

September 08, 2022

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, 2022 – Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is further to our letter dated September 5, 2022 wherein the Company had informed that the 31st Annual General Meeting (AGM) of the Company is scheduled to be held on Thursday, September 29, 2022 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 of the Company, for the financial year 2021-22, which has been sent through electronic mode to the Members.

The Annual Report, containing the Notice of AGM is enclosed and the same is 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

Encl: A/a

CAPLIN POINT LABORATORIES LIMITED
Annual Report 2021-22





CAPLIN POINT[®]
Laboratories

Caplin Point Laboratories Limited
Corporate Office, Chennai (India)



The Course of This Report



CAUTION REGARDING 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 that 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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Change of Course. Stay on Course.

CHANGE OF COURSE & STAY ON COURSE are like day & night. One can't happen without the other following it. To be more accurate they are both present all the time.

The power lies in choosing what, when, where and how to change, or stay the course.

“Revolutionary ideas are shown, not told.”

– Bill Gates.

**Change, of Course,
Is the Change of Course.**



STAYING ON COURSE

Our business model in the small geographies of Latin America (LATAM) is something that we have shown as one with immense success. We did this by choosing to serve the Bottom of the Pyramid (BOP).

Around ninety percent of our total revenues from operations (exports) i.e. ₹1,300 Crores+ came from six small markets:



The population of these six countries put together is more or less the same as the population of Tamil Nadu.

Staying on Course is to focus on Maximum Viable Products (MVPs). MVP is the version of a new product developed based on the validated learnings gathered from the markets. The goal of an MVP is to test the fundamental business hypothesis (leap of faith assumptions) and thereby convert these hypothesis or assumptions into reality for future products and solutions, as quickly as possible and follow this course in various markets.

We believe that our business model of serving Bottom of Pyramid with affordable medicines and through an end-to-end presence across the industry value chain is sustainable and replicable. A strong proposition to STAY ON COURSE.

“Give up the Drop, Become the Ocean”

- Jalāl al-Dīn Muhammad Rūmī (Rumi)

THE CHANGE OF COURSE

The move to the bigger markets such as Chile, Peru, Colombia, Mexico and Brazil and STAY ON COURSE with the same business model as in the smaller geographies except Brazil.

Our success model encompasses starting small, testing our proposition in the markets, adopting to the feedback received and tweaking our proposition away from the established wisdom; and be prepared for the right and opportune time is the CHANGE OF COURSE.

CHANGE OF COURSE is our engagement in the complex products within our product portfolio for the regulated markets and Rest of the World (ROW). Further, we are focusing on design of Difficult to Manufacture (DTM) products or complex products which becomes a unique key differentiator of our product basket in a given market. This new offering of same product with same colour and same packaging will make the customer comfortable and make the customer choose our product over others' product.

CHANGE OF COURSE, thus helps us expand further with new and improved offerings while we will STAY ON COURSE of our successful business model.



Know Caplin – Business & Genesis

Caplin Point Laboratories Limited (Caplin) is a fully integrated, global pharmaceutical company from India. Founded in 1990, Caplin has been accredited as 2nd Highest Wealth Creator in a decade ending 2020. Ranked amongst the top R&D spenders in India across all industries.

Caplin is present across the pharmaceutical value chain right from APIs to Finished Formulations, Research & Development, Clinical Research, Contract Research Organization (CRO), Marketing & Distribution, Online Platform for Pharmacy Automation and finally to the recent addition of capabilities to build Key Starting Material (KSM) prior to the API stage.

Caplin is present across 23 countries with a dominant presence in Latin America (LATAM), Southern Africa and Francophone Africa along with a growing presence in United States of America and European region.

Caplin's products span across Liquid & Lyophilized Vials, Pre-filled Syringes, Ophthalmic dosages, Pre-mixed Bags, Tablets, Dry Syrups, Liquid Syrups, Softgels, Liquid Injectables (Ampoules & Vials), Emulsion Injections (Ampoules & Vials), Capsules, Suppositories, Topicals and Sachets.

Caplin has a strong manufacturing presence primarily in India and overseas (China) which are individually and relevantly approved or certified by USFDA, EU-GMP, ANVISA-Brazil, INVIMA-Colombia and COFEPRIS-Mexico. We take pride in manufacturing in India for the world in this highly regulated pharmaceuticals industry.

VISION

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

MISSION

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



KNOW THE KEY NUMBERS

4000+

products
registration

650+

pharmaceutical
formulations

36+

therapeutic
sections

7

facilities in India
including R&D

23

countries

340+

Scientists

22

ANDAs filed, 18
ANDAs approved



OUR STRATEGIC DECISIONS WHICH WILL HELP US IN SCALING UP VALUE CHAIN

Plant to Portal

Proposed extension from product manufacture to retail interface through Healthcare portal automating pharmacies, clinics and diagnostic labs.

This deployment of healthcare portal would generate big data for generics which will lead to better product positioning and insights.

Direct Approach

Direct marketing to pharmacies and wholesales; circumventing trade channels. Currently 20% revenue is generated from direct sales.

Widen interface with 14,000 pharmacies to address bottom of the pyramid customers and engage with doctors.

Forward integration

Caplin moves further up the value chain with acquisition of its channel partners at Latin America.

Thereby controlling manufacturing export, import, distribution with direct access to retailers and wholesalers.

Backward integration

API Plant will cater to US and LATAM business as well as upcoming Oncology business.

Backward integration into API for complex injectable products.

Targeting complete backward integration from Key Starting Material (KSM) to intermediates and API.

Setting up of CRO

CRO wing of Caplin Point will cover BE/BA studies for captive consumption, before scaling up as a commercial CRO.

Target markets are China, US, EU and LATAM.

Company's CRO wing Amaris Clinical completes back-to-back virtual and physical US FDA audits, EIR received for the first inspection.



Know Caplin – Products



Caplin stands for best quality products, at most value for money pricing and are manufactured at most advanced manufacturing facilities that are certified at most stringent affiliations and accreditations.

Our products are broadly classified under two types of markets:

REGULATED MARKETS

Products	Annual Production Capacity (Units)
Liquid & Lyophilized Vials	140 Mn
Pre-Filled Syringes.....	16 Mn
3-pc Ophthalmic Droppers	7 Mn
Pre-Mix Bags.....	4 Mn

EMERGING MARKETS

Products	Annual Production Capacity (Units)
Tablets.....	1500 Mn
Dry syrups – Bottles.....	1 Mn
Softgels.....	220 Mn
Capsules	400 Mn
Suppositories.....	30 Mn
Liquid syrups – Bottles	6 Mn
Liquid injectables in ampoules & vials	20 Mn
Lyophilized vials	2 Mn
Prefilled syringes (PFS)	12 Mn
Emulsion injection in ampoules & vials	6 Mn
Topicals	15 Mn
Sachets (Liquids & Powders).....	20 Mn



Know Caplin – Products





Know Caplin – Manufacturing Capabilities

Caplin's manufacturing facilities are state-of-the-art centres of excellence. These facilities boast of latest technologies and are certified by leading regulatory authorities across its markets of presence.



CAPLIN POINT LABORATORIES LTD UNIT-I (CP-I):

CP-I manufactures a variety of products and caters to our Latin America and Africa markets. CP-I is Colombia-INVIMA and WHO-GMP approved facility.

Location: Suthukeny, Puducherry, India

CP-I manufactures:

- Sterile Liquid & Lyophilized Injectables
- Pre-Filled Syringes (Single & Dual-Chamber)
- Tablets
- Capsules
- Liquid Orals (Syrup & Suspension)
- Soft Gelatin Capsules
- Dry powder for Oral Suspension
- Suppositories and Ovules
- Topicals (Creams, Lotions & Ointments)





CAPLIN STERILES LIMITED (CP-IV):

CSL - CP-IV manufactures Sterile Injectable and Ophthalmic dosages.

CSL – CP-IV is US FDA, EU-GMP, INVIMA and WHO-GMP approved manufacturing facility.

Location: Gummidipoondi, Tamil Nadu, India

CSL – CP-IV manufactures:

- Liquid & Lyophilized Vials
- Pre-Filled Syringes
- 3-pc Ophthalmic Droppers
- Pre-Mix Bags



GLOBAL INFRASTRUCTURE

OUTSOURCED MANUFACTURING

Locations or regions where it is not possible or viable to set up own manufacturing facilities, Caplin develops and transfers product technology to approved manufacturing sites. These facilities have relevant approvals or certifications from US FDA, WHO-GMP and ANVISA etc.

Post stringent Vendor Qualification and Audit, Caplin has set up outsourced manufacturing in China. Here every batch is tested in Caplin's own Quality Control Laboratory.

CAPLIN'S CHINA OUTSOURCED MANUFACTURING FACILITY MANUFACTURES:

- Sterile Liquid & Lyophilized Injectables
- Pre-Filled Syringes (Single & Dual-Chamber)
- Tablets
- Capsules
- Soft Gelatin Capsules
- Dry powder for Oral Suspension
- Topicals (Creams, Lotions & Ointments)

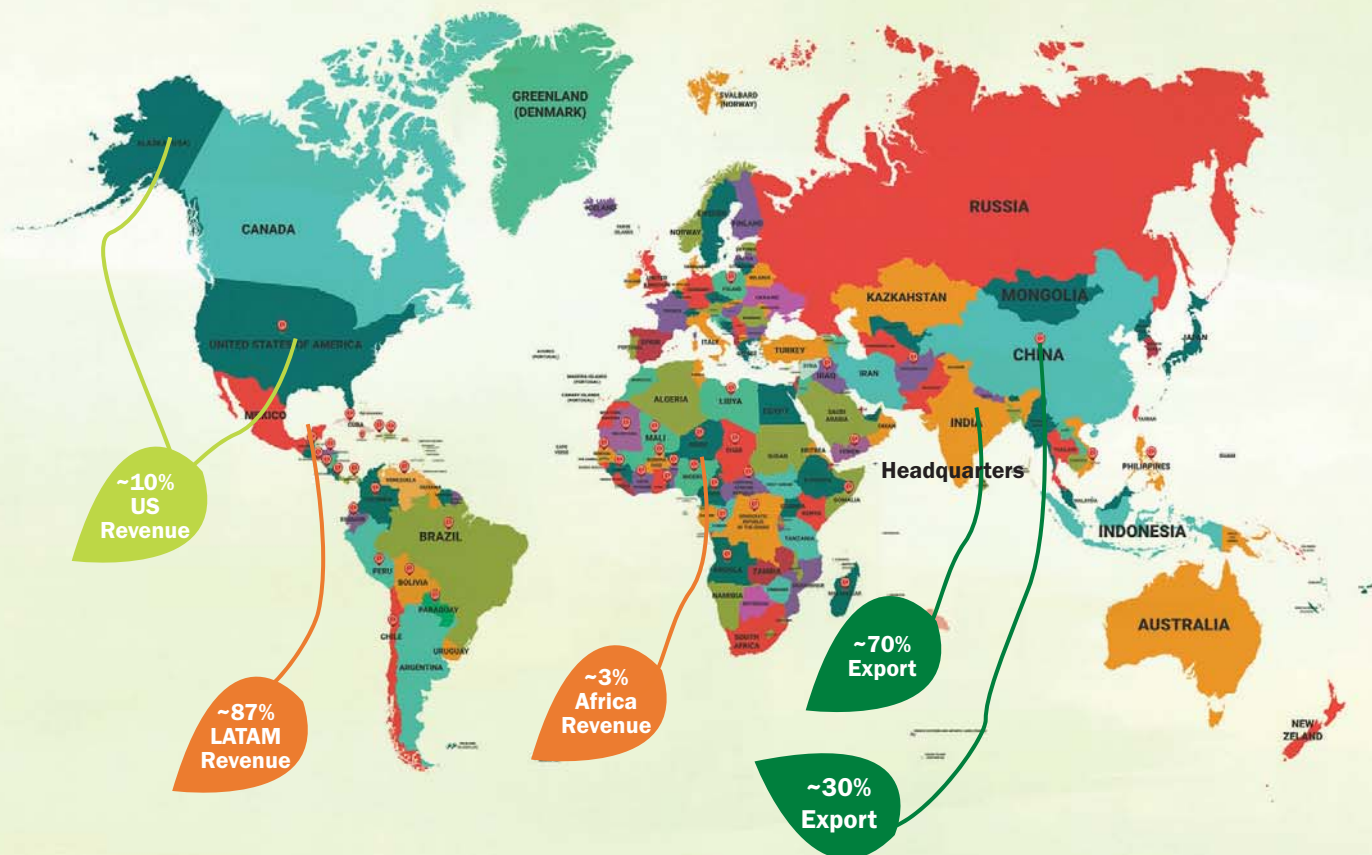
Apart from the facilities owned by the Company, the Company uses outsourced manufacturing facilities. These facilities collectively cater to the following products:

- Tablets
- Capsules
- Liquid Orals
- Dry powder for Oral Suspension
- Sterile Powder for Injections



Know Caplin – Global Market Network

**OUR CORE BUSINESS -
TAPPING THE UNTAPPED MARKETS**



- Manufacturing and Export
- Generics and Branded Generics
- Injectable & Ophthalmic

Caplin covers a wide spectrum of pharmaceutical formulations and therapeutic segments across 23 countries with operating revenue of ₹1269 crore in FY22

*Map not to scale and is used for representation purpose only.



KEY DEVELOPMENTS FY2021-22:

Caplin has always strived to strengthen its distribution network and invested in building a strong brand for its products. Right from forward integration of distribution channel to setting up own warehouses to building a futuristic health portal and integrating pharmacies to empower them, Caplin has been consistently working on an impeccable supply chain. Today, Caplin's products hold a strong recall among its markets and is synonymous with quality and value for money.

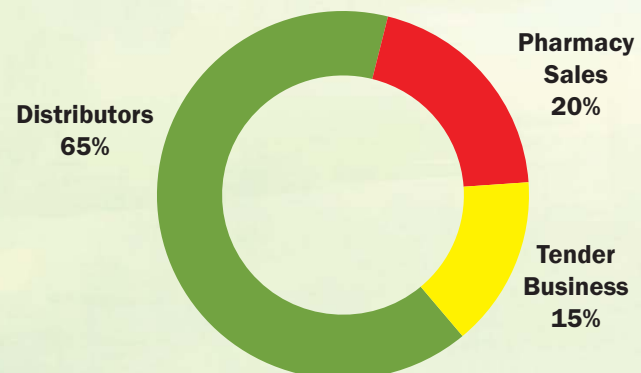
During FY2021-22, Caplin furthered its agenda of strengthening brand Caplin and its distribution network:



REVENUE BY BUSINESS SEGMENT
(EMERGING MARKETS)



REVENUE BY CHANNEL (EMERGING MARKETS)





CAPLIN POINT[®]
Laboratories

Know Caplin – Research & Development

Caplin is among the top R&D spenders, as percentage of revenue across all industries in India*. Caplin has invested in and built a formidable position in R&D capabilities over the years since inception. All this is developed by design, not by default or drift.

Our focus is on developing impeccable intellectual capabilities to drive sustainable growth today and in future.

₹313 Crores spend on R&D over last 5 years

20% of PAT spent on R&D (Capex + Opex) in FY22

100% Revenue from Exports

341 Scientists in Caplin R&D

* CNBC-TV18, Dec 31st 2020



RESEARCH & DEVELOPMENT (R&D) FACILITIES

TICEL BIO-PARK (CP-VII)

CP-VII is a dedicated R&D facility to develop dosage forms like Immediate Release Tablets, Extended Release tablets, Capsules, Semi-solids (including suppositories), Liquid orals, Granules, Soft Gelatin Capsules and Multi-particulate systems (MUPS).

CP-VII is approved by Department of Scientific and Industrial Research (DSIR), Government of India.

Key studies performed at CP-VII:

- Design and development of new dosage forms as per market requirements
- Formulation development approach with QBD concepts using DOE
- Design and development of Bioequivalent dosage forms for various markets.
- Analytical method development and Method validations as per ICH guidelines.
- Conducting Stability studies as per ICH guidelines.
- Technology transfer of new developed formulations to production locations.
- Process optimization and process improvement of commercial products.

Location: Taramani, Chennai, Tamil Nadu, India



AMARIS CLINICAL CRO (A DIVISION OF CAPLIN POINT LABORATORIES LIMITED) (CP-III)

CP-III is a dedicated R&D facility for Clinical Research and is our stepping stone in the Clinical Research Organization (CRO) field. This is a 5-Star 72-bed research facility, equipped with best of the facilities and equipment. In fact CP-III is India's first CRO facility to have Automated Storage System.

CP-III is approved by US FDA, WHO-GMP and ANVISA.

Key studies performed at CP-III:

- ➔ Bioequivalence studies in healthy human volunteers for Generic Pharmaceutical companies from India and Abroad
- ➔ For certain classes of drugs like cytotoxic and psychotropic drugs, BE studies can be done only on appropriate patients. These studies will be executed at hospital sites and centrally controlled by CP-III facility
- ➔ In some cases of generic drugs, the bioavailability cannot be demonstrated in blood samples. Hence a Clinical Endpoint is used to demonstrate equivalence to the innovator product
- ➔ Phase II to Phase IV Clinical trials for IND/NCE

Location: Mahindra World City, Chengalpattu, Tamil Nadu, India

CAPLIN STERILES R&D FACILITY (CP-V)

CP-V is a dedicated R&D facility for a wide range of products like Liquid Injectables in Vial and PFS presentations, Ophthalmic products and Lyophilized products. This R&D facility especially caters to regulated markets like U.S. and Europe etc.

CP-V IS APPROVED BY DEPARTMENT OF SCIENTIFIC AND INDUSTRIAL RESEARCH (DSIR), GOVERNMENT OF INDIA.

Key studies performed at CP-V:

- Formulation Development
- Analytical Development
- Technology Transfer
- Quality Assurance
- Strategic Sourcing
- Dossier Preparation
- Regulatory Filings

Location: Perungudi, Chennai, Tamil Nadu, India

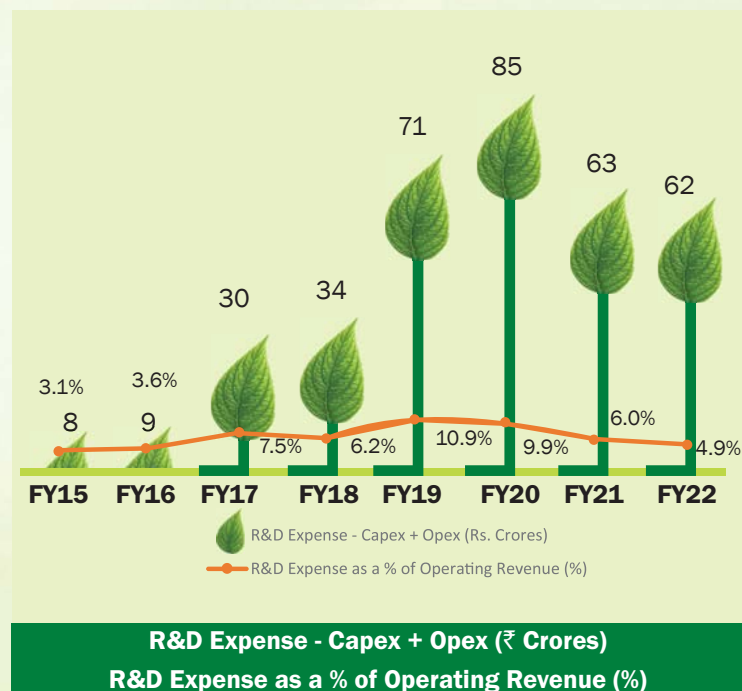
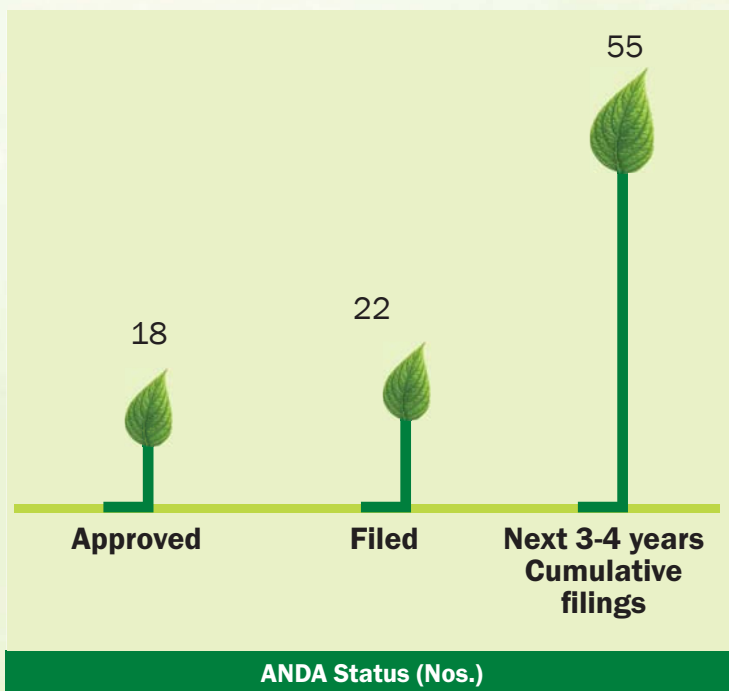


OTHER CAPLIN POINT R&D FACILITIES (CP-VI AND CP-VIII)

CP-VI and CP-VIII are dedicated R&D facilities for a wide range of Active Pharmaceutical Ingredients (APIs), Intermediates and Key Starting Materials. These R&D facilities cater to regulated and semi regulated market requirements. High end Oncology API products are also developed.

Locations: CP-VI, Hyderabad, Telangana, India

CP-VIII, Perungudi, Chennai, Tamil Nadu, India



Know Caplin – The Vision of Leadership



CHAIRMAN'S STATEMENT

“Nobody can build the bridge for you to walk across the river of life, no one but you yourself alone. There are, to be sure, countless paths and bridges and demigods which would carry you across this river; but only at the cost of yourself, you would pawn yourself and lose. There is in the world only one way, on which nobody can go, except you: where does it lead? Do not ask, go along with it.”

- Friedrich Nietzsche

“There is scarcely any passion without struggle.”

- Albert Camus

Dear Stakeholders,

It gives me immense pleasure to present to you the Annual Report of your Company for the financial year 2021-22. It is with great passion that I share with you some important insights into our business and our journey so far; and henceforth.

OVERVIEW

“Change is the law of life. And those who look only to the past or the present are certain to miss the future.”

- John F. Kennedy

The raw material for a dynamic change is imagination, not just ability alone. Our imaginations are the most powerful tools we have, more powerful than any car or aeroplane because it is our imagination that created the car and the aeroplane.

It is very critical to maintain and upkeep our imagination in the best of its shape, otherwise it rusts and falls apart. Hence it is imperative to use our imagination effectively and STAY ON COURSE to keep it best maintained. A free flowing and well nurtured imagination will lead us to the answers to some of the most critical questions through our journey and also whenever we decide for a CHANGE OF COURSE. A healthy and free imagination will give us answers to the questions like ‘Where do I want my company in six years from now? Or what do I want to be doing?’ – critical questions to answer when deciding to STAY ON COURSE or to CHANGE THE COURSE.

Unfettered imagination brings positive and useful results in our life and business, we just need to open the window of imagination. As you grow bigger, you are not alone and you rather have the power of collective wisdom of your employees and customers among other stakeholders as well and their imaginations too, you just need to develop them.

THOUGHTS, THINGS AND REALITY

Opening the newspaper, you learn that another CEO has been forced to step down because of bad results. Apparently every story has a face.

Nobel Laureate Daniel Kahneman believes that two types of thinking exist. The first kind is intuitive, automatic and direct. The second is conscious, rational, slow, laborious and logical. Unfortunately, intuitive and non-conscious thinking is much more significant. With important decisions, one needs to remember that at the intuitive level, we have a soft spot of plausible stories. Therefore, be on the lookout for convenient details and successful endings.

Emotions are a source of power, it is a philosophical belief, and it is now confirmed by scientists too. Daniel Kahneman says that IQ and technical skills are entry level requirements for leaders and managers, mainly as threshold capabilities, but the crucial one is emotional intelligence for effective leaders.

Today, ideas don't move mountains, it is the people - people with right attitude and skills. Caplin is in the process of empowering its people's attitude towards work and skills to do the work.

FROM SURVIVAL TO SIGNIFICANCE – AN INSIGHT INTO THE JOURNEY AS A PROFESSIONAL

I came into business as a Hunter-Gatherer. My adolescence and adulthood was influenced by left-leaning. My aggressive ignorance had created a negative attitude in me. Hence the going got difficult with my managers in most of the companies I worked.

In my yesteryears, most of my mornings started with a sloganeering of “down, down” owing to the environment around. A consistent adverse messaging often creates counter-productive and negative message board for the subconscious mind. This consistent adverse-in, adverse-out thinking had developed pro-poverty approach. However, later on I understood the importance

of pro-prosperity approach, which alone could help prosper and yet remain as a pro-poor character. I strongly believe and follow that prosperity must be based on the concept of “Making Money with Respect” – the moral highway is definitely a must.

The learnings over the years, through self-help books and experience showed me the way to see the difference between “the Haves and Have Nots” of awareness and the concept of ‘Always Be Aware of your Awareness’.

Although our DNA & luck play a pivotal role initially, the self-awareness and atomic habits with right skillset represent the fact that the possible luck or fate is not determined by the genetic dice at birth. It is how you roll the dice in the game of life and business, is probably more important.

My learnings helped me to short circuit the negative patterns that were rooted in childhood and adolescence. I also understood that most of my beliefs were not my own. Coming to my school in the villages, the one who learnt more probably were the teachers, not the students. My best teacher, the first to last, was the mistakes I committed and the learnings that came from the mistakes.

The road less travelled was to connect with the poor in developing markets like Africa and LATAM; to perceive poor as not just poor but as customers; to create and end-to-end business model that catered to the BOP at affordable cost and quality; have made all the difference to Caplin. Hovering in the dark, looking for ray of light to enlighten, the books I read and the struggles leveraged my conviction to take BIGGER BETS to create BLUE OCEAN opportunities for Caplin.

More often than not, the problem is not the absence of a solution, but the absence of ideas.

At Caplin, we did not accept the pre-existing wisdom of the established players in the market. Instead, we looked at the poor not just as poor but as customers. The one thing that will STAY THE COURSE at Caplin is to cater to the Bottom of the Pyramid (BOP). This BOP segment which is not considered as the creamy layer by many a businesses, has contributed decent cash flow and profits at Caplin, as its own creamy layer.

Today, we stand tall and humble with a number of achievements. We are definitely not an “Empty Suit” in business as evident from the below milestones:





- Jobseeker to Job Provider close to 3000 employees as on date
- A 117 times oversubscribed IPO in 1994 – Highest till date in Pharmaceuticals
- A Turnaround Story from ₹1.56 per share (face value of ₹10) in 2006 to ₹~770 (face value of ₹2) per share in 2022
- Becoming 2nd Largest Wealth Creator in a decade, ending 2020 – The Economic Times
- Ranked one among the top R&D spenders in India across Industries - CNBC-TV18
- Ranked No. 1 in India's 100 most profitable companies, based on 10-year profit growth, consistency of profit growth and return on equity – Value Research – Wealth Insight in June, 2022
- Debt Free to Cash Rich around ₹ 694 Crores in Cash Reserves as on 31st March, 2022 for a revenue of ₹1308 Crore+
- CAPEX spend from cash flow – ₹ 500 crores in '21 – '23
- The One Thing – Catering to BOP (Bottom Of the Pyramid)
- 90% of our ₹1308 Crores exports have come from the six smaller markets (Guatemala, Nicaragua, Ecuador, El Salvador, Honduras & Dominican Republic). The six markets put together are more or less the same as population of Tamil Nadu.
- Ranked No. 36 in India and No. 759 globally – The Pharma 1000, Top Global Pharmaceutical Company Report by TORREYA, September, 2020
- Five times recipient of Forbes Asia Best Under a Billion Award in 2014, 2015, 2016, 2021 & 2022– Forbes Asia for High performing Asia-Pacific companies.
- Family Business Awards in 2018 by– The Economic Times for Honoring multi-generational, family-owned businesses.
- Golden Phoenix Award in 2017 – Nanayam Vikatan – Crown for achievers / Business Star.
- Outstanding Export Performance Award in 2018 – Pharmexcil for Outstanding Export Performance
- Top Performing Exporter in Tamil Nadu & Pondicherry Award in 2018 – Federation of Indian Export Organisations for Top Export Performance.
- With a rally of 13,840 per cent, Caplin Point Laboratories emerged as the top gainer in the list, Shares of the company jumped to ₹ 812.70 on August 16, 2022 from ₹ 5.83 on August 16, 2012” – Business Today, August, 2022

OURS IS A STORY OF “NOWHERE TO NOW HERE” THAT FOLLOWED THE FOLLOWING:

- Never think you are nothing
- Never think you are everything
- Always think you are something, and
- You can achieve anything



Success is a journey, not a destination. Our dream destination is to create a legacy. I learnt that easy life does not teach you anything and what you have learnt, how you have grown and what kind of legacy you want to leave for your Company and family will be remembered. The legacy you leave will live beyond your life.

DESIGN NOT DEFAULT OR DRIFT

Although I came to business by default, I learnt the importance of design thinking of business now.

I firmly believe that if you don't do your business by design, then you are leading business by drift.

When the leader doesn't consciously choose the destination, the tendency of drift enters the business as an unwanted guest. From this point it is reactive rather than proactive, and you are:

- A. Unaware
- B. Distracted
- C. Overwhelmed
- D. Deceived

In order to turn it around and succeed, you need to CHANGE THE COURSE to swap yourself out of the drift and do:

- A. Business in a Proactive manner.
- B. Understand essentials and priorities of the business.
- C. Create a plan.
- D. Make it happen and STAY ON COURSE.

As you steer your journey as a business leader, there are three powerful questions

- A. How do I want to be remembered? - It is our legacy.
- B. What matters most to my company? - These are our priorities.
- C. How do I get from where I am to where I want to be? - This is our action plan.

Answers to these questions along with resolve to solve business issues, can lead your journey to success in the desired manner.

At Caplin Point Laboratories, our action plan for next six years is as under:

- The top line of FY 2021-22 will be the bottom line of FY 2027-28.
- Caplin would be present in most of the major regulated markets by 2027-28.

- Caplin would have facilities for all dosage forms for regulated markets.
- The cash flows, profits and the markets that have helped the Company to reach where it is now would continue as a COURSE TO STAY ON while we keep on adding state-of-the-art technology, equipment, skills and products.
- Caplin would be one among the top 30 Indian companies in the pharma sector.
- Caplin would STAY ON COURSE to cater to the BOTTOM OF THE PYRAMID and BOTTOM OF THE BUSINESS PYRAMID in most of the markets where we would be present.
- Caplin would have different buckets of formulations in a big basket to create the "stock & sale model" next to the customers in various markets.

PERFORMANCE FY 2021-22

During FY22, the Company crossed yet another milestone of reaching ₹1,308 Crore mark in total revenues. In line with our previous years performance, the Top Line of FY16 has become the Bottom Line of FY22. This was complemented by the EBITDA of ₹433 Crore and an impressive bottom line of ₹308 Crores of Profit After Tax. While, the revenues and profitability soared high as a result of our strategic and execution success, our Cash and Cash Equivalent reserves reached ₹694 Crores and we continue to be a net-debt free Company. We are STAYING ON COURSE to keep investing in capex for capability building and R&D. We have built 'close to market' presence and will continue to do so in future, as a key differentiator.

A NOTE OF GRATITUDE

I would like to thank our shareholders, customers, vendors, financial institutions, associates and our impeccable team for believing in our journey to the less travelled paths in our business, walking together with us and reposing all the trust. We are committed to take Caplin Point Laboratories to newer heights and I look forward to your continued support.

Warm regards,

C. C. Paarthipan
Chairman



Brief profiles of the Board of Directors



MR. C.C.PAARTHIPAN

A first generation entrepreneur, C.C.Paarthipan's stint in the Pharmaceutical industry goes back almost 3 decades. Starting in the 80's as a medical representative, he has scaled multiple heights to bring Caplin Point to its position today. Fascinated by the road less traveled, he has taken the company's products to different corners of the globe, catering predominantly to the bottom of the pyramid with a combination of good quality and affordable products. He continues actively heading the organization in its multi-pronged growth approach for the years ahead.



DR. SRIDHAR GANESAN

Dr. Sridhar Ganesan has over 35 years of varied global leadership experience in the Pharmaceutical Industry, 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 Managing Director of Caplin Point Laboratories, he spearheads their 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

Mr D Sathyanarayanan has over 30 years of experience in the application development and implementation of software and he brings valuable expertise to expand to new horizons. He was the Chief Technology Officer of MedTech India a health care solutions provider.

He has a Bachelor's degree from Indian Institute of Technology and a Master of Science from Stanford University.



MR. V THIRUMALAI

Mr. V Thirumalai is a post graduate in commerce . Mr. V Thirumalai has more than 5 decades of rich experience, expertise and knowledge in the areas Finance, HR, Business administration, Management and Industrial Relations.





MR. R VISWANATHAN

Ambassador Viswanathan is “Passionate about Latin America”. He blogs, tweets, writes articles, publishes books, gives speeches and has a website on ‘Business with Latin America’. His interests cover politics, economies, history, literature, culture, music and movies of the region. He speaks spanish and portuguese languages.

His diplomatic career :

- Ambassador of India to Argentina, Uruguay and Paraguay – 2007 to 2012. Retired from there on 31st May, 2012.
- Head of the Latin America Division in the Ministry of External Affairs of India – 2004 to 2007.
- Head of Investment and Trade Promotion Division in the Ministry, 2003 – 2004.
- Ambassador to Venezuela 2000-2003.
- Consul General of India in Sao Paulo – 1996 to 2000.
- Previous postings include New York (mission to the United Nations), Mauritius, Libya, Pakistan and Portugal



DR. C K GARIYALI

Dr. C K Gariyali, aged 72, 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.





Management Speak – Managing Director On Caplin’s strategic pursuit

DR. SRIDHAR GANESAN

FY22 has been a defining milestone in Caplin’s journey of excellence. The year under review marked highest ever total revenues, lucrative cash reserves, venturing in new products, embracing newer technology & infrastructure facilities and progress towards entry into newer markets.

During FY22, Caplin continued its strategic agenda anchored around following key pillars:

- Serving Bottom of Pyramid of the market
- End-to-End Business model
- Increasing forward & backward integration
- Increasing the share of innovative & branded products
- Firm progress on growth & expansion
- Cost Leadership
- Prudent Financial Management

SERVING BOTTOM OF PYRAMID OF THE MARKET:

From the time when Caplin started its journey from the less travelled path i.e. choosing to serve Bottom of Pyramid Latin American markets, it has come a long way to be India’s leading pharma player in this region.

Today 90% of our revenues come from LATAM (87%) and Africa (3%).

Caplin works with 14,000 pharmacies to reach the BOP of the markets.

END-TO-END BUSINESS MODEL:

With addition of Key Starting Material manufacturing capabilities at the backend; pharmacy automation through health portal at the forward end; and functioning of Clinical Research facility, we are truly progressing towards being present across the industry value chain. Caplin already has strong capabilities across APIs, Finished Dosage, Manufacturing, R&D, Marketing & Distribution.

INCREASING FORWARD & BACKWARD INTEGRATION:

Caplin is targeting complete backward integration from Key Starting Material (KSM) to Intermediates and API. Company targets being backward integrated with own APIs for 70% of all US filings by 2024.

INCREASING THE SHARE OF INNOVATIVE & BRANDED PRODUCTS:

Caplin Steriles Limited (CSL), our Subsidiary, has completed the installation of Pre-Mixed Bags line. Company to start filing Pre-Mixed Bag products in the US by Q4FY2023



Caplin is targeting complete backward integration from Key Starting Material (KSM) to Intermediates and API. Company targets being backward integrated with own APIs for 70% of all US filings by 2024.

Continuous capex investment of over ₹ 355 Cr over last 5 years towards enhanced manufacturing and R&D capabilities.

Total R&D spends (Capex + Opex) as a percentage of PAT stood at 20% during FY22. Share of branded generics has increased from 5% in FY12 to 25% in FY22. CSL has launched 15 out of total 22 ANDAs filed till date in the US market. Company's revenue in Francophone Africa doubled in the last 4 years owing to continued focus on innovative products through Brand Marketing.

FIRM PROGRESS ON GROWTH & EXPANSION

Caplin stands as No. 1 in Central America and expanding presence into mainland South American countries such as Chile, Colombia, Brazil and Paraguay. Company is actively evaluating inorganic opportunity for synergistic business.

COST LEADERSHIP:

While our peers were working to develop Differentiated Business Models to generate revenues, we designed Cost Leadership to negotiate, to get the best Quality and best Price which reduced Cost of Goods Sold (COGs) considerably.

We believe that what we get is not what we deserve but what we negotiate when it comes to procurement. This lowers input cost and improves efficiency and speed to market.

The backward integration through manufacturing of APIs and even Key Starting Material (KSM), the Company aims to reduce cost, time-to-market and outward channel margins.

Caplin works on asset-light model wherein 55% of the total products manufactured are outsourced from India and China thereby capital is utilized towards core capabilities and IP based products and solutions.

PRUDENT FINANCIAL MANAGEMENT:

As at end of FY22, Caplin had a formidable cash & cash equivalents of ₹ 694 Crores for a revenue of ₹1308 Crores. Caplin added ₹224 Crores to the cash reserves in FY22 alone. The Company follows conservative accounting practices.

Caplin has implemented SAP S/4 HANA ERP system across its operations, a move towards full scale Digitalization of all systems and enhance business processes and resource efficiency. This is to underline that prudent Capital Allocation is a strategic priority for us.

Over the years, we have stayed ahead of competition by continuously redefining the mindset and introducing new ways to be ahead of competition and we are committed to Stay on Course the same. Besides, we are all geared for Change of Course wherever we need to choose to decide strategically.



MR. ASHOK PARTHEEBAN

Head of Marketing On LATAM business

Now that the world learns to put the pandemic behind and get back to normality, a wise man's saying comes to my mind. "A formidable progress can be made in life and business just by avoiding silliness." The Covid period opened windows of opportunities for our company in LATAM which would have taken at least 18-24 months in normal periods.

These opportunities were the result of our founder and Chairman's long lasting vision of being closer to the customer by setting up our own distribution units. Although any importer or distributor can reach a manufacturer by sending an email or a text, Caplin provides an immense value addition which is our local presence, our track-record of selling quality drugs for almost 20 years and the most important of all which is putting a face to the name of the company.

We were able to utilize these opportunities and file 13 registrations in Mexico and obtain 2 approvals. We submitted 44 products in Peru out of which 29 have received approvals. A notable achievement has been our entry into Chile. We've received over 75 registrations with another 20 in process. We are in line to open our own distribution center in Chile in the third quarter of 2022. We've been actively exporting to Peru and Chile to a couple of importers in 2022.

Another breakthrough was made in our biggest market in Central America. We ventured into our own retail chain and we have 33 in place. We are on track to end 2022 with at least 50 of them. In 2023, we plan to launch a franchise model to take advantage of the 600 registrations that we have and the growing popularity of this retail chain.

Our revenue YTD has risen 17% in Central America. Our South American business is bound to grow as a result of a tender we recently won in Ecuador to the tune of \$18,000,000 to be supplied over 24 months. Our B2B online platform launched to

reach smaller and individual pharmacies has grown by over 30% since 2022. This is the first of its kind in Central America which was launched when there was travel restrictions between states. This is a cost saving model where we save on commission given to salesmen, travel and food allowances.

Although COVID-19 gave us an incredible growth, it felt like we were working with the handbrakes on. Now that this is behind us, we can finally launch all the projects that were shelved like the launch of our first line of bio-equivalent products through prescriptions. Our future in LATAM is all the more brighter.

We were able to utilize these opportunities and file 13 registrations in Mexico and obtain 2 approvals. We submitted 44 products in Peru out of which 29 have received approvals.



MR. VIVEK PARTHEEBAN

COO

On Regulated Markets & Rest of the World

The next few years in the global Pharma markets would be shaped by companies that have control over supply continuity which creates a trust in the minds of their buyers and customers.



“We continued our steady progress in the Regulated Markets business, despite significant challenges faced due to Covid last year. The company grew revenues over 40% and crossed the 100cr milestone last year despite one of our main manufacturing lines being out of action for a large part of the year due to restrictions on man/material movements. Our hybrid business model of filing our own products and also doing CMO for large MNC partners continues to pay dividends for the company, with the current mix being 75% - own products and 25% - CMO.

The company is on track to file 10-12 ANDAs in the coming year, which would take the tally to over 30+ ANDAs filed from the facility, with 18 approvals (14 of which are in Caplin’s name). The company has also received its first Ophtalmic product approval, an important milestone in our Regulated Markets journey. In addition to this, the company has also filed products in Canada, Australia, China, Mexico, South Africa, Philippines and UAE. It is to be noted that these are all new territories for Caplin and we hope to start seeing some approvals in the coming year from these non-US markets.”

“We have always followed the mantra of being a unique company with a differentiated business model. Staying true to this belief, we’re in the process of setting up a front end in the US where we target replicating our successful Latin America strategy of focusing on the Tier 2 and 3 buyers and a focus towards the bottom of the (business) pyramid. We don’t want to participate in the proverbial rat race of lowering prices as a business strategy, which eventually leads to a race towards the bottom.

The next few years in the global Pharma markets would be

shaped by companies that have control over supply continuity which creates a trust in the minds of their buyers and customers. Caplin has already proven itself as a company which excels in supply chain excellence in Latin America. As we translate this into the Regulated markets, with a robust compliance record and investment into cutting edge R&D, we believe we have a potent combination that will sustain for years to come.

As part of our ongoing expansion plans, our Oncology facility in Kakalur, Chennai is nearing completion where we’re targeting Oral Solid Dosages in the first Phase and Injectable Oncology products in the next phase. The differentiating factor in this venture also is that we aim to be completely backward integrated with our own API, which is unique for a company of our size.

Despite some early setbacks in the form of an inorganic acquisition falling through in the late stages, our API entry remains an important piece of our expansion plans, with our own plant coming up in two blocks (general category and oncology) in the next 18 months. There are several advantages we envision from this venture, the most important of them all being supply chain continuity, cost efficiency and compliance control.

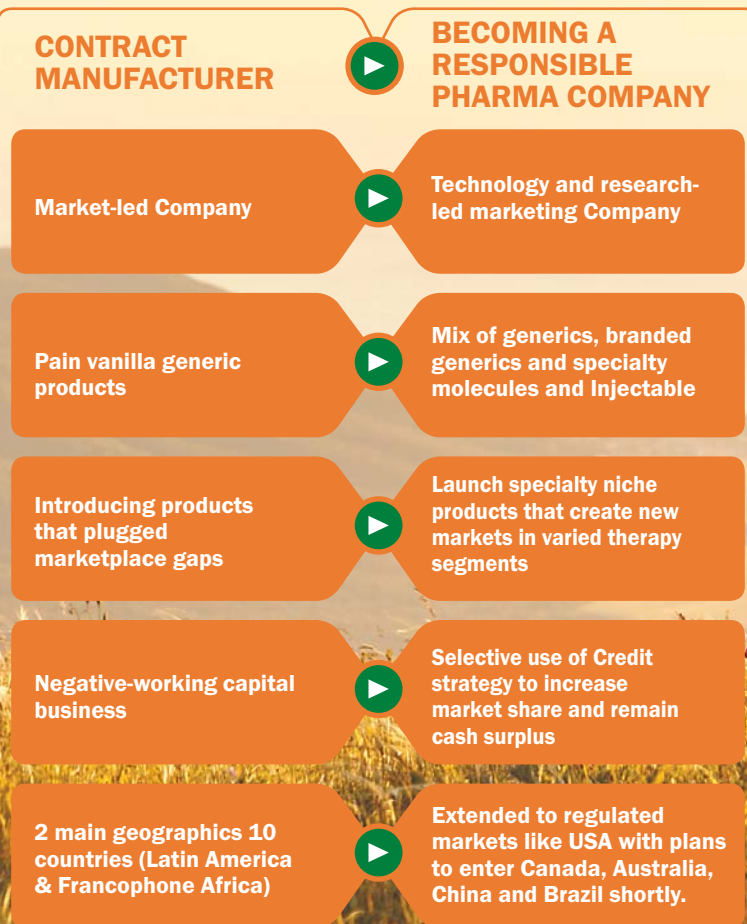
While our company’s DNA is to embrace risk and test uncharted waters, we also believe in prudent risk mitigation strategies in the back end to ensure supply chain robustness. We’re expanding our manufacturing footprint at Caplin Steriles, with 3 new lines being added to augment existing capacities. Of these 2 are being installed in an entirely new unit that is coming up close to our existing plant, which we will call CSL Unit 2. Provision is being made to accommodate 4 more lines in Unit 2 in the future.



Change of Course To Grow & Expand

THE TRANSFORMATION JOURNEY OF CAPLIN

Our journey at Caplin has been that of consistently challenging the status quo, question the present, create a better tomorrow, today. Our vision for Caplin has been to create an enterprise with strong foundation and a far-sighted vision. We have invested over the years in capability building, acquiring knowledge and getting to next level of products, quality, market reach, growth, profitability and sustainability.

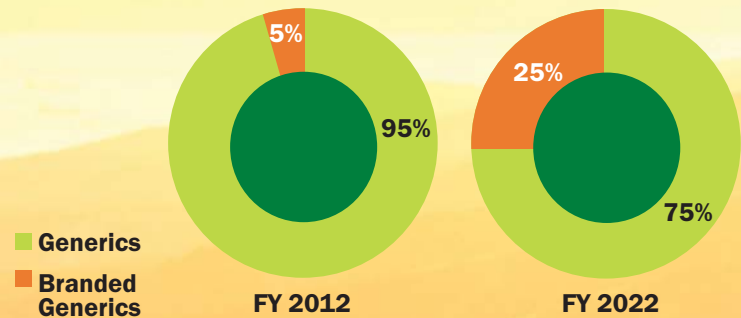


HERE'S HOW WE HAVE TRANSFORMED OVER THE YEARS:



CHANGING PRODUCT MIX

Conscious conversion of certain fast selling generics into Branded Generics for better profitability

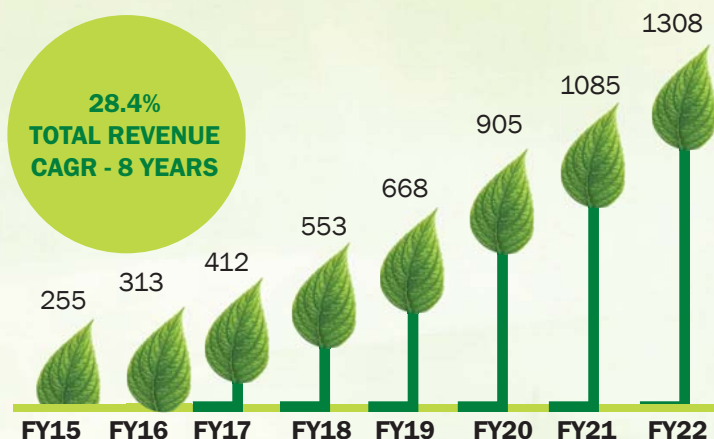


Stay on Course To Deliver consistent performance

STAYING ON COURSE

Creating stakeholder value through sustainable revenues and profitability

TOTAL REVENUE (₹ CRORES)

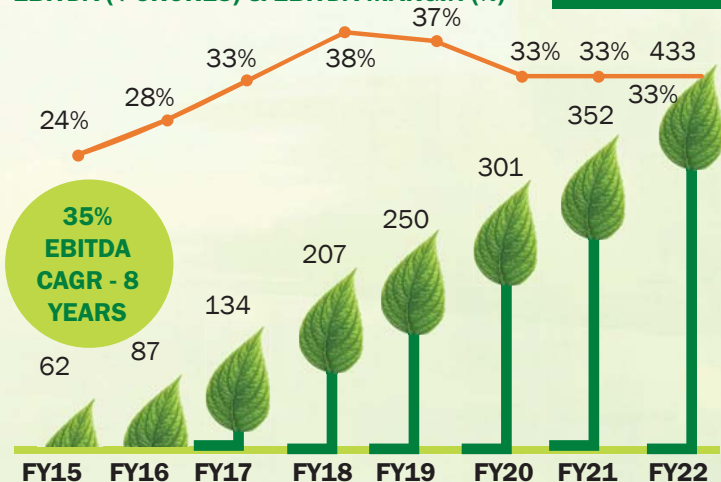


What? Total amount of money brought in by business through sale of goods & services. Starting point of a company's income statement.

Why? A primary yardstick of any company's growth as also called the Top Line.

How? A 20.6% growth in FY22 over FY21. A consistently growing healthy graph over the years.

EBITDA (₹ CRORES) & EBITDA MARGIN (%)



What? Earning or profit before fixed expenses like interest, depreciation, Taxation and extraordinary. Also known as operating profit. EBITDA Margin states the EBITDA as %age of operating/ total revenue.

Why? Indicates profitability of a Company at the operations level before factoring expenses based on financing decisions, taxation strategy, depreciation policies and any exceptional item. EBITDA Margin indicates how healthy is margin between operating revenues and operating expenses.

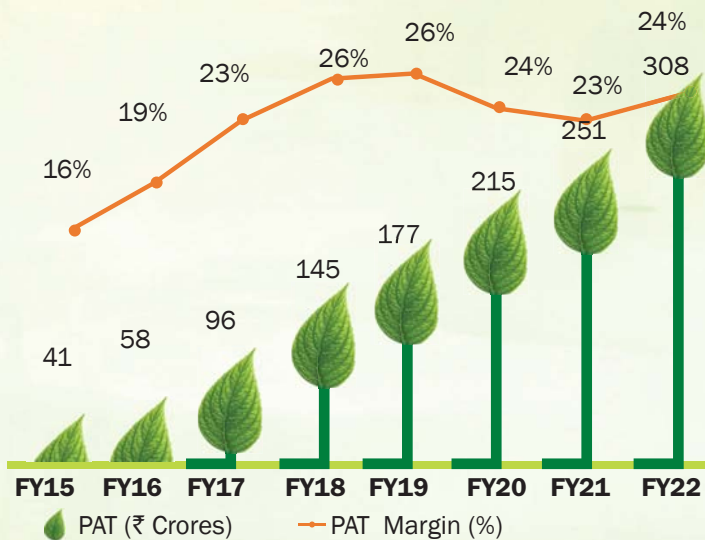
How? A 23.1% growth in FY22 over FY21. Maintaining healthy operating profitability, consistently.

● EBITDA (₹ Crores) ● EBITDA Margin (%)



PAT (₹ CRORES) & PAT MARGIN (%)

36.3%
PAT CAGR - 8
YEARS

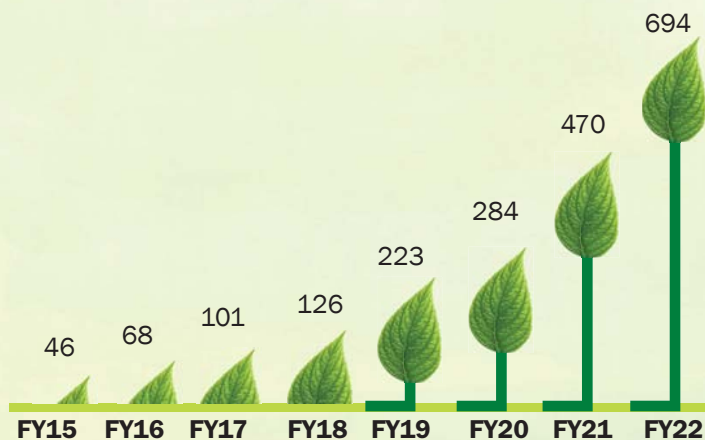


What? Profit After Tax (PAT) or Net Profit or Bottom Line is the amount of money the company earns after all expenses and taxes as well which can be utilized for future growth through re-investment. PAT Margin is profit as a % of revenues.

Why? PAT indicates as to how much money a company earns after all expenses, for its shareholders and how much it can preserve for future expansions, growth or provisions. PAT Margins indicate the healthy Bottom Line of earnings of a company.

How? A 22.7% growth in FY22 over FY21. The consistent PAT, over the years, has made possible the significant cash & cash equivalent reserves that are available for any growth plans, capability building and newer avenues of expansion.

CASH AND CASH EQUIVALENTS (₹ CRORES)



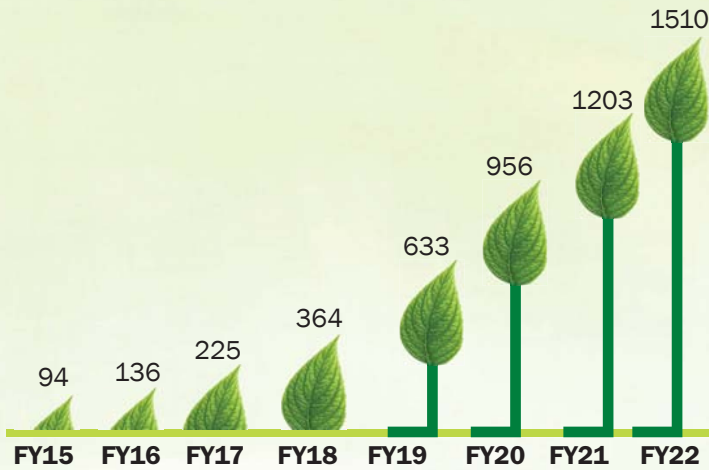
What? Cash and Cash Equivalents is the reserve money available with the Company which it can utilize at any point of time for expansion, contingency, capability building etc.

Why? A healthy Cash and Cash Equivalents indicate how well the company is poised to grow to expand on its own without depending on external sources of funds like debt or equity.

How? The Company's Cash and Cash Equivalents have reached and all time high of ₹694 Crores and around 10 times what it was in FY16. A growth of 47.65% in FY22 over FY21.



NET WORTH (₹ CRORES)

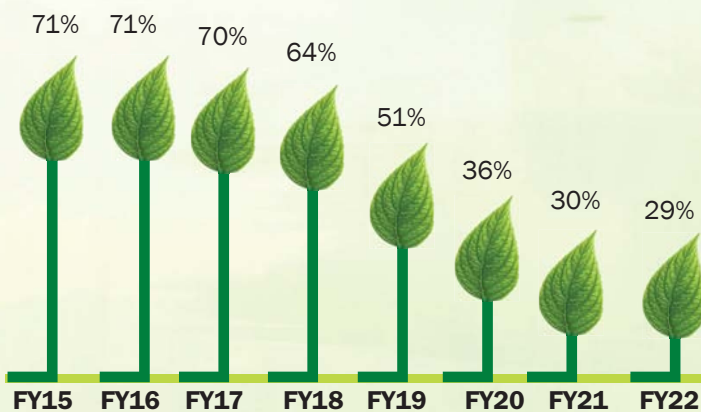


What? Net Worth is calculated to arrive at total value of assets of a company after deducting the value of all liabilities.

Why? It states the financial health and net value of a company at any given point of time. It is often considered to assess the investment worthiness of a company.

How? The Company's net worth have been growing on the back of sound financial policies, zero debt and high reserves.

ROCE (%)



What? ROCE measures the efficiency & profitability with which a company's capital is employed in the business.

Why? ROCE indicates the effective deployment of capital and benchmarks a company with its peers and the industry to assess capital or investment efficiency.

How? The Company returned capital efficiency of 29% in FY22 on a much higher base of average capital employed ₹ 1334 Crores as compared to average capital employed of ₹75 Crores in FY15.

Stay on Course To Deliver consistent performance

Top Line of FY16 becomes Bottom Line of FY22

In line with the target and historical performance.

Cash and Cash Surplus at ₹ 694 Cr as of March 2022

An increase of ₹ 224 Crores over March 2021 balance.

Gross margin expanded to 56.1%

For the year ended March 2022

PAT up 22.7% Y-o-Y to ₹ 308 Crores

CRO wing completes first few studies for US
Received FDA approval.

Won Tenders in 2 LatAm markets for \$21 million

Launched 15 out of 18 approved ANDAs in the US,
Next 3 products to be launched by H1FY23

First dossier accepted for review in China,

In partnership for a product that is already approved in US

Commenced Capacity enhancement of Oral Solid Dosages and Softgel Capsules undertaken

Latest ERP – SAP S/4 HANA implemented

Preparing to file products in Canada, Australia, Brazil and China

Products that have been already filed/ approved in the U.S.

EU-GMP renewal inspection successfully completed for Unit-4

Expansion plans at Unit-1 in Pondicherry completed,

This expansion includes addition of Injectable lines including Lyophilized Injectable(s) and Pre-filled Syringes for Emerging Markets



Our course ahead Vision FY2022-23 and beyond



As a forward looking organization which came from 'Nowhere to Now Here', Caplin is always planning and executing future growth strategies.

Following are the key pillars of our sustainable growth strategy:

1. PLANT TO PORTAL

Proposed extension from product manufacture to retail interface through Healthcare Portal thereby automating pharmacies, clinics and diagnostic laboratories.

2. DIRECT APPROACH

Direct marketing to pharmacies and wholesalers; circumventing trade channels

3. FORWARD INTEGRATION

Caplin moves further up the Value Chain with acquisition of its channel partners in Latin America market, thereby controlling manufacturing, export, import and distribution through direct access to retailers and wholesalers.

4. WIDEN INTERFACE

Stands on formidable opportunity with 14,000 pharmacies to address bottom-of-the-pyramid customers and engage with doctors

Key developments during FY22 towards a sustainable future:

- Top line of 2016 becomes Bottom line of 2022
- Company has earmarked Mexico and Chile as the next immediate avenues for growth in LATAM. Company has 2 products approved in Mexico, with 6 more approvals expected in the next few quarters. Company currently has 75 product registrations in Chile.
- Sales through company's e-commerce platform 'QueTenX' shows good progress with over 472 SKUs sold each month through orders placed directly through the portal. Currently catering to around 1,000+ unique customers across Guatemala, Nicaragua and Ecuador.
- Company has gone live on SAP S/4 HANA ERP system, in its move towards full scale Digitalization of all systems and enhance business processes
- Company plans to launch its own label through the front end in the US by December 2022.
- Evaluating an inorganic opportunity for growth
- Targeting complete backward integration from Key Starting Material (KSM) to Intermediates to APIs.
- Caplin has envisaged and pursuing a proposed capex investment of ₹ ~500-560 Crores to expand existing capacities, widen the product portfolio and backward integration of majority of the products. The proposed outlay is broadly diversified as under:
 - o Capacity expansion and Maintenance Capex - ₹300+ Crores
 - o Oncology - ₹130 Crores
 - o Backward Integration- ₹100 Crores





GROWTH DRIVERS

Continuous capex investment of over ₹ 1.6 Bn over last 5 years towards enhanced manufacturing capabilities

Subsidiaries created in Hong Kong, Colombia, El Salvador, Nicaragua, Guatemala, Ecuador etc for a complete end to end business model, resulting in comfortable cashflows and reasonable profits.

CRO wing of Caplin Point, a high margin segment of the industry, which would cover BE/BA studies for own products, before scaling up to a commercial CRO. Targeted markets are China, US, EU and LatAm.

Entry into US market for injectables in Vials, Pre-filled syringes, Lyophilised Vials and Ophthalmics

End to end business model offering Quality, Price, Variety, Novelty and a logistical advantage to the Consumer – resulting in a stickiness factor at Bottom of the Pyramid.

Debt free, no equity infusion, high EBIDTA

As on date 22 ANDA's filed with 18 approved.

Digital intervention – deployment of healthcare portal that would generate big data for generics, for better product positioning



Caplin Cares

Caring for society and nature comes at the core of Caplin's business. Caplin believes that growing inclusively is the way to grow sustainably. It is our prime responsibility to take our society along our success journey and that it is important to give from where we reap.

Caplin consistently strives to positively impact the lives of the people surrounding its area of operations and its markets as well.

The major areas of social and environmental impact at Caplin include:

- Achieving Zero Discharge at all our plants
- Creating local employment wherever possible
- Nurturing local talent through Internship programs at colleges in the areas surrounding corporate and manufacturing facilities
- Preference to locally manufactured input materials through strict quality control measures
- Extending medical facilities through medical camps in the areas and villages surrounding its manufacturing facilities and markets it operates in
- Support the local authorities during any disaster relief missions

Management Discussion and Analysis

GLOBAL ECONOMIC OVERVIEW AND OUTLOOK

Following more than two years of pandemic, spill overs from the Russian Federation's invasion of Ukraine are set to sharply hasten the deceleration of global economic activity, which is now expected to slow to 2.9 percent in 2022. The war in Ukraine is leading to high commodity prices, adding to supply disruptions, increasing food insecurity and poverty, exacerbating inflation, contributing to tighter financial conditions, magnifying financial

vulnerability, and heightening policy uncertainty. Growth in emerging market and developing economies (EMDEs) this year has been downgraded to 3.4 percent, as negative spill overs from the invasion of Ukraine more than offset any near-term boost to some commodity exporters from higher energy prices. Despite the negative shock to global activity in 2022, there is essentially no rebound projected next year: global growth is forecast to edge up only slightly to a still-subdued 3 percent in 2023, as many headwinds—in particular, high commodity prices and continued monetary tightening—are expected to persist. Moreover, the outlook is subject to various downside risks, including intensifying



geopolitical tensions, growing stagflation headwinds, rising financial instability, continuing supply strains, and worsening food insecurity.

Global inflation has risen sharply from its lows in mid-2020, on rebounding global demand, supply bottlenecks, and soaring food and energy prices, especially since Russia's invasion of Ukraine. Markets expect inflation to peak in mid-2022 and then decline, but to remain elevated even after these shocks subside and monetary policies are tightened further. Global growth has been moving in the opposite direction: it has declined sharply since the beginning of the year and, for the remainder of this decade, is expected to remain below the average of the 2010s. In light of these developments, the risk of stagflation, a combination of high inflation and sluggish growth, has risen.

With rising inflation, tightening financial conditions, and elevated debt levels sharply limiting policy space, spending can be reprioritized toward targeted relief for vulnerable households. Over the long run, policies will be required to reverse the damage inflicted by the dual shocks of the pandemic and the war on growth prospects, including preventing fragmentation in trade networks, improving education, and raising labor force participation. *(Source: Global economic prospective – World Bank)*

INDIAN ECONOMY

The Indian economy recovered in FY 2022 after a severe contraction in FY 2021. With the spread of Omicron variant, new COVID-19 cases started surging in the first week of January 2022. Cases have since declined and no nationwide lockdown was imposed in FY2021, although several states imposed weekend and night curfews, and closed restaurants and bars. The impact of these restrictions, coupled with the geopolitical fallout from the Russian invasion of Ukraine, marginally lower growth in the last quarter (January–March) of the current fiscal year.

GDP is forecast to grow by 7.5% in FY2022 and 8.0% in FY2023, driven by strong investment growth, with public investment helping crowd-in private investment. This forecast assumes the severity of the COVID-19 pandemic subsiding and vaccination rates rising. With inflation remaining within the 2%–6% target of the Reserve Bank of India (RBI) due to easing supply side factors and a weaker-than-expected recovery in private consumption and investment, the policy rate (repurchase rate) remained unchanged in FY2021— contrary to market expectations. The RBI, however, injected ample surplus liquidity into the banking system to nurture nascent growth impulses and support a durable recovery. This facilitated a more orderly conduct of the government's market borrowing program. Despite ample liquidity, the interest rate spread widened amid rising global oil prices and the anticipated hike in the United States federal funds rate. The spread between the 10-year government benchmark bond and the 91-day Treasury bill was 294 basis points at the end of January, indicating rising inflationary expectations. The geopolitical uncertainty over the



Russian invasion of Ukraine caused the spread to widen further, to 307 basis points in early March. This may put further pressure on the central bank to increase its policy rate.

SELECTED ECONOMIC INDICATORS (%)

Growth will be moderate in 2022 and pick up in 2023

Indicators	2020	2021	2022	2023
GDP Growth	-6.6	8.9	7.5	8.0
Inflation	6.2	5.4	5.8	5.0
CAB/GDP	0.9	-1.6	-2.8	-1.9
<i>CAB: current account balance GDP: Gross domestic product. Sources: Ministry of Statistics and Programme Implementation; Asian Development Bank estimates</i>				

Imports and exports grew rapidly, reversing FY2021's contraction and showing clear signs of recovery. Merchandise imports rose by 68.1% year on year in the first 10 months of FY2022 after contracting 13.4% in FY2021. Oil imports grew by 96.5%, mainly due to rising oil prices (the volume of imports increased by only 5.4%). Non-oil imports, including gold and silver, grew by 50.3%. Merchandise exports rose by 46.5%. Exports of petroleum products increased by 151.0% as global demand for India's exports recovered, albeit more softly than anticipated. The trade deficit widened on the surge in imports. (Source: ADB, Asian Development Outlook 2022)

OVERVIEW - PHARMACEUTICAL SECTOR

The global pharmaceuticals market is expected to grow from \$1454.66 billion in 2021 to \$1587.05 billion in 2022 at a compound annual growth rate (CAGR) of 9.1%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach \$2135.18 billion in 2026 at a CAGR of 7.7%.

The population profile of most countries is becoming older. According to the WHO, by 2030, one in every six people on the

planet will be 60 or older. The proportion of the population aged 60 and up will rise from 1 billion in 2020 to 2.2 billion by 2050. This rise in the aging population increased the patient pool of many chronic diseases such as rheumatoid arthritis, hypertension, diabetes and cancer. The increase in the patient pool drove the demand for pharmaceuticals used in the treatment of these diseases, significantly impacting market growth during this period.

The biologics market growth will be hindered by severe shortage of skilled workforce for developing biologics drugs which require specialized skillsets. These skillsets are limited to some research organizations and medical equipment companies in the USA and Europe.

According to a study conducted by the consulting firm Mercer, the United States will face significant healthcare worker shortages in the coming decade. The firm predicts a shortage of more than 400,000 home health aides and 29,400 nurse practitioners by 2025. This shortage will rise in competition and salaries for the limited talent pool available for biologics manufacturing, thereby limiting growth of the market during the forecast period.

Pharmaceutical companies are offering drugs for customized individual treatment for various diseases. Personalized medicine, also referred to as precision medicine, aims to provide medical care according to the patient's individual characteristics and genetic makeup.

Precision therapies are increasingly being adopted as firms increasingly let go of the one-size-fits-all model for common medical conditions. Major companies such as GSK, Teva Pharmaceuticals



and AstraZeneca are investing in development of personalized medicines.

Notable pharmaceuticals trends in individual markets include:

Ireland really stands out as the strongest performing market in the industry. It's a relatively small country but accounts for more than 5% of global pharmaceuticals production. It surged to 25% growth in 2021 and will benefit from ongoing vaccine production demands.

Belgium also benefitted from Covid-19 vaccine production, resulting in an extraordinary 83% value added output increase in 2021 and 15% of total Belgian exports. It is one of Europe's largest vaccine producers and a major export hub of pharmaceuticals.

China represents a vast market with annual growth of 9.4% predicted for the period spanning 2019-2025. Producers that are able to sell their products in bulk may enjoy opportunities for high sales volumes. Global producers will need to compete with a growing domestic industry.

Generic drugs account for about 70% of output in India. However, the pandemic prompted many producers to substantially increase R&D spending, and many are working to reduce their reliance on Chinese products. (Source: *global newswire*)

OPPORTUNITY AND THREATS

Contributing immensely to global health, the Indian pharmaceutical industry by volume is the 3rd largest in the world. In FY22, the pharmaceutical industry recorded a growth of 9-11 per cent which was mainly driven by a push from emerging and domestic markets.

By showing strength and commitment amid the disruption caused by the pandemic, the industry not only exhibited its ability to provide adequate medicines but contributed significantly to other areas like sanitation, preventive healthcare and quarantine facilities. It was through careful evaluation of the possible use of available drugs along with innovative approaches to fight the pandemic, the industry was able to overcome the challenges posed by COVID-19. Going forward to 2022, it is expected that the Indian pharmaceutical industry will foster a culture of R&D and innovation to enable rapid drug discovery and development to improve the health outcomes of people worldwide. Here are some critical areas to look at if India is to become the top



pharmaceutical market in the world: To emerge as a winner in the post-pandemic world, the industry needs to continue building on its strength and at the same time make a giant leap towards innovation. New capabilities need to be introduced across the business functions to bring efficiencies and to help industry move up the value chain. Government also needs to provide the right enablers and business environment conducive for growth. This is an opportunity for the Indian pharma industry to consolidate on its advantages and undertake fundamental reforms to reignite innovation-led industrial growth to meet the target of US\$130b by 2030.

KEY CHALLENGES IN ACHIEVING RESEARCH AND INNOVATION POTENTIAL

Need for innovation mindset and related skill augmentation:

Biomedical research encompasses basic research, translational research, pre-clinical research and clinical research. All these areas of research need to be tied together through collaboration between scientists involved in basic research, biomedical experts and clinicians.

INADEQUATE TRAINING AND MOTIVATION FOR CONDUCTING RESEARCH

One of the biggest challenges hindering the growth of R&D in India is the dearth of talent with requisite training, expertise and skill across the entire research and development life cycle in the realm of pharmaceuticals, biotechnology and life sciences. There



are several reasons for this shortfall. One of the most important reasons is that the education and academic institutions are still guided by rote learning instead of practical innovative thinking and the overall lack of resources dedicated for furthering biomedical research.

Less than 0.5% of Indian students pursue a PhD or equivalent level of education. As of 2018-19, only 35% of Indian higher education institutions offered postgraduate programs and just 2.5% offered PhD programs. India is also behind other countries in terms of total number of researchers – according to recent Brookings India report, India has only 216.2 researchers per 1 million population compared to 1,200 in China, 4,300 in the US and 7,100 in South Korea.

Clinical research capabilities are also in a similar condition in India.

A study published in 2016 evaluated the research output from 579 medical institutions and hospitals in India during 2005-2014 and compared the output with some of the leading academic centers globally. The results revealed that only 25 institutions (4.3% of the total evaluated institutions) produced more than 100 papers a year. These institutions contributed over 40% of the country's total research output, while 57.3% of the medical colleges did not have a single publication in that decade. In comparison, the annual research output of the Massachusetts General Hospital and the Mayo Clinic was 4,600 and 3,700 papers respectively. This can be attributed to several factors broadly categorized into limited infrastructure and lack of intent.

COMPLEX REGULATORY APPROVAL PROCESS AND INTELLECTUAL PROPERTY REGIME (IPR)

In addition to strong talent, the innovation ecosystem in a country also requires strong policy and regulatory frameworks. A strong patent protection incentivizes entrepreneurs to spend effort, money and resources in long and risky drug discovery programs. Patents and exclusive rights enable companies to recover investments and fund future research. At the same time, simple and agile regulatory processes improve the ease of doing business and increase probability of success. India has taken significant steps towards constructing a robust regulatory and policy framework, however, there are some gaps that need to be addressed.

FINANCING CONSTRAINTS AND LIMITED INFRASTRUCTURE

At a cross-sector level, India's gross expenditure on R&D as percentage GDP has been around 0.7% (Economic Survey 2018 report) for the past two decades. While the overall absolute spending has increased, the percentage has remained constant since GDP has also increased. This is far lower than the R&D investment levels witnessed in, for example, Israel (4.6%), South Korea (4.5%), Japan (3.2%), Germany (3%) and even in other BRIC countries with China spending 2.1%, Brazil 1.3%, and Russia a little over 1%. Also, of note is that the government has a dominant contribution in the gross domestic expenditure on research and development (GERD) – in 2017- 18, Central Government spent 45.4%, state governments 6.4%, higher education 6.8%, and industry 41.4% (4.6% from public sector industry and 36.8% from private sector industry). Twelve major scientific agencies accounted for 99.8% of the R&D expenditure by the Central Government, with 61.4% spent on R&D in defence. This clearly highlights the need for increase in not only public spending, but also private financing that plays a very critical role in driving innovation in a country. According to the Economic Advisory Council to the Prime Minister (EAC-PM), India should target to reach R&D expenditure of at least 2% of the GDP by 2022. Especially in the pharma sector, the R&D process is long and risky. The cost of development of a novel drug has been estimated to be around US\$2-3 billion, and the average time for development is about 10 to 12 years. It is challenging even for the largest Indian pharma companies to fund multiple innovative R&D products independently without funding support.

(Source: financial express)



FINANCIAL OVERVIEW

FINANCIAL HIGHLIGHTS

(₹ In Crores)

Financial results Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	528.06	482.68	1269.41	1061.29
Other Income	56.55	18.62	38.75	23.54
Total Income	584.61	501.30	1308.16	1084.83
Profit Before Interest, Depreciation and Tax	276.17	232.55	433.42	352.18
Less: Finance cost	0.09	0.17	0.70	1.59
Less : Depreciation and amortisation expenses	25.77	22.44	46.90	36.97
Profit Before Tax	250.31	209.94	385.82	313.62
Less: Tax Expenses	62.44	53.71	77.37	62.19
Profit After Tax	187.87	156.23	308.45	251.43
Less: Non-controlling Interest	-	-	8.61	9.16
Net profit attributable to the Shareholders of the Company	187.87	156.23	299.84	242.27

Financial highlights for the year:

- Top line of 2016 becomes Bottom line of 2022;
- Revenue for the year grew by 21% YoY to ₹ 1,308 Crores;
- US Operating revenue grows 44% YoY to ₹ 122 Crores;
- Gross margin for the year ended March 22 expanded by 53 bps to 56.1%; PAT for the year is at ₹ 308 Crores up 22.7 % YoY;
- Cash and Cash Surplus at ₹ 694 Cr as of March 2022 – an increase of ₹ 224 Crores over March 2021 balance. This increase is after a capex spend of ₹ 91 Cr during the year;
- Basic EPS grew by 24% to ₹ 39.61 in FY22 against ₹ 32.03 in FY21; Free cash flow stood at ₹ 246 Crores as of Mar 22.

MORE INSIGHT INTO THE BUSINESS

Capacity expansion

Caplin is venturing on a Capex journey of ₹ ~500-560 Crores

Crores to expand existing capacities, widen its product portfolio and backward integrate majority of the products

Backward integration

Company targets being backward integrated with own APIs for 70% of all filings in US by 2024, a critical differentiator for Generic Injectables

Core business to grow at historical pace

Caplin's core business which is focused on Latin America and Francophone Africa is expected to grow at above industry-average pace with margins expected to improve with increased branded generics business

US Business to boost the growth

Aspirations to have exceptional compliance record and focus on niche products which continues to be in shortage in US market, Caplin believes 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 net debt-free and self-sustenance is highlighted by increasing cash surplus over the years. Strong Balance sheet of Caplin acts as an anchor for our long term vision

EXPANSION INTO OTHER GEOGRAPHIES AND WIDENING OF THE PORTFOLIO

Caplin plans to enter more regulated markets such as Canada, Mexico and Australia in the near to medium term horizon as well as expand its products portfolio.

Financial Ratios

Below is the disclosure on key Financial ratios as required by the Listing Regulations:

Particulars	Consolidated		% Variance along with reasons (if change more than 25%)	Standalone		% Variance along with reasons (if change more than 25%)
	FY 2021-22	FY 2020-21		FY 2021-22	FY 2020-21	
Debtors Turn Over Ratio	4.24	4.18	1%	6.94	3.04	128% Improvement in Debtor turnover ratio is due to focus on faster collections.
Inventory Turnover Ratio	2.74	2.26	21%	6.05	8.25	-27% Reduction in Inventory turnover ratio is on account of increase in Finished Goods Inventory due to rescheduling of vessels
Current Ratio	6.25	7.10	-12%	6.13	6.63	-8%
Interest Coverage Ratio	NA	NA	NA	NA	NA	NA
Debt Equity Ratio	NA	NA	NA	NA	NA	NA
Operating Profit Margin %	33.13%	32.46%	2%	47.24%	46.39%	2%
Net Profit Margin %	23.58%	23.18%	2%	32.14%	31.17%	3%
Return on Net worth % (RONW)	22.74%	23.28%	-2% Marginal decrease of 0.54% is due to increase in the base	22.24%	23.00%	-4% Marginal decrease of 0.76% is due to increase in the base





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 Company has a robust Enterprise Risk Management (ERM) framework which enables us to manage our risks better. It also tracks significant external developments and internal challenges to recognise new threats and their potential impact on our risk profile.

The major risks identified by the management are regulatory, competition, supply chain disruption, cyber & data security along with economic and political risks. 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 of the Company directly oversee the

risk management framework. 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.

The Risk Management Committee meets periodically and it includes the Managing Director, CFO and Independent Director and other important executives of the Company. 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. We have listed a summarised account of some of our key risks and mitigation measures drawn from management reviews and deliberations of IRMC.

Some of the 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 one hand, the Company is enlarging its presence in Latin America and on the other hand the Company has been gradually stepping up its presence into US and other regulated markets, which will reduce its dependency in Latin America in future.



CURRENCY FLUCTUATION AND RECEIVABLES RISK

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

MITIGATION STRATEGY

Rising costs due to currency fluctuations are passed on to consumers. The Company capped receivables cycle from 95 days in 2020-21 to 92 days in 2021-22. During the last few years, the increase in the cycle was on account of the company entering the tender-based segment, marked by secure large sales to government agencies carrying a longer receivables cycle.

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 are US FDA, EU-GMP, ANVISA and WHO-GMP-approved, strengthening quality assurance. While there is a robust in-house QC and QA SOPs and teams for ensuring high level of quality adherence, the Company also undertakes periodic 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 and Bank balance (including liquid investments) of the



Company stood at ₹ 694 cr as on 31 March 2022. The Company's Average working capital cycle was 143 days in 2021-22 compared with 181 days in 2020-21 on account of imports from China, transshipment to consuming markets, stocking, sale and recovery of proceeds. Adequate inventory with the Company proved to be an advantage during the pandemic as it enabled the company to provide products on demand.

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 at affordable prices. 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 low competition.

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 maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposal. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

The Audit Committee approves and reviews audit plans for the year based on internal risk assessment. Audits are conducted on an ongoing basis and significant deviations are brought to the



notice of the Audit Committee of the Board of Directors following which corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularities and early remedial steps.

The Audit Committee of the Company also reviews the reports of the internal auditors quarterly and recommends steps for further improvement of the internal controls. The Company has also implemented an Internal Financial Control (IFC) framework to ensure proper internal controls over financial reporting.

INDUSTRIAL RELATION AND HUMAN RESOURCES

Industrial Relations scenario continued to be cordial during the year. The Company regards its employees as one of its great assets and accords high priority to training and development of employees. The employees have also shown their relentless dedication to the Company even in these tough times. Caplin's employees have supported the management and enabled the Company to fulfil its purpose and achieve its goals over the last many years. This high level of commitment is rooted in their passion for our purpose and a sense of ownership towards it.

The Company is also committed to the wellbeing of its people, it offers a safe working environment that nurtures talent, maintains a culture of openness and transparency, and also fosters ownership among them. The Company's decisions were aligned with professional and personal goals of employees, enhancing pride of association.



To meet the challenges in view of COVID 19 pandemic, the Company also took following measures during the year:

- ➔ Ensured preventive measures at workplace and manufacturing by developing and implementing COVID 19 appropriate SOPs
- ➔ Vaccinated more than 90% of its workforce on priority basis
- ➔ Arrangements with Hospitals for meeting any emergency for employees
- ➔ Continued the operations without any major disruption by introducing technology and allowing flexibility of work to the employees
- ➔ Total number of direct & indirect employees at consolidated level as on March, 31, 2022 stands at 3000.

ADHERENCE TO ACCOUNTING STANDARDS

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

CAUTIONARY STATEMENT

The statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.



MANAGEMENT REPORTS

DIRECTORS' REPORT

To the Members,

The Directors present their 31st Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2022.

1. FINANCIAL HIGHLIGHTS

₹ in Crores

Financial Results Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	528.06	482.68	1269.41	1061.29
Other Income	56.55	18.62	38.75	23.54
Total Income	584.61	501.30	1308.16	1084.83
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Less : Depreciation and amortisation expenses	25.77	22.44	46.90	36.97
Profit Before Tax	250.31	209.94	385.82	313.62
Less: Tax Expenses	62.44	53.71	77.37	62.19
Profit After Tax	187.87	156.23	308.45	251.43
Less: Non-controlling Interest	-	-	8.61	9.16
Net profit attributable to the Shareholders of the Company	187.87	156.23	299.84	242.27

2. OPERATIONS REVIEW /PERFORMANCE

The Company has, on standalone basis registered total revenue from operations of ₹ 528.06 Crores (Total Income ₹ 584.61 Crores) during the year under review as against ₹ 482.68 Crores (Total Income ₹ 501.30 Crores) in the previous Financial Year. The Profit After Tax was ₹ 187.87 Crores during the year under review as against ₹ 156.23 Crores in the previous Financial Year.

The Company has on consolidated basis, registered total revenue from operations of ₹ 1,269.41 Crores (Total Income ₹ 1,308.16 Crores) during the year under review as against ₹ 1,061.29 Crores (Total Income ₹ 1,084.83 Crores) in the previous Financial Year.

3. MANAGEMENT DISCUSSION AND ANALYSIS AND BUSINESS RESPONSIBILITY REPORT

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) separate Section on Management Discussion and business responsibility report, 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 Annual Report.

4. DIVIDEND

The Board of Directors at their Meeting held on May 12, 2022, declared an Interim Dividend of ₹ 2.00 (100%) per equity share of ₹ 2/- each, for the Financial Year 2021-22 and was paid to those shareholders whose name appeared in the Register of Members and beneficial owners as on the record date May 24, 2022.

Further, the Board of Directors, at their meeting held on August 5, 2022, have recommended a Final Dividend of ₹ 2 (100%) per equity share of ₹ 2/- each, for the Financial Year 2021-22, subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM). If approved, the total dividend for the Financial Year 2021-22 would amount to ₹ 4/- per equity share (200%) 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/index.php/corporate-governance/>

5. TRANSFER TO RESERVES

The Board of Directors have decided to retain the entire amount of profits for the Financial Year 2021-22 in profit and loss account.



6. SUBSIDIARIES/ASSOCIATES

Details of subsidiaries have been covered under Extract of Annual Return, which can be accessed on the following link. <https://www.caplinpoint.net/index.php/investors-2/>

During the Financial Year, there were no material development in the status of subsidiary companies. Caplin Steriles Limited and Caplin Point Far East Limited, Hongkong are the material subsidiaries 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 prescribed by the Institute of Chartered Accountants of India, are attached to this report.

Pursuant to the provisions of Section 136 of the Act, 2013 the financial statements of the Company, 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, 2022.

9. SHARE CAPITAL

The paid up share capital as on March 31, 2022 stood at ₹ 15,15,77,752/-consisting of 7,57,88,876 equity shares of ₹ 2/- each.

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

Particulars of loans, guarantees and investments as on March 31, 2022 are given in the Note No. 3, 3A, 4 and 8 to the standalone financial statements.

11. NUMBER OF MEETINGS OF THE BOARD

The number of Board meetings held during the Financial Year 2021-22 are provided as part of Corporate Governance Report prepared in terms of the Listing Regulations.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Directors

As on March 31, 2022, the Board consisted of a Non- Executive Chairman, Managing Director, five Independent Directors and a Non-Executive - Non- Independent Director.

Dr. R Ravichandran (DIN: 01920603), Independent Director retired on May 11, 2021 (close of business hours), upon completion of his tenure. Further, Mr. D P Mishra (DIN: 02032818), Non - Executive Non - Independent Director tendered his resignation with effect from the closing hours of July 11, 2022. The Board wishes to place on record their valuable guidance and directions provided during their tenure as Directors of the Company.

The term of appointment of Dr K C John (DIN: 01067374) as Independent Director ended on August 24, 2022. The term of appointment of Mr V Thirumalai (DIN: 03015619) as Independent Director ends on December 17, 2022. Both the Directors cannot be re-appointed for a further term since they have served the maximum number of terms permitted under the Companies Act. Hence, the Board, on the recommendation of the Nomination and Remuneration Committee, has proposed, for the approval of shareholders at the forthcoming AGM, the induction of Dr R Nagendran (DIN: 08943531) and Mr S Deenadhayalan (DIN: 01951620) as Independent Directors on the Board of the Company. In the opinion of the Board and the Nomination and Remuneration Committee, both the Directors are eligible and qualified to be appointed in the Board as Independent Directors.



The respective Directors have submitted all the relevant declarations which were taken on record by the Nomination and Remuneration Committee and the Board. Further details and the profile of the Directors are given as part of the Notice of the AGM.

b. Company Secretary and Compliance Officer

During the year, the Board had appointed Mr. Dinesh R G as the Company Secretary, KMP and Compliance Officer of the Company effective May 6, 2021. Mr. Dinesh R G tendered his resignation with effect from the closing hours of June 24, 2022. The Board appointed Mr. G Venkatram, General Counsel & Compliance Head as the Company Secretary & Compliance Officer of the Company effective August 5, 2022.

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. KMP

Pursuant to Sections 2(51) and 203 of the Act, 2013, Dr. Sridhar Ganesan, Managing Director, Mr. D Muralidharan, Chief Financial Officer and Mr. G Venkatram, Company Secretary are the KMP of the Company.

Further, the term of Dr. Sridhar Ganesan as the Managing Director of the Company ended on 24th August, 2022. Extension of the term of appointment/ re-appointment has been approved by the Board on the recommendation of the Nomination and Remuneration Committee for a period of two years from 25th August, 2022 at the meeting held on 5th September, 2022. The terms of re-appointment is given as part of the Notice of the 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 Section 149(6) of the Act, 2013 and Regulation 25 of the Listing Regulations and the Board confirms that they are independent of the management.

14. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, 2013, 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, 2022 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.

15. 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.

16. 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.

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

Pursuant to the provisions of the Act, 2013 and Regulation 4 of the 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.

18. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Act, 2013 read with CSR Rules, the Company has constituted CSR Committee and based upon the recommendations of the CSR Committee the Board of Directors have approved CSR Policy.

Disclosure under Companies Corporate Social Responsibility Policy 2014 is annexed as an **Annexure - III** to this report.

19. BOARD COMMITTEES

Pursuant to the Act, 2013 and the Listing Regulations, 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.

20. INTERNAL FINANCIAL CONTROLS

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 Annual Report.

21. VIGIL MECHANISM

The Company has established a vigil mechanism, through a Whistle Blower Policy, where Directors and employees can voice their genuine concerns or grievances about any unethical or unacceptable business practice. A whistle-blowing mechanism not only helps the Company in detection of fraud, but is also used as a corporate governance tool leading to prevention and deterrence of misconduct. It provides direct access to the employees of the Company to approach the Compliance Officer or the Chairman of the Audit Committee, where necessary. The Company ensures that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment or victimization.

The Vigil mechanism policy is disclosed on the website of the Company at <https://www.caplinpoint.net/index.php/corporate-governance/>

22. AUDITORS

a. Statutory auditors

The Resolution seeking approval of the shareholders for re-appointment of M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, as Statutory Auditors of the Company to hold office, from the conclusion of 31st AGM till the conclusion of 32nd AGM forms part of the Notice to the shareholders.

The Company has obtained necessary certificate under Section 141 of the Act, 2013 conveying their eligibility for being the Statutory Auditors of the Company for the Financial Year 2022-23.

The Auditors' Report for the Financial Year 2021-22 does not contain any qualification, reservation or adverse remark and the same is attached with the annual financial statements.

b. Secretarial auditors

Pursuant to Section 204 of the Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint a Secretarial Auditor for auditing secretarial and related records of the Company.

The Secretarial Audit Report for the Financial Year 2021-22, 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, a listed entity 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

Pursuant to Section 138 of the Act, 2013, the Board at its meeting held on May 6, 2021 had re-appointed M/s. TBL & Associates as Internal Auditors for carrying out internal audit of the Company, for the Financial Year 2021-22. The internal audit for the Financial Year 2021-22 was completed as per the scope defined by the Audit Committee from time to time.

23. REPORTING OF FRAUDS BY AUDITORS

Pursuant to provisions of the Section 143(12) of the Act, 2013, neither the Statutory Auditors nor the Secretarial Auditors have reported any incident of fraud to the Audit Committee during the year under review.

24. CORPORATE GOVERNANCE

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

25. ANNUAL RETURN

Pursuant to Section 92(3) and 134(3)(a) of the Act, 2013, read with Rule 12 of Chapter VII Rules of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Annual Return in Form MGT-7 for FY 2021-22 is uploaded on the website of the Company and can be accessed at <https://www.caplinpoint.net/index.php/shareholder-information/>

26. 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 Annual Report.

The Company has in place a Risk Management framework to identify, evaluate and monitor business risks and challenges across the Company, that seek to minimise the adverse impact on business objectives and capitalise on opportunities. The Company's success as an organisation largely depends on its ability to identify such opportunities and leverage them while mitigating the risks that arise while conducting its business.

27. EMPLOYEE STOCK OPTION PLAN

The Company has three stock options 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. The Company had cumulatively granted 9,07,992 employee stock options across all the schemes of which 2,38,876 equity shares had been allotted as on 31st March, 2022. The details as required under Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on March 31, 2022 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 in 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.

28. PARTICULARS OF EMPLOYEES RELATED DISCLOSURES

The statements required under Section 197, of the Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, form part of this Report and will be made available to any shareholder on request, as prescribed therein.

The prescribed particulars of employees required under 5(1) of the said Rules is annexed as **Annexure - V** to this Report.



29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions which were entered into during the year under review were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with the Promoters, Directors and KMP which may have a potential conflict with the interests of the Company at large.

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 under Ind AS-24 have been disclosed at Note No. 45 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.

Approval of the shareholders is being sought under Regulation 23 of the Listing Regulations for the material Related Party Transactions and the proposal along with detailed explanatory statement is given as part of the Notice to Shareholders for the ensuing AGM.

The related party transaction policy and material related party transactions have been uploaded on the website of the Company at <https://www.caplinpoint.net/index.php/corporate-governance/>

30. 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.

31. 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 on the end of the Financial Year 2021-22.

32. INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Sections 124 and 125 of the Act, 2013, the amount of dividends remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

During the year under review, the Company has credited 1,12,355 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, 2022 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 2014-15 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 contact the Company's Registrar and Share Transfer Agent, at the earliest.

Members are requested to take note of the same and claim their unclaimed dividends immediately to avoid transfer of the underlying shares to the IEPF Account. The shares transferred to the IEPF Account can be claimed back by the concerned Members from IEPF Authority after complying with the procedure prescribed under the Rules.

34. 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 of the provisions of the Secretarial Standards notified by the Institute of Company Secretaries of India, New Delhi.

35. ACKNOWLEDGEMENT

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

subsidiaries 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

Place: Chennai

Date: September 05, 2022

C C PAARTHIPAN

Chairman



Annexure - I

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	Argus Salud Pharma LLP	Caplin Point Far East Limited – Hong Kong (Consolidated)**	Caplin Point Laboratories Colombia SAS – Colombia	Caplin Point (S) Pte. Ltd - Singapore	Caplin Onco Ltd
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	April 13, 2010	May 13, 2014	September 15, 2016	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	Not applicable	1 USD = 75.8	1 Columbia Peso = ₹ 0.020	1 USD = 75.8	Not Applicable
5	Share capital	1,79,95,70,886	99,10,000	8,75,035	2,52,67,045	37,90,000	34,25,80,000
6	Reserves & surplus	90,03,20,287	4,88,686	478,75,15,493	(2,61,23,718)	(16,17,724)	(86,62,909)
7	Total assets	3,31,60,74,510	2,13,40,774	648,52,23,329	25,97,726	23,99,676	33,72,33,814
8	Total Liabilities	61,61,83,337	1,09,42,088	169,68,32,801	34,54,399	2,27,400	33,16,723
9	Investments #	1,40,00,000	-	-	-	-	-
10	Turnover	122,14,42,000	-	864,08,62,764	-	-	-
11	Profit before taxation	(32,52,79,678)	7,10,299	208,43,13,684	(50,65,696)	(4,92,094)	(86,20,199)
12	Provision for taxation	8,19,10,756	(2,21,613)	(23,47,88,378)	-	-	(42,710)
13	Profit after taxation	(24,33,68,922)	4,88,686	184,95,25,306	(50,65,696)	(4,92,094)	(86,62,909)
14	Proposed Dividend	-	-	-	-	-	-
15	% of shareholding	99.99%	99.90%	100%	87.69%	100%	100%

*Indian Rupee equivalent of the foreign currency translated as per exchange rate as at March 31, 2022 as mentioned in SI No.4 above

Investments other than in subsidiary companies

**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

Notes:

- Name of subsidiaries which are yet to commence operations: (i) Caplin Point Laboratories Colombia SAS and (ii) Caplin Point (S) Pte. Ltd. (iii) Caplin Onco 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	Hainan Join town Caplin Point Pharmaceutical Company Limited- China*	31.03.2022	12.09.2018	17,28,951	1,82,16,900	39	Not Applicable	Not Applicable	1,73,55,240	-	-
2	Sunsole Solar Private Limited#	31.03.2022	09.03.2022	175,000	1,40,00,000	28%	Not Applicable	Not Applicable	1,40,00,000	-	-

* The Company's Associate entity in China namely Hainan Jointown Caplinpoint Pharmaceutical Company Limited has since been liquidated and the amount invested by the Company in this joint venture has been received in full.

#Sunsole Solar Private Limited which is held through Caplin Steriles Limited is yet to commence business during the year

FOR AND ON BEHALF OF THE BOARD

Place: Chennai

Date: September 05, 2022

C C PAARTHIPAN

Chairman



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

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

(A) CONSERVATION OF ENERGY

	(in ₹)	
Power and Fuel Consumption	Year ended March 31, 2022	Year ended March 31, 2021
Electricity		
Purchased units	78,23,169	61,73,465
Total amount paid	5,42,50,588	4,25,44,929
Rate per unit	6.93	6.89
Own generation by		
Diesel Generator (Units)	2,07,124	1,89,578
Amount paid	56,25,603	43,65,581
Rate per unit	27.16	23.03
Third party (units)	1,62,108	1,99,680
Amount paid	11,99,598	14,77,629
Rate per unit	7.40	7.40
Others		
Light Diesel Oil Consumed for Boiler(in Litres)	6,84,335	4,40,786
Total Amount paid	3,42,91,580	1,52,56,042
Rate per Litre	50.11	34.61

(B) TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption

- New products developments, Developments NSAIDS, Anti-Depressants, Anti-emetic, Anti- Coagulants, etc
- Quality Improvements in Projects for major products
- FR & D efforts in conducting trials, stabilization of process and optimization of process
- Company's R & D initiatives lay emphasis on innovation and continues products improvements to widen the range of products / applications
- Formulation development and analytical development of injectable and ophthalmic
- Support to QC in transferring the analytical methods
- Support to regulatory department in compiling documents required for dossier submission
- 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. Continues 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 ₹ 24.44 Crores towards Research and Development (₹ 23.87 Crores of Revenue Expenditure and ₹ 0.57 Crore of Capital Expenditure).

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Amount in Crores)
Foreign exchange earned	496.63
Foreign exchange used	31.19

FOR AND ON BEHALF OF THE BOARD

Place: Chennai

Date: September 05, 2022

C C PAARTHIPAN

Chairman



ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

(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 Caplin Point Laboratories Limited to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

Caplin Point Laboratories Limited 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 endeavours to make CSR a key business process for sustainable development. Caplin Point Laboratories Limited 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. As a corporate entity, the company is committed towards sustainability.

2. Composition of CSR Committee

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

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/index.php/shareholder-information/
2.	CSR Policy and Projects	https://www.caplinpoint.net/wp-content/uploads/2021/07/Corporate_Social_Responsibility_Policy.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any: Nil

6. Average net profit of the company as per Section 135(5) : ₹ 223.53 Crores



7. a) Two percent of average net profit of the company as per section 135(5): ₹ 4.47 Crs
- b) Surplus arising out of the CSR projects or programs or activities of the previous Financial Years: Nil
- c) Amount required to be set off for the Financial Year, if any: Not Applicable
- d) Total CSR obligation for the Financial Year (7(a)+7(b)-7(c)): ₹ 4.47 Crs
8. a) CSR amount spent or unspent for the Financial Year:

Total amount spent for the Financial Year (₹ In Crores)	Amount Unspent (₹ In Crores)				
	Total amount transferred to unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1.21	3.15	29.04.2022	Nil		

- b) Details of CSR amount spent against ongoing projects for the Financial Year:

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹ Crores).	Amount spent in the current Financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (In ₹ Crs)	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State/UT	District.						Name	CSR Registration number.
1	Providing Sanitation facilities	Item no. (i)	Yes	Tamilnadu/ Pondicherry	Thiruvallur Pondicherry Chennai	3 years	0.75	-	3.15	No (Through Company owned Trust)	Caplin Point Meenakshi CSR Trust	CSR00023499
2	Development of Green Belts, Rejuvenation of lakes and water bodies	Item no. (iv)	Yes	Tamilnadu/ Pondicherry	Thiruvallur Pondicherry Chennai	3 years	0.80	-				
3	Setting up Healthcare Facilities	Item no. (i)	Yes	Tamilnadu/ Pondicherry	Thiruvallur Pondicherry Chennai	3 years	1.79	-				
4	Setting up / upgrading the Educational Infrastructure	Item no. (ii)	Yes	Tamilnadu/ Pondicherry	Thiruvallur Pondicherry Chennai	3 years	0.60	-				
5	Setting up care homes and hostel for Orphans and women	Item no. (iii)	Yes	Tamilnadu/ Pondicherry	Thiruvallur Pondicherry Chennai	3 years	0.53	-				
TOTAL							4.47	-	3.15*			

*During the F.Y 2021-22, the company had transferred the entire CSR liability of F.Y 2020-21 amounting to ₹ 3.98 crs to the unspent CSR account, without giving effect to the actual spending of ₹ 0.10 Crores. Thus, the Company had transferred excess amount. Towards this, the Company had adjusted ₹ 0.10 Crores against the amount to be transferred to the unspent CSR account for F.Y.2021-22.



c) Details of CSR amount spent against other than ongoing projects for the Financial Year:

SI no.	Name of the Project / Activity	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	Location of the Project		Amount spent for the project (in Crores)	Mode of Implementation	
				State	District		Name	CSR Registration No.
1.	COVID related assistance & relief	Promoting health care including preventive health care	Yes	Tamil Nadu	Chennai	1.00	Direct	NA
2	Contribution for supporting education of pavement dweller's children	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Tamil Nadu	Chennai	0.02	Saraswathi Educational Cultural and Charitable Trust	CSR00030630
3	Contribution for healthcare of elderly people	Promoting health care including preventive health care.	Yes	Tamil Nadu	Chennai	0.05	MRT No.1 Charitable Trust	CSR00024601
4	Contribution to Voluntary Health Services Hospital for renovation of cardiology block of the Hospital	Promoting health care including preventive health care.	Yes	Tamil Nadu	Chennai	0.10	Direct	NA
5	Contribution to the Shakthi Foundation for underprivileged children health care.	Promoting health care including preventive health care.	Yes	Tamil Nadu	Chennai	0.02	Direct	NA
6	Contribution to Pondicherry Drugs Manufacturers association for primary health project	Promoting health care including preventive health care.	Yes	Puducherry	Puducherry	0.02	Direct	NA
	Total					1.21		

d) Amount spent in Administrative Overheads: Nil

e) Amount spent on Impact Assessment, if applicable: Nil

f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 1.21 Crores





g) Excess amount for set off, if any:

SI No.	Particulars	Amount (in Crores.)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 4.47 Crores
(ii)	Total amount spent for the Financial Year	₹ 1.21 Crores
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three Financial Year:

SI. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Crores)	Amount spent in the reporting Financial Year (in ₹ Crores).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding Financial Year ₹ in Crores
				Name of the Fund	Amount	Date of transfer.	
1.	2020-21	3.98	0.10	Not applicable	Not applicable	Not applicable	3.98
2.	2019-20	Not applicable	0.10	Not applicable	Not applicable	Not applicable	Not applicable
3.	2018-19	Not applicable	0.09	Not applicable	Not applicable	Not applicable	Not applicable
	Total		0.29				

b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s):

SI. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed/ Ongoing.
1.								Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year: Nil



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

Reason for not spending the CSR amount: The Company has identified some long - term projects where the CSR funds shall be utilised during next few years. However, due to ongoing COVID 19 pandemic and resultant disruption, the Company was not able to undertake the identified CSR Projects during the year. The unutilised funds have been transferred to specific CSR Bank account and the same is planned to be utilised during coming years.

FOR AND ON BEHALF OF THE BOARD

Place: Chennai

Date: September 05,2022

C C PAARTHIPAN

Chairman of CSR Committee



Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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, 2022 ("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, 2022 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) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (vii) 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) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(there were no events requiring compliance during the Audit Period)**
 - (ix) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(there were no events requiring compliance during the Audit Period)**



f) Examining and reporting whether the adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, environmental laws, etc. and Laws specifically applicable to the Industry from time to time in which the Company is operated and the rules made thereunder, etc. viz. -

- (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) A wholly owned subsidiary in India viz. M/s. Caplin Onco Limited was incorporated on June 2, 2021 for carrying out Oncology related business.
- (ii) Members of the Company approved the Employees Stock Option Plan, 2021 to authorise the Board of Directors of the Company, to offer, issue, grant and provide a maximum of 5,00,000 (Five Lakhs) Options to its Employees, Directors, eligible employees of the group company, subsidiaries including step-down subsidiaries and associates of the Company, etc. under the Plan.

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

M. Alagar

Managing Partner

Place: Chennai
Date: August 02, 2022

FCS No: 7488/ CoP No: 8196
UDIN: F007488D000729946

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



ANNEXURE - A

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

M. Alagar
Managing Partner
FCS No: 7488/ CoP No: 8196
UDIN: F007488D000729946

Place: Chennai
Date: August 02, 2022



Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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, 2022 (“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, 2022 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’): **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) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (vii) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (viii) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (ix) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
- f) Examining and reporting whether the adequate systems and processes are in place to monitor and ensure compliance with



general laws like labour laws, environmental laws, etc. and Laws specifically applicable to the Industry from time to time in which the Company is operated and the rules made thereunder, etc. viz. -

- (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, pursuant to the approval granted by the Board of Directors of the Company, the Company had invested in an SPV named Sunsole Solar Private Limited to the extent of 28.01% of the SPVs equity share capital, thereby making it an Associate of the Company.

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

M. Alagar
Managing Partner

Place: Chennai
Date: August 02, 2022

FCS No: 7488/ CoP No: 8196
UDIN: F007488D000730056

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: F007488D000730056

Place: Chennai

Date: August 02, 2022



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 for the Financial Years 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	-	
2	Dr Sridhar Ganesan	Managing Director	16.96 Times	-
3	Mr D P Mishra	Director	0.37 Times	
4	Mr V Thirumalai	Independent Director	0.67 Times	
5	Dr K C John	Independent Director	0.73 Times	
6	Dr R Ravichandran	Independent Director	0.18 Times	
7	Mr R Viswanathan	Independent Director	0.24 Times	
8	Mr D Sathyanarayanan	Independent Director	0.49 Times	
9	Dr C K Gariyali	Independent Director	0.24 Times	
10	Mr D Muralidharan	Chief Financial Officer	24.44 Times	102%
11	Mr Dinesh R G, [§]	Company Secretary	3.34 Times	-

[§] Mr. Dinesh R G was appointed w.e.f. 6th May 2021

- ii. The percentage increase in the median remuneration of employees in the Financial Year: -3.34%**
- iii. Number of Permanent employees in the rolls of the Company as on March 31, 2022: 743 (Standalone)**
- 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: 10.71%**
- 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.

FOR AND ON BEHALF OF THE BOARD

Place: Chennai
 Date: September 05, 2022

C C PAARTHIPAN
 Chairman



FORM 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, 2022 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	01.04.2021 to 31.03.2022	Normal course of business	06.05.2021	Sale of MEIS Licence	1.47
2.	Caplin Steriles Limited - Subsidiary	01.04.2021 to 31.03.2022	Normal Course of business	06.05.2021	Corporate Office common expenses recovery	0.80
3.	Caplin Steriles Limited - Subsidiary	01.04.2021 to 31.03.2022	Normal Course of business	06.05.2021	Sale of Assets and Materials	1.16
4.	Caplin Steriles Limited - Subsidiary	01.04.2021 to 31.03.2022	Normal Course of business	06.05.2021	Purchase of Assets and Materials	1.15
5.	Caplin Steriles Limited- Subsidiary	01.04.2021 to 31.03.2022	Normal Course of business	06.05.2021	Capex Loan	39.75
6	Caplin Onco Ltd- Wholly Owned Subsidiary	01.04.2021 to 31.03.2022	Normal Course of business	06.05.2021	Investment	34.26
7.	Neo Ethicals S.A Nicaragua - Stepdown Subsidiary	01.04.2021 to 31.03.2022	Normal course of business	06.05.2021	Sale of Goods	36.34
8.	Neo Ethicals Cia. Ltda-Ecuador - Stepdown Subsidiary	01.04.2021 to 31.03.2022	Normal course of business	06.05.2021	Sale of Goods	30.93
9.	Drogueria Saimed De Honduras - Stepdown Subsidiary	01.04.2021 to 31.03.2022	Normal course of business	06.05.2021	Sale of Goods	43.25
10.	Nuevos Eticos Neoethicals, S A - GT - Step-down Subsidiary	01.04.2021 to 31.03.2022	Normal course of business	06.05.2021	Sale of Goods	124.36
11.	Ashvich Infotek Private Limited - Company in which Director is Interested	01.04.2021 to 31.03.2022	Normal course of business	06.05.2021	Rent and Consultancy Charges	0.87

FOR AND ON BEHALF OF THE BOARD

Place: Chennai

Date: September 05, 2022

C C PAARTHIPAN

Chairman



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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's Corporate Governance Report is produced below.

2. BOARD OF DIRECTORS

a) Composition and category of Board of Directors

As on March 31, 2022, Board comprises of Eight Directors out of which five are Independent Directors including an Independent Woman Director, an Executive Director and two Non- Executive - Non-Independent Directors.

Mr. C C Paarthipan, is the Non-Executive Non-Independent Promoter Chairman and Dr. Sridhar Ganesan is the Managing Director of the Company. Mr. D P Mishra is a Non-Executive Non-Independent Director of the Company.

Mr. D P Mishra tendered his resignation with effect from the close of business hours of July 11, 2022. Further, 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.

Mr. V Thirumalai, Mr. R Viswanathan, Dr. K C John, Mr. D. Sathyanarayanan and Dr. C K Gariyali are the Independent Directors of the Company.

The term of appointment of Dr K C John (DIN: 01067374) as Independent Director ended on August 24, 2022. The term of appointment of Mr V Thirumalai (DIN: 03015619) as Independent Director ends on December 17, 2022. Both the Directors cannot be re-appointed for a further term since they had served the maximum number of terms permitted under the Companies Act. Hence, 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 Dr Nagendran (DIN: 08943531) and Mr Deenadhayalan (DIN: 01951620) as Independent Directors on the Board of the Company. In the opinion of the Board and the Nomination and Remuneration Committee, both the Directors are eligible and qualified to be appointed in the Board as Independent Directors. The respective Directors have submitted all the relevant declarations which were taken on record by the Nomination and Remuneration Committee and the Board. Further details and the profile of the Directors are given as part of the Notice of the AGM.

The Composition of the Board is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Companies Act, 2013 (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 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 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.

b) Board Meetings

Board and Committee meetings through video conferencing or other audio visual means, were made available to the Directors. As per the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time, meetings through Video Conferencing were permitted for approving the restricted items of businesses including financial statements. During the year, information as mentioned in Part A of Schedule II of the



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.) 06.05.2021, 05.08.2021, 02.11.2021 and 03.02.2022. 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 03.02.2022, in compliance with the provisions of the Act, 2013 and Regulation 25(3) of the Listing Regulations. All the Independent Directors were present at the meeting.

The details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting (AGM) is furnished in the Notice convening the meeting of the shareholders.

The composition of the Board, attendance at Board Meetings held during the said period and at the last AGM, number of Directorships, memberships/chairmanships of the Board and Committees of public Companies as on March 31, 2022 in the Company are as under:

Name of the Director & DIN	Category	No. of Board meetings attended in the year	Attendance at the previous AGM (28.09.2021)	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	-	1	-
Mr. D P Mishra DIN : 02032818*	Non-Executive-Non-Independent Director	4	Yes	-	-	1	-
Mr. V Thirumalai DIN :03015619	Independent Director	4	Yes	-	1	2	-
Mr. R Viswanathan DIN : 07173713	Independent Director	4	Yes	-	-	-	-
Dr. K C John DIN : 01067374	Independent Director	4	Yes	1	2	2	-
Mr. D Sathyanarayanan DIN : 07650566	Independent Director	4	Yes	-	-	2	-
Dr. C K Gariyali DIN:08711546	Independent Director	4	Yes	1	-	1	-

*Mr. D P Mishra tendered his resignation with effect from the close of business hours of July 11, 2022.

Notes:

- As required under the Regulation 17A of the Listing Regulations, none of the directors holds directorship in more than 7 (seven) listed companies and as per declarations received, none of the Directors serves as an Independent Director in more than 7 (seven) listed companies, across the directorships held including that in Caplin Point Laboratories Limited.



- ii. 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.
- iii. Only Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning committee positions.
- iv. None of the Directors of the Company are related to each other.

c) Familiarization Programme for Independent Directors

Pursuant to the Code of Conduct for Independent Directors specified under the Act, 2013 and requirements of the Listing Regulations, the Company has framed a familiarization programme for all its Independent Directors. The Company follows a structured orientation programme for the Independent Directors to familiarize them to understand the nature of industry the Company operates into, its business model, updates on the

business and operations of the Company and their roles, rights and responsibilities.

The details of familiarization programme are provided at <https://www.caplinpoint.net/index.php/corporate-governance/>

3. KEY SKILLS, EXPERTISE AND COMPETENCIES OF THE BOARD

The Board of the Company comprises of eminent personalities and leaders in their respective fields. These members bring in the required skills, competence and expertise to the Board. These Directors are nominated based on well-defined selection criteria. 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 of the Company.

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

The Board of Directors of the Company have identified the following skills required for the Company and availability of such skills with the Board:

Name of the Director	Financial	Governance	People management and Leadership	Industry Knowledge	Strategic Planning	Risk Management
Mr. C C Paarthipan	√	√	√	√	√	√
Dr. Sridhar Ganesan	√	√	√	√	√	√
Mr. D P Mishra	√	√	√	√	√	√
Mr. V Thirumalai	√	√	√	√	√	√
Mr. R Viswanathan	√	√	√	√	√	√
Dr. K C John	√	√	√	√	√	√
Mr. D Sathyanarayanan	√	√	√	√	√	√
Dr. C K Gariyali	√	√	√	√	√	√

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

b. Governance: Ensuring adherence to the Corporate Governance Principles, ability to benchmark with the best governance practices globally, 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 and other strategic human resource advisory.
- d. Industry Knowledge:** Expertise in Pharma Industry
- e. Strategic planning:** Good business instincts and acumen, ability to get to the crux of the issue, ability to provide guidance and active participation in complex decision making, set priorities and focus energy and resources towards achieving goals.
- f. Risk Management:** In depth 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.

5. Committees

A. Audit Committee

a) Terms of Reference

In accordance with the provisions of Section 177 of the Act, 2013 and Regulation 18 of the Listing Regulations, the Company has formed its Audit Committee. The composition and terms of reference are in conformity with the said provisions.

The Committee acts as a link between the Management, the Statutory Auditors, Internal Auditors and the Board. The Committee supervises the Company's internal controls, monitors the Company's financial reporting process and 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;
- ▶ Reviewing the functioning of the Whistle Blower Mechanism;
- ▶ Any other functions as may be decided by the Board from time to time.





b) Composition

The composition of the Audit Committee is given below:

Name of the Members	Category
Dr. K C John*	Chairman, Independent Director
Dr. Sridhar Ganesan	Member, Managing Director
Mr. V Thirumalai**	Member, Independent Director
Mr. D Sathyanarayanan	Member, Independent Director
Dr. R Ravichