
 The Members of
 Caplin Point Laboratories Limited, Chennai

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Caplin Point Laboratories Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the Standalone Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended, (“the Act”) in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India including the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”), of the state of affairs of the Company as at March 31, 2024, of its profit (including other comprehensive income), of its changes in equity and of its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of the most significance in our audit of the Standalone Financial Statements of the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the following matters as Key Audit Matters to be communicated in our report:

Key Audit Matter	Auditor’s Response
Accuracy and completeness of disclosure of related party transactions and compliance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘SEBI (LODR) 2015’). (Refer Note No. 44 to the Standalone Financial Statements)	Our audit approach include: <ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to capturing of related party transactions and management’s process of ensuring all transactions and balances with related parties have been disclosed in the standalone Ind AS financial statements. • We obtained an understanding of the Company’s policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors. • We agreed the amounts disclosed with underlying documentation and read relevant agreements, evaluation of arms-length by management, on a sample basis, as part of our evaluation of the disclosure.

Key Audit Matter	Auditor's Response
	<ul style="list-style-type: none"> ● We assessed management evaluation of compliance with the provisions of Section 177 and Section 188 of the Companies Act 2013 and SEBI (LODR) 2015. ● We evaluated the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.
<p>The company carries significant inventory in both the Manufacturing as well as in trading divisions. The relevant Inventory management, including stock verification procedures at periodical intervals and valuation of inventories considering the specific life cycle of the products are underlying key factors in determining the appropriateness of value of inventories. As per the company's accounting policies, inventories are measured at the lower of cost or net realizable value. Considering the volume and complexity of the inventory verification process and the associated valuation, inventories are considered as a key audit matter.</p> <p>(Refer Note No. 1B(g) & Note No. 7 to the Standalone Financial Statements).</p>	<p>Our audit approach include:</p> <ul style="list-style-type: none"> ● We have assessed the carrying value of inventories, including costing and provisions for obsolescence and net realisable value. ● The existence of inventories has been tested through our attendance at year-end inventory stocktakes. Observing physical inventories assisted with our valuation assessment as we were able to identify quality issues if any, and validate expiry dates of products. ● We assessed the appropriateness of the determination of inventory cost by assessing the accuracy of the standard costing used by the Company and assessing the recognition of variances from standard costs. ● We assessed whether inventory is recognised at the lower of cost or net realisable value at period end by comparing the inventory value measured at cost to audit evidence supporting net realisable value such as the current selling price of the products and achieved margins. ● We assessed whether the provisions for obsolescence calculated by the Company reflect known quality issues if any, and commercial considerations including product expiration, market demand, manufacturing plans, as well as their compliance with Ind AS 2 and consistent application from prior periods.
<p>As per the principles of Revenue recognition set out in the Accounting Standards involves certain key judgments relating to the identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, the revenue accounting standard contains disclosures that involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>(Refer Note No. 1B(n) & Note No. 24 to the Standalone Financial Statements).</p>	<p>Our audit approach includes:</p> <ul style="list-style-type: none"> ● Testing the design and operating effectiveness of the internal controls associated with contracts with customers. ● Analysing contracts with customers from selected samples. ● Analysing invoices with customers from selected samples. ● Testing of the approval mechanism, access and change controls associated with the price. ● Reviewing the report of Internal Auditors. ● Performance of analytical procedures for reasonableness of the estimates.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and in doing so, consider whether other information is materially inconsistent with Standalone

Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report the fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of the work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the financial year ended March 31, 2024 and are therefore Key Audit Matters. We describe these matters in our auditor's reports unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

Attention is drawn to the fact that the Standalone Financial Statements of the Company for the year ended March 31, 2023 in accordance with Companies (Indian Accounting Standards) Rules, 2015, as amended was audited by M/s. CNGSN & Associates LLP, who issued an unmodified report, vide their report dated May 27, 2023.

Our opinion on the statement is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Standalone Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Financial Statements have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 3(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flow and the standalone statement of changes in equity dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b)

above on reporting under section 143(3)(b) of the Act and paragraph 3(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- (g) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report.
3. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (a) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note No. 34 to the Standalone Financial Statements.
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (d) (i) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign

entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- (e) According to the information and explanations given to us, the final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- (f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014, as amended, is applicable for the financial year ended March 31, 2024.

Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of

account relating to payroll and the accounting software used for maintaining ledgers.

Further, the audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting softwares and we did not come across any instance of the audit trail feature being tampered with.

4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company

to its directors during the year is in accordance with the provision of section 197 of the Act. The remuneration paid to directors is not in excess of the limit laid down under section 197(16) which are required to be commented upon by us.

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No: 000511S

N. Sri Krishna
Partner

Place: Chennai
Date: May 16, 2024

Membership No: 026575
UDIN: 24026575BKCJTZ4829

Annexure A to the Independent Auditor's Report

The “**Annexure A**” referred to in Clause 1 of “**Report on Other Legal and Regulatory Requirements**” Paragraph of the Independent Auditor's Report of even date to the members of **Caplin Point Laboratories Limited (“the Company”)** on the Standalone Financial Statements as on and for the year ended March 31, 2024.

i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment and relevant details of Right of Use Assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) We are informed that a test of physical verification of Property, Plant and Equipment and Right of Use assets was carried out by the management at reasonable intervals and no material discrepancies were noticed. In our opinion, the frequency of verification of these assets is reasonable having regards to the size of the Company and nature of its assets.

c) The title deeds of all the immovable properties (other than properties, where the Company is the lessee and the lease agreements are duly executed in favour of the Company), as disclosed in the Standalone Financial Statements, are held in the name of the Company, except for a land and factory building purchased by the Company for ₹ 17.38 Crores during the Financial Year 2020-2021 through e-auction from Punjab National Bank under the SARFAESI Act, 2002 and rules thereof, for which the transfer of title is in progress, as shown below:

(₹ in Crores)

Description of property	Gross Carrying Value	Held in the name of	Whether promoter, director or their relative or employee	Period held by promoter, director or their relative or employee	Reason for not being held in the name of the company
Factory Land and Factory Building at SIDCO, Kakkalur, Tamilnadu	₹ 17.38 Crores	TANSIDCO	No	Not Applicable	The Transfer of Title Deeds is in progress

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has not revalued its Property, Plant and Equipment (including right of use assets) and intangible assets during the year ended March 31, 2024.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with the generally accepted auditing practices in India, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transaction Act, 1988 and rules made thereunder.

ii) (a) The management has conducted physical verification of inventory at reasonable interval during the year and no discrepancies were noticed for any class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the

Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly statements filed by the Company with such banks are in agreement with the books of account of the Company. However, the Company has not utilised the Working Capital limits during the year.

iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has provided loans and advances during the year to following entities:

(₹ in Crores)

Particulars of Loans	Amount
Aggregate amount during the year ended March 31, 2024	
A. Subsidiaries (Refer Note No. 4 & 12 to the Standalone Financial Statement)	106.60
B. Others (Employee Loan)	0.16

Particulars of Loans	Amount
Balance outstanding as at balance sheet date March 31, 2024	
A. Subsidiaries (Refer Note No. 4 & 12 to the Standalone Financial Statement)	262.60
B. Others (Employee Loan)	0.05

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with the generally accepted auditing practices in India, in our opinion the investments made and the terms and conditions of the grant of loans and staff advances during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanation given to us, the payment of Interest has been regular and the repayment of principal has not commenced as per terms of the loan sanctioned. Further, the Company has provided loan to its employees during the year as per the Company's policy and receipts are generally regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with generally accepted auditing practices in India, there is no overdue amount.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with generally accepted auditing practices in India, there are no loan or staff advances granted that has fallen due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or staff advances during the year either repayable on demand or without specifying any terms or period of repayment.
- iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried

out in accordance with the generally accepted auditing practices in India, the Company has complied with the provisions of section 185 and section 186 of the Act to the extent applicable with respect to grant of loans, security, guarantee given, and investments made.

- v) According to the information and explanations given to us, and based on our examination of the records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has not accepted any deposits from the public and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, therefore the provisions of clause (v) of paragraph 3 of the order are not applicable to the Company.
- vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the same.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with generally accepted auditing practices in India, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Service Tax, Excise Duty, Value Added Tax, Goods and Service Tax, Duty of Customs, Cess, and Other Statutory Dues with the appropriate authorities. There are no outstanding undisputed statutory dues on the last day of financial year concerned for a period of more than 6 months from the date they become payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with generally accepted auditing practices in India, the particulars of dues of Income Tax or Sales Tax or Service Tax or Excise Duty or Value Added Tax or Goods and Services Tax or Cess or Stamp Duty as at March 31, 2024 which have not been deposited on account of any dispute are as under:

(₹ in Crores)

Name of Statute	Nature of dues	Amount of Claim	Periods to which amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	13.40*	AY 2013-2014 to AY 2018-2019	Various Judicial Forums

* Note: The respective Judicial Forums have decided the matters in favour of the Company. However, orders giving effect to such decisions are yet to be passed by the Assessing Officer.

- viii) According to the information and explanations given to us, and on the basis of our examination of the records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix) (a) According to information and explanation given to us, the company has not availed loans or other borrowings from any lender during the financial year under audit and hence reporting under clause 3(ix)(a) of the order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority or other lender.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with generally accepted auditing practices in India, the Company has not obtained term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been utilized for long term purposes. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, carried out in accordance with the generally accepted auditing practices in India, in our opinion, that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate.
- (f) According to the information and explanations given to us and on the basis of our examination of records of the Company, carried out in accordance with the generally accepted auditing practices in India, in our opinion, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate as defined under the Act. Accordingly, the provisions of clause (ix)(f) of paragraph 3 of the Order are not applicable.
- x) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with generally accepted auditing practices in India, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with generally accepted auditing practices in India, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause (x)(b) of paragraph 3 of the Order are not applicable to the Company.
- xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such cases by the management during the course of our audit.
- (b) No report under Section 143 (12) of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, as amended, with the Central Government.
- (c) According to the information and explanations given to us provided by the management of the Company, the Company has not received any whistle blower complaints during the year. Accordingly, provision of clause (xi)(c) of paragraph 3 of the Order is not applicable.
- xii) In our opinion and according to the information and explanations given to us and based on our examination of records of the Company, carried out in accordance with the generally accepted auditing practices in India, the Company is not a Nidhi Company. Accordingly, the provision of clause (xii)(a), (xii)(b) and (xii)(c) of the paragraph 3 of the Order is not applicable to the company.

- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties, prima facie are in compliance with the provisions of sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS.
- xiv) (a) According to the information and explanations given to us and based on our examination of the records of the Company, carried out in accordance with the generally accepted auditing practices in India, the Company has an internal audit system that commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause (xv) of the paragraph 3 of the Order are not applicable to the company.
- xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, accordingly, the provisions of clause (xvi) (a) of the paragraph 3 of the Order are not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the provisions of clause (xvi)(b) of the paragraph 3 of the Order are not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of clause (xvi)(c) of the paragraph 3 of Order are not applicable to the Company.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the provisions of clause (xvi)(d) of the paragraph 3 of Order are not applicable to the Company.
- xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the provisions of clause (xviii) of the paragraph 3 of Order are not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios (Refer Note 46 to the Standalone Financial Statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) (a) According to the information and explanations given to us and on the basis of verification of books and records, the Company is not required to transfer unspent CSR expenses to Specified Fund under Section 135(5) of the Act. Hence, the provision of clause (xx) (a) of the paragraph 3 of Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of verification of books and records, in compliance with Section 135(6) of the Act, the Company has transferred unspent amount of ₹ 4.35 crores to a special account, within a period of thirty days from the end of the financial year in compliance with sub-section (6) of Section 135 of the Act.

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No: 000511S

N. Sri Krishna
Partner

Place: Chennai
Date: May 16, 2024

Membership No: 026575
UDIN: 24026575BKCJTZ4829
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Annexure B to the Independent Auditor's Report

The **Annexure B**, referred to in Clause 2(g) of “**Report on Other Legal and Regulatory Requirements**” Paragraph of the Independent Auditor's Report of even date to the members of **Caplin Point Laboratories Limited** on the Standalone Financial Statements as of and for the year ended March 31, 2024.

Report on the Internal Financial Controls with reference to Standalone financial statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Caplin Point Laboratories Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Acts.

Auditors' Responsibility for Internal Financial Controls

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of

Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such

internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No: 000511S

N. Sri Krishna
Partner

Place: Chennai
Date: May 16, 2024

Membership No: 026575
UDIN: 24026575BKCJTZ4829

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	2A	161.77	151.70
(b) Capital work-in-progress	2B	27.75	42.68
(c) Intangible assets	2C	3.17	3.94
(d) Right of Use Assets	2D	0.85	1.21
(e) Financial assets			
(i) Investments	3	346.17	274.97
(ii) Loans	4	262.00	156.00
(iii) Other Financial Assets	5	10.19	4.48
(f) Income tax assets (Net)		1.97	0.99
(g) Other Non-current Assets	6	5.34	5.51
Sub-total-Non current assets		819.21	641.48
(2) Current Assets			
(a) Inventories	7	86.25	51.53
(b) Financial assets			
(i) Investments	8	237.98	210.18
(ii) Trade receivables	9	128.67	88.24
(iii) Cash and cash equivalents	10	80.64	122.02
(iv) Bank balances other than (iii) above	11	135.14	149.36
(v) Other Financial Assets	12	13.61	17.78
(c) Other current assets	13	20.81	22.59
Sub-total-Current assets		703.10	661.70
Total		1,522.31	1,303.18
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	15.19	15.18
(b) Other equity	15	1,374.96	1,124.73
Sub-total-Equity		1,390.15	1,139.91
(2) Liabilities			
(A) Non-Current Liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	16	0.16	0.48
(b) Deferred tax liabilities (Net)	17	10.00	14.14
(c) Other non current liabilities	18	2.70	1.80
Sub-total-Non current liabilities		12.86	16.42
(B) Current Liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro and small enterprises	19	0.35	0.11
(b) total outstanding dues other than micro and small enterprises	19	78.27	70.52
(ii) Lease Liabilities	20	0.77	0.86
(iii) Other financial Liabilities	21	20.05	20.32
(b) Provisions	22	4.42	10.96
(c) Other Current liabilities	23	15.44	44.08
Sub-total-Current liabilities		119.30	146.85
Total		1,522.31	1,303.18

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date attached

 For **Brahmayya & Co**

Chartered Accountants

Firm Registration No : 000511S

N. Sri Krishna

Partner

ICAI Membership No. 026575

Place : Chennai

Date : May 16, 2024

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;

CIN: L24231TN1990PLC019053

C.C. Paarthipan

Chairman

DIN:01218784

Muralidharan D

Chief Financial Officer

Place : Chennai

Date : May 16, 2024

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Venkatram G

General Counsel & Company Secretary

M. No. A23989

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Notes	For the Year ended March 31, 2024	For the Year ended March 31, 2023
I. INCOME			
(a) Revenue from Operations	24	625.09	528.61
(b) Other income	25	105.84	99.00
Total Income (a+b)		730.93	627.61
II. EXPENSES			
(a) Cost of Materials Consumed	26	172.13	151.35
(b) Purchases of Stock-in-Trade		76.77	48.38
(c) Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade	27	(43.68)	(1.67)
(d) Employee benefits expense	28	38.11	36.68
(e) Finance costs	29	0.10	0.12
(f) Depreciation and Amortisation Expenses	30	27.08	25.65
(g) Research and Development Expenses	31	28.74	28.45
(h) Other expenses	32	65.94	45.50
Total Expenses		365.19	334.46
III. Profit before Exceptional items and tax (I-II)		365.74	293.15
IV. Exceptional Items		-	-
V. Profit Before Tax (III-IV)		365.74	293.15
VI. Tax Expense (Net)			
• Current Tax		86.12	66.58
• Deferred tax (Benefits)/Charge		(4.09)	(7.69)
Total Tax Expense		82.03	58.89
VII. Profit for the Year (V-VI)		283.71	234.26
VIII. Other Comprehensive Income Items that will not be reclassified to profit or loss:			
(i) Remeasurement of Defined Benefit Plans		(0.21)	0.15
(ii) Income tax relating to these items		0.05	(0.04)
Other Comprehensive income/(loss) (net of tax)		(0.16)	0.11
IX. Total Comprehensive Income for the Year (VII+VIII)		283.55	234.37
Earnings Per Equity Share (Nominal value per share ₹ 2/-)	42		
Basic (in ₹)		37.36	30.89
Diluted (in ₹)		37.18	30.62

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date attached

For **Brahmayya & Co**

Chartered Accountants

Firm Registration No : 000511S

N. Sri Krishna

Partner

ICAI Membership No. 026575

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;

CIN: L24231TN1990PLC019053

C.C. Paarthipan

Chairman

DIN:01218784

Muralidharan D

Chief Financial Officer

Place : Chennai

Date : May 16, 2024

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Venkatram G

General Counsel & Company Secretary

M. No. A23989

Place : Chennai

Date : May 16, 2024

STANDALONE STATEMENT OF CASH FLOWS

For the Year ended March 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
A. Cash Flow from Operating Activities		
Profit before tax	365.74	293.15
<u>Adjustments for:</u>		
Depreciation and Amortisation expense	27.08	25.65
Finance costs	0.10	0.12
Government grants	(1.01)	(0.87)
Exchange Gain on Disposal of Associate	-	(0.21)
Exchange Loss on Disposal of Subsidiary	-	0.56
(Profit)/Loss on sale/disposal of property, plant and equipment	0.47	0.32
Employee Stock Option Scheme Expense	0.50	3.80
Net Unrealised Foreign Exchange Fluctuation Loss (Gain)	(0.86)	(1.10)
Fair value loss on financial instruments through profit or loss	(0.87)	0.54
Realised gain on Financial Assets	(2.03)	(1.83)
Dividend Income	(37.54)	(46.18)
Interest Income	(54.41)	(40.37)
Operating Profit before Working Capital changes	297.17	233.58
<u>Adjustments for:</u>		
(Increase) / Decrease in Inventories	(34.72)	(8.72)
(Increase) / Decrease in Trade receivables	(40.43)	(34.51)
(Increase) / Decrease in Other Asset	1.78	(11.53)
(Increase) / Decrease in Other Financial assets	(1.15)	(0.10)
Increase / (Decrease) in Trade payables, Other Liabilities & Provisions	(24.55)	43.41
Cash Generated from Operations	198.10	222.14
Income tax Paid	(87.09)	(65.04)
Net Cash inflow / (outflow) from Operating activities	111.01	157.10
B. Cash Flow from Investing Activities		
Sale / (Purchase) of investments	(98.14)	(141.17)
Investment in Bank Deposits & Inter Corporate Deposits	(0.01)	91.49
Investment in Subsidiaries	0.35	(31.74)
Proceeds from Disposal of Associate	-	2.03
Proceeds from Disposal of Subsidiary (Net)	-	1.94
Loan given to Subsidiary	(106.00)	(116.25)
Increase / (Decrease) in Other Bank Balances	14.32	85.82
Sale / (Purchase) of property, plant and equipment (Including CWIP)	(23.07)	(58.63)
Interest received	54.04	31.83
Dividend received	37.54	46.18
Realised gain on Financial Assets	2.03	1.83
Net Cash inflow / (outflow) from Investing activities	(118.94)	(86.67)
C. Cash Flow from Financing Activities		
Proceeds from exercise of employee stock options*	0.01	0.02
Interest paid (Including interest on Lease liability)	(0.10)	(0.12)
Dividend paid	(34.17)	(30.32)
Net Cash inflow / (outflow) from Financing activities	(34.26)	(30.42)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Net increase / (decrease) in cash and cash equivalents during the year (D=A+B+C)	(42.19)	40.01
Cash and Cash Equivalents as at the beginning of the year (E)	122.02	81.01
Effect of exchange rate changes on cash and cash equivalents (F)	0.81	1.00
Cash and Cash Equivalents as at the end of the year (G=D+E+F)	80.64	122.02
Less: Bank Balance in Unspent CSR Account (H)	0.15	6.64
Net Cash and Cash Equivalents as at the end of the year (I=G-H)	80.49	115.38

Notes:

* Proceeds from exercise of employee stock options amounting to ₹ 78,000 (PY: ₹ 2,27,740) for 39,000 Shares (PY: 1,13,870 Shares) under ESOP exercised during the Twelve months ended March 31, 2024.

The above Standalone Statement of Cash Flows has been prepared under the "Indirect method" as set out in Ind AS 7, 'Statement of Cash Flows'.

a) Reconciliation of Cash And Cash Equivalents:

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Cash And Cash Equivalents As Per Balance Sheet	80.64	122.02
Total Cash And Cash Equivalents As Per Balance Sheet	80.64	122.02
Less: Bank & Other Balance in Unspent CSR Account	0.15	6.64
Total Cash And Cash Equivalents As Per The Statement Of Cash Flows	80.49	115.38

b) Cash & Cash Equivalents does not include following:

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Investment in Mutual Fund	35.99	20.27
Investment in Corporate Bonds & Debentures - Non Current Investments	129.80	68.30
Investment in Corporate Bonds, Debentures & Commercial Papers - Current Investment	155.98	138.90
Bank Deposits with more than 1 year Maturity (Other Financial Assets - Non Current)	0.01	-
Inter Corporate Deposits (Current & Non Current)	51.01	51.01
Other Bank balances	125.27	146.99
Total	498.06	425.47

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date attached

For **Brahmayya & Co**
 Chartered Accountants
 Firm Registration No : 000511S

N. Sri Krishna
 Partner
 ICAI Membership No. 026575

Place : Chennai
 Date : May 16, 2024

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;
 CIN: L24231TN1990PLC019053

C.C. Paarthipan
 Chairman
 DIN:01218784

Muralidharan D
 Chief Financial Officer

Place : Chennai
 Date : May 16, 2024

Dr.Sridhar Ganesan
 Managing Director
 DIN:06819026

Venkatram G
 General Counsel & Company Secretary
 M. No. A23989

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024
A. EQUITY SHARE CAPITAL (Refer Note 14)

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT
Balance at the beginning of the reporting period	7,59,02,746	15.18	7,57,88,876	15.16
Changes in equity share capital due to prior period errors	-	-	-	-
Issue of equity shares during the year	39,000	0.01	1,13,870	0.02
Balance at the end of the reporting period	7,59,41,746	15.19	7,59,02,746	15.18

B. OTHER EQUITY (Refer Note 15)

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Reserves and Surplus							Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Employee Stock Option Outstanding (Net)	Share Application Money pending Allotment*	Other Comprehensive Income	Retained Earnings	
Balance as at March 31, 2022	0.41	8.14	11.29	15.45	0.00	0.19	880.01	915.49
Changes due to prior period errors	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	0.11	234.26	234.37
Additions/ (deductions) during the year :								
Final Dividend on equity shares for FY 21-22	-	-	-	-	-	-	(15.16)	(15.16)
Interim Dividend on equity shares for FY 21-22	-	-	-	-	-	-	(15.16)	(15.16)
Movement in security premium	-	5.27	-	-	-	-	-	5.27
Exercise of Employee stock option	-	-	-	(5.27)	-	-	-	(5.27)
Share- based payment expenses	-	-	-	3.80	-	-	-	3.80
Share Application Money pending Allotment	-	-	-	-	(0.00)	-	-	(0.00)
Amortised during the year in Cost of investment in subsidiary	-	-	-	1.39	-	-	-	1.39
Balance as at March 31, 2023	0.41	13.41	11.29	15.37	-	0.30	1,083.95	1,124.73
Changes due to prior period errors	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(0.16)	283.71	283.55
Additions/ (deductions) during the year :								
Final Dividend on equity shares for FY 22-23	-	-	-	-	-	-	(18.98)	(18.98)
Interim Dividend on equity shares for FY 22-23	-	-	-	-	-	-	(15.19)	(15.19)
Movement in security premium	-	2.00	-	-	-	-	-	2.00
Exercise of Employee stock option	-	-	-	(2.00)	-	-	-	(2.00)
Share- based payment expenses (Net)	-	-	-	0.50	-	-	-	0.50
Amortised during the year in Cost of investment in subsidiary	-	-	-	0.35	-	-	-	0.35
Balance as at March 31, 2024	0.41	15.41	11.29	14.22	-	0.14	1,333.49	1,374.96

* Share Application Money Pending Allotment is Nil as on 31/03/2024 and Nil as on 31/03/2023 (₹ 13,332 as on 31/03/2022).

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date attached

 For **Brahmayya & Co**
 Chartered Accountants
 Firm Registration No : 000511S

N. Sri Krishna
 Partner
 ICAI Membership No. 026575

 Place : Chennai
 Date : May 16, 2024

 For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;
 CIN: L24231TN1990PLC019053

C.C. Paarhipan
 Chairman
 DIN:01218784

Muralidharan D
 Chief Financial Officer
 Place : Chennai
 Date : May 16, 2024

Dr.Sridhar Ganesan
 Managing Director
 DIN:06819026
Venkatram G
 General Counsel & Company Secretary
 M. No. A23989

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

1. MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

1A. Company Overview:

Caplin Point Laboratories Limited (“Caplin Point” or “the Company”) incorporated in 1990, headquartered and having its registered office in Chennai, Tamil Nadu, India. The Company is into the business of pharmaceuticals - producing, developing and marketing wide range of generic formulations and branded products and exporting to overseas markets. The Company’s principal research and development facilities are located in Tamil Nadu, India; its principal manufacturing facility is located in Puducherry, India. The Company’s shares are listed on the Bombay Stock Exchange and the National Stock Exchange in India.

1B. MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

a) Basis of accounting and preparation of Financial Statements:

i) Statement of Compliance

These financial statements of the Company have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified under section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India.

ii) Basis of Preparation

The financial statements have been prepared on accrual and going concern basis. Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per company’s normal operating cycle as per

paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents the Company has ascertained its normal operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a noncash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and cash equivalents for the purpose of the statement of cash flows comprise cash and cash on deposit with banks and financial institutions. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalent.

These financial statements are prepared under the historical cost convention except in case of certain class of financial assets/liabilities, share based payments and net liability for defined benefit plan that are measured at fair value.

The Company has decided to round off the figures to the nearest Crores.

These financial statements were authorized for issue by the Company’s Board of Directors on May 16, 2024.

iii) Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information presented in Indian rupees (₹) has been rounded off to the nearest crores, except otherwise indicated.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

iv) Use of Estimates and Judgments

The preparation of the Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialize. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies, given as under:

- ▶ Measurement of defined benefit obligations
- ▶ Measurement and likelihood of occurrence of provisions and contingencies
- ▶ Recognition of deferred tax assets
- ▶ Useful lives of property, plant, equipment and Intangibles
- ▶ Impairment of Assets
- ▶ Impairment of financial assets

b) Property, Plant and Equipment:

i) Recognition and Measurement

Property, plant and equipment are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold land which is carried at cost less impairment losses. Subsequent expenditures are included in the asset's carrying

amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of Property, Plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major improvement is performed, its cost is recognized in the carrying amount of the Property, Plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provisions are met.

Spares which meet the definition of property, plant and equipment are capitalized as on the date of acquisition. The corresponding old spares are decapitalized on such date with consequent impact in the statement of profit and loss.

Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets".

An item of property, plant and equipment and any significant part thereof is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in "other income / (expenses)" when the asset is derecognized.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

ii) Depreciation

Depreciation is provided as per the useful life of assets which are determined based on technical parameters / assessment. Depreciation on tangible assets is provided on a straight line method over the Estimated useful lives of the assets.

Estimated useful lives of the assets, are as follows:

Asset Category	Estimated useful life (Years)
Factory Building	30
Building other than factory building	60
Plant & Machinery	5-15
Furniture & Fixtures	10
Office Equipment	5
Computers	3
Electrical Fittings and installation	10
Motor Vehicles	6
Motor Cycle	10

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed during each financial year and adjusted prospectively, if appropriate.

Depreciation on additions is provided on a pro-rata basis for the number of days they are available for use. Depreciation on sale / disposal of assets is provided pro-rata basis up to the date of sale / disposal.

An asset purchased where the actual cost individually does not exceed ₹ 10,000 is depreciated at the rate of 100%.

c) Intangible Assets:

i) Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Expenditure on research and development eligible for capitalization are

carried as Intangible assets underdevelopment where such assets are not yet ready for their intended use.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

ii) Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii) Amortization

Intangible assets are amortized over their estimated useful lives on Straight Line Method as follows:

Asset Category	Estimated useful life
Computer software & licenses	6 Years or useful life whichever is lower

The estimated useful lives of intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern, if any.

d) Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

i) Company as Lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. The Right-of-use assets is also subject to impairment. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The Company uses the incremental borrowing rate as the discount rate.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low value assets recognition exemption to leases that are considered of low value (range different for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

ii) Company as Lessor

Leases for which the Company is a lessor are classified as either finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

e) Impairment of Assets:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

f) Research and Development:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

in which they are incurred. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

Expenditure on in-licensed development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset.

g) Inventories

Inventories are valued at lower of cost or net realizable value. Cost is determined as follows:

i) Raw materials, Stores and Spares and Packing materials

Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. Cost is determined on Weighted Average basis.

ii) Work-in-progress and Finished goods

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h) Government Grants and Assistance

Grants from the Government are recognized when the Company will comply with all the conditions attached to them and there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants relating to an asset are initially recognized as deferred income and subsequently recognized in the Statement

of Profit and Loss as other income on a systematic basis over the useful life of the asset.

i) Borrowing Costs

Borrowing cost directly attributable to acquisition and construction of assets that necessarily take substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Fair Value Measurement

The Company measures some of its financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

another entity. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognized immediately in the statement of profit and loss.

I. Financial Assets

The Company's Financial Assets mainly comprise of;

- ▶ Current financial assets mainly consist of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions, and other current receivables.
- ▶ Non-current financial assets mainly consist of financial investments in equity, fixed deposits and non-current deposits.

❖ Initial Recognition and measurement of Financial Assets

The Company recognizes a financial asset when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e. the date on which the Company commits to purchase or sell the asset.

❖ Subsequent Measurement of Financial Assets

For purposes of subsequent measurement, financial assets are classified in the following categories:

i) Financial Assets at Amortized Cost;

A Financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost category is the most relevant to the Company. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables and non-current financial assets such as non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment, if any are recognized in the statement of profit and loss.

ii) Financial Assets at Fair Value through Profit and Loss

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognized in the statement of profit and loss. The Company has designated its investments in equity instruments as FVTPL category.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

iii) Financial Assets at Fair Value through Other Comprehensive Income

The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has not designated investments in any equity instruments as FVTOCI.

❖ Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - the Company has transferred substantially all the risks and rewards of the asset, or
 - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

❖ Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- i) Trade Receivables
- ii) Other financial assets that are measured at amortized cost.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as a loss allowance.

In case of other assets (as listed in ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as a loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as a loss allowance.

II. Financial Liabilities and Equity Instruments

i) Financial Liabilities

The Company's Financial Liabilities mainly comprise of;

- Current financial liabilities mainly consist of trade payables and liability for capital expenditure.

❖ Initial Recognition and measurement of Financial Liabilities

The Company recognizes a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are initially recognized and measured at amortized cost.

❖ Subsequent Measurement of Financial Liabilities at Amortized Cost

The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined using the effective interest rate method. Interest expense that is not capitalized as part of cost of an asset is included in the 'Finance costs' line item. The effective interest rate

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

method is a method used to calculate the amortized cost of a financial liability and to allocate interest expense over the relevant period.

❖ **Derecognition of Financial Liability**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

I) Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates

prevailing on the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the statement of profit and loss.

m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contract is considered onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Contingent liabilities and contingent assets are not recognized in the financial statements. Contingent liabilities are disclosed in the financial statements unless the possibility of any outflow in settlement is remote. Contingent assets are disclosed in the financial statements where an inflow of economic benefit is probable.

n) Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognized only to the extent that it is highly probable a significant reversal will not occur.

i) Sale of Goods

Revenue from the sale of goods is recognized when delivery has taken place, control of the goods has been transferred to the customer, and there are no longer any unfulfilled obligations. The customer obtains control of the goods when the significant risks and reward of products sold are transferred according to the specific delivery terms agreed upon with the customer.

Revenue towards satisfaction of a performance obligation is measured at the transaction price (net of variable consideration) allocated to that performance obligation, received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc.. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates.

In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it

is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

ii) Service Income

Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront payments received under these arrangements are recognized as revenue upon satisfaction of performance obligations.

iii) Interest and Dividend Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognized when right to receive is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

o) Export Incentive

Export incentives comprise of Duty draw back and RODTEP (Remission of Duties or Taxes on Export Products Scheme) scrips.

Duty drawback and RODTEP is recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

RODTEP scrips are freely transferable and can be utilised for the payment of customs duty.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

p) Employee Benefits

i) Short term employee benefits

Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid is as a result of the unused entitlement as at the year end.

ii) Post-Employment Benefits:

▶ Defined contribution plans

Employee benefits in the form of contribution to Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plans and the same are charged to the statement of profit and loss for the year in which the employee renders the related service.

▶ Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

❖ Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that

amount and deducting the fair value of any plan assets. Obligation under the gratuity scheme is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the profit or loss.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

❖ Compensated absences:

Accumulated compensated absences, which are expected to be availed or en-cashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

recognized in the statement of profit and loss in the year in which they arise.

q) Share based Payments

The Company operates Employee Stock Option Plans (ESOP's) for its employees and for the employees of its Subsidiaries.

ESOP's: The grant date fair value of options, using Black Scholes model granted to the Company's employees is recognized as an employee expense and those granted to the Subsidiary Company employees are recognized under "Investment made in Subsidiary" for the value of shares of Grant after reducing the Exercise price, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding Reserve". The amount recognized as an expense / Investment made in Subsidiary, is adjusted to reflect the actual number of stock options that vest.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Company's best estimate of the number of equity instruments that will ultimately vest. In case of forfeiture/lapse of stock option, which is not vested/not exercised, the amortized portion is reversed by credit to employee compensation expense / Investment made in Subsidiary, as appropriate.

r) Taxation

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

i) Current Tax

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

ii) Deferred Tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be released simultaneously.

s) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

t) Operating Segments

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM). An operating segment is a component of the Company that engages in business activities from which it may

earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's board of directors to make decisions about resources to be allocated to the segments and assess their performance.

The Company is engaged in the sole activity of carrying on the business of "Pharmaceutical Formulations" and therefore, has only one reportable segment in accordance with Ind AS 108 "Operating Segments". Hence no separate segment reporting is applicable to the company.

u) Dividends to Shareholders

The Company recognises Final dividend to the shareholders as a liability in the period in which the dividends are approved by the shareholders. Any Interim Dividend paid is recognised based on the approval by the Board of Directors.

v) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE : 2A - PROPERTY, PLANT & EQUIPMENT

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2023	Additions during the year	Deletions during the year	As at 31-03-2024	As at 01-04-2023	Additions during the year	Deletions during the year	As at 31-03-2024	As at 31-03-2024	As at 31-03-2023
Tangible Assets										
Land (i)	19.14	-	0.19	18.95	-	-	-	-	18.95	19.14
Leasehold Land	14.04	-	-	14.04	0.40	0.14	-	0.54	13.50	13.64
Factory Buildings (i)	61.51	15.98	-	77.49	11.36	2.08	-	13.44	64.05	50.15
Buildings - Others	5.87	-	-	5.87	1.21	0.11	-	1.32	4.55	4.66
Plant & Machinery (ii)	72.34	15.46	1.41	86.39	44.93	9.37	0.78	53.52	32.87	27.41
Air Conditioner	3.28	0.10	0.02	3.36	1.38	0.33	0.01	1.70	1.66	1.90
Furniture & Fixtures	16.39	1.74	-	18.13	9.05	1.73	-	10.78	7.35	7.34
Office Equipment	7.09	0.07	-	7.16	5.22	0.71	-	5.93	1.23	1.87
Computers	6.81	0.27	-	7.08	6.29	0.35	-	6.64	0.44	0.52
Electrical Fittings	12.83	-	-	12.83	6.97	1.18	-	8.15	4.68	5.86
Motor Vehicles	8.17	0.64	0.80	8.01	4.27	0.87	0.80	4.34	3.67	3.90
Tools & Spares	0.49	-	0.01	0.48	0.49	-	0.01	0.48	-	-
Lab Equipment (ii)	46.47	1.84	-	48.31	31.18	8.36	-	39.54	8.77	15.29
Motor Cycle	0.03	0.03	-	0.06	0.01	0.00	-	0.01	0.05	0.02
Total Tangible Assets	274.46	36.13	2.43	308.16	122.76	25.23	1.60	146.39	161.77	151.70

Note:

- (i) The title deeds of immovable properties included in fixed assets are held in the name of the Company, except for a land and building for ₹ 17.38 Crores purchased by the Company during the financial year 2020-21 through e-auction from Punjab National Bank under the SARFAESI Act, 2002 and rules thereof, for which the transfer of title is in progress. In respect of immovable properties taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.
- (ii) Gross Block as at March 31, 2024 includes ₹ 6.76 Crores (PY: ₹ 4.86 Crores) of government grant in the nature of waiver of duty on purchase of plant and machinery & lab equipments. Accumulated Depreciation for Plant & Machinery as at March 31, 2024 includes ₹ 4.06 Crores (PY: ₹ 3.06 Crores) on such government grant.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2022	Additions during the year	Deletions during the year	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deletions during the year	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Tangible Assets										
Land (i)	15.53	3.61	-	19.14	-	-	-	-	19.14	15.53
Leasehold Land	14.04	-	-	14.04	0.26	0.14	-	0.40	13.64	13.78
Factory Buildings (i)	57.03	4.57	0.09	61.51	9.51	1.94	0.09	11.36	50.15	47.52
Buildings - Others	4.46	1.41	-	5.87	1.11	0.10	-	1.21	4.66	3.35
Plant & Machinery (ii)	71.93	1.13	0.72	72.34	37.34	8.24	0.65	44.93	27.41	34.59
Air Conditioner	3.37	-	0.09	3.28	1.10	0.33	0.05	1.38	1.90	2.27
Furniture & Fixtures	16.60	0.02	0.23	16.39	7.70	1.50	0.15	9.05	7.34	8.90
Office Equipment	5.84	1.40	0.15	7.09	4.68	0.68	0.14	5.22	1.87	1.16
Computers	6.46	0.56	0.21	6.81	5.53	0.78	0.02	6.29	0.52	0.93
Electrical Fittings	13.22	-	0.39	12.83	5.99	1.25	0.27	6.97	5.86	7.23
Motor Vehicles	5.07	3.24	0.14	8.17	4.07	0.34	0.14	4.27	3.90	1.00
Tools & Spares	0.50	-	0.01	0.49	0.50	-	0.01	0.49	-	-
Lab Equipment (ii)	44.70	2.67	0.90	46.47	23.48	8.37	0.67	31.18	15.29	21.22
Motor Cycle	0.02	0.01	-	0.03	0.00	0.01	-	0.01	0.02	0.02
Total Tangible Assets	258.77	18.62	2.93	274.46	101.27	23.68	2.19	122.76	151.70	157.50

Note:

- (i) The title deeds of immovable properties included in fixed assets are held in the name of the Company, except for a land and building for ₹ 17.38 Crores purchased by the Company during the financial year 2020-21 through e-auction from Punjab National Bank under the SARFAESI Act, 2002 and rules thereof, for which the transfer of title is in progress. In respect of immovable properties taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.
- (ii) Gross Block as at March 31, 2023 includes ₹ 4.86 Crores (PY: ₹ 4.86 Crores) of government grant in the nature of waiver of duty on purchase of plant and machinery & lab equipments. Accumulated Depreciation for Plant & Machinery as at March 31, 2023 includes ₹ 3.06 Crores (PY: ₹ 2.19 Crores) on such government grant.

NOTE : 2B - CAPITAL WORK IN PROGRESS
Ageing for capital work-in-progress as at March 31, 2024

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	8.58	19.17	-	-	27.75

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Ageing for capital work-in-progress as at March 31, 2023

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	42.68	-	-	-	42.68

NOTE : 2C INTANGIBLE ASSETS

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2023	Additions during the year	Deletions during the year	As at 31-03-2024	As at 01-04-2023	Additions during the year	Deletions during the year	As at 31-03-2024	As at 31-03-2024	As at 31-03-2023
Computer Software	8.14	0.35	-	8.49	4.20	1.12	-	5.32	3.17	3.94
Total Intangible Assets	8.14	0.35	-	8.49	4.20	1.12	-	5.32	3.17	3.94

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2022	Additions during the year	Deletions during the year	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deletions during the year	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Computer Software	7.62	0.89	0.37	8.14	3.15	1.27	0.21	4.20	3.94	4.47
Total Intangible Assets	7.62	0.89	0.37	8.14	3.15	1.27	0.21	4.20	3.94	4.47

NOTE : 2D RIGHT OF USE (ROU) ASSETS

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2023	Additions during the year	Deletions during the year	As at 31-03-2024	As at 01-04-2023	Additions during the year	Deletions during the year	As at 31-03-2024	As at 31-03-2024	As at 31-03-2023
ROU Assets	2.53	0.37	1.10	1.80	1.32	0.73	1.10	0.95	0.85	1.21
Total ROU Assets	2.53	0.37	1.10	1.80	1.32	0.73	1.10	0.95	0.85	1.21

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2022	Additions during the year	Deletions during the year	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deletions during the year	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
ROU Assets	2.25	1.43	1.15	2.53	1.76	0.70	1.15	1.32	1.21	0.49
Total ROU Assets	2.25	1.43	1.15	2.53	1.76	0.70	1.15	1.32	1.21	0.49

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 3: NON CURRENT INVESTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
A. Fully paid Ordinary Equity Shares in Subsidiaries / Share in LLP - Unquoted - at cost		
88,000 (88,000) Caplin Point Far East Limited, (Hong Kong) of HKD 1/- each	0.08	0.08
Argus Salud Pharma LLP 99.90% (99.90%) of capital contribution and 99.90% (99.90%) share of profit	0.99	0.99
10,53,74,113 (10,53,74,113) equity shares of Caplin Steriles Limited of ₹ 10/- each fully paid up (i)	138.83	138.48
50,000 (50,000) Equity Shares in CAPLIN POINT (S) PTE Ltd of USD 1/- each	0.38	0.38
7,00,00,000 (6,60,00,000) Equity Shares in CAPLIN ONE LABS LIMITED of ₹ 10/- each	70.00	66.00
Total (A)	210.28	205.93
(i) The ESOP's issued by the Company to the employees of its subsidiary amounting to ₹ 0.35 Cr (PY: ₹ 1.39 Cr) is considered as part of its cost of investment.		
B. Fully paid Ordinary Equity shares - Quoted - fair value through profit or loss account		
26,800 (26,800) shares of The Catholic Syrian Bank Ltd of ₹ 10/- each fully paid up	0.95	0.66
4,400 (4,400) shares of Karnataka Bank Ltd of ₹ 10/- each fully paid up	0.10	0.06
4,800 (4,800) shares of Indian Overseas Bank of ₹ 10/- each fully paid up	0.03	0.01
700 (700) shares of Bank of India of ₹ 10/- each fully paid up	0.01	0.01
Total (B)	1.09	0.74
C. Investments in Security Bonds - carried at amortised cost		
Investment in Corporate Bonds - Refer Note 8(ii)	2.01	2.01
Investment in Debentures - Refer Note 8(iii)	127.79	66.29
Total (C)	129.80	68.30
D. Investment in Inter-Corporate Deposits - carried at Amortised Cost	5.00	-
Total (A+B+C+D)	346.17	274.97

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 4: LOAN TO SUBSIDIARY*

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Loan to Subsidiary	262.00	156.00
Total	262.00	156.00
* Break up:		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	262.00	156.00
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	262.00	156.00
Less: Allowance for doubtful Loans	-	-
Total Loans	262.00	156.00

Terms of Borrowings

- Unsecured loan to Related party consists of Loan to Subsidiary Company amounting to ₹ 262 Crores (March 31, 2023: ₹ 156 Crores) towards Capex projects.
- Interest rate for the loan is currently 10.5% p.a. (SBI's one year MCLR + 2% Risk premium), payable with monthly rests, from the date of first disbursement.
- The Principal is repayable over a period of 5 years after completion of the moratorium period.

NOTE 5: OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Electricity Deposit - Unsecured & considered good	1.15	0.97
Security Deposit - Unsecured & considered good	1.61	1.23
Bank Deposits with more than 12 months maturity	0.01	-
Interest Accrued on Investments	7.42	2.28
Total	10.19	4.48

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 6: OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Advance for Capital expenditure (Unsecured & considered good)	5.34	5.51
Total	5.34	5.51

NOTE 7: INVENTORIES (LOWER OF COST OR NET REALISABLE VALUE)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials	15.50	18.71
Packing Materials	5.43	9.35
Work-in-Progress	3.20	3.94
Stock In Trade	13.86	0.95
Finished Goods	47.80	16.29
Stores and Spares	0.46	2.29
Total	86.25	51.53

NOTE 8: CURRENT INVESTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in Mutual Fund - Fair value through Profit or Loss (i)	35.99	20.27
Investment in Corporate Bonds (ii)	5.21	20.06
Investment in Debentures (iii)	141.61	118.84
Investment in Commercial Paper (iv)	9.16	-
Investment in Inter-Corporate Deposits	46.01	51.01
Total	237.98	210.18

(i) Investment in Mutual Fund at fair value through profit or loss

Particulars	As at March 31, 2024		As at March 31, 2023	
	Units	Amount ₹ in Crores	Units	Amount ₹ in Crores
Aditya Birla Sun Life Liquid Fund	-	-	1,97,224	7.10
Tata Money Market Fund Regular Plan-Growth	17,402	7.48	-	-
SBI Liquid Fund Regular- Growth	8,263	3.10	-	-
Aditya Birla Sun Life Money Manager Fund	4,56,282	15.38	-	-
ICICI Prudential Liquid Fund Direct Growth	-	-	3,95,447	13.17
Kotak Money Market fund-Regular Growth	24,521	10.03	-	-
Total		35.99		20.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

(ii) Investment in Corporate Bonds - as on March 31, 2024

Particulars	No. of Bonds	Current Investments (₹ In Crores)	Non-Current Investments (₹ In Crores)	TOTAL
State Bank of India	2	-	2.01	2.01
ICICI Home Finance Co. Ltd	50	5.21	-	5.21
Total		5.21	2.01	7.22

(iii) Investment in Debentures - as on March 31, 2024

Particulars	No. of Debentures	Current Investments (₹ In Crores)	Non-Current Investments (₹ In Crores)	TOTAL
Cholamandalam Investment & Finance Co. Limited	51,350	35.00	14.93	49.93
HDB Financial Services Limited	440	9.00	36.88	45.88
Shriram Finance Limited	750	30.13	-	30.13
Tata Motors Limited	250	25.00	-	25.00
Mahindra & Mahindra Financial services Limited	230	7.23	14.42	21.65
L&T Group	200	10.25	10.87	21.12
HDFC Limited	200	10.00	9.95	19.95
Kotak Mahindra Investment Limited	130	-	11.31	11.31
Tata Cleantech Capital Limited	100	-	10.52	10.52
GIC Housing Finance Limited	1,000	10.00	-	10.00
Kotak Bank Limited	1,000	-	9.95	9.95
Aditya Birla Finance Limited	1	5.00	-	5.00
Axis Finance Limited	50	-	4.98	4.98
Tata Capital Limited	400	-	3.98	3.98
Total		141.61	127.79	269.40

(iv) Investment in Commercial Paper - as on March 31, 2024

Particulars	No. of units	Current Investments (₹ In Crores)	Non-Current Investments (₹ In Crores)	TOTAL
Piramal Enterprises Limited	100	9.16	-	9.16

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

(ii) Investment in Corporate Bonds - as on March 31, 2023

Particulars	No. of units	Current Investments (₹ In Crores)	Non-Current Investments (₹ In Crores)	TOTAL
State Bank of India	2	-	2.01	2.01
ONGC PETRO Additions Limited	100	10.06	-	10.06
REC Limited	100	10.00	-	10.00
Total		20.06	2.01	22.07

(iii) Investment in Debentures - as on March 31, 2023

Particulars	No. of units	Current Investments (₹ In Crores)	Non-Current Investments (₹ In Crores)	TOTAL
Aditya Birla Finance Limited	50	5.05	5.00	10.05
Axis Finance Limited	50	-	5.22	5.22
Cholamandalam Investment & Finance Co. Limited	410	30.91	10.03	40.94
Godrej Properties Limited	50	5.01	-	5.01
HDB Financial Services Limited	150	5.02	10.21	15.23
HDFC Limited	150	15.13	-	15.13
L&T Group	410	33.73	10.24	43.97
Mahindra & Mahindra Financial services Limited	220	9.98	10.29	20.27
PFC Limited	40	4.02	-	4.02
Shriram Finance Limited	250	9.99	15.30	25.29
Total		118.84	66.29	185.13

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Aggregate amount of quoted investments - At Cost	0.33	0.33	35.20	20.00
Aggregate amount of quoted investments - At Market Value	1.09	0.74	35.99	20.27
Aggregate amount of unquoted investments	345.08	274.23	201.99	189.91
Aggregate amount of impairment in value of investments	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 9: TRADE RECEIVABLES

Particulars	As at March 31, 2024	As at March 31, 2023
(Carried at amortised cost unless otherwise stated)		
Trade Receivables - Unsecured considered good	96.68	36.93
Receivables from related parties	31.99	51.31
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Less: Provision for expected credit loss	-	-
Total	128.67	88.24

- (i) The Company's trade receivables do not carry a significant financial element.
- (ii) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. There are no trade or other receivables which are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivables ageing schedule

As on March 31, 2024:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	98.26	30.17	0.24	-	-	-	128.67
(ii) Undisputed Trade receivables – which have a significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

As on March 31, 2023:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	84.54	3.70	-	-	-	-	88.24
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-

NOTE 10: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on Hand	0.04	0.05
Balance with Banks		
- Current accounts	48.45	33.33
- Earmarked balances for CSR*	0.15	6.64
In Bank Deposit Accounts		
- Bank Deposit accounts less than 3 months maturity	32.00	82.00
Total	80.64	122.02

* Unspent CSR amount had been deposited in a separate bank account before the due date.

NOTE 11: OTHER BANK BALANCES

Particulars	As at March 31, 2024	As at March 31, 2023
Unpaid Dividend account	2.47	2.37
In Bank Deposit Accounts		
- Bank Deposit accounts maturity (more than 3 months but less than 12 months) [Refer Note 36]	125.27	146.99
- Earmarked balances for CSR*	7.40	-
Total	135.14	149.36

* Unspent CSR amount had been deposited in a separate bank account before the due date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 12: OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Loan to Subsidiary*	0.60	-
Interest Accrued on Investments (Unsecured & considered good)	13.01	17.78
Total	13.61	17.78

*The Company has granted an Unsecured loan of ₹ 0.60 Crs to its wholly owned subsidiary, Caplin One Labs Limited. (Formerly known as Caplin Onco Limited) at an Interest rate of 7.50%.

NOTE 13: OTHER CURRENT ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Advances recoverable in cash or kind for the value to be received	2.22	2.38
Prepaid Expenses	1.00	0.81
Export Incentives Receivable	0.40	1.32
Balances with Statutory Authorities	16.92	18.04
Balances with Employee Benefits Fund (Net)	0.27	0.04
Total	20.81	22.59

NOTE 14: SHARE CAPITAL

Particulars	As at March 31, 2024	As at March 31, 2023
AUTHORISED		
8,50,00,000 (March 31, 2023: 8,50,00,000) equity shares of ₹ 2/- each	17.00	17.00
ISSUED, SUBSCRIBED AND PAID UP		
7,59,41,746 (March 31, 2023: 7,59,02,746) equity shares of ₹ 2/- each fully paid up	15.19	15.18
Total	15.19	15.18

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

a) Reconciliation of equity shares outstanding at the beginning and at the end of the Year

Particulars	As at March 31, 2024		As at March 31, 2023	
	NO OF EQUITY SHARES of ₹ 2/- each	Amount	NO OF EQUITY SHARES of ₹ 2/- each	Amount
Equity shares outstanding at the beginning of the Year	7,59,02,746	15.18	7,57,88,876	15.16
Add: Equity shares allotted pursuant to employee stock option plan*	39,000	0.01	1,13,870	0.02
Less: Equity shares bought back during the Year	-	-	-	-
Equity shares outstanding at the end of the Year	7,59,41,746	15.19	7,59,02,746	15.18

*During the financial year 2023-24 (2022-23) 39,000 (1,13,870) equity shares under ESOP Scheme vested were exercised.

b) Rights, preference & restrictions attached to shares

Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to 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 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shareholding of Promoter

The details of shares held by promoters as at March 31, 2024 are as follows:

Promoter Name	No. of shares	% of total shares	% change during the year
C.C. Paarthipan	1,41,67,192	18.66%	0.00%
Promoter Group			
P. Vijayalakshmi	1,87,78,790	24.73%	(0.01%)
P. Ashok Gorkey	90,50,000	11.92%	0.00%
P. Vivek Siddarth	90,00,000	11.85%	(0.01%)
May India Property Private Limited	21,17,000	2.79%	0.00%
First Dimension Holdings Private Limited	3,70,000	0.49%	0.00%
Kiraviz Properties And Consultancy LLP	1,50,000	0.20%	0.00%

% change in holding is due to increase in total no. of shares on account of issuance of shares under ESOP scheme during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

The details of shares held by promoters as at March 31, 2023 are as follows:

Promoter Name	No. of shares	% of total shares	% change during the year
C.C. Paarthipan	1,41,67,192	18.66%	0.00%
Promoter Group			
P. Vijayalakshmi	1,87,78,790	24.74%	5.03%
P. Ashok Gorkey	90,50,000	11.92%	0.00%
P. Vivek Siddarth	90,00,000	11.86%	0.00%
May India Property Private Limited	21,17,000	2.79%	0.00%
First Dimension Holdings Private Limited	3,70,000	0.49%	100.00%
Kiraviz Properties And Consultancy LLP	1,50,000	0.20%	100.00%

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

Name of Shareholder	As at March 31, 2024 (of ₹ 2/- each)		As at March 31, 2023 (of ₹ 2/- each)	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
P. Vijayalakshmi	1,87,78,790	24.73%	1,87,78,790	24.74%
C.C. Paarthipan	1,41,67,192	18.66%	1,41,67,192	18.66%
P. Ashok Gorkey	90,50,000	11.92%	90,50,000	11.92%
P. Vivek Siddarth	90,00,000	11.85%	90,00,000	11.86%

e) **Shares reserved for issuance under Employee Stock Options Plans of the Company**

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares of ₹ 2/- each	Amount (₹ in Crores)	No. of Shares of ₹ 2/- each	Amount (₹ in Crores)
Caplin Point Employee Stock Option Plan 2015	56,983	0.01	77,291	0.02
Caplin Point Employee Stock Option Plan 2017	2,53,838	0.05	2,86,855	0.06
Caplin Point Employee Stock Option Plan 2021	63,000	0.01	97,500	0.02

f) **Aggregate number of shares issued pursuant to Stock Option Plans of the Company**

Particulars	Aggregate No. of Shares
Issued in FY 2016-17	26,750
Issued in FY 2017-18	26,750
Issued in FY 2018-19	26,750
Issued in FY 2019-20	12,500
Issued in FY 2021-22	1,46,126
Issued in FY 2022-23	1,13,870
Issued in FY 2023-24	39,000
Total	3,91,746

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

- g) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

NOTE 15: OTHER EQUITY

Particulars	As at March 31, 2024	As at March 31, 2023
OTHER EQUITY		
a) Capital Reserve		
Balance as at the beginning of the year	0.41	0.41
Add: Additions during the year	-	-
Balance as at the Year end	0.41	0.41
b) Securities Premium		
Balance as at the beginning of the year	13.41	8.14
Add: Additions during the year	2.00	5.27
Balance as at the Year end	15.41	13.41
c) General Reserve		
Balance as at the beginning of the year	11.29	11.29
Add: Additions during the year	-	-
Balance as at the Year end	11.29	11.29
d) Employee Stock Options Outstanding		
- Employee Stock options outstanding		
Balance as at the beginning of the year	27.11	37.13
Add: Options granted during the year (net)	0.47	(4.75)
Less: Exercised during the year	(2.00)	(5.27)
Less: Lapsed during the year	-	-
Balance as at the Year end (A)	25.58	27.11
- Deferred Employees Stock Options Cost		
Balance as at the beginning of the year	11.74	21.68
Add: Options granted during the year (net)	0.47	(4.75)
Less: Amortised during the year in statement of P&L account	(0.50)	(3.80)
Less: Amortised during the year in Cost of investment in subsidiary	(0.35)	(1.39)
Balance as at the Year end (B)	11.36	11.74
(A-B)	14.22	15.37

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
e) Surplus in the Statement of Profit & Loss		
Balance as at the beginning of the Year	1,083.95	880.01
Add: Profit during the Period	283.71	234.26
Final Dividend paid for FY 22-23 / FY 21-22	(18.98)	(15.16)
Interim Dividend paid for FY 22-23 / FY 21-22	(15.19)	(15.16)
Balance as at the Year end	1,333.49	1,083.95
f) Other Comprehensive Income		
i) Actuarial Gain / (Loss) on employee benefit obligation		
Balance as at the beginning of the year	0.30	0.19
Add / (Less): Additions during the year	(0.16)	0.11
Balance as at the Year end	0.14	0.30
Total	1,374.96	1,124.73

Nature of Reserve

a) Capital Reserve

The Capital Reserve has been created on restructuring of the Capital of the Company under a scheme of amalgamation.

b) Securities Premium

Securities Premium account has been created on issue of shares under employee stock option scheme.

c) General Reserve

The General Reserve is created by time to time transfer of profits from retained earnings for appropriation purposes. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to the statement of profit and loss.

NOTE 16: LEASE LIABILITIES (NON CURRENT LIABILITIES)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	0.16	0.48
Total	0.16	0.48

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 17: DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities on account of timing differences	10.00	14.14
Total	10.00	14.14

NOTE 18: OTHER NON CURRENT LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Government Grant - Refer Note (a) below	2.70	1.80
Total	2.70	1.80

(a) Systematic recognition of Government grant, in the nature of waiver of duty on depreciable tangible assets, over the useful life of the such assets.
 Refer Note 2A

NOTE 19: TRADE PAYABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer Note 35)	0.35	0.11
Total outstanding dues of creditors other than micro enterprises and small enterprises	78.27	70.52
Total	78.62	70.63

Trade Payables Ageing As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME	0.35	-	-	-	-	0.35
(ii) Others	43.88	34.39	-	-	-	78.27
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Trade Payables Ageing As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME	0.11	-	-	-	-	0.11
(ii) Others	40.94	29.58	-	-	-	70.52
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-

NOTE 20: LEASE LIABILITIES (CURRENT LIABILITIES)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	0.77	0.86
Total	0.77	0.86

NOTE 21: OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Creditors for Capital Goods	4.24	5.51
Unclaimed Dividend	2.47	2.37
Salary and bonus payable	1.35	1.20
Provision for CSR Expenses	11.98	11.24
Rental Deposit received	0.01	-
Total	20.05	20.32

NOTE 22: PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity (Net)	0.50	0.17
Provision for Expenses	3.92	10.79
Total	4.42	10.96

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 23: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory Dues payable	0.88	0.86
Advance received from Customers	14.56	43.22
Total	15.44	44.08

NOTE 24: REVENUE FROM OPERATIONS

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Revenue From Operations	613.41	520.62
Sale of products	613.41	519.28
Service income	-	1.34
Other operating revenues		
Export Incentives	11.68	7.99
Total	625.09	528.61

NOTE 25: OTHER INCOME

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest Income	31.81	33.00
Interest Income from Subsidiary	22.60	7.36
Dividend on Non Current investment from subsidiary Company (a)	37.54	46.18
Share of Profit/(Loss) in LLP from Non Current investment from Subsidiary LLP (b)	0.44	0.06
Realised Gain on sale of financial instruments	2.03	1.83
Fair value gain/(loss) on financial instruments through profit or loss	0.87	(0.54)
Gain on Foreign exchange (net)	8.34	9.39
Govt Grant (c)	1.01	0.87
Profit on sale of Assets	0.14	0.05
Miscellaneous Income	1.06	0.80
Total	105.84	99.00

(a) Dividend received from Caplin Point Far East Limited, Hong Kong, a Wholly owned subsidiary, on equity shares held by the Company.

(b) Share of profit/(Loss) of the Company with respect to 99.90% share in Argus Salud Pharma LLP.

(c) Systematic recognition of Government grant, in the nature of waiver of duty on depreciable tangible assets, over the useful life of the such assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 26: COST OF MATERIALS CONSUMED

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Opening Stock	30.35	23.30
Add: Purchases (Net)	163.17	158.40
Less: Closing Stock	21.39	30.35
Total	172.13	151.35

NOTE 27: CHANGES IN INVENTORIES OF FINISHED GOODS INCLUDING STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Inventories at the end of the year		
Work in Progress	3.20	3.94
Finished Goods	47.80	16.29
Stock-in-Trade	13.86	0.95
(A)	64.86	21.18
Inventories at the beginning of the year		
Work in Progress	3.94	2.64
Finished Goods	16.29	14.37
Stock-in-Trade	0.95	2.50
(B)	21.18	19.51
Net (Increase) / Decrease in Inventories (B-A)	(43.68)	(1.67)

NOTE 28: EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries,wages, bonus and allowances	31.78	27.95
Contribution to Provident and Other funds	1.62	1.45
Gratuity expense (Refer Note 37)	0.68	0.56
Employee share based expense	0.50	3.80
Staff Welfare Expenses	3.53	2.92
Total	38.11	36.68

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 29: FINANCE COSTS

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest Expense on Lease	0.10	0.12
Total	0.10	0.12

NOTE 30: DEPRECIATION AND AMORTISATION

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation on property, plant and equipment (Refer Note: 2A)	25.23	23.68
Amortisation of Intangible Assets (Refer Note: 2C)	1.12	1.27
Depreciation on ROU Assets (Refer Note: 2D)	0.73	0.70
Total	27.08	25.65

NOTE 31: RESEARCH AND DEVELOPMENT EXPENSES

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
R & D Expenses (Refer Note 40)	28.74	28.45
Total	28.74	28.45

NOTE 32: OTHER EXPENSES

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Loss on Sale of Asset	0.61	0.36
Power and Fuel	15.43	9.89
Contract Labour charges	6.90	5.76
Other Manufacturing Expenses	2.01	3.33
Communication Expenses	0.55	0.51
Donations	0.13	0.12
Corporate Social Responsibility (Refer Note 49)	5.15	4.84
Professional and Consultancy charges	2.14	2.62

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Rates & taxes including ANDA Application fees	1.25	0.54
Travelling Expenses	2.79	2.46
Auditors' Remuneration (Refer Note 41)	0.23	0.20
Insurance	0.79	0.64
Repairs and Maintenance		
a) Plant and Machinery	5.87	1.49
b) Building	8.56	1.92
c) Others	2.09	1.23
Rent & Amenities	1.49	0.96
Freight outwards	1.88	3.91
Sundry Expenses	8.07	4.72
Total	65.94	45.50

NOTE 33: COMMITMENT (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account	19.72	19.77
Other Commitments (Raw material, Packing Material, Finished Goods, Other services)	16.63	49.01
Interim dividend of ₹ 2.50 (125%) per equity share of ₹ 2 each for the Financial Year 2023-24 payable after May 31, 2024, not recognized as a liability in the financial statements for the year ended March 31, 2024 (Interim dividend of ₹ 2.00 (100%) per equity share of ₹ 2 each for the Financial Year 2022-23 payable after June 9, 2023, not recognized as a liability in the financial statements for the year ended March 31, 2023)	18.99	15.19

NOTE 34: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

Disputed statutory dues:

Name of the statute	Nature of dues	As at March 31, 2024	As at March 31, 2023	Forum where dispute is pending
Income Tax Act, 1961	Income tax	0.64	0.64	CIT (Appeals)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 35: DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2023-24, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE “SUPPLIERS” REGARDING THEIR STATUS UNDER THE ACT

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year		
Principal amount due to micro and small enterprises	0.35	0.11
Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE 36: BALANCES WITH SCHEDULED BANKS IN DEPOSIT ACCOUNTS INCLUDES:

- (a) Bank Deposit Accounts under Note no: 11 for the current year include ₹ 13.30 Crores (as at 31.03.2023 ₹ 4.68 Crores) earmarked as lien towards Margin for Letter of Credit and Bank Guarantee.

NOTE 37: EMPLOYEE BENEFITS

(i) Defined Contribution Plan:

Contributions to defined contributions schemes as employees' state insurance, labour welfare fund, etc are charged as expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contributions is made to a Government administered fund and charged as expense to the Statement of Profit and Loss. The contributions payable to these plans are at the rates specified in the rules of the schemes.

The Company recognized ₹ 2.15 Crores (PY ₹ 1.94 Crores) towards provident and pension fund contributions, ₹ 0.21 Crores (PY ₹ 0.22 Crores) towards ESI in the Statement of Profit and Loss. (Refer Note 28 & 40)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

(ii) Defined Benefit Plan:

a. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes contributions to Life Insurance Corporation of India (LIC). The Company accounts for the liability for gratuity benefits payable in the future based on actuarial valuation.

b. Compensated Absences

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows.

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Longevity risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
a. Change in Defined Benefit Obligation during the period				
Present Value of Obligation at the beginning of the year	5.05	4.14	1.72	1.30
Current service cost	1.04	0.86	0.13	0.10
Interest cost	0.38	0.32	0.12	0.09
Remeasurement Gains/(Losses):				

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
- Due to finance assumption	0.12	0.04	-	-
- Due to experience assumption	0.12	0.04	-	-
Actuarial Gains/(Losses)	-	-	0.98	0.88
Benefits paid	(0.50)	(0.35)	(0.86)	(0.65)
Present Value of Obligation at the End of the year	6.21	5.05	2.08	1.72
b. Change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	4.89	3.39	1.76	0.85
Actuarial Gains/(Losses)	0.03	0.24	0.03	0.12
Interest Income	0.35	0.25	0.13	0.06
Contribution by the employer	0.94	1.36	1.00	1.20
Benefits paid	(0.50)	(0.35)	(0.55)	(0.47)
Fair Value of the plan assets at the end of the year	5.71	4.89	2.37	1.76

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
a. Amount recognised in Balance Sheet				
Projected benefit obligation at the end of the year	(6.21)	(5.05)	(2.08)	(1.72)
Fair value of plan assets at end of the year	5.71	4.89	2.37	1.76
Funded status of the plans - Liability recognised in the balance sheet	(0.50)	(0.17)	0.28	0.04
b. Components of defined benefit cost recognised in Statement of Profit and Loss				
Current service cost	1.04	0.86	0.13	0.10
Net Interest Expense	0.03	0.07	(0.01)	0.03

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Remeasurements	-	-	0.95	0.76
Total Defined Benefit Cost recognised in Statement of Profit and Loss	1.07	0.92	1.07	0.89
c. Components of defined benefit cost recognised in Other Comprehensive Income				
Remeasurement due to:				
– Change in finance assumption	0.12	0.04	-	-
– Change in experience adjustment	0.12	0.04	-	-
– Return of Plan Assets	(0.03)	(0.24)	-	-
Total Defined Benefit Cost recognised in Other Comprehensive Income	0.21	(0.15)	-	-

Actuarial Assumptions used for Valuation of Gratuity and Compensated Absences

Assumptions	As at March 31, 2024	As at March 31, 2023
Economic Assumptions		
Discount Rate	7.09%	7.33%
Salary Escalation Rate	7.00%	7.00%
Expected Rate of Return on Assets	7.09%	7.33%
Demographic Assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/Withdrawal Rate	7.00%	7.00%
Leave Availment Ratio	1.00%	1.00%
Retirement Age	58 Years	58 Years

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Sensitivity Analysis	As at March 31, 2024	As at March 31, 2023
Discount Rate		
- 1% increase (+100 Basis Points)	(0.47)	(0.38)
- 1% decrease (-100 Basis Points)	0.54	0.44
Salary Escalation Rate		
- 1% increase (+100 Basis Points)	0.41	0.35
- 1% decrease (-100 Basis Points)	(0.40)	(0.33)
Withdrawal Rate		
- 1% increase (+100 Basis Points)	0.03	0.02
- 1% decrease (-100 Basis Points)	(0.03)	(0.03)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

Expected Cashflows for the Next Ten years	As at March 31, 2024	As at March 31, 2023
Year-1	0.93	0.71
Year-2	0.39	0.35
Year-3	0.41	0.34
Year-4	0.51	0.36
Year-5	0.44	0.48
Beyond 5 years	2.53	2.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 38: INCOME TAXES:

a. Tax expenses recognised in profit and loss:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Current Tax Expense for the year	86.12	66.58
Deferred income tax charge / (benefits), net	(4.14)	(7.65)
Tax expense for the year	81.98	58.93

b. Reconciliation of effective tax rate:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Profit before Tax	365.74	293.15
Tax using the Company's domestic tax rate @ 25.168%	92.05	73.78
Tax effect of :		
Tax impact on Donation & CSR expenses disallowance	1.33	1.25
Tax on Foreign dividend income received by the company is exempt on redistribution of the same as dividend by the company	(9.45)	(11.62)
Tax incentive on additional employment	(0.35)	(0.19)
Tax impact on fair value of Mutual fund & shares (Disallowance)	(0.22)	0.14
Tax impact - Timing difference on R&D capital asset, book and tax depreciation and others	(1.38)	(4.43)
Current and Deferred Tax expenses as per note (a) above	81.98	58.93

c. Movement in deferred tax balances

Deferred Tax Liability	As at March 31, 2023	For the Year ended March 31, 2024	As at March 31, 2024
Property, plant and equipment	14.14	(4.14)	10.00
Total	14.14	(4.14)	10.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 39: REMUNERATION TO MANAGING DIRECTOR/WHOLE-TIME DIRECTORS

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries	0.89	0.83
Contribution to provident and other funds	0.04	0.04
Total*	0.93	0.87

* Refer Note 44 (C)

NOTE 40: RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Capital expenditure included in Fixed Assets	2.00	2.04
Revenue expenditure incurred during the Financial Year - Refer Note 40(i) below.	28.74	28.45
Total	30.74	30.49

i. Revenue expenditure includes

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Cost of Consumables	6.09	6.73
Employee Benefits Expense	16.88	15.64
- Includes Contribution to Provident and Other funds for the year ended March 31, 2024 ₹ 0.74 Crores (March 31, 2023: ₹ 0.72 Crores)		
- Includes Gratuity Expenses for the year ended March 31, 2024 ₹ 0.39 Crores (March 31, 2023: ₹ 0.36 Crores)		
Other Expenses	5.77	6.08
Total	28.74	28.45

NOTE 41: AUDITORS' REMUNERATION COMPRISES OF FEES: (EXCLUDING APPLICABLE TAX)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
For Statutory Audit	0.18	0.16
For Tax Audit*	0.05	0.04
For Others**	0.00	0.01
Total	0.23	0.20

*Tax Audit fee of ₹ 4,65,000 (PY ₹ 3,50,000).

** For Others ₹ 37,548.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 42: EARNINGS PER SHARE IS CALCULATED AS UNDER

Basic

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Net Profit attributable to Equity Shareholders (₹ in Crores)	283.71	234.26
Weighted average number of equity shares of ₹ 2/- each outstanding during the year (in Nos.)	7,59,35,488	7,58,28,864
Earnings per share (in ₹)	37.36	30.89

Diluted

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Net Profit attributable to Equity Shareholders (₹ in Crores)	283.71	234.26
Weighted average number of equity shares of ₹ 2/- each outstanding during the year (in Nos.)	7,63,09,309	7,65,07,964
Earnings per share (in ₹)	37.18	30.62

NOTE 43: AMOUNT DUE TO INVESTOR EDUCATION AND PROTECTION FUND

The due amount of ₹ 0.24 Crores (PY : ₹ 0.50 Crores) were transferred to investor education and protection fund and there is no outstanding amount due to be transferred to investor education and protection fund.

NOTE 44: RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW.

(a) Related parties and Nature of relationship

Name of the Related parties	Nature of Relationship	Percentage of Shares held by Caplin point laboratories limited As at March 31, 2024	Percentage of Shares held by Caplin point laboratories limited As at March 31, 2023
Caplin Point Meenakshi CSR Trust	Trust in which Promoter / Promoter Group are Board of Trustees.	NA^	NA^
Mr. Vivek Siddarth	Relative of Chairman	NA	NA
Caplin Point Far East Limited, (Hong Kong)	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin Point (S) PTE Limited	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin One Labs Limited (formerly known as Caplin Onco Limited)	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin Steriles Limited, (India)	Subsidiary Company	99.999%	99.999%
Caplin Steriles USA Inc.*	Step down subsidiary Company	100.00%	-
Argus Salud Pharma LLP, (India)	Subsidiary LLP	99.90%	99.90%
Caplin Point Laboratories Colombia SAS, (Colombia)	Step down subsidiary Company	100.00%	100.00%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Name of the Related parties	Nature of Relationship	Percentage of Shares held by Caplin point laboratories limited As at March 31, 2024	Percentage of Shares held by Caplin point laboratories limited As at March 31, 2023
Caplin Point El Salvador, S.A. DE C.V.,(El Salvador)	Step down subsidiary Company	100.00%	100.00%
Nuevos Eticos Neo Ethicals S.A - Guatemala	Step down subsidiary Company	69.00%	69.00%
Neoethicals CIA.LTDA - Ecuador	Step down subsidiary Company	100.00%	100.00%
Drogueria Saimed de Honduras S.A.	Step down subsidiary Company	100.00%	100.00%
Neo Ethicals S.A - Nicaragua	Step down subsidiary Company	100.00%	100.00%
Ashvich Infotek Private Limited	Director's relatives are interested	NA	NA
Sunsole Solar Private Limited	Associate of Caplin Steriles Limited	28.01%	28.01%
Ashvich Property Private Limited	Director's relatives are interested	NA	NA

^Trust formed by the company for undertaking its CSR Activities.

*Caplin Steriles USA Inc, wholly owned subsidiary of Caplin Steriles Limited,was incorporated on August 18, 2023.

(b) Key Managerial Personnel

Dr. Sridhar Ganesan	- Managing Director
Mr. D Muralidharan	- Chief Financial Officer
Mr. Venkatram G	- Company Secretary from 05-08-2022
Mr. Dinesh R G	- Company Secretary upto 24-06-2022

(c) Details of Transactions that have taken place during the Financial Year with Key Management Personnel/Related Party:

Particulars	For the Financial Year ended March 31, 2024	For the Financial Year ended March 31, 2023
Remuneration*		
Mr.Vivek Siddarth Partheeban-Chief Operating officer (Related Party)	0.19	0.19
Dr. Sridhar Ganesan**	0.93	0.87
Mr. D Muralidharan***	0.91	0.96
Mr. Venkatram G	0.38	0.23
Mr. R G Dinesh -upto 24.06.2022	-	0.03

* Remuneration includes Basic salary, House Rent Allowance, Special Allowance, Leave Travel Assistance, Medical Reimbursement, contribution to Provident Fund and such other perquisites, payable to Key Management Personnel, as per Company Policy except Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis.

** Remuneration to Dr. Sridhar Ganesan includes Perquisites value of stock option amounting to ₹ 0.37 Cr (PY: ₹ 0.30 Cr) pertaining to allotment of 6,000 (PY: 4,000) equity shares under ESOP scheme during the year.

*** Remuneration to Mr. D Muralidharan includes Perquisites value of stock option amounting to ₹ 0.36 Cr (PY: ₹ 0.61 Cr) pertaining to allotment of 6,000 (PY: 9,000) equity shares under ESOP scheme during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

(d) Details of Transactions that have taken place during the Financial Year with Subsidiary Companies/LLP:

Particulars	For the Financial Year ended March 31, 2024	For the Financial Year ended March 31, 2023
Share of profit (Loss) in Argus Salud Pharma LLP	0.44	0.06
Investment in Caplin One Labs Limited (formerly known as Caplin Onco Ltd)	4.00	31.74
Investment in Caplin Point Laboratories Colombia SAS	-	0.38
Disinvestment in Caplin Point Laboratories Colombia SAS	-	2.32
Sale of MEIS Licence/ RODTEP Scrip to Caplin Steriles Limited	2.34	0.11
Corporate Office common expenses recovery from Caplin Steriles limited	0.61	0.55
Recovery of Software and system related expenses from Caplin Steriles limited	0.29	0.93
Sale of Assets and Materials to Caplin Steriles Limited	0.55	0.03
Purchase of Assets and Materials from Caplin Steriles Limited	0.49	0.76
Rent received from Caplin Steriles limited	0.05	0.05
Capex Loan given to Caplin Steriles Limited	106.00	116.25
Interest on Capex Loan received from Caplin Steriles Limited	22.35	7.36
Interest on Working Capital Loan from Caplin Steriles Limited	0.25	-
Sale of goods to Drogueria Saimed de Honduras S.A	40.43	26.82
Sale of goods to Nuevos Eticos Neoethicals, S A - Guatemala	158.37	116.07
Sale of goods to Neo Ethicals S.A Nicaragua	89.80	60.96
Sale of goods to Neo Ethicals CIA.LTDA-Ecuador	25.05	58.74
Sale of goods to Caplin Point Laboratories Colombia SAS	0.31	-
Sale of goods to Argus Salud Pharma LLP	3.40	-
Purchase of Asset from Caplin One Labs Limited (formerly known as Caplin Onco Limited)	-	0.62
Sale of Assets to Caplin One Labs Limited (formerly known as Caplin Onco Limited) (i)	0.00	0.17
Rent received from Caplin One Labs Limited (formerly known as Caplin Onco Limited)	0.43	0.26
Reimbursement of expenses from Caplin One Labs Limited (formerly known as Caplin Onco Limited) (ii)	-	0.00
Rent & Consultancy charges paid to Ashvich Infotek Private Limited	0.82	0.80
Rent paid to Ashvich Property Private Limited	0.23	-
Amount contributed to Caplin Point Meenakshi CSR Trust	3.59	0.50
Dividend income received from Caplin point Far East Limited	37.54	46.18

(i) Sale of Asset to Caplin One Labs Limited (formerly known as Caplin Onco Limited) ₹ 27,000 (FY'24).

(ii) Reimbursement of expenses from Caplin One Labs Limited (formerly known as Caplin Onco Limited) amounts to ₹ 7,956 (FY'23).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

(e) Outstanding Balances

Particulars	As at March 31, 2024	As at March 31, 2023
Amount receivable/ (Payable) from Argus Salud Pharma LLP	3.23	0.06
Amount receivable/ (Payable) from Nuevos Eticos Neo Ethicals S.A - Guatemala	13.50	27.31
Amount receivable/ (Payable) from Drogueria Saimed de Honduras S.A	18.49	(18.59)
Amount receivable/ (Payable) from Neo Ethicals S.A Nicaragua	(4.83)	(4.84)
Amount receivable/ (Payable) from Neo Ethicals CIA.LTDA-Ecuador	(0.01)	24.00
Balance outstanding w.r.t Loan given to Caplin Steriles Limited	262.00	156.00
Balance outstanding w.r.t Loan given to Caplin One Labs Limited (formerly known as Caplin Onco Ltd)	0.60	-
Amount receivable/ (Payable) from Caplin Colombia SAS	0.31	-
Amount receivable/ (Payable) to Ashvich Infotek Private Limited	(0.09)	(0.04)
Amount receivable/ (Payable) to Ashvich Property Private Limited	(0.03)	-

NOTE 45: FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Carrying Amount			Carrying Amount		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial Assets						
Non - Current Investments - Equity	1.09	210.28	211.37	0.74	205.93	206.67
Investment in Corporate Bonds, Debentures, Commercial Paper and Inter Corporate Deposits	-	134.80	134.80	-	68.30	68.30
Non - Current Loans						
- Loan to Subsidiary	-	262.00	262.00	-	156.00	156.00
Other Non Current Financial Assets	-	10.19	10.19	-	4.48	4.48
Other Current Financial Assets	-	13.61	13.61	-	17.78	17.78
Current Investments	35.99	201.99	237.98	20.27	189.91	210.18
Trade Receivables	-	128.67	128.67	-	88.24	88.24
Cash and Cash Equivalents	-	80.64	80.64	-	122.02	122.02
Other Bank Balances other than Cash and Cash Equivalents	-	135.14	135.14	-	149.36	149.36
Total	37.08	1,177.32	1,214.40	21.01	1,002.02	1,023.03
Financial Liabilities						
Non - Current Borrowings	-	-	-	-	-	-
Non - Current Lease Liabilities	-	0.16	0.16	-	0.48	0.48
Trade Payables	-	78.62	78.62	-	70.63	70.63
Current - Lease Liabilities	-	0.77	0.77	-	0.86	0.86
Current Borrowings	-	-	-	-	-	-
Other Current financial Liabilities	-	20.05	20.05	-	20.32	20.32
Total	-	99.60	99.60	-	92.29	92.29

(i) The Company estimates that the fair value of these investments are not materially different as compared to its cost.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

B. Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

Type	Valuation Technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Non - Current Financial Assets (other than investments in mutual fund) and Lease Liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt / payment discounted using appropriate discounting rate	Not applicable	Not applicable

C. Financial risk management:

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management framework. The Company's risk management policies are established to set appropriate risk limits and to monitor risks and adherence to limits. risk management policies and systems are reviewed periodically to reflect changes in market condition and the Company's activities. The Company through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. Credit Risk:

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of business.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants the credit terms in the normal course of business.

Summary of the Company's exposure to credit	As at 31.03 2024	As at 31.03 2023
Neither past due nor impaired	128.67	88.24
Total	128.67	88.24

Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available information, etc) and applying experienced credit judgement.

Exposures to the customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses, if any. Historical trends of impairment of trade receivables reflects no credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of "no credit loss" to continue.

No allowance for impairment in respect of trade and other receivables was provided during the year and immediate preceding year.

Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹ 80.64 Crores (31.03.2023 ₹ 122.02 Crores). The cash and cash equivalents are held with banks with good credit rating.

Other Bank balances

As at the year end, the Company held other Bank balance of ₹ 135.14 Crores (31.03.2023 ₹ 149.36 Crores). The balances are held with banks with good credit rating.

Investment in mutual funds, Corporate Bond, Debentures, Commercial Paper and Term Deposits (Intercorporate & Banks).

As at the year end, the Company held Investment in Mutual Fund ₹ 35.99 Crores (31.03.2023 ₹ 20.27 Crores), Corporate Bonds of ₹ 7.22 Crores (31.03.2023 ₹ 22.07 Crores), Debentures ₹ 269.40 Crores (31.03.2023 ₹ 185.13 Crores) and Commercial Paper ₹ 9.16 Crores (31.03.2023: Nil). The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non - performance by these counter-parties.

As at the year end, the Company held Inter Corporate Deposits/Bank Deposits of ₹ 51.01 Crores (31.03.2023 ₹ 51.01 Crores) under Investments.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company was sanctioned working capital limits to the extent of ₹ 50 crores on the basis of security of Land and Factory building and Current Assets by various Banks. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds which carry no/low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintain financial flexibility.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at March 31, 2024	Carrying amount	Contractual cash flow					
		Total	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years
Non - Derivative Financial Liabilities							
Borrowing	-	-	-	-	-	-	-
Interest Payable on non-current borrowing	-	-	-	-	-	-	-
Lease Liabilities	0.93	0.93	0.77	0.16	-	-	-
Trade payables	78.62	78.62	78.62	-	-	-	-
Other current Financial Liabilities	20.05	20.05	20.05	-	-	-	-
Total	99.60	99.60	99.44	0.16	-	-	-

As at March 31, 2023	Carrying amount	Contractual cash flow					
		Total	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years
Non - Derivative Financial Liabilities							
Borrowing	-	-	-	-	-	-	-
Interest Payable on non-current borrowing	-	-	-	-	-	-	-
Lease Liabilities	1.34	1.34	0.86	0.32	0.16	-	-
Trade payables	70.63	70.63	70.63	-	-	-	-
Other current Financial Liabilities	20.32	20.32	20.32	-	-	-	-
Total	92.29	92.29	91.81	0.32	0.16	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

iii. Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivable and payable. We are exposed to market risk primarily related to foreign exchange rate risk as the Company's product is exported to various countries and a certain portion of its export is sourced through import. Thus our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Company does not use any derivative to manage market risk since certain degree of a natural hedge available in the form of foreign currency realised from exports are paid against imports.

Currency risk

The Company is exposed to currency risk on account of its export and import of pharmaceuticals and import of raw material, capital goods, etc. The functional currency of the Company is Indian Rupee, where as majority of its export and imports are settled through USD (\$).

Exposure to Currency risk

Following is the currency profile of non-derivative financial assets and financial liabilities

Particulars	As at March 31, 2024		As at March 31, 2023	
	USD in Crores	₹ in Crores	USD in Crores	₹ in Crores
Export Debtors	1.49	123.82	1.07	87.78
Cash and cash equivalents	0.36	30.11	0.20	16.44
Total	1.85	153.93	1.27	104.22
Creditors	0.07	5.53	0.04	3.62
Total	0.07	5.53	0.04	3.62
Net statement of financial position exposure	1.78	148.40	1.23	100.60

Sensitivity analysis

A reasonable strengthening (weakening) of the Indian Rupee against US dollars as at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

1% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in increase / decrease in the profit before taxes by approximately ₹ 1.48 Crore for the year ended March 31, 2024 (₹ 1.01 Crores for the year ended March 31, 2023).

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/ borrowings

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

As on March 31, 2024 and March 31, 2023, the Company has not availed any long term borrowings. Further, the Company has not availed any fund based working capital lines.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect profit or loss.

Commodity rate risk

The Company's operating activity involve purchase of Active Pharmaceutical Ingredients (API) and other direct materials, whose prices are exposed to the risk of fluctuation over short period of time. The commodity price risk exposure is evaluated and managed through procurement and other related operating policies. As on March 31, 2024 and March 31, 2023, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

NOTE 46: THE RATIOS FOR THE YEARS ENDED MARCH 31, 2024 AND MARCH 31, 2023 ARE AS FOLLOWS:

Ratio	Definition of ratios	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Variance	Reason (If variation is more than 25%)
Current Ratio (Number of times)	Ratio that indicates company's capacity to repay short-term loans or those due within one year.	Current Assets	Current Liabilities	5.89	4.52	30.50%	Increase in inventory as explained below together with increase in receivable & deduction in customer advance have led to higher current ratio.
Debt - Equity Ratio	Debt Equity ratio is a measure of the degree to which a company is financing its operations through debt versus wholly owned funds.	Total Debt	Shareholder's Equity	NA	NA	NA	NA
Debt Service Coverage Ratio	This ratio is used to analyse the firm's ability to pay-off current interest and instalments.	Earnings available for debt service	Debt Service	NA	NA	NA	NA
Return on Equity Ratio	Ratio that measures company/proficiency to generate profits from its shareholders investment.	Net Profits after taxes	Average Shareholder's Equity	22.43%	22.63%	(0.89%)	Marginal decrease due to higher dividend income in the FY 2022-23 when compared to FY 2023-24.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Ratio	Definition of ratios	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Variance	Reason (If variation is more than 25%)
Inventory Turnover Ratio (Number of times)	Inventory Turnover measures the efficiency with which a company utilises or manages its inventory. It establishes the relationship between Cost of Goods Sold and average inventory held during the period.	Cost of goods sold	Average Inventory	2.98	4.20	(29.07%)	Higher closing Inventory is due to change in delivery terms from FOB to CIF during the Current Year.
Trade receivables turnover Ratio (Number of times)	Ratio that measures how efficiently a firm manages its receivables.	Net Sales	Avg. Accounts Receivable	5.76	7.45	(22.60%)	NA
Trade Payables turnover Ratio (Number of times)	Ratio that depicts the efficiency with which the business makes payment to the creditors.	Net Purchases	Average Trade Payables	3.22	2.82	13.86%	NA
Net Capital turnover Ratio (Number of times)	Ratio that indicates a company's effectiveness in using its working capital.	Net Sales	Working Capital	1.14	1.03	9.96%	NA
Net Profit Ratio	The Net Profit Margin is equal to how much net profit is generated as a percentage of revenue.	Net Profit	Total Income	38.82%	37.33%	3.99%	NA
Return on Capital employed	Return on Capital Employed indicates the ability of a company's management to generate returns for both the debt holders and the equity holders.	Earnings before interest and taxes	Capital Employed	28.73%	27.97%	2.71%	NA
Return on Investment	Return on investment (ROI) is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments.	Income during the year	Time weighted average of investments				
(a)	Return on Mutual Funds			7.28%	7.01%	3.85%	NA
(b)	Return on Fixed Deposits			7.06%	6.45%	9.48%	NA
(c)	Return on Bonds/Debentures/Commercial Paper			8.20%	7.39%	10.96%	NA

NOTE 47: CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on the capital as well as the level of dividends to ordinary shareholders.

As on date the Company has no borrowings.

NOTE 48: SEGMENT REPORTING

The company is engaged in manufacture of pharmaceuticals formulations which is the only business segment determined in accordance with the IndAS 108, "Operating segments". Hence there are no reportable business segments to be disclosed as required by the said standard.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 49: CSR:

Particulars	For the year Ending March 31, 2024	For the year Ending March 31, 2023
(i) Amount required to be spent by the company during the year	5.15	4.84
(ii) Amount required to be set off for the financial year, if any	-	-
(iii) Amount of expenditure incurred	0.80	0.34
(iv) Shortfall at the end of the year	4.35	4.50
(v) Total of previous years shortfall*	7.65	6.79
(vi) Reason for shortfall	The company has identified some long term projects where the CSR funds shall be utilised during next few years.	The company has identified some long term projects where the CSR funds shall be utilised during next few years.
(vii) Nature of CSR activities	Sanitation,Healthcare facilities,Educational Infrastructure,setting up care homes for orphans and women	Sanitation,Healthcare facilities,Educational Infrastructure,setting up care homes for orphans and women
(viii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard**	3.59	0.50
(ix) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

*Unspent balance lying in Caplin point Meenakshi CSR Trust bank account is included in the above balance.

**During the year Company has transferred ₹ 3.59 Cr (FY'23 ₹ 0.50 Cr) to Caplin Point Meenakshi CSR Trust and out of which, the Trust has spent ₹ 3.49 Cr (FY'23 ₹ 0.35 Cr) during the year.

NOTE 50: ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

- (i) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- (ii) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (iii) The Company does not have any borrowings from banks or financial institutions against security of its current assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

- (iv) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (v) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (vi) No Scheme of Arrangements has been approved by the competent Authority in terms of sections 230 to 237 of the Companies Act 2013, during the year.
- (vii) Utilisation of borrowed funds and share premium
- I The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- II The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (viii) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (ix) The Company has not traded or invested in crypto currency or virtual currency during the year.
- (x) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

NOTE 51: DISCLOSURE AS PER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company has given Loan to Caplin Steriles Ltd (Subsidiary Company) amounting to ₹ 262 Crores as at March 31, 2024. (The maximum amount of loan outstanding during the year is ₹ 262 Crores) for its Capex purposes. The terms of such transaction have been recorded in writing.

NOTE 52: NOTE ON SOCIAL SECURITY CODE 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE 53: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For **Brahmayya & Co**
Chartered Accountants
Firm Registration No : 000511S

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;
CIN: L24231TN190PLC019053

N. Sri Krishna
Partner
ICAI Membership No. 026575

C.C. Paarthipan
Chairman
DIN:01218784

Dr.Sridhar Ganesan
Managing Director
DIN:06819026

Muralidharan D
Chief Financial Officer

Venkatram G
General Counsel & Company Secretary
M. No. A23989

Place : Chennai
Date : May 16, 2024

Place : Chennai
Date : May 16, 2024

**CONSOLIDATED
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Caplin Point Laboratories Limited, Chennai

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Caplin Point Laboratories Limited** (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associate, which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements, including a Summary of the material Accounting Policies and Other Explanatory Information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended, (“the Act”) in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India including the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”), of the consolidated state of affairs of the Group and its associate as at March 31, 2024, of its consolidated profit

(including other comprehensive income), of its consolidated changes in equity and of its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (“ICAI”), together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of the most significance in our audit of the Consolidated Financial Statements of the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined following matters as Key Audit Matters to be communicated in our report:

Key Audit Matter	Auditor’s Response
As per the principles of Revenue recognition set out in the Accounting standards involves certain key judgments relating to the identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, the revenue accounting standard contains disclosures that involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. (Refer Note No. 1(q) & 26 to the Consolidated Financial Statements)	Our audit approach includes: <ul style="list-style-type: none"> • Testing the design and operating effectiveness of the internal controls associated with contracts with customers. • Analysing contracts with customers from selected samples. • Analysing invoices with customers from selected samples. • Testing of the approval mechanism, access and change controls associated with the price. • Reviewing the report of Internal Auditors. • Performance of analytical procedures for reasonableness of the estimates.

Other Information

The Holding Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its associate in accordance with the accounting principles generally accepted in India including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding of the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also

responsible for expressing our opinion on whether the Group and its associate has adequate internal financial controls system in place and the operating effectiveness of such controls.

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of Holding Company of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatement in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work

and in evaluating the results of the work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the financial year ended March 31, 2024 and are therefore Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements of four subsidiaries and six step down subsidiaries included in the Consolidated Financial Statements, whose Financial Statements reflect assets of ₹ 1,173.63 Crores as at March 31, 2024, revenues of ₹ 1,030.04 Crores and net profit after tax of ₹ 178.76 Crores, and other comprehensive income of ₹ 11.59 Crores and total net cash inflows of ₹ 57.13 Crores for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.
2. We did not audit the financial statements of one subsidiary and one step down subsidiary, included in Consolidated Financial Statements,

whose financial statements reflect assets of ₹ 1.44 Crores as at March 31, 2024, revenue of ₹ 0.07 Crores, net loss after tax of ₹ 1.31 Crores for the year ended on that date, and one associate, whose financial statement reflect Group's share of total net profit after tax of ₹ 0.27 Crores for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and step down subsidiaries and associate, and our report in terms of sub sections (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries and step down subsidiaries and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

3. Attention is drawn to the fact that the Consolidated Financial Statements of the Company for the year ended March 31, 2023, in accordance with Companies (Indian Accounting Standards) Rules, 2015, as amended, was audited by M/s. CNGSN & Associates LLP, who issued an unmodified opinion vide their report dated May 27, 2023.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries and associate incorporated in India, as noted in the Other Matter paragraph, we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report to the extent applicable that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 3(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associate incorporated in India, none of the Directors of the Group and its associate incorporated in India are disqualified as on March 31, 2024 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under section 143(3)(b) of the Act and paragraph 3(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (g) With respect to the adequacy of the internal financial controls with reference to the Consolidated Financial Statements of the Group and its associate and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other statutory auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the "Other matter" paragraph:

- (a) The Holding Company has disclosed the impact of pending litigations on the consolidated financial position of the Group and its associate – Refer Note No. 36 to the Consolidated Financial Statements;
- (b) The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- (d) i) The respective managements of the Holding Company, its subsidiaries and its associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries, and its associate to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- ii) The respective managements of the Holding Company, its subsidiaries and its associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively

that, to the best of its knowledge and belief, no funds have been received by the Holding Company and its subsidiaries, and its associate from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) contain any material misstatement;
- (e) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by Holding Company, during the year and until the date of this audit report is in accordance with section 123 of the Act.
- (f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014, as amended, is applicable for the financial year ended March 31, 2024.

Based on our examination which included test checks and as communicated by the respective auditor of two subsidiaries and one associate incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiaries and one associate have used accounting softwares for maintaining

its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

In case of the Holding Company, its two subsidiaries incorporated in India (listed in Annexure C), the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to payroll and the accounting software used for maintaining ledgers.

Further, the audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting softwares and we did not come across any instance of the audit trail feature being tampered with.

In respect of subsidiaries incorporated outside India, whose management certified financial statements are included in these Consolidated Financial Statements, no comments have been included for the purpose of reporting under Rule 11(g) for such companies.

4. With respect to the matters to be included in the Auditor's Report under Section 197(16):

In our opinion and according to the information and explanation given to us, the remuneration paid by the Holding Company, its subsidiaries and associate, which are incorporated in India, to its director, to the extent applicable, during the year is in accordance with the provision of section 197 of the Act. The remuneration paid to directors by the Holding Company, its subsidiaries and associate which are incorporated in India, to the extent applicable, is not in excess of the limit laid down under section 197 of the Act.

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No: 000511S

N. Sri Krishna
Partner

Place: Chennai
Date: May 16, 2024

Membership No: 026575
UDIN: 24026575BKCJUA2767

Annexure A to the Independent Auditor's Report

The “**Annexure A**” referred to in Clause 1 of “**Report on Other Legal and Regulatory Requirements**” Paragraph of the Independent Auditor's Report of even date to the members of **Caplin Point Laboratories Limited** on the Consolidated Financial Statements as on and for the year ended March 31, 2024.

(xxi) In terms of the information and explanations sought by us and given by the Group and its associate and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that there are no qualifications or adverse remarks by the respective auditors in the CARO Reports of the said companies (listed in Annexure C).

The report of the following component included in the Consolidated Financial Statements has not been issued by its auditor till the date of our auditor's report:

S.No.	Name	CIN	Holding Company/ Subsidiary/ Joint Venture/ Associate
1	Sunsole Solar Private Limited	U40106MH2020PTC337618	Associate

For **Brahmayya & Co.**
 Chartered Accountants
 Firm Registration No: 000511S

N. Sri Krishna
 Partner
 Membership No: 026575
 UDIN: 24026575BKCJUA2767

Place: Chennai
 Date: May 16, 2024

Annexure B to the Independent Auditor's Report

The Annexure B, referred to in the Clause 2(g) of “**Report on other Legal and Regulatory Requirements**” Paragraph of the Independent Auditor's Report of even date to the members of **Caplin Point Laboratories Limited** on the Consolidated Financial Statements as of and the year ended March 31, 2024.

Report on the Internal Financial Controls with reference to the Consolidated Financial Statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of Caplin Point Laboratories Limited as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of Caplin Point Laboratories Limited (“the Holding Company”), its subsidiaries (the holding company and its subsidiaries together referred as “the Group”), which are incorporated in India, as on that date (together referred to as the “Covered Entities” in this report). Refer Annexure C for the list of Covered Entities.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries which are incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility for Internal Financial Controls

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiaries,

incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the SAs, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of the Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control over financial reporting of the Holding Company and its subsidiaries incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the Holding Company and its subsidiaries which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such

internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

Our report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the covered entities as listed in Annexure C is based on the corresponding reports of the auditors of such companies.

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No: 000511S

Place: Chennai
Date: May 16, 2024

N. Sri Krishna
Partner
Membership No: 026575
UDIN: 24026575BKCJUA2767

Annexure C – Covered Entities

Sl. No.	Name of the Company	Relationship
1	Caplin Steriles Limited	Subsidiary
2	Caplin One Labs Limited (formerly known as Caplin Onco Limited)	Subsidiary

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2A	438.62	267.01
(b) Capital work-in-progress	2B	116.62	220.48
(c) Intangible assets	2C	12.52	10.94
(d) Right of Use Assets	2D	1.52	1.86
(e) Intangible Assets under development	2E	-	0.23
(f) Financial Assets			
(i) Investments	3	137.63	70.52
(ii) Other Financial Assets	4	12.64	6.46
(g) Income tax assets (Net)		10.78	3.32
(h) Deferred Tax Assets (Net)	5	12.55	14.00
(i) Other Non-Current assets	6	62.32	44.39
Sub-total-Non current assets		805.20	639.21
(2) Current Assets			
(a) Inventories	7	363.04	288.22
(b) Financial Assets			
(i) Investments	8	237.98	210.18
(ii) Trade Receivables	9	542.72	394.06
(iii) Cash and Cash equivalents	10	138.70	177.56
(iv) Bank balances other than (iii) above	11	414.04	315.92
(v) Other Financial Assets	12	45.52	18.65
(c) Other Current Assets	13	150.92	147.60
Sub-total-Current assets		1,892.92	1,552.19
Total		2,698.12	2,191.40
EQUITY AND LIABILITIES			
(1) Equity			
Equity Share capital	14	15.19	15.18
Instruments entirely equity in nature	15	74.58	74.58
Other Equity	16	2,225.94	1,790.72
Equity attributable to shareholders of the company		2,315.71	1,880.48
Non controlling interest		31.12	26.79
Sub-total-Equity		2,346.83	1,907.27
(2) Liabilities			
(A) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	17	0.92	0.93
(b) Provisions	18	8.61	7.78
(c) Other non current liabilities	19	10.48	7.42
Sub-total-Non current liabilities		20.01	16.13
(B) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	0.28	3.41
(ii) Trade Payables			
(a) total outstanding dues of micro and small enterprises	21	1.37	0.12
(b) total outstanding dues other than (ii) (a) above	21	208.04	152.44
(iii) Lease Liabilities	22	0.77	1.14
(iv) Other financial Liabilities	23	74.13	71.63
(b) Provisions	24	11.09	12.09
(c) Other Current Liabilities	25	35.60	27.17
Sub-total-Current liabilities		331.28	268.00
Total		2,698.12	2,191.40

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

For Brahmayya & Co

Chartered Accountants

Firm Registration No : 000511S

N. Sri Krishna

Partner

ICAI Membership No. 026575

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;

CIN: L24231TN1990PLC019053

C.C. Paarthipan

Chairman

DIN:01218784

Muralidharan D

Chief Financial Officer

Place : Chennai

Date : May 16, 2024

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Venkatram G

General Counsel & Company Secretary

M. No. A23989

Place : Chennai

Date : May 16, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I. INCOME			
(a) Revenue from Operations	26	1,694.10	1,466.73
(b) Other income	27	66.94	55.98
Total Income (a+b)		1,761.04	1,522.71
II. EXPENSES			
(a) Cost of Materials Consumed	28	239.81	206.28
(b) Purchase of Stock-in-Trade		558.92	503.87
(c) Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade	29	(74.55)	(46.94)
(d) Employee benefits expense	30	143.59	136.99
(e) Finance costs	31	0.78	0.78
(f) Depreciation and Amortisation Expenses	32	53.44	44.99
(g) Research and Development Expenses	33	73.72	63.19
(h) Other expenses	34	201.17	162.28
Total Expenses		1,196.88	1,071.44
III. Profit before share of profit in Associate, Exceptional Items and tax (I-II)		564.16	451.27
IV. Share of Profit in Associate		0.27	0.08
V. Exceptional Items		-	-
VI. Profit Before Tax (III-IV-V)		564.43	451.35
VII. Tax Expense (Net)			
- Current Tax		101.55	82.09
- Deferred tax (Benefits)/Charge		1.46	(7.73)
Total tax expense		103.01	74.36
VIII. Profit for the Year (VI-VII)		461.42	376.99
IX. Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
(i) Remeasurement of Defined Benefit Plans		(0.04)	0.43
(ii) Income tax relating to these items		0.01	(0.11)
		(0.03)	0.32
Items that will be reclassified to Profit or Loss			
(i) Exchange difference in translating the financial statements of foreign operations		11.48	42.43
		11.48	42.43
Other Comprehensive Income/(loss), net of tax		11.45	42.75
X. Total Comprehensive Income for the Year (VIII+IX)		472.87	419.74
XI. Profit attributable to:			
Owners of the Company		457.09	376.26
Non - Controlling Interests		4.33	0.73
		461.42	376.99
XII. Total Comprehensive Income for the Period attributable to:			
Owners of the Company		468.54	419.01
Non - Controlling Interests		4.33	0.73
		472.87	419.74
Earnings Per Equity Share (Nominal value per share ₹ 2/-)	44		
Basic EPS		60.19	49.62
Diluted EPS		59.90	49.18

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

 For **Brahmayya & Co**

Chartered Accountants

Firm Registration No : 0005115

N. Sri Krishna

Partner

ICAI Membership No. 026575

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;

CIN: L24231TN1990PLC019053

C.C. Paarthipan

Chairman

DIN:01218784

Muralidharan D

Chief Financial Officer

Place : Chennai

Date : May 16, 2024

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Venkatram G

General Counsel & Company Secretary

M. No. A23989

Place : Chennai

Date : May 16, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
A. Cash Flow from Operating Activities		
Profit before tax	564.43	451.35
Adjustments for:		
Depreciation and Amortisation expense	53.44	44.99
Finance costs	0.78	0.78
Government grants	(2.01)	(1.59)
(Profit)/Loss on sale/disposal of property, plant and equipment	0.65	0.36
Employee Stock Option Scheme Expense	0.85	5.19
Net Unrealised Foreign Exchange Fluctuation Loss (Gain)	(0.86)	(1.18)
Fair value (gain)/loss on financial instruments through profit or loss	(0.87)	0.54
Realised gain on Financial Assets	(2.03)	(1.83)
Share of Profit in Associate	(0.27)	(0.08)
Interest Income	(47.28)	(35.41)
Operating Profit before Working Capital changes	566.83	463.12
Adjustments for :		
(Increase) / Decrease in Inventories	(74.82)	(60.90)
(Increase) / Decrease in Trade receivables	(148.66)	(77.01)
(Increase) / Decrease in Other Financial assets	(1.41)	(0.17)
(Increase) / Decrease in Other assets	(3.33)	(39.93)
Increase / (Decrease) in Trade payables ,Other Liabilities & Provisions	77.30	31.83
Impact of foreign currency translation	11.48	42.43
CASH GENERATED FROM OPERATIONS	427.39	359.37
Income tax Paid (Net)	(109.00)	(88.00)
Net Cash inflow / (outflow) from Operating activities (A)	318.39	271.37
B. Cash Flow from Investing Activities		
Sale / (Purchase) of investments	(93.77)	(141.25)
Investment / (Redemption) in Bank Deposits & Inter corporate Debenture	0.38	92.18
Increase/(Decrease) in Other Bank Balances	(98.12)	(3.69)
Sale / (Purchase) of property, plant and equipment (Including CWIP)	(145.82)	(193.47)
Interest received	43.73	26.82
Realised gain on Financial Assets	2.03	1.83
Increase / (Decrease) in Other Financial Assets	(28.47)	-
Net Cash inflow / (outflow) from Investing activities (B)	(320.04)	(217.58)
C. Cash Flow from Financing Activities		
Proceeds from exercise of Employee Stock Options*	0.01	0.02
Increase / (Decrease) in Long and Short term Borrowings	(3.13)	2.91
Interest paid (Including interest on Lease liability)	(0.78)	(0.78)
Dividend paid	(34.17)	(30.32)
Net Cash inflow / (outflow) from Financing activities (C)	(38.07)	(28.17)
Net increase / (decrease) in cash and cash equivalents during the year (D=A+B+C)	(39.72)	25.62
Cash and Cash Equivalents as at the beginning of the year (E)	177.56	150.76
Effect of exchange rate changes on cash and cash equivalents (F)	0.86	1.18
Cash and Cash Equivalents as at the end of the year (G=D+E+F)	138.70	177.56
Less: Bank Balance in Unspent CSR Account (H)	0.15	6.64
Net Cash and Cash Equivalents as at the end of the year (I=G-H)	138.55	170.92

Notes:

* Proceeds from exercise of employee stock options amounting to ₹ 78,000 (PY: ₹ 2,27,740) for 39,000 Shares (PY: 1,13,870 Shares) under ESOP exercised during the Twelve months ended March 31, 2024.

The above Consolidated Statement of Cash Flows has been prepared under the "Indirect method" as set out in Ind AS 7, 'Statement of Cash Flows'.

a) Reconciliation of Cash And Cash Equivalents:

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Cash And Cash Equivalents As Per Balance Sheet	138.70	177.56
Total Cash And Cash Equivalents As Per Balance Sheet	138.70	177.56
Less: Bank Balance in Unspent CSR Account	0.15	6.64
Total Cash And Cash Equivalents As Per The Statement Of Cash Flows	138.55	170.92

b) Cash & Cash Equivalents does not include following:

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Investment in mutual fund	35.99	20.27
Investment in Corporate Bonds & Debentures - Non Current Investments	129.80	68.30
Bank Deposits with more than 1 year Maturity (Other Financial Asset - Non Current)	0.01	0.39
Investment in Corporate Bonds, Debentures & Commercial Papers- Current Investment	155.98	138.90
Inter Corporate Deposits (Current & Non Current)	51.01	51.01
Other Bank balances	404.17	313.55
Total	776.96	592.42

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

 For **Brahmaya & Co**

Chartered Accountants

Firm Registration No : 000511S

N. Sri Krishna

Partner

ICAI Membership No. 026575

Place : Chennai

Date : May 16, 2024

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;

CIN: L24231TN1990PLC019053

C.C. Paarthipan

Chairman

DIN:01218784

Muralidharan D

Chief Financial Officer

Place : Chennai

Date : May 16, 2024

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Venkatram G

General Counsel & Company Secretary

M. No. A23989

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

A. EQUITY SHARE CAPITAL (Refer Note 14)

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT
Balance at the beginning of the reporting period	7,59,02,746	15.18	7,57,88,876	15.16
Changes in equity share capital due to prior period errors	-	-	-	-
Issue of equity shares during the year	39,000	0.01	1,13,870	0.02
Balance at the end of the reporting period	7,59,41,746	15.19	7,59,02,746	15.18

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE (Refer Note 15)

Compulsorily Convertible Preference Shares (CCPS)

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of CCPS	Amount	No of CCPS	Amount
Balance as at the beginning of the year	7,45,82,875	74.58	7,45,82,875	74.58
Changes during the year	-	-	-	-
Balance as at the end of the year	7,45,82,875	74.58	7,45,82,875	74.58

C. OTHER EQUITY (Refer Note 16)

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Reserves and Surplus									Total Other Equity
	Capital Reserve	Securities Premium on equity shares	Securities Premium on Preference shares	General Reserve	Employee Stock Option Outstanding (Net)	Share Application Money Pending Allotment*	Foreign Exchange Translation Reserve	Other Comprehensive Income	Retained Earnings	
Balance as at March 31, 2022	3.21	8.14	141.99	11.29	15.45	0.00	23.12	(0.21)	1,191.20	1,394.19
Changes due to prior period errors	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	42.43	0.32	376.99	419.74
Additions/ (deductions) during the year :										
Reversal on liquidation of Associate	-	-	-	-	-	-	-	-	0.15	0.15
Reversal on Subsidiary Disinvestment	-	-	-	-	-	-	-	-	2.50	2.50
Final Dividend on equity shares for FY 21-22	-	-	-	-	-	-	-	-	(15.16)	(15.16)
Interim Dividend on equity shares for FY 21-22	-	-	-	-	-	-	-	-	(15.16)	(15.16)

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Reserves and Surplus									Total Other Equity
	Capital Reserve	Securities Premium on equity shares	Securities Premium on Preference shares	General Reserve	Employee Stock Option Outstanding (Net)	Share Application Money Pending Allotment*	Foreign Exchange Translation Reserve	Other Comprehensive Income	Retained Earnings	
Movement in security premium	-	5.27	-	-	-	-	-	-	-	5.27
Exercise of Employee stock option	-	-	-	-	(5.27)	-	-	-	-	(5.27)
Share- based payment expenses (Net)	-	-	-	-	5.19	-	-	-	-	5.19
Share Application Money pending Allotment	-	-	-	-	-	(0.00)	-	-	-	(0.00)
Add/ (Transfer) to non-controlling interest	-	-	-	-	-	-	-	-	(0.73)	(0.73)
Balance as at March 31, 2023	3.21	13.41	141.99	11.29	15.37	-	65.55	0.11	1,539.79	1,790.72
Changes due to prior period errors	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	11.48	(0.03)	461.42	472.87
Additions/ (deductions) during the year :										
Reversal of Associate liquidation	-	-	-	-	-	-	-	-	-	-
Reversal on Subsidiary disinvestment	-	-	-	-	-	-	-	-	-	-
Final Dividend on equity shares for FY 22-23	-	-	-	-	-	-	-	-	(18.98)	(18.98)
Interim Dividend on equity shares for FY 22-23	-	-	-	-	-	-	-	-	(15.19)	(15.19)
Movement in security premium	-	2.00	-	-	-	-	-	-	-	2.00
Exercise of Employee stock option	-	-	-	-	(2.00)	-	-	-	-	(2.00)
Share- based payment expenses (Net)	-	-	-	-	0.85	-	-	-	-	0.85
Add/ (Transfer) to non-controlling interest	-	-	-	-	-	-	-	-	(4.33)	(4.33)
Balance as at March 31, 2024	3.21	15.41	141.99	11.29	14.22	-	77.03	0.08	1,962.71	2,225.94

*Share Application Money Pending Allotment is Nil as on 31/03/2024 and Nil as on 31/03/2023 (₹ 13, 332 as on 31/03/2022).

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

For **Brahmayya & Co**
Chartered Accountants
Firm Registration No : 000511S

N. Sri Krishna
Partner
ICAI Membership No. 026575

Place : Chennai
Date : May 16, 2024

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;
CIN: L24231TN1990PLC019053

C.C. Paarthipan
Chairman
DIN:01218784

Muralidharan D
Chief Financial Officer
Place : Chennai
Date : May 16, 2024

Dr.Sridhar Ganesan
Managing Director
DIN:06819026

Venkatram G
General Counsel & Company Secretary
M. No. A23989

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

1. MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

a) Basis of accounting and preparation of Consolidated Financial Statements:

i) Statement of Compliance

These Financial Statements are the Consolidated Financial Statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These Consolidated Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Consolidated Financial Statements.

ii) Basis of Preparation

The financial statements have been prepared on accrual and going concern basis. Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per Group's normal operating cycle as per paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents the Group has ascertained its normal operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a noncash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Cash and cash equivalents for the purpose of the statement of cash flows comprise cash and cash deposits with banks and financial institutions. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalent.

These financial statements are prepared under the historical cost convention except in case of certain class of financial assets/liabilities, share based payments and net liability for defined benefit plan that are measured at fair value.

The Group has decided to round off the figures to the nearest Crores.

These financial statements were authorized for issue by the Company's Board of Directors on May 16, 2024.

iii) Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Group. All financial information presented in Indian rupees (₹) has been rounded off to the nearest crores, except otherwise indicated.

iv) Use of Estimates and Judgments

The preparation of the Consolidated Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialize. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies, given as under:

- ▶ Measurement of defined benefit obligations
- ▶ Measurement and likelihood of occurrence of provisions and contingencies
- ▶ Recognition of deferred tax assets
- ▶ Useful lives of property, plant, equipment and Intangibles
- ▶ Impairment of Assets
- ▶ Impairment of financial assets

b) Principles of Consolidation:

Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Company and its subsidiaries and its jointly controlled entity have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Business Combinations:

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

d) Goodwill:

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103, Business Combinations. Goodwill is considered to have an indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

e) Property, Plant and Equipment:

i) Recognition and Measurement

Property, plant and equipment are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold land which is carried at cost less impairment losses. Subsequent expenditure are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major improvement is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provisions are met.

Spares which meet the definition of property, plant and equipment are capitalized as on the date of acquisition. The

corresponding old spares are decapitalized on such date with consequent impact in the statement of profit and loss.

Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets".

An item of property, plant and equipment and any significant part thereof is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in "other income / (expenses)" when the asset is derecognized.

ii) Depreciation

Depreciation is provided as per the useful life of assets which are determined based on technical parameters / assessment. Depreciation on tangible assets is provided on a straight line method over the estimated useful lives of the assets.

Estimated useful lives of the assets, are as follows:

Asset Category	Estimated useful life (Years)
Factory Building	30
Building other than factory building	20-60
Plant & Machinery	5-15
Furniture & Fixtures	5-10
Office Equipment	5
Computers	2-5
Electrical Fittings and installation	10
Motor Vehicles	5-6
Motor Cycle	10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed during each financial year and adjusted prospectively, if appropriate.

Depreciation on additions is provided on a pro-rata basis for the number of days they are available for use. Depreciation on sale / disposal of assets is provided pro-rata basis up to the date of sale / disposal.

An asset purchased where the actual cost individually does not exceed ₹ 10,000 is depreciated at the rate of 100%.

f) Intangible Assets:

i) Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Expenditure on research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

ii) Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii) Amortization

Intangible assets are amortized over their estimated useful lives on Straight Line Method as follows:

Asset Category	Estimated useful life
Computer Software & licenses	6 Years or useful life whichever is lower

The estimated useful lives of intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern, if any.

g) Leases

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

i) Group as Lessee

At the date of commencement of the lease, the Group recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low-value assets.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The Right-of-use assets is also subject to impairment. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

rates. The Group uses the incremental borrowing rate as the discount rate.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low value assets recognition exemption to leases that are considered of low value (range different for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

ii) Group as Lessor

Leases for which the Group is a lessor are classified as either finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

h) Impairment of Assets:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

i) Research and Development:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year in which they are incurred. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

Expenditure on in-licensed development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

j) Inventories

Inventories are valued at lower of cost or net realizable value. Cost is determined as follows:

i) Raw materials, Stores and Spares and Packing materials

Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. Cost is determined on Weighted Average basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

ii) Work-in-progress and Finished goods

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Government Grants and Assistance

Grants from the Government are recognized when the Group will comply with all the conditions attached to them and there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants relating to an asset are initially recognized as deferred income and subsequently recognized in the Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.

l) Borrowing Costs

Borrowing cost directly attributable to acquisition and construction of assets that necessarily take substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m) Fair Value Measurement

The Group measures some of its financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the

fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

n) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognized immediately in the statement of profit and loss.

I. Financial Assets

The Group's Financial Assets mainly comprise of;

- ▶ Current financial assets- mainly consisting of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions and other current receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

- ▶ Non-current financial assets mainly consist of financial investments in equity, fixed deposits and non-current deposits.

❖ Initial Recognition and measurement of Financial Assets

The Group recognizes a financial asset when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e. the date on which the Group commits to purchase or sell the asset.

❖ Subsequent Measurement of Financial Assets

For purposes of subsequent measurement, financial assets are classified in the following categories:

i) Financial Assets at Amortized Cost;

A Financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost category is the most relevant to the Group. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables and non-current

financial assets such as non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment, if any are recognized in the statement of profit and loss.

ii) Financial Assets at Fair Value through Profit and Loss

All equity investments in scope of Ind AS 109 “Financial Instruments” are measured at FVTPL with all changes in fair value recognized in the statement of profit and loss. The Group has designated its investments in equity instruments as FVTPL category.

iii) Financial Assets at Fair Value through Other Comprehensive Income

The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group has not designated investments in any equity instruments as FVTOCI.

❖ Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized (i.e. removed from the Group’s balance sheet) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

- the Group has transferred substantially all the risks and rewards of the asset, or
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

❖ Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- i) Trade Receivables
- ii) Other financial assets that are measured at amortized cost.

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as a loss allowance.

In case of other assets (as listed in (ii) above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as a loss allowance

II. Financial Liabilities and Equity Instruments

i) Financial Liabilities

The Group's Financial Liabilities mainly comprise of;

- Current financial liabilities- mainly consisting of trade payables and liability for capital expenditure.
- Non-current financial liabilities mainly consist of Borrowings.

❖ Initial Recognition and measurement of Financial Liabilities

The Group recognizes a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are initially recognized and measured at amortized cost

❖ Subsequent Measurement of Financial Liabilities at Amortized Cost

The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined using the effective interest rate method. Interest expense that is not capitalized as part of cost of an asset is included in the 'Finance costs' line item. The effective interest rate method is a method of calculating the amortized cost of a financial liability and to allocate interest expense over the relevant period.

❖ Derecognition of Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

are recognised at the proceeds received, net of direct issue costs.

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

o) Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates prevailing on the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the statement of profit and loss.

p) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by

discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contract is considered onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities and contingent assets are not recognized in the financial statements. Contingent liabilities are disclosed in the financial statements unless the possibility of any outflow in settlement is remote. Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

q) Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized only to the extent that it is highly probable a significant reversal will not occur.

i) Sale of Goods

Revenue from the sale of goods is recognized when delivery has taken place, control of the goods has been transferred to the customer, and there are no longer any unfulfilled obligations. The customer obtains control of the goods when the significant risks and reward of products sold are transferred according to the specific delivery terms agreed upon with the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Revenue towards satisfaction of a performance obligation is measured at the transaction price (net of variable consideration) allocated to that performance obligation, received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, Value added tax etc., Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates.

In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Group estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

ii) Profit Sharing Revenues

The company has entered into arrangements with its business partners for sale of products in certain markets whereby the company is eligible for a share of profit over and above the base selling price. The share of profits is dependent on the ultimate sales made by the business partner and subject to any reductions or adjustments required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement. The profit share component is recognized as revenue only to the extent that it is highly probable that a significant reversal will not occur.

iii) Service Income

Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront payments received under these arrangements are

recognized as revenue upon satisfaction of performance obligations.

iv) Interest and Dividend Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognized when right to receive is established (provided that it is probable that the economic benefits will flow to the Parent company and the amount of income can be measured reliably).

r) Export Incentive

Export incentives comprise of Duty draw back and RODTEP (Remission of Duties or Taxes on Export Products) Schemescripts.

Duty drawback and RODTEP is recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

RODTEP scrips are freely transferable and can be utilised for the payment of customs duty.

s) Employee Benefits

i) Short term employee benefits

Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid is as a result of the unused entitlement as at the year end.

ii) Post-Employment Benefits:

► Defined contribution plans

Employee benefits in the form of contribution to Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labor Welfare Fund are considered as defined contribution plans and the same are charged to the statement of profit and loss for the year in which the employee renders the related service.

► Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

❖ Gratuity

The Group's gratuity benefit scheme for its parent and its Indian subsidiaries is a defined benefit plan for which the net obligation is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. Obligation under the gratuity scheme is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the statement of profit or loss. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling

(if any, excluding interest), are recognized in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

For the Company's Non –Indian subsidiaries, the respective entities comply with their social security obligations in line with their local regulations.

❖ Compensated absences:

For the Group's parent entity and its Indian subsidiaries, the accumulated compensated absences, which are expected to be availed or en-cashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

For the Company's Non –Indian subsidiaries, the respective entities comply with their social security obligations in line with their local regulations.

t) Share based Payments

The Company operates Employee Stock Option Plans (ESOP's) for its employees and for the employees of its Subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

ESOPs for Parents Company Employees: The grant date fair value of options using Black Scholes model granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under “Employee Stock Options Outstanding Reserve”. The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

ESOPs for Subsidiary Company Employees: The cost of equity settled transactions is recognized in the Statement of Profit and Loss of the Subsidiary Company, together with a corresponding increase in equity, representing contribution received from the parent company, over the period in which the performance and/or service conditions are fulfilled. The same is recognized under “Investment in Subsidiary” for the value of shares of Grant after reducing Exercise price, in the Standalone financials of the Parent (which is subject to appropriate consolidation adjustments in the presentation of the Consolidated financials of the Group).

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Company’s best estimate of the number of equity instruments that will ultimately vest. In case of forfeiture/lapse of stock option, which is not vested/not exercised, the amortized portion is reversed by credit to employee compensation expense.

u) Taxation

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

i) Current Tax

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

ii) Deferred Tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be released simultaneously.

v) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

w) Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker

(CODM) of the Parent Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

The Group is engaged in the sole activity of carrying on the business of “Pharmaceutical Formulations” and therefore, has only one reportable segment in accordance with Ind AS 108 “Operating Segments”. Hence no separate segment reporting is applicable to the group.

x) Dividends to Shareholders

The Company recognises Final dividend to the shareholders as a liability in the period in which the dividends are approved by the shareholders. Any Interim Dividend paid is recognised based on the approval by the Board of Directors.

y) Recent Accounting Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE: 2A PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2023	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2024	As at 01-04-2023	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2024	As at 31-03-2024	As at 31-03-2023
Tangible Assets												
Land (i)	23.71	0.02	0.27	0.19	23.81	-	-	-	-	-	23.81	23.71
Leasehold Land	14.04	-	-	-	14.04	0.40	-	0.14	-	0.54	13.50	13.64
Factory Buildings (i)	102.64	-	31.50	-	134.14	17.73	-	3.61	-	21.34	112.80	84.90
Buildings - Others	11.00	0.06	-	-	11.06	2.36	0.02	0.32	-	2.70	8.36	8.64
Plant & Machinery (ii)	152.02	-	127.01	2.85	276.18	74.69	-	23.45	1.68	96.46	179.72	77.33
Air Conditioner	5.05	-	7.00	0.02	12.03	1.94	-	0.52	0.01	2.45	9.58	3.11
Furniture & Fixtures	23.56	0.05	12.44	0.14	35.91	13.53	0.04	2.79	0.11	16.25	19.66	10.03
Office Equipment	10.79	0.02	5.27	0.03	16.05	7.92	0.03	1.25	0.06	9.14	6.91	2.86
Computers	10.64	0.03	2.45	0.24	12.88	9.05	0.02	0.94	-	10.01	2.87	1.59
Electrical Fittings	17.90	-	11.91	0.16	29.65	9.51	-	2.33	0.06	11.78	17.87	8.39
Motor Vehicles	13.31	0.04	2.39	0.85	14.89	6.93	0.05	1.78	0.82	7.94	6.95	6.39
Tools & Spares	0.50	-	-	0.01	0.49	0.50	-	-	0.01	0.49	-	-
Lab Equipment (ii)	72.92	-	22.83	0.26	95.49	46.53	-	12.59	0.17	58.95	36.54	26.39
Motor Cycle	0.03	-	0.03	-	0.06	0.01	-	-	-	0.01	0.05	0.03
Total Tangible Assets	458.11	0.22	223.10	4.75	676.68	191.10	0.16	49.72	2.92	238.06	438.62	267.01

NOTE:

- (i) The title deeds of immovable properties included in fixed assets are held in the name of the Company, except for one property (land and factory building) for ₹ 17.38 Crores purchased by the Company during the financial year 2020-21 through e-auction from Punjab National Bank under the SARFAESI Act, 2002 and rules thereof, for which the transfer of title is in progress .
- (ii) Gross Block as at March 31, 2024 includes ₹ 14.87 Crs (PY: ₹ 9.79 Crs) of government grant in the nature of waiver of duty on purchase of plant and machinery & lab equipments. Accumulated Depreciation for Plant & Machinery as at March 31, 2024 includes ₹ 7.26 Crs (PY: ₹ 5.22 Crs) on such government grant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gross block				Depreciation Reserve					Net Block		
	As at 01-04-2022	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2023	As at 01-04-2022	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Tangible Assets												
Land (i)	19.83	0.15	3.73	-	23.71	-	-	-	-	-	23.71	19.83
Leasehold Land	14.04	-	-	-	14.04	0.26	-	0.14	-	0.40	13.64	13.79
Factory Buildings (i)	98.07	-	4.65	0.09	102.64	14.52	-	3.30	0.09	17.73	84.90	83.55
Buildings - Others	9.26	0.33	1.42	-	11.00	2.00	0.06	0.30	-	2.36	8.64	7.26
Plant & Machinery (ii)	141.99	-	10.82	0.79	152.02	57.59	-	17.78	0.68	74.69	77.33	84.40
Air Conditioner	4.99	-	0.15	0.09	5.05	1.54	-	0.45	0.05	1.94	3.11	3.45
Furniture & Fixtures	23.27	0.22	0.34	0.28	23.56	11.29	0.20	2.22	0.17	13.53	10.03	11.98
Office Equipment	9.25	0.14	1.54	0.15	10.79	6.81	0.09	1.16	0.13	7.92	2.86	2.44
Computers	9.57	0.11	1.17	0.22	10.64	7.68	0.08	1.31	0.02	9.05	1.59	1.89
Electrical Fittings	18.02	-	0.27	0.39	17.90	8.06	-	1.73	0.27	9.51	8.39	9.96
Motor Vehicles	10.03	0.27	4.75	1.74	13.31	6.46	0.15	1.18	0.87	6.93	6.39	3.57
Tools & Spares	0.51	-	-	0.01	0.50	0.50	0.01	-	0.01	0.50	-	0.01
Lab Equipment (ii)	69.70	-	4.14	0.92	72.92	35.20	-	12.01	0.68	46.53	26.39	34.50
Motor Cycle	0.02	-	0.01	-	0.03	0.00	-	0.00	-	0.01	0.03	0.02
Total Tangible Assets	428.58	1.21	32.99	4.68	458.11	151.92	0.58	41.58	2.98	191.10	267.01	276.66

(i) The title deeds of immovable properties included in fixed assets are held in the name of the Company, except for one property (land and factory building) for ₹ 17.38 Crores purchased by the Company during the financial year 2020-21 through e-auction from Punjab National Bank under the SARFAESI Act, 2002 and rules thereof, for which the transfer of title is in progress .

(ii) Gross Block as at March 31, 2023 includes ₹ 9.79 Crs (PY: ₹ 9.79 Crs) of government grant in the nature of waiver of duty on purchase of plant and machinery & lab equipments. Accumulated Depreciation for Plant & Machinery as at March 31, 2023 includes ₹ 5.22 Crs (PY: ₹ 3.68 Crs) on such government grant.

NOTE : 2B - CAPITAL WORK IN PROGRESS
Ageing for capital work-in-progress as at March 31, 2024

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	61.67	54.95	-	-	116.62

Ageing for capital work-in-progress as at March 31, 2023

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	218.18	2.30	-	-	220.48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE : 2C INTANGIBLE ASSETS

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2023	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2024	As at 01-04-2023	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2024	As at 31-03-2024	As at 31-03-2023
Computer Software	15.79	0.06	4.05	0.07	19.83	7.62	0.00	2.46	-	10.08	9.75	8.17
Goodwill (Acquisition)	2.77	0.00	-	-	2.77	-	-	-	-	-	2.77	2.77
Total Intangible Assets	18.56	0.06	4.05	0.07	22.60	7.62	0.00	2.46	-	10.08	12.52	10.94

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2022	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2023	As at 01-04-2022	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Computer Software	13.85	0.19	2.14	0.40	15.79	5.37	0.09	2.35	0.19	7.62	8.17	8.48
Goodwill (Acquisition)	0.05	0.01	2.71	-	2.77	-	-	-	-	-	2.77	0.05
Total Intangible Assets	13.90	0.20	4.85	0.40	18.56	5.37	0.09	2.35	0.19	7.62	10.94	8.53

NOTE : 2D RIGHT OF USE (ROU) ASSETS

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2023	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2024	As at 01-04-2023	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2024	As at 31-03-2024	As at 31-03-2023
ROU Assets	3.65	0.02	1.14	1.78	3.03	1.79	0.01	1.26	1.55	1.51	1.52	1.86
Total ROU Assets	3.65	0.02	1.14	1.78	3.03	1.79	0.01	1.26	1.55	1.51	1.52	1.86

Note: In respect of immovable properties taken on lease and disclosed as property, ROU Assets in the financial statements, the lease agreements are in the name of the Company.

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2022	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2023	As at 01-04-2022	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
ROU Assets	3.26	0.08	1.45	1.15	3.65	1.88	0.01	1.06	1.15	1.79	1.86	1.38
Total ROU Assets	3.26	0.08	1.45	1.15	3.65	1.88	0.01	1.06	1.15	1.79	1.86	1.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE : 2E INTANGIBLE ASSETS UNDER DEVELOPMENT

Ageing for Intangible Assets under Development as at March 31, 2024

Particulars	Amount in Intangibles under Development for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	-	-	-	-	-

Ageing for Intangible Assets under Development as at March 31, 2023

Particulars	Amount in Intangibles under Development for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	0.06	0.17	-	-	0.23

NOTE 3 NON CURRENT INVESTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
A. Fully paid Ordinary Equity shares (unquoted)		
Investment in Associate		
1,75,000 (1,75,000) equity shares of ₹ 10/- each at a premium of ₹ 70/- each in Sunsole Solar Pvt Ltd (Note-1)	1.74	1.48
B. Fully paid Ordinary Equity shares - Quoted		
26,800 (26,800) shares of The Catholic Syrian Bank Ltd of ₹ 10/- each fully paid up	0.95	0.66
4,400 (4,400) shares of Karnataka Bank Ltd of ₹ 10/- each fully paid up	0.10	0.06
4,800 (4,800) shares of Indian Overseas Bank of ₹ 10/- each fully paid up	0.03	0.01
700 (700) shares of Bank of India of ₹ 10/- each fully paid up	0.01	0.01
C. Investments in Security Bonds - carried at amortised cost		
Investment in Corporate Bonds - Refer Note 8(ii)	2.01	2.01
Investment in Debentures - Refer Note 8(iii)	127.79	66.29
D. Investments in Inter Corporate Deposits - carried at Amortised Cost	5.00	-
Total (A+B+C+D)	137.63	70.52

Note-1: Share of Profit from the Associate for FY'24 of ₹ 0.27 Crs (FY'23 ₹ 0.08 Cr) has been included in the above.

NOTE 4 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Electricity Deposit - Unsecured & considered good	2.80	2.13
Security Deposit - Unsecured & considered good	2.41	1.67
Bank Deposits with more than 12 months maturity	0.01	0.39
Interest accrued on deposits	7.42	2.27
Total	12.64	6.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 5 DEFERRED TAX LIABILITIES/(ASSETS) (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities on account of timing differences	9.07	14.14
Deferred Tax Asset on account of timing differences	(21.62)	(28.14)
Total	(12.55)	(14.00)

NOTE 6 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Advance for Capital expenditure (Unsecured & considered good)	62.32	44.39
Total	62.32	44.39

NOTE 7 INVENTORIES (LOWER OF COST OR NET REALISABLE VALUE)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials	40.65	38.87
Packing Materials	28.40	27.67
Work-in-Progress	6.81	8.88
Stock In Trade	257.56	185.66
Finished Goods	18.56	13.84
Stores and Spares	11.06	13.30
Total	363.04	288.22

NOTE 8 CURRENT INVESTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in Mutual Fund - fair value through Profit or Loss (i)	35.99	20.27
Investment in Corporate Bonds (ii)	5.21	20.06
Investment in Debentures (iii)	141.61	118.84
Investment in Commercial Paper (iv)	9.16	-
Investment in Inter Corporate Deposits	46.01	51.01
Total	237.98	210.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

(i) Investment in Mutual Fund at fair value through profit or loss

Particulars	As at March 31, 2024		As at March 31, 2023	
	Units	Amount ₹ in Crores	Units	Amount ₹ in Crores
Aditya Birla Sun Life Liquid Fund	-	-	1,97,224	7.10
Tata Money Market Fund Regular Plan-Growth	17,402	7.48	-	-
SBI Liquid Fund Regular- Growth	8,263	3.10	-	-
Aditya Birla Sun Life Money Manager Fund	4,56,282	15.38	-	-
ICICI Prudential Liquid Fund Direct Growth	-	-	3,95,447	13.17
Kotak Money Market fund-Regular Growth	24,521	10.03	-	-
Total		35.99		20.27

(ii) Investment in Corporate Bonds - as on March 31, 2024

Particulars	No. of Bonds	Current Investments (₹ In Crores)	Non-Current Investments (₹ In Crores)	TOTAL
State Bank of India	2	-	2.01	2.01
ICICI Home Finance Co Ltd	50	5.21	-	5.21
Total		5.21	2.01	7.22

(iii) Investment in Debentures - as on March 31, 2024

Particulars	No. of Debentures	Current Investments (₹ In Crores)	Non-Current Investments (₹ In Crores)	TOTAL
Cholamandalam Investment & Finance Co. Limited	51,350	35.00	14.93	49.93
HDB Financial Services Limited	440	9.00	36.88	45.88
Shriram Finance Limited	750	30.13	-	30.13
Tata Motors Limited	250	25.00	-	25.00
Mahindra & Mahindra Financial services Limited	230	7.23	14.42	21.65
L&T Group	200	10.25	10.87	21.12
HDFC Limited	200	10.00	9.95	19.95
Kotak Mahindra Investment Limited	130	-	11.31	11.31
Tata Cleantech Capital Limited	100	-	10.52	10.52
GIC Housing Finance Limited	1,000	10.00	-	10.00
Kotak Bank Limited	1,000	-	9.95	9.95
Aditya Birla Finance Limited	1	5.00	-	5.00
Axis Finance Limited	50	-	4.98	4.98
Tata Capital Limited	400	-	3.98	3.98
Total		141.61	127.79	269.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

(iv) Investment in Commercial Paper - as on March 31, 2024

Particulars	No. of units	Current Investments (₹ In Crores)	Non-Current Investments (₹ In Crores)	TOTAL
Piramal Enterprises Limited	100	9.16	-	9.16

(ii) Investment in Corporate Bonds - as on March 31, 2023

Particulars	No. of Bonds	Current Investments (₹ In Crores)	Non-Current Investments (₹ In Crores)	TOTAL
State Bank of India	2	-	2.01	2.01
ONGC PETRO Additions Limited	100	10.06	-	10.06
REC Limited	100	10.00	-	10.00
Total		20.06	2.01	22.07

(iii) Investment in Debentures - as on March 31, 2023

Particulars	No. of Debentures	Current Investments (₹ In Crores)	Non-Current Investments (₹ In Crores)	TOTAL
Aditya Birla Finance Limited	50	5.05	5.00	10.05
Axis Finance Limited	50	-	5.22	5.22
Cholamandalam Investment & Finance Co. Limited	410	30.91	10.03	40.94
Godrej Properties Limited	50	5.01	-	5.01
HDB Financial Services Limited	150	5.02	10.21	15.23
HDFC Limited	150	15.13	-	15.13
L&T Group	410	33.73	10.24	43.97
Mahindra & Mahindra Financial services Limited	220	9.98	10.29	20.27
PFC Limited	40	4.02	-	4.02
Shriram Finance Limited	250	9.99	15.30	25.29
Total		118.84	66.29	185.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Aggregate amount of quoted investments - At Cost	0.33	0.33	35.20	20.00
Aggregate amount of quoted investments - At Market Value	1.09	0.74	35.99	20.27
Aggregate amount of un-quoted investments	136.54	69.78	201.99	189.91
Aggregate amount of impairment in value of investments	-	-	-	-

NOTE 9 TRADE RECEIVABLES

Particulars	As at March 31, 2024	As at March 31, 2023
(Carried at amortised cost unless otherwise stated)		
Trade Receivables - Unsecured considered good	542.72	394.06
Receivables from related parties	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Less: Provision for expected credit loss	-	-
Total	542.72	394.06

- (i) The Company's trade receivables do not carry a significant financial element.
- (ii) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. There are no trade or other receivables which are due from firms or private companies respectively in which any director is a partner, a director or a member.

As on March 31, 2024:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	297.31	162.64	82.41	0.36	-	-	542.72
(ii) Undisputed Trade receivables – which have a significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

As on March 31, 2023:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	251.62	138.66	3.78	-	-	-	394.06
(ii) Undisputed Trade receivables – which have a significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-

NOTE 10 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on Hand	0.14	1.49
Balance with Banks		
- Current accounts	89.38	87.38
- Earmarked balances for CSR*	0.15	6.64
In Bank Deposit Accounts		
- Bank Deposit accounts less than 3 months maturity	49.03	82.05
Total	138.70	177.56

* Unspent CSR amount had been deposited in a separate bank account before the due date.

NOTE 11 OTHER BANK BALANCES

Particulars	As at March 31, 2024	As at March 31, 2023
Unpaid Dividend account	2.47	2.37
In Bank Deposit Accounts		
- Bank Deposit accounts maturity (more than 3 months but less than 12 months) [Refer Note 38]	404.17	313.55
- Earmarked balances for CSR*	7.40	-
Total	414.04	315.92

* Unspent CSR amount had been deposited in a separate bank account before the due date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 12 OTHER FINANCIAL ASSETS - CURRENT

Particulars	As at March 31, 2024	As at March 31, 2023
Interest Accrued on Investments (Unsecured & considered good)	17.05	18.65
Insurance Receivable	28.47	-
Total	45.52	18.65

NOTE 13 OTHER CURRENT ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Advances recoverable in cash or kind for the value to be received	59.81	67.82
Prepaid Expenses	1.80	2.37
Export Incentives Receivable	2.56	1.80
Balance with Statutory Authorities	83.61	71.01
Provision for Compensated absences	0.55	-
Unbilled Revenue	2.59	4.60
Total	150.92	147.60

NOTE 14 SHARE CAPITAL

Particulars	As at March 31, 2024	As at March 31, 2023
AUTHORISED		
8,50,00,000 (March 31, 2023: 8,50,00,000) equity shares of ₹ 2/- each	17.00	17.00
ISSUED, SUBSCRIBED AND PAID UP		
7,59,41,746 (March 31, 2023: 7,59,02,746) equity shares of ₹ 2/- each fully paid up	15.19	15.18
Total	15.19	15.18

a) Reconciliation of equity shares outstanding at the beginning and at the end of the Year

Particulars	As at March 31, 2024		As at March 31, 2023	
	NO OF EQUITY SHARES of ₹ 2/- each	Amount	NO OF EQUITY SHARES of ₹ 2/- each	Amount
Equity shares outstanding at the beginning of the Year	7,59,02,746	15.18	7,57,88,876	15.16
Add: Equity shares allotted pursuant to employee stock option plan*	39,000	0.01	1,13,870	0.02
Equity shares outstanding at the end of the Year	7,59,41,746	15.19	7,59,02,746	15.18

*During the financial year 2023-24 (2022-23), 39,000 (1,13,870) equity shares under ESOP Scheme vested were exercised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

b) Rights, preference & restrictions attached to shares

Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to 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 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shareholding of Promoter

The details of shares held by promoters as at March 31, 2024 are as follows:

Promoter Name	No. of shares	% of total shares	% change during the year
C.C. Paarthipan	1,41,67,192	18.66%	0.00%
Promoter Group			
P. Vijayalakshmi	1,87,78,790	24.73%	(0.01%)
P. Ashok Gorkey	90,50,000	11.92%	0.00%
P. Vivek Siddarth	90,00,000	11.85%	(0.01%)
May India Property Private Limited	21,17,000	2.79%	0.00%
First Dimension Holdings Private Limited	3,70,000	0.49%	0.00%
Kiraviz Properties And Consultancy LLP	1,50,000	0.20%	0.00%

% change in holding is due to increase in total no. of shares on account of issuance of shares under ESOP scheme during the year.

The details of shares held by promoters as at March 31, 2023 are as follows:

Promoter Name	No. of shares	% of total shares	% change during the year
C.C. Paarthipan	1,41,67,192	18.66%	0.00%
Promoter Group			
P. Vijayalakshmi	1,87,78,790	24.74%	5.03%
P. Ashok Gorkey	90,50,000	11.92%	0.00%
P. Vivek Siddarth	90,00,000	11.86%	0.00%
May India Property Private Limited	21,17,000	2.79%	0.00%
First Dimension Holdings Private Limited	3,70,000	0.49%	100.00%
Kiraviz Properties And Consultancy LLP	1,50,000	0.20%	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

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

Name of Shareholder	As at March 31, 2024 (of ₹ 2/- each)		As at March 31, 2023 (of ₹ 2/- each)	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
P. Vijayalakshmi	1,87,78,790	24.73%	1,87,78,790	24.74%
C.C. Paarthipan	1,41,67,192	18.66%	1,41,67,192	18.66%
P. Ashok Gorkey	90,50,000	11.92%	90,50,000	11.92%
P. Vivek Siddarth	90,00,000	11.85%	90,00,000	11.86%

e) Shares reserved for issuance under Employee Stock Options Plans of the Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares of ₹ 2/- each	Amount	No. of Shares of ₹ 2/- each	Amount
Caplin Point Employee Stock Option Plan 2015	56,983	0.01	77,291	0.02
Caplin Point Employee Stock Option Plan 2017	2,53,838	0.05	2,86,855	0.06
Caplin Point Employee Stock Option Plan 2021	63,000	0.01	97,500	0.02

f) Aggregate number of shares issued pursuant to Stock Option Plans of the Company

Particulars	Aggregate No. of Shares
Issued in FY 2016-17	26,750
Issued in FY 2017-18	26,750
Issued in FY 2018-19	26,750
Issued in FY 2019-20	12,500
Issued in FY 2021-22	1,46,126
Issued in FY 2022-23	1,13,870
Issued in FY 2023-24	39,000
Total	3,91,746

g) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 15 INVESTMENTS ENTIRELY EQUITY IN NATURE

Particulars	As at March 31, 2024	As at March 31, 2023
Instruments entirely equity in nature		
Series A Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up (Issued by subsidiary Caplin Steriles Ltd)	74.58	74.58
Total	74.58	74.58

NOTE 16 OTHER EQUITY

Particulars	As at March 31, 2024	As at March 31, 2023
a) Capital Reserve		
Balance as at the beginning of the year	3.21	3.21
Add: Additions during the year	-	-
Balance as at the year end	3.21	3.21
b) Securities Premium		
Balance as at the beginning of the year	13.41	8.14
Add: Additions during the year	2.00	5.27
Balance as at the year end	15.41	13.41
c) General Reserve		
Balance as at the beginning of the year	11.29	11.29
Add: Additions during the year	-	-
Balance as at the year end	11.29	11.29
d) Employee Stock Options Outstanding		
- Employee Stock options outstanding		
Balance as at the beginning of the year	27.11	37.13
Add: Options granted during the year (Net)	0.47	(4.75)
Less: Exercised during the year	(2.00)	(5.27)
Less: Lapsed during the year	-	-
Balance as at the year end (A)	25.58	27.11
- Deferred Employees Stock Options Cost		
Balance as at the beginning of the year	11.74	21.68
Add: Options granted during the year (Net)	0.47	(4.75)
Less: Amortised during the year	(0.85)	(5.19)
Balance as at the year end (B)	11.36	11.74
(A-B)	14.22	15.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
e) Retained Earnings / Surplus in the Statement of Profit & Loss		
Balance as at the beginning of the Year	1,539.79	1,191.20
Add: Profit during the Year	457.09	376.26
Reversal on liquidation of Associate	-	0.15
Reversal on Subsidiary Disinvestment	-	2.50
Final Dividend paid for FY 22-23 / FY 21-22	(18.98)	(15.16)
Interim Dividend paid for FY 22-23 / FY 21-22	(15.19)	(15.16)
Balance as at the year end	1,962.71	1,539.79
f) Other Comprehensive Income		
i) Foreign currency Translation Reserve		
Balance as at the beginning of the Year	65.55	23.12
Less: Reversal of FCTR on Liquidation of Associate	-	(0.24)
Add/(Less): Profit/(Loss) on Foreign Currency Translation	11.48	42.67
Balance as at the year end	77.03	65.55
ii) Actuarial Gain/ (Loss) on employee benefit obligation		
Balance as at the beginning of the year	0.11	(0.21)
Add/(Less): Additions during the year	(0.03)	0.32
Balance as at the year end	0.08	0.11
g) Securities Premium-Preference Shares	141.99	141.99
Total	2,225.94	1,790.72

NOTE 17 LEASE LIABILITIES (NON CURRENT LIABILITIES)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	0.92	0.93
Total	0.92	0.93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 18 PROVISIONS (NON-CURRENT LIABILITIES)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Social Security	8.61	7.78
Total	8.61	7.78

NOTE 19 OTHER NON CURRENT LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Government Grant -Refer Note (a) below	7.61	4.52
Others-Advance from Customers	2.87	2.90
Total	10.48	7.42

(a) Systematic recognition of Government grant, in the nature of waiver of duty on depreciable tangible assets, over the useful life of the such assets.
 Refer Note 2A

NOTE 20 CURRENT BORROWINGS

Particulars	As at March 31, 2024	As at March 31, 2023
Current Borrowings (Secured)	0.28	3.41
Total	0.28	3.41

NOTE 21 TRADE PAYABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer Note 37)	1.37	0.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	208.04	152.44
Total	209.41	152.56

Trade Payables Ageing As at March 31, 2024

Particulars	Outstanding from the due date of payment/transaction					Total
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME	1.37	-	-	-	-	1.37
(ii) Others	37.43	169.15	1.32	0.12	0.02	208.04
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Trade Payables Ageing As at March 31, 2023

Particulars	Outstanding from the due date of payment/transaction					Total
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME	0.12	-	-	-	-	0.12
(ii) Others	72.24	80.20	-	-	-	152.44
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-

NOTE 22 LEASE LIABILITIES (CURRENT LIABILITIES)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities	0.77	1.14
Total	0.77	1.14

NOTE 23 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Payable for purchase of Property, Plant & Equipment	25.25	29.90
Unclaimed Dividend (Ref Note 45)	2.47	2.37
Salary and bonus payable	14.21	8.19
Provision for CSR	11.98	11.24
Rental deposit received	0.01	-
Amount Payable towards acquisition of subsidiary	20.21	19.93
Total	74.13	71.63

NOTE 24 PROVISIONS-CURRENT

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity (Net)	0.73	0.26
Provision for Compensated absences	-	0.02
Provision for Expenses	10.36	11.81
Total	11.09	12.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 25 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory Dues payable	4.79	4.64
Advance received from Customers	30.81	22.53
Total	35.60	27.17

NOTE 26 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	1,676.78	1,453.82
Sale of products	1,601.55	1,389.70
Service income	75.23	64.12
Other operating revenues		
Export Incentives	17.32	12.91
Total	1,694.10	1,466.73

NOTE 27 OTHER INCOME

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income	47.28	35.41
Dividend Income*	0.00	0.00
Realised Gain on sale of financial instruments	2.03	1.83
Fair value gain on financial instruments through profit or loss	0.87	(0.54)
Gain on Foreign exchange, net	11.31	13.82
Government Grant	2.01	1.59
Profit on sale of Assets	0.27	0.34
Miscellaneous Income	3.17	3.53
Total	66.94	55.98

*Dividend Income amounts to ₹ 23,260 in FY24 (FY'23: ₹ 14,080)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 28 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Stock	79.83	65.87
Add: Purchases (Net)	240.08	220.24
Less: Closing Stock	80.10	79.83
Total	239.81	206.28

NOTE 29 CHANGES IN INVENTORIES OF FINISHED GOODS INCLUDING STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the end of the year		
Work in Progress	6.81	8.88
Finished Goods	18.56	13.84
Stock-in-Trade	257.56	185.66
(A)	282.93	208.38
Inventories at the beginning of the year		
Work in Progress	8.88	6.67
Finished Goods	13.84	17.91
Stock-in-Trade	185.66	136.86
(B)	208.38	161.44
Net (Increase) / Decrease in Inventories (B- A)	(74.55)	(46.94)

NOTE 30 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries,wages, bonus and allowances	119.25	114.13
Contribution to Provident and Other funds	10.66	8.22
Gratuity expense (Refer Note 39)	1.57	1.37
Employee Share Based Expense	0.85	5.19
Staff Welfare Expenses	11.26	8.08
Total	143.59	136.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 31: FINANCE COSTS

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expense	0.62	0.59
Interest Expense on Lease	0.16	0.19
Total	0.78	0.78

NOTE 32: DEPRECIATION AND AMORTISATION

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment (Refer Note: 2A)	49.72	41.58
Amortisation of Intangible Assets (Refer Note: 2C)	2.46	2.35
Depreciation on ROU Assets (Refer Note: 2D)	1.26	1.06
Total	53.44	44.99

NOTE 33: RESEARCH AND DEVELOPMENT EXPENSES

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
R & D Expenses (Refer Note 42)	73.72	63.19
Total	73.72	63.19

NOTE 34: OTHER EXPENSES

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and Fuel	33.57	25.53
Contract Labour charges	6.90	5.76
Other Manufacturing Expenses	5.16	6.06
Communication Expenses	2.19	1.88
Donations	0.59	0.12
Corporate Social Responsibility (Refer Note 50)	5.15	4.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Professional and Consultancy charges	10.84	14.94
Rates & taxes including ANDA Application fees	33.47	25.38
Travelling Expenses	6.90	4.94
Auditors' Remuneration (Refer Note 43)	0.88	0.76
Insurance	2.92	2.33
Repairs and Maintenance		
a) Plant and Machinery	18.79	10.28
b) Building	9.36	2.70
c) Others	3.80	3.00
Rent & Amenities	9.40	7.90
Freight outwards	9.54	10.35
Other Selling Expenses	18.90	8.43
Software maintenance charges	5.93	3.98
Loss on Sale of Asset	0.92	0.70
Sundry Expenses	15.96	22.40
Total	201.17	162.28

NOTE 35: COMMITMENT (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account	60.91	116.21
Other Commitments (Raw material, Packing Material, Finished Goods, Other services)	53.48	141.09
Interim dividend of ₹ 2.50 (125%) per equity share of ₹ 2 each for the Financial Year 2023-24 payable after May 31, 2024, not recognized as a liability in the financial statements for the year ended March 31, 2024 (Interim dividend of ₹ 2.00 (100%) per equity share of ₹ 2 each for the Financial Year 2022-23 payable after June 9, 2023, not recognized as a liability in the financial statements for the year ended March 31, 2023)	18.99	15.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 36: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

Disputed statutory dues:

Name of the statute	Nature of dues	As at March 31, 2024	As at March 31, 2023	Forum where dispute is pending
Income Tax Act, 1961	Income tax	0.64	0.64	CIT (Appeals)

NOTE 37: DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2023-24, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE “SUPPLIERS” REGARDING THEIR STATUS UNDER THE ACT

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year		
(a) Principal amount due to micro and small enterprises	1.37	0.12
(b) Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE 38: BALANCES WITH SCHEDULED BANKS IN DEPOSIT ACCOUNTS INCLUDES:

- (a) Bank Deposit Accounts under Note no: 11 for the current year include ₹ 17.01 Crores (as at 31.03.2023 ₹ 8.39 Crores) earmarked as lien towards Margin for Letters of Credit and Bank Guarantees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 39: EMPLOYEE BENEFITS

(i) Defined Contribution Plan:

Contributions to defined contributions schemes as employees' state insurance, labour welfare fund, etc are charged as expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contributions is made to a Government administered fund and charged as expense to the Statement of Profit and Loss. The contributions payable to these plans are at the rates specified in the rules of the schemes.

The Company recognized ₹ 4.49 Crores (previous year ₹ 3.99 Crores) towards provident fund, ₹ 7.43 Crores (previous year ₹ 5.46 Crores) towards other social security obligations in the Statement of Profit and Loss. (Refer Note- 30 & 42).

(ii) Defined Benefit Plan:

a. Gratuity

The Parent Company, its Indian subsidiaries and some of its foreign subsidiaries has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Parent Company and its Indian Subsidiaries contribution is paid to Life Insurance Corporation of India towards meeting the Gratuity obligations.

For the Company's Non -Indian subsidiaries, the respective entities comply with their social security obligations in line with their local regulations.

b. Compensated Absences

For the Parent entity and its Indian subsidiaries, the accumulated compensated absences, which are expected to be availed or en-cashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

For the Company's Non -Indian subsidiaries, the respective entities comply with their social security obligations in line with their local regulations.

The Group is exposed to various risks in providing the above gratuity benefit which are as follows.

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Longevity risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
a. Change in Defined Benefit Obligation during the period				
Present Value of Obligation at the beginning of the year	9.14	7.55	3.53	2.79
Current service cost	2.25	1.93	0.26	0.24
Interest cost	0.72	0.61	0.24	0.20
- Due to finance assumption	0.23	0.09	-	-
- Due to experience assumption	(0.06)	(0.19)	-	-
Actuarial Gains/(Losses)	-	-	1.74	1.66
Benefits paid	(1.01)	(0.85)	(1.50)	(1.36)
Present Value of Obligation at the end of the year	11.27	9.14	4.27	3.53
b. Change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	8.89	5.89	3.51	1.89
Actuarial Gains/(Losses)	0.07	0.43	0.06	0.23
Interest Income	0.65	0.44	0.26	0.14
Contribution by the employer	1.94	2.98	2.01	2.11
Benefits paid	(1.01)	(0.85)	(1.02)	(0.86)
Fair Value of the plan assets at the end of the year	10.54	8.89	4.82	3.51

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
a. Amount recognised in Balance Sheet				
Projected benefit obligation at the end of the year	(11.27)	(9.14)	(4.27)	(3.53)
Fair value of plan assets at end of the year	10.54	8.89	4.82	3.51
Funded status of the plans – Liability recognised in the balance sheet	(0.73)	(0.25)	0.55	(0.02)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
b. Components of defined benefit cost recognised in Statement of Profit and Loss				
Current service cost	2.25	1.93	0.26	0.20
Net Interest Expense	0.07	0.17	(0.02)	0.07
Remeasurements	-	-	1.68	1.43
Total Defined Benefit Cost recognised in Statement of Profit and Loss	2.32	2.10	1.92	1.70
c. Components of defined benefit cost recognised in Other Comprehensive Income				
Remeasurement due to:				
- Change in finance assumption	0.23	0.09	-	-
- Change in experience adjustment	(0.06)	(0.19)	-	-
Return of Plan Assets	(0.07)	(0.43)	-	-
Total Defined Benefit Cost recognised in Other Comprehensive Income	0.10	(0.53)	-	-

Actuarial Assumptions used for Valuation of Gratuity and Compensated Absences

Assumptions	As at March 31, 2024	As at March 31, 2023
Economic Assumptions		
Discount Rate	7.09%	7.33%
Salary Escalation Rate	7.00%	7.00%
Expected Rate of Return on Assets	7.09%	7.33%
Demographic Assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/Withdrawal Rate	7.00%	7.00%
Leave Availment Ratio	1.00%	1.00%
Retirement Age	58 Years	58 Years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Sensitivity Analysis	As at March 31, 2024	As at March 31, 2023
Discount Rate		
- 1% increase (+100 Basis Points)	(0.88)	(0.73)
- 1% decrease (-100 Basis Points)	1.02	0.84
Salary Escalation Rate		
- 1% increase (+100 Basis Points)	0.75	0.64
- 1% decrease (-100 Basis Points)	(0.74)	(0.63)
Withdrawal Rate		
- 1% increase (+100 Basis Points)	0.05	0.04
- 1% decrease (-100 Basis Points)	(0.06)	(0.05)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

Expected Cashflows for the Next Ten years	As at March 31, 2024	As at March 31, 2023
Year - 1	1.32	1.75
Year - 2	0.70	0.83
Year - 3	0.77	0.84
Year - 4	0.88	0.94
Year - 5	0.97	1.35
Beyond 5 Years	4.64	6.75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 40: INCOME TAXES:

- a. Tax expenses recognised in profit and loss:

Particulars	As at March 31, 2024	As at March 31, 2023
Current Tax Expense for the year	101.55	82.09
Deferred income tax charge / (benefits), net	1.45	(7.62)
Tax expense for the year	103.00	74.46

- b. Reconciliation of effective tax rate:

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before Tax	564.16	451.27
Tax using the Company's domestic tax rate @ 25.168%	141.99	113.58
Tax effect of :		
Tax impact on Donation & CSR expenses disallowance	1.33	1.25
Differences in tax rates of subsidiary companies	(36.87)	(35.93)
Tax incentive on additional employment	(0.35)	(0.19)
Tax impact on fair value of Mutual fund & shares (Disallowance)	(0.22)	0.14
Tax impact - timing difference on R&D capital asset, book and tax depreciation and other	(2.88)	(4.39)
Current and Deferred Tax expenses as per note (a) above	103.00	74.46

- c. Movement in deferred tax balances

Deferred Tax Liability / (Asset)	As at March 31, 2023	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2024
Property, plant and equipment	15.63	(3.51)	-	12.12
Provision for Employee Benefits	(0.04)	0.01	(0.01)	(0.04)
Business Loss	(29.59)	4.96	-	(24.63)
Total	(14.00)	1.46	(0.01)	(12.55)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 41: REMUNERATION TO MANAGING DIRECTOR/WHOLE-TIME DIRECTORS OF THE PARENT COMPANY

Particulars	As at March 31, 2024	As at March 31, 2023
Salaries	0.89	0.83
Contribution to provident and other funds	0.04	0.04
Total *	0.93	0.87

* Refer Note 46 (c)

NOTE 42: RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	As at March 31, 2024	As at March 31, 2023
Capital expenditure included in Fixed Assets	2.89	2.25
Revenue expenditures incurred during the Financial Year -Refer Note 42(i) below.	73.72	63.19
Total	76.61	65.44

NOTE 42 (i): REVENUE EXPENDITURE INCLUDES

Particulars	As at March 31, 2024	As at March 31, 2023
Cost of Consumables	30.49	22.54
Employee Benefits Expense	31.01	28.71
- Includes Contribution to Provident and Other funds for the year ended March 31, 2024 ₹ 1.26 Crores (March 31, 2023: ₹ 1.23 Crores)		
- Includes Gratuity Expenses for the year ended March 31, 2024 ₹ 0.72 Crores (March 31, 2023: ₹ 0.67 Crores)		
Other Expenses	12.22	11.94
Total	73.72	63.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 43: AUDITORS' REMUNERATION COMPRISES OF FEES: (EXCLUDING APPLICABLE TAX)

Particulars	As at March 31, 2024	As at March 31, 2023
For Statutory Audit	0.63	0.53
For Tax Audit	0.24	0.22
For Others*	0.00	0.01
Total	0.88	0.76

* For others ₹ 37,548.

NOTE 44: EARNINGS PER SHARE IS CALCULATED AS UNDER

Basic

Particulars	As at March 31, 2024	As at March 31, 2023
Net Profit after minority interest attributable to equity shareholders (₹ in Crores)	457.09	376.26
Weighted average number of equity shares of ₹2/- each outstanding during the year (in Nos.)	7,59,35,488	7,58,28,864
Earnings per share (in ₹)	60.19	49.62

Diluted

Particulars	As at March 31, 2024	As at March 31, 2023
Net Profit after minority interest attributable to equity shareholders (₹ in Crores)	457.09	376.26
Weighted average number of equity shares of ₹ 2/- each outstanding during the year (in Nos.)	7,63,09,309	7,65,07,964
Earnings per share (in ₹)	59.90	49.18

NOTE 45: AMOUNT DUE TO INVESTOR EDUCATION AND PROTECTION FUND

The due amount of ₹ 0.24 Crores (PY : ₹ 0.50 Crores) were credited to investor education and protection fund and there is no outstanding amount due to be credited to investor education and protection fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 46: RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW.

(a) Related parties and nature of relationship

Name of the Related parties	Nature of Relationship	Percentage of Shares held by Caplin point laboratories limited As at March 31, 2024	Percentage of Shares held by Caplin point laboratories limited As at March 31, 2023
Caplin Point Meenakshi CSR Trust	Trust controlled by promoters	NA [^]	NA [^]
Mr. Vivek Siddarth Partheeban	Relative of Chairman	NA	NA
Argus Salud Pharma LLP, (India)	Subsidiary LLP	99.90%	99.90%
Caplin Point Far East Limited, (Hong Kong)	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin Point Laboratories Colombia SAS, (Colombia)	Step down subsidiary Company	100.00%	100.00%
Caplin Point El Salvador, S.A. DE C.V.,(El Salvador)	Step down subsidiary Company	100.00%	100.00%
Nuevos Eticos Neo Ethicals S.A - Guatemala	Step down subsidiary Company	69.00%	69.00%
Neoethicals CIA.LTDA - Ecuador	Step down subsidiary Company	100.00%	100.00%
Drogueria Saimed de Honduras S.A.	Step down subsidiary Company	100.00%	100.00%
Neo Ethicals S.A - Nicaragua	Step down subsidiary Company	100.00%	100.00%
Caplin Point (S) PTE Ltd	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin One Labs Limited (Formerly Caplin Onco Ltd)	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin Steriles Limited, (India)	Subsidiary Company	99.999%	99.999%
Caplin Steriles USA Inc.*	Step down subsidiary Company	100.00%	-
Ashvich Infotek Private Limited	Director's Relatives are interested	NA	NA
Sunsole Solar Private Limited	Associate of Caplin Steriles Limited	28.01%	28.01%
Ashvich Property Private Limited	Director's relatives are interested	NA	NA

[^]Trust formed by the company for undertaking its CSR Activities.

*Caplin Steriles USA Inc, wholly owned subsidiary of Caplin Steriles Limited,was incorporated on August 18, 2023.

(b) Key Managerial Personnel

Dr. Sridhar Ganesan	- Managing Director
Mr. D Muralidharan	- Chief Financial Officer
Mr. Venkatram G	- Company Secretary from 05-08-2022
Mr. Dinesh R G	- Company Secretary upto 24-06-2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

(c) Details of Transactions that have taken place during the Financial Year with Key Management Personnel:

Particulars	As at March 31, 2024	As at March 31, 2023
Remuneration*		
Mr.Vivek Siddarth-Chief Operating officer (Related Party)	0.19	0.19
Dr. Sridhar Ganesan**	0.93	0.87
Mr. D Muralidharan***	0.91	0.96
Mr. Venkatram G	0.38	0.23
Mr. R G Dinesh -upto 24.06.2022	-	0.03

* Remuneration includes Basic Salary, House Rent Allowance, Special Allowance, Leave Travel Assistance, Medical Reimbursement, contribution to Provident Fund and such other perquisites, payable to Key Management Personnel, as per Company Policy except Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis.

** Remuneration to Dr. Sridhar Ganesan includes Perquisites value of stock option amounting to ₹ 0.37 Cr (PY: ₹ 0.30 Cr) pertaining to allotment of 6,000 (PY:4,000) equity shares under ESOP scheme during the year.

*** Remuneration to Mr. D Muralidharan includes Perquisites value of stock option amounting to ₹ 0.36 Cr (PY: ₹ 0.61 Crs) pertaining to allotment of 6,000 (PY: 9,000) equity shares under ESOP scheme during the year.

(d) Details of related party transactions during the year ended March 31, 2024 (after consolidation adjustments):

Particulars	As at March 31, 2024	As at March 31, 2023
Rent paid to Ashvich Infotek Private Limited by Caplin Steriles Limited	1.41	1.37
Rent & Consultancy charges paid to Ashvich Infotek Private Limited by Caplin Point Laboratories Limited	0.82	0.80
Rent paid to Ashvich Infotek Private Limited by Caplin One Labs Limited (Formerly known as Caplin Onco ltd)	0.01	-
Amount contributed to Caplin Point Meenakshi CSR Trust	3.59	0.50
Rent paid to Ashvich Property Private Limited by Caplin Point Laboratories Limited	0.23	-
Purchase of Solar power from Sunsole Solar Private Limited by Caplin Steriles Limited	2.29	0.60

Note: Transactions & Balances with the Company's own subsidiaries are eliminated on consolidation.

(e) Outstanding Balances

Particulars	As at March 31, 2024	As at March 31, 2023
Amount receivable/(Payable) to Ashvich Infotech Private Limited by Caplin Steriles Limited	(0.25)	(0.24)
Amount receivable/(Payable) to Ashvich Infotech Private Limited by Caplin Point limited	(0.33)	(0.04)
Amount receivable/(Payable) to Ashvich Property Private Limited by Caplin Point limited	(0.03)	-
Share of Profit from Argus Salud Pharma LLP to May India Private Limited#	0.00	-

#Share of Profit from Argus Salud Pharma LLP to May India Pvt Ltd ₹ 5,062.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 47: FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Particulars	As at March 31, 2024			As at March 31, 2023		
	Carrying Amount			Carrying Amount		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial Assets						
Non - Current Investments - Quoted & unquoted equity	1.09	1.74	2.83	0.74	1.48	2.22
Investment in Corporate Bonds, Debentures and Inter Corporate Deposits	-	134.80	134.80	-	68.30	68.30
Other Non Current Financial Assets	-	12.64	12.64	-	6.46	6.46
Other Current Financial Assets	-	45.52	45.52	-	18.65	18.65
Current Investments	35.99	201.99	237.98	20.27	189.91	210.18
Trade Receivables	-	542.72	542.72	-	394.06	394.06
Cash and Cash Equivalents	-	138.70	138.70	-	177.56	177.56
Other Bank Balances other than Cash and Cash Equivalents	-	414.04	414.04	-	315.92	315.92
Total	37.08	1,492.15	1,529.23	21.01	1,172.34	1,193.35
Financial Liabilities						
Non - Current Lease Liabilities	-	0.92	0.92	-	0.93	0.93
Trade Payables	-	209.41	209.41	-	152.56	152.56
Current - Lease Liabilities	-	0.77	0.77	-	1.14	1.14
Current Borrowings	-	0.28	0.28	-	3.41	3.41
Other Current financial Liabilities	-	74.13	74.13	-	71.63	71.63
Total	-	285.51	285.51	-	229.67	229.67

(i) The Company estimates that the fair value of these investments are not materially different as compared to its cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

B. Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

Type	Valuation Technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Non - Current Financial Assets and Liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt / payment discounted using appropriate discounting rate	Not applicable	Not applicable

C. Financial risk management:

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management framework. The Company's risk management policies are established to set appropriate risk limits and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market condition and the Company's activities. The Company through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. Credit Risk:

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants the credit terms in the normal course of business.

Summary of the Company's exposure to credit	As at 31.03 2023	As at 31.03 2022
Neither past due nor impaired	542.72	394.06
Total	542.72	394.06

Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timelines of payments, available information, etc) and applying experienced credit judgement.

Exposures to the customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses, if any. Historical trends of impairment of trade receivables reflects no credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of "no credit loss" to continue.

No allowance for impairment in respect of trade and other receivables was provided during the year and immediate preceding year.

Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹ 138.70 Crores (31.03.2023 ₹ 177.56 Crores). The cash and cash equivalents are held with banks with good credit rating.

Other Bank balances

As at the year end, the Company held other Bank balance of ₹ 414.04 Crores (31.03.2023 ₹ 315.92 Crores). The balances are held with banks with good credit rating.

Investment in mutual funds, Corporate Bond, Debentures, Commercial Paper and Term Deposits (Intercorporate & Banks)

As at the year end, the Company held Investment in Mutual Fund of ₹ 35.99 Crores (31.03.2023 ₹ 20.27 Crores), Corporate Bonds ₹ 7.22 Crores (31.03.2023 ₹ 22.07 Crores), Debentures ₹ 269.40 Crores (31.03.2023 ₹ 185.13 Crores) and Commercial Paper ₹ 9.16 Crores (31.03.2023: Nil). The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties.

Other financial assets

As at the year end, the Company held Inter Corporate Deposits/Bank Deposits of ₹ 51.01 Crores (31.03.2023 ₹ 51.01 Crores) under Investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Parent company was sanctioned working capital limits to the extent of ₹ 50 crores on the basis of security of Land and Factory building and Current Assets by various Banks. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds which carry no/low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintain financial flexibility.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at March 31, 2024	Carrying amount	Contractual cash flow					
		Total	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years
Non - Derivative Financial Liabilities							
Borrowing	0.28	0.28	0.28	-	-	-	-
Interest Payable on non-current borrowing	-	-	-	-	-	-	-
Lease Liabilities	1.69	1.69	0.77	0.92	-	-	-
Trade payables	209.41	209.41	209.41	-	-	-	-
Other financial Liabilities	74.13	74.13	74.13	-	-	-	-
Total	285.51	285.51	284.59	0.92	-	-	-

As at March 31, 2023	Carrying amount	Contractual cash flow					
		Total	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years
Non - Derivative Financial Liabilities							
Borrowing	3.41	3.41	3.41	-	-	-	-
Interest Payable on non-current borrowing	-	-	-	-	-	-	-
Lease Liabilities	2.07	2.07	1.14	0.77	0.16	-	-
Trade payables	152.56	152.56	152.56	-	-	-	-
Other financial Liabilities	71.63	71.63	71.63	-	-	-	-
Total	229.67	229.67	228.74	0.77	0.16	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

iii) Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivable and payable. We are exposed to market risk primarily related to foreign exchange rate risk as the Company's product is exported to various countries and a certain portion of its export is sourced through import. Thus our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Company does not use any derivative to manage market risk since certain degree of a natural hedge available in the form of foreign currency realised from exports are paid against imports.

Currency risk

The Company is exposed to currency risk on account of its export and import of pharmaceuticals and import of raw material, capital goods, etc. The functional currency of the Company is Indian Rupee, whereas majority of its export and imports are settled through USD (\$).

Exposure to Currency risk

Following is the currency profile of non-derivative financial assets and financial liabilities

Particulars	As at March 31, 2024		As at March 31, 2023	
	USD in Crores	₹ in Crores	USD in Crores	₹ in Crores
Export Debtors	6.34	528.25	4.79	393.47
Cash and cash equivalents	3.63	302.68	2.54	208.91
Total	9.97	830.93	7.33	602.38
Creditors Payable in Foreign Currency	1.34	111.59	0.88	72.71
Total	1.34	111.59	0.88	72.71
Net statement of financial position exposure	8.63	719.34	6.45	529.67

Sensitivity analysis

A reasonable strengthening (weakening) of the Indian Rupee against US dollars as at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

1% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the profit before taxes by approximately ₹ 7.19 Crores for the year ended March 31, 2024 (₹ 5.30 Crores for the year ended March 31, 2023).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/ borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

As on March 31, 2024 and March 31, 2023, the Company has not availed any long term borrowings except for loans on certain vehicles on fixed rate basis. Further, the Company has not availed any fund based working capital lines.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect profit or loss.

Commodity rate risk

The Company's operating activity involve purchase of Active Pharmaceutical Ingredients (API) and other direct materials, whose prices are exposed to the risk of fluctuation over short period of time. The commodity price risk exposure is evaluated and managed through procurement and other related operating policies. As on March 31, 2024 and March 31, 2023, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

The ratios for the years ended March 31, 2024 and March 31, 2023 are as follows :

NOTE 48: THE RATIOS FOR THE YEARS ENDED MARCH 31, 2024 AND MARCH 31, 2023 ARE AS FOLLOWS :

Ratio	Definition of ratios	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Variance	Reason (If variation is more than 25%)
Current Ratio (Number of times)	Ratio that indicates company's capacity to repay short-term loans or those due within one year.	Current Assets	Current Liabilities	5.71	5.79	(1.34%)	NA
Debt - Equity Ratio	Debt Equity ratio is a measure of the degree to which a company is financing its operations through debt versus wholly owned funds.	Total Debt	Shareholder's Equity	NA	NA	NA	NA
Debt Service Coverage Ratio	This ratio is used to analyse the firm's ability to pay-off current interest and instalments.	Earnings available for debt service	Debt Service	NA	NA	NA	NA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

Ratio	Definition of ratios	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Variance	Reason (If variation is more than 25%)
Return on Equity Ratio	Ratio that measures company's proficiency to generate profits from its shareholders investment.	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	21.69%	22.06%	(1.68%)	Marginal decrease due to increase in base.
Inventory Turnover Ratio (Number of times)	Inventory Turnover measures the efficiency with which a company utilises or manages its inventory. It establishes the relationship between Cost of Goods Sold and average inventory held during the period.	Cost of goods sold or sales	Average Inventory	2.22	2.57	(13.56%)	NA
Trade receivables turnover Ratio (Number of times)	Ratio that measures how efficiently a firm manages its receivables.	Net Sales	Avg. Accounts Receivable	3.62	4.13	(12.32%)	NA
Trade Payables turnover Ratio (Number of times)	Ratio that depicts the efficiency with which the business makes payment to the creditors.	Net Purchases	Average Trade Payables	4.41	4.09	7.85%	NA
Net Capital turnover Ratio (Number of times)	Ratio that indicates a company's effectiveness in using its working capital.	Net Sales	Working Capital	1.19	1.24	(3.63%)	NA
Net Profit Ratio	The Net Profit Margin is equal to how much net profit is generated as a percentage of revenue.	Net Profit	Total Income	26.20%	24.76%	5.83%	NA
Return on Capital employed	Return on Capital Employed indicates the ability of a company's management to generate returns for both the debt holders and the equity holders.	Earnings before interest and taxes	Capital Employed	26.89%	26.77%	0.43%	NA
Return on Investment	Return on investment (ROI) is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments	Income during the year	Time weighted average of investments				
(a)	Return on Mutual Funds			7.28%	7.01%	3.85%	NA
(b)	Return on Fixed Deposits			7.06%	6.45%	9.48%	NA
(c)	Return on Bonds			8.20%	7.39%	10.96%	NA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 49: CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on the capital as well as the level of dividends to ordinary shareholders.

As on date the Group has certain Cash Credit facilities with Banks and vehicle loans.

NOTE 50: CSR

Particulars	For the year Ended March 31, 2024	For the year Ended March 31, 2023
(i) Amount required to be spent by the company during the year	5.15	4.84
(ii) Amount required to be set off for the financial year, if any	-	-
(iii) Amount of expenditure incurred	0.80	0.34
(iv) Shortfall at the end of the year	4.35	4.50
(v) Total of previous years shortfall*	7.65	6.79
(vi) Reason for shortfall	The company has identified some long term projects where the CSR funds shall be utilised during next few years.	The company has identified some long term projects where the CSR funds shall be utilised during next few years.
(vii) Nature of CSR activities	Sanitation, Healthcare facilities, Educational Infrastructure, setting up care homes for orphans and women	Sanitation, Healthcare facilities, Educational Infrastructure, setting up care homes for orphans and women
(viii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard**	3.59	0.50
(ix) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

*Unspent balance lying in Caplin point Meenakshi CSR Trust bank account is included in the above balance.

**During the year Company has transferred ₹ 3.59 Cr (FY'23 ₹ 0.50 Cr) to Caplin Point Meenakshi CSR Trust and out of which, the Trust has spent ₹ 3.49 Cr (FY'23 ₹ 0.35 Cr) during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 51: ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the Entity	Net Assets, i.e., total assets minus total liabilities				Share in Profit / (Loss)			
	As % of consolidated net assets		Amount ₹ Crores		As % of consolidated profit/ Loss		Amount ₹ Crores	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Parent								
Caplin Point Laboratories Limited	59.24	59.77	1,390.15	1,139.91	61.49	62.14	283.71	234.26
Subsidiaries								
Indian								
1. Argus Salud Pharma LLP	0.06	0.06	1.43	1.05	0.10	0.02	0.44	0.06
2. Caplin Steriles Limited	12.26	14.21	287.72	271.00	4.06	0.20	18.77	0.74
3. Caplin One Labs Limited (formerly Known as Caplin Onco Ltd)	2.80	3.39	65.74	64.56	(0.61)	(0.15)	(2.82)	(0.57)
Foreign subsidiaries						-		
1. Caplin Point Far East Limited (Refer Note)	37.67	35.97	884.03	686.12	49.58	56.45	228.76	212.83
2. Caplin Point (S) PTE. LTD	0.01	0.01	0.23	0.23	0.00	(0.00)	0.00	(0.01)
3. Caplin Steriles USA Inc	0.05	-	1.19	-	0.28	-	1.30	-
Indian Associate								
1. Sunsole Solar Private Limited	0.07	0.08	1.74	1.48	0.06	0.00	0.27	0.08
Minority interest in subsidiary	1.33	1.40	31.12	26.79	0.94	0.19	4.33	0.73
Total Eliminations / Consolidation Adjustments	(13.49)	(14.89)	(316.52)	(283.87)	(15.90)	(18.85)	(73.34)	(71.13)
	100.00	100.00	2,346.83	1,907.27	100.00	100.00	461.42	376.99

Note: Represents details as per consolidated financial statements of Caplin Point Far East Limited which includes the financial statements of its subsidiaries Caplin Point El Salvador, S.A. De C.V., Drogueria Saimed de Honduras S.A , Neoethicals CIA.LTDA - Ecuador, Neo Ethicals S.A - Nicaragua and Nuevos Eticos Neo Ethicals S.A - Guatemala ,Caplin Point Laboratories Colombia, SAS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 52: SEGMENT REPORTING

The company is engaged in manufacture of pharmaceuticals formulations which is the only business segment determined in accordance with the IndAS 108, "Operating segments". Hence there are no reportable business segments to be disclosed as required by the said standard.

NOTE 53: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

NOTE 54: DISCLOSURE OF TRANSACTION WITH STRUCK OFF COMPANIES

The Group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

NOTE 55: ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

- (i) The Parent and Indian subsidiaries do not have any benami property held in its name. No proceedings have been initiated on or are pending against the Parent and Indian subsidiaries for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) The Parent and Indian subsidiaries have not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) The Parent and Indian subsidiaries have complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (iv) Utilisation of borrowed funds and share premium
 - I The Parent and Indian subsidiaries have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
 - II The Parent and Indian subsidiaries have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ Crores unless otherwise stated)

- (v) The Parent and Indian subsidiaries does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vi) The Group has not traded or invested in crypto currency or virtual currency during the year.
- (vii) The Parent and Indian subsidiaries do not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

NOTE 56: NOTE ON SOCIAL SECURITY CODE 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE 57: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For **Brahmayya & Co**
Chartered Accountants
Firm Registration No : 000511S

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;
CIN: L24231TN1990PLC019053

N. Sri Krishna
Partner
ICAI Membership No. 026575

C.C. Paarthipan
Chairman
DIN:01218784

Dr.Sridhar Ganesan
Managing Director
DIN:06819026

Muralidharan D
Chief Financial Officer

Venkatram G
General Counsel & Company Secretary
M. No. A23989

Place : Chennai
Date : May 16, 2024

Place : Chennai
Date : May 16, 2024

AGM NOTICE

NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting (“AGM”) of the members of Caplin Point Laboratories Limited (“The Company”) will be held on Monday, September 30, 2024 at 10.00 A.M through Video Conferencing (“VC”) or other Audio Visual Means (“OAVM”) to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2024 along with the Reports of the Board of Directors and the Auditors thereon.

2. Declaration of Final Dividend and ratification of Interim Dividend

To declare a final dividend of ₹ 2.5/- (125%) per equity share of ₹ 2/- as recommended by the Board of Directors of the Company and to ratify the Interim Dividend of ₹ 2.5/- (125 %) per equity share of ₹ 2/-, aggregating to ₹ 5 (250%) for the year ended March 31, 2024.

3. Retirement by rotation of Dr. Sridhar Ganesan and consideration of his re-appointment

To appoint a Director in place of Dr. Sridhar Ganesan (DIN: 06819026) who retires by rotation, and being eligible, offers himself for re-appointment

SPECIAL BUSINESS

4. Approval of Fresh Material Related Party Transaction(s) / Contract(s) / Arrangement(s)

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** in supersession of the resolution passed by the shareholders at their meeting held on September 29, 2022, and pursuant to section 188 of the Companies Act, 2013 read with the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (including any statutory modification(s) or re-enactment thereof) and other applicable laws / statutory provisions, if any, and based on the recommendations of the Audit Committee and Board of the Company, consent of the Members be and is hereby accorded for entering into Material Related Party Transaction(s) / Contract(s)/ Arrangement(s) (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) by the Company and/ or its subsidiaries with Caplin Steriles Limited (CSL), a subsidiary of the Company, for each of the Financial Years from FY 2024-25 to FY 2028-29 on such material terms and conditions as mentioned in the table below and on such other additional terms specified in the explanatory statement to this notice and as maybe further mutually agreed between Caplin Steriles Limited and the Company and/or its subsidiaries.

Name of the transacting/ contracting party	Name of the related party	Nature of relationship with the related party	Nature of contract/ transaction/ arrangement	Limit
Caplin Point Laboratories Limited (CPL)	CSL	Subsidiary of CPL	Inter-corporate loans	Up to ₹ 425 Crores in the aggregate
CPL and/ or its Subsidiaries	CSL	Subsidiary of CPL/ Fellow Subsidiary	<ul style="list-style-type: none"> Sale/ Purchase of Goods, materials and transfer of resources, or obligations. Availing or rendering of Services. Employee Stock Options (ESOP) on the shares of CPL issued to the employees of CSL as per the approval of shareholders for the respective schemes. 	₹ 450 Crores for each of the Financial Years from FY 2024-25 to FY 2028-29

Name of the transacting/ contracting party	Name of the related party	Nature of relationship with the related party	Nature of contract/ transaction/ arrangement	Limit
			<ul style="list-style-type: none"> Leasing of any property of any kind Buying/ Selling or otherwise disposing of property of any kind. Investment in Securities 	

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall include the Audit Committee of the Board) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), arrangement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer / executive of the Company”.

5. Re-appointment of Dr Sridhar Ganesan as the Managing Director of the Company

To consider and, if thought fit, to pass the following Resolution as an **Special Resolution**:

“**RESOLVED THAT** based on the recommendation of the Nomination and Remuneration Committee, Board of Directors, pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Schedule V thereto and the Rules made thereunder including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and the Articles of Association of the company and subject to such other approvals as may be necessary, consent of the Members be and is hereby accorded for the re-appointment of Dr Sridhar Ganesan (DIN: 06819026) as Managing Director of the Company who will be attaining the age of 70 years, for a period of 2 years with effect from August 25, 2024, at a remuneration recommended by the Nomination & Remuneration Committee as set out below:-

- Salary: ₹ 55,20,000 per annum
- Allowances and Perquisites:

As may be determined by the Nomination and Remuneration Committee including employee stock options

3. Retirement benefits:

Contribution to Provident fund, superannuation benefits and gratuity as per the rules of the fund/scheme in force from time to time.

4. General:

- Perquisites shall be calculated in terms of Income Tax Act, 1961 and Rules notified thereunder;
- The following shall not be considered as part of perquisites:
 - Contribution to provident fund, superannuation benefits or annuity fund to the extent that is singly or put together are not taxable under the Income Tax Act, 1961;
 - Gratuity payable at a rate not exceeding half a month’s salary for each completed year of service; and
 - Encashment of leave at the end of the tenure.
- The aggregate remuneration (including salary, allowances, perquisites, incentive and retirement benefits) for any Financial Year shall be subject to an overall ceiling of 10% of the net profits of the Financial Year computed in the manner prescribed under the Act;
- Dr Sridhar Ganesan will not be entitled to any sitting fees for attending meetings of the Board and the committees thereof;
- Dr Sridhar Ganesan will be subject to all other service conditions as applicable to any other employees of the Company;

vi. Dr Sridhar Ganesan will be liable to retire by rotation, in terms of relevant provisions of Section 152 of the Companies Act, 2013;

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall include the Nomination and Remuneration Committee of the Board), be and is hereby authorised, to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. To consider and approve the Appointment of Mr R Vijayaraghavan as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, Regulation 16(1)(b), Regulation 17, Regulation 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr R Vijayaraghavan (DIN: 00026763), who will cross seventy five years of age during the tenure and who was recommended by the

Nomination and Remuneration Committee and the Board, be and is hereby appointed as an Independent Director of the Company for a term of five years from the conclusion of the 33rd Annual General Meeting and whose term is not liable to retirement by rotation.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

For Caplin Point Laboratories Limited

Venkatram G

(General Counsel & Company Secretary)

Membership No A23989

PLACE: Chennai

DATE: August 7, 2024

REGISTERED OFFICE:

Caplin Point Laboratories Limited

CIN: L24231TN1990PLC019053

Ashvich Towers, 3rd Floor,

No.3, Developed Plots, Industrial Estates,

Perungudi, Chennai – 600096

Website: <https://www.caplinpoint.net/>

E-mail: compliance.officer@caplinpoint.net

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”) and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) setting out the material facts regarding the items of special businesses specified above, brief resume, details of Director shareholding and Directors inter-se relationship of Director seeking re-appointment is annexed hereto.
2. The Ministry of Corporate Affairs (“MCA”) has vide its circular No. 20/2020 dated May 05, 2020 read with circulars No. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 02/2021 dated January 13, 2021, 03/2022 dated May 05, 2022, 11/2022 dated December 28, 2022 and 9/2023 dated September 25, 2023 (collectively referred to as “MCA Circulars”) and the Securities and Exchange Board of India vide its circulars SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022, SEBI/HO/CFD/ PoD-2/P/CIR/2023/4 dated January 05, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 (collectively referred to as “SEBI Circulars”) permitted the conduct of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. The registered office of the Company shall be deemed to be the venue for the AGM.
3. Since this AGM will be held through Video Conferencing (‘VC’) / Other Audio Visual Means (‘OAVM’), (a) Members will not be able to appoint proxies for the meeting, and (b) Attendance Slip & Route Map are not annexed to this Notice. However, Body Corporates / Institutional shareholders (i.e. Other than Individuals, HUF, NRI etc.) are entitled to appoint authorised representatives for the purpose of voting through remote e-voting and participation in the AGM through VC/OAVM and cast their votes through e-voting during the AGM. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to alagar@geniconsolutions.com with a copy marked to evoting@nsdl.com.
4. The attendance of members attending the AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act, 2013.
5. Members may note that the Board has recommended a Final Dividend of ₹ 2.5/- per equity share. The Register of Members and Share Transfer Books of the Company will be closed from September 24, 2024 to September 30, 2024 (both days inclusive) for the purpose of AGM.
6. The final dividend as recommended by the Board of Directors, if approved at the AGM, will be paid as per the Statutory timelines to those members, whose names appear in the Register of Members on September 23, 2024 and in respect of shares held in dematerialized form, dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
7. Members holding shares in physical forms are requested to notify any change in their address to the Company / Share Transfer Agents quoting Registered Folio number. Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their respective Depository Participants. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividend. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent to their registered addresses in the mode permitted for the purpose.
8. Members may note that the Income-tax Act, 1961, (“the IT Act”) as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (“TDS”) at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Share Transfer Agents by sending email to corpserv@integratedindia.in.

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during Financial Year 2024-25 does not exceed ₹ 5,000, and also in cases where members provide Form 15G / Form 15H

(Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding of tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.
- a) **For shares held in electronic form:** to their Depository Participants (“DPs”)
- b) **For shares held in physical form:** to the Company/RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/ CIR/2023/169 dated October 12, 2023. To mitigate unintended challenges on account of freezing of folios, SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company’s website at <https://www.caplinpoint.net/index.php/shareholder-information/> and on the website of the Company’s Share Transfer Agents Integrated India at <https://www.integratedindia.in/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

10. Members who have not yet registered their e-mail addresses and mobile numbers are requested to update the said details in the

records of the relevant depositories (National Securities Depository Limited / Central Depository Services (India) Limited) through their depository participants or may contact the Registrar and Share Transfer Agent, Integrated Registry Management Services Private Limited, Kences Towers, 2nd Floor, No 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, Telephone: 91-44-28140801-803, E-mail: corpserv@integratedindia.in for receiving any documents / communication from the Company.

11. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary at the Company’s Registered Office or the RTA. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company’s Unpaid Dividend Account, will, as per Section 124(5) of the Act, 2013 be transferred to the Investor Education and Protection Fund.
12. In compliance with the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and pursuant to Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular the Company is pleased to offer e-voting facility to its Members to exercise their right to vote at the 33rd AGM by electronic means in respect of the businesses to be transacted at the AGM through the remote e-Voting platform provided by National Securities Depository Limited (NSDL).
13. The Board has appointed M/s. M Alagar & Associates, (FCS 7488; CoP 8196) Practicing Company Secretaries as the scrutinizers for conducting the e-voting in a fair and transparent manner. The scrutinizers will submit the report to the Chairman of the Company or to any person authorized by the Chairman after completing the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), within two working days from the conclusion of the AGM. The results declared along with the Scrutinizer’s report shall be communicated to the Stock Exchanges, Depositories and RTA and also be displayed on the Company’s website www.caplinpoint.net.
14. In compliance with the MCA and SEBI Circulars the Annual Report for Financial Year 2023-24 along with the Notice of the 33rd AGM is being sent to the members through e-mail. Further, the Members holding shares in physical form or other Members who have not registered

their email address with the Company can get the same registered by approaching the RTA.

15. Members holding shares in demat form are requested to update their email address with their Depository Participants. In line with the MCA Circulars, the notice calling the AGM has been uploaded on the website of the Company at <https://www.caplinpoint.net/index.php/annual-report/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
16. SEBI vide its notification dated January 24, 2022 has amended Regulation 40 of SEBI Listing Regulations and accordingly, as per the amended regulation all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In this regard, Members are requested to dematerialize / demat their shares or securities held in physical form.
17. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors who are allowed to attend the AGM without restriction on account of first come first served basis.
18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the

Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Friday, September 27, 2024 at 9.30 A.M. and ends on Sunday, September 29 2024 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, September 23, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, September 23, 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:




Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IdEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IdEAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	<ol style="list-style-type: none"> If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
 6. If you hold shares in Physical mode or are unable to retrieve or have not received the "Initial Password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**
1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
 3. Now you are ready for e-Voting as the Voting page opens.
 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to alagar@geniconsolutions.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members are encouraged to join the Meeting through Laptops for better experience.
2. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
3. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
4. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at compliance.officer@caplinpoint.net from September 25, 2024 to September 27, 2024. The same will be replied by the company suitably. They may also register themselves as speakers.
5. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND ADDITIONAL INFORMATION AS REQUIRED UNDER SEBI LISTING REGULATIONS AND CIRCULARS ISSUED THEREUNDER

ITEM NO. 3

In terms of the provisions of Section 152 of the Companies Act, 2013 and the terms of appointment of Dr. Sridhar Ganesan approved by the shareholders at their meeting held on September 29, 2022, Dr. Sridhar Ganesan retires by rotation at 33rd Annual General Meeting of the Company and is eligible for re-appointment. Accordingly, in terms of Regulation 36(3) of SEBI Listing Regulations and other applicable provisions, if any, the details of Director retiring, and being eligible, seeking re-appointment is given as an annexure to the Notice.

Except Dr Sridhar Ganesan, none of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in this resolution. The Board of Directors, therefore, recommend the ordinary resolution as set out in Item no.3 of this notice for the approval of members.

ITEM NO. 4

The Company had taken the approval of shareholders at the Annual General Meeting held on September 29, 2022 for transactions between the Company and its Subsidiary, Caplin Steriles Limited. The approval was taken for granting of inter corporate loan of up to Rs. 425 Crores in the aggregate and for various other transactions up to a limit of Rs. 100 Crores per Financial Year. The earlier approval shall be valid till the Financial Year 2027-28. The Company now envisages transactions between the Subsidiaries of the Company with Caplin Steriles Limited due to growing business presence of Caplin Steriles Limited in the regulated market and incorporation of a wholly owned subsidiary in the US. Considering this, the

Audit Committee and Board of the Company propose to seek fresh approval of the shareholders for transactions between the Company and/ or its Subsidiaries with Caplin Steriles Limited for a period of five years from the Financial Year 2024-25 till the Financial Year 2028-29.

Pursuant to the provisions of Regulation 23 and Regulation 2(1) (zc) of the SEBI Listing Regulations, the Company is required to take the prior approval of shareholders by way of an ordinary resolution for all material related party transactions and subsequent material modifications in which the Company or any of its Subsidiaries are parties. Material Related Party Transaction shall mean transaction(s) taken individually or taken together with previous transactions during a Financial Year, that exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower. The transaction(s)/ contract(s)/ arrangement(s) of the Company and/ or its Subsidiaries with Caplin Steriles Limited will exceed the threshold as specified in the SEBI Listing Regulations.

Further, the Members are requested to note that the related party transactions between the company and/ or its subsidiaries with Caplin Steriles Limited, for the period commencing from April 01, 2024 upto the date of this Notice is within the threshold prescribed under Regulation 23(1) of the Listing Regulations.

The Related Party Transactions placed for Members' approval are specific in nature and have been approved by the Audit Committee and Board of Directors of the Company. The Company will seek separate approval on an Annual Basis from the shareholders, in future, in case any omnibus approvals are needed for Material Related Party Transactions.

Details of the transactions, in addition to what has been provided as part of the resolution is given in the table below:

S.No	Description	Details of Transaction
1.	Name of the Related Party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	CPL holds 99.999% of the equity share capital of CSL and hence CPL is the holding Company of CSL and the subsidiaries of CPL are the fellow subsidiaries for CSL.
2.	Type, material terms and particulars of the proposed transaction;	<p>Type of Transaction:</p> <ul style="list-style-type: none"> • Sale/ Purchase of Goods, Services and transfer of resources, or obligations. • Employee Stock Options (ESOP) on the shares of CPL issued to the employees of CSL as per the approval of shareholders for the respective schemes. • Leasing of any property of any kind

S.No	Description	Details of Transaction
		<ul style="list-style-type: none"> Buying/ Selling or otherwise disposing of property of any kind. Inter-corporate loans & investments in securities <p>Material terms/ particulars of the proposed transaction:</p> <p>All the transactions shall be on arm's length basis arrived at using any one of the recognised transfer pricing methods. In addition, the following specific terms shall apply for the respective transaction:</p> <ul style="list-style-type: none"> Pricing & credit terms for Sale/ Purchase of Goods, Services and transfer of resources shall be as applicable for pricing & credit terms with unrelated parties. Options on the shares of CPL under Employee Stock Option Plans (ESOP) shall be issued to the employees of CSL in line with the approval of shareholders and on the basis of the recommendations of the Nomination and Remuneration Committee of CPL and the respective Company. Leasing of property shall be made on the basis of prevailing rental rates in the area concerned and the tenure of the lease shall be coterminous with the duration of the approval by shareholders. Other material terms of the lease shall be such as may be determined by the Audit Committee taking into account the purpose of the lease. Regarding buying, selling or otherwise disposing of property of any kind: <ul style="list-style-type: none"> Immovable property shall not be valued less than the prevailing guideline value Moveable property shall be transacted on arm's length terms Terms of inter-corporate loan & investments shall be as per Point No.6
3.	Tenure of the proposed transaction(particular tenure shall be specified)	Since the transaction is a continuing one, this approval shall be valid for a period of 5 Financial Years commencing from FY 2024-25.
4.	Value of the proposed transaction;	Within the limits given in the resolution
5.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	<p>For Intercorporate Loans</p> <ul style="list-style-type: none"> % of CPL's annual consolidated turnover, for the immediately preceding Financial Year (31-03-24), that is represented by the value of the RPT – 25.08% % of CSLs annual turnover, for the immediately preceding Financial Year (31-03-24), that is represented by the value of the RPT – 135.63% <p>For other transactions</p> <ul style="list-style-type: none"> % of CPL's annual consolidated turnover, for the immediately preceding Financial Year (31-03-24), that is represented by the value of the RPT – 26.56% % of CSLs annual turnover, for the immediately preceding Financial Year (31-03-24), that is represented by the value of the RPT – 143.61%
6.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: <ul style="list-style-type: none"> details of the source of funds in connection with the proposed transaction; 	<p>For inter-corporate loan between CPL and CSL:-</p> <ul style="list-style-type: none"> The loan is given from out of the internal accruals of the Company The Company had not borrowed or incurred any indebtedness for this purpose The ICL shall be unsecured and shall have a principal moratorium period of five years from September 29, 2022.

S.No	Description	Details of Transaction
	<ul style="list-style-type: none"> where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, nature of indebtedness; <ul style="list-style-type: none"> cost of funds; and tenure; applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT. 	<ul style="list-style-type: none"> Principal can be repaid in one or more tranches as bullet payment during the moratorium period without impacting the moratorium period Interest rate shall be benchmarked to State Bank of India's Marginal Cost of Fund based Lending Rate (MCLR) + 2% Spread. Interest shall be paid on monthly basis and principal shall be repaid over a period of 5 years after the end of moratorium period. Interest will be reset every year based on the one year MCLR as prevalent on the completion of every one year from the date of first disbursement of loan CSL shall utilize the ICL for carrying out expansion activities and also for working capital purposes <p>For transactions in the nature of investment between CPL and/ or its Subsidiaries with CSL: -</p> <ul style="list-style-type: none"> CSL can utilize its internal accruals or borrowal sourced from CPL for making any investments in its Subsidiaries. Investment shall be utilised for expanding the geographical presence, product portfolio or any other developmental activities of business.
7.	Justification as to why the RPT is in the interest of the listed entity;	<p>CSL caters to regulated markets of US, Canada, Australia etc which is a key component of the Company's growth strategy for the future. Since the regulated market's requirements with respect to approvals are more stringent than semi regulated markets and since the Compliance requirements are higher, there is a need to support CSL in meeting those requirements in terms of capital investments.</p> <p>Transactions between Subsidiaries of the Company will enhance the overall group synergies since it enables the transfer of available resources in one Subsidiary that can be utilised in the most efficient way by another subsidiary</p> <p>Further, CSL had set up its front end presence in the US through its wholly owned subsidiary which requires investment or other modes of financial support. All this, the Board strongly feels, will in-turn enhance shareholders' value by strengthening presence in regulated markets as well as other bigger markets like Brazil, Mexico etc in the near to medium term horizon. Hence, the shareholders' approval is being sought for the proposed related party transactions.</p>
8.	A copy of the valuation or other external party report, if any such report has been relied upon;	Not applicable.

The Audit Committee of the Company had reviewed the transaction and had recommended the same for approval of the shareholders at their meeting held on August 07, 2024. The management of the Company had provided the Audit Committee with relevant details of the Related Party Transactions, including its material terms and conditions, tenure and basis of pricing as summarised in the table above. In view of the same, the material related party transactions as set out in the resolution is placed before the shareholders for their approval by way of an ordinary resolution. None of the Directors and Key Managerial Personnel of the Company or their

respective relatives are concerned or interested, financially or otherwise, in the above resolution except to the extent of their Directorship in the Company and/or its subsidiaries and CSL. The Board recommends this ordinary resolution for approval of the shareholders. None of the Related Parties of the company shall vote to approve the resolution.

ITEM NO. 5

Dr Sridhar Ganesan was re-appointed as the Managing Director of the Company for a period of two years with effect from August 25, 2022 and his

tenure ends on August 24, 2024. He had overseen the strong performance of the Company which has resulted in enhanced value creation for the shareholders. Considering the significant contribution to the growth of the Company, the Nomination and Remuneration Committee, in spite of the fact that he would cross 70 years of age during this tenure, considered it appropriate to recommend to the Board, the re-appointment of Dr Sridhar Ganesan for a period of two years commencing from August 25, 2024 on the terms and conditions, including remuneration, as explained in the resolution. Accordingly, the Board, based on the recommendation of the Nomination and Remuneration Committee, at its meeting held on August 7, 2024, had approved the reappointment of Dr Sridhar Ganesan as Managing Director of the Company for the proposed term on the terms and conditions including the remuneration as stated in the resolution. The Board, therefore, recommend the Special resolution as set out in Item no.5 of this notice for the approval of shareholders. Except Dr Sridhar Ganesan, none of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in this resolution

ITEM NO. 6

Appointment of R Vijayaraghavan as Independent Director of the Company. Currently, the Board comprises of six Directors out of which four are Independent Directors. Mr. D Sathyanarayanan (DIN : 07650566) will cease to be an Independent Director with effect from November 8, 2024 as he had served the maximum tenure permitted for an Independent Director. To meet the requirement of Board Composition under the SEBI Listing Regulations, the Board, on the recommendation of the Nomination and Remuneration Committee, had proposed, for approval of shareholders, the induction of Mr R Vijayaraghavan (holding DIN 00026763) as an Independent Director of the Company. In the opinion of the Board and the Nomination and Remuneration Committee, Mr R Vijayaraghavan is eligible and qualified to be appointed as an Independent Director. He is proposed to be appointed for a period of five years from the date of AGM.

Mr R Vijayaraghavan was born on January 2, 1950. He is an Advocate in Chennai and has been practising Law for over 35 years. He has a vast breadth of experience in the fields of Corporate Law, Mergers and Acquisitions, Tax Laws, Commercial aspects of doing business in India etc. He holds a Master Degree in Science from Madurai University and MBA from Syracuse University, USA besides being a Law graduate from Dr. Ambedkar Law College, Chennai. He is a director of Sanco Trans Ltd, Bimetal Bearings Ltd, T Stanes and Company Ltd, The United Nilgiri Tea Estates Company Limited, Veeyes Charities Foundation, Lucas TVS Ltd, Lucas Indian Service Ltd and Simpson and Company Limited. Out of the Competencies/ Skills/ expertise identified by the Board, he possesses strong expertise in areas related to Finance, Governance, People Management and Leadership, Strategic Planning and Risk Management.

As per the provisions of the SEBI Listing Regulations, the Company shall take the approval of shareholders by way of Special Resolution for inducting Independent Directors on the Board. In case of Independent Directors whose age is or exceeds 75 years, justification for the same needs to be given. As provided in the Annexure to the Notice, Mr. R Vijayaraghavan will cross 75 years of age during the proposed tenure of his appointment. Considering his rich exposure and the strength he brings to the Board, the Nomination and Remuneration Committee and the Board feels that his induction is justified. Details of Mr. R Vijayaraghavan as required under Regulation 36(3) of SEBI Listing Regulations and the Secretarial Standards are provided as an annexure to the Notice. The Director shall be eligible for sitting fee as applicable to all the other Directors and shall not be eligible for any stock options.

Except Mr. R Vijayaraghavan himself and/or his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in his appointment. The Board recommends the Special Resolution for the appointment of Mr. R Vijayaraghavan.

ANNEXURE TO NOTICE
ADDITIONAL INFORMATION ON DIRECTORS AS REQUIRED UNDER REGULATION 36 OF THE SEBI LISTING REGULATIONS AND APPLICABLE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name of the director	Dr Sridhar Ganesan	Mr. R Vijayaraghavan
Age	69 years	74 years
Qualifications	MS in Pharmaceuticals and Doctorate in Homeopathic Medicines	Bachelor's Degree in Law, Master Degree in Science and MBA
Experience (Including a brief resume and expertise in specific functional areas)	Dr Sridhar Ganesan has more than 40 years of experience in the Pharma industry. He had provided effective leadership for setting higher goals and objectives for the Company and driving the team to achieve those goals and objectives.	Mr. R Vijayaraghavan is an Advocate in Chennai and has been practising Law for over 35 years
Terms and conditions of appointment/ re-appointment	As provided in the Explanatory Statement to the Notice under Item No. 5	As provided in the Explanatory Statement to the Notice under Item No. 6
Remuneration last drawn	Salary - ₹ 55, 20, 000 per annum and other perquisites subject to Schedule V limits	Not Applicable
Remuneration sought to be paid	Salary - ₹ 55, 20, 000 per annum and other perquisites subject to Schedule V limits	Not Applicable
Date of first appointment on the board	August 25, 2014	Not Applicable
Shareholding (Including beneficial ownership), if any, in the company	98750 shares	Not Applicable
Relationship with other directors/ Key Managerial Person	NIL	NIL
Number of meetings of the Board attended during the year	Four (4)	Not Applicable
Listed entities in which the person holds the directorship	1 (Including Caplin Point Laboratories Limited)	3
Memberships/ Chairmanship of committees of the board (Audit & Stakeholders Relationship Committee)*	NIL	4

Name of the director	Dr Sridhar Ganesan	Mr. R Vijayaraghavan
Listed entities from which the director has resigned in the past three years	NIL	Mr. R Vijayaraghavan, ceases to an Independent Director of India Nippon Electricals Limited as he had served the maximum tenure permitted for an Independent Director.

*Other than Caplin Point Laboratories Limited

By Order of the Board of Directors

For **Caplin Point Laboratories Limited**

Venkatram G

(General Counsel & Company Secretary)

Membership No A23989

PLACE: Chennai

DATE: August 07, 2024

REGISTERED OFFICE:

Caplin Point Laboratories Limited

CIN: L24231TN1990PLC019053

Ashvich Towers, 3rd Floor,

No.3, Developed Plots, Industrial Estates,

Perungudi, Chennai – 600096

Website: <https://www.caplinpoint.net/>


compliance.officer@caplinpoint.net

INFORMATION AT A GLANCE

Particulars	Details
Day, Date and time of AGM	September 30, 2024, Monday and 10:00 A.M
Mode	Video Conferencing / Other Audio Visual Means
E-voting website of NSDL	https://www.evoting.nsdl.com/
Record Date for dividend	September 23, 2024
Dividend payment date	On or before October 30, 2024
Cut-off date for e-voting	September 23, 2024
E-voting start date and time	September 27, 2024 ; 9.30 A.M.
E-voting end date and time	September 29,2024 ; 5:00 P.M.
Start date for speaker registration and sending questions	September 25, 2024
End date for speaker registration and sending questions	September 27, 2024
Date of declaration of voting results	On or before October 03, 2024
Name and contact details of e-voting service provider	Ms. Pallavi Mhatre Sr. Manager-NSDL Email address: evoting@nsdl.co.in Contact Number: 022 - 4886 7000 and 022 - 2499 7000
Name, address, and contact details of Registrar and Share Transfer Agent	Integrated Registry Management Services Private Limited Kences Towers, 2nd Floor, No 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, Telephone: 91-44-28140801-803, E-mail: corpserv@integratedindia.in

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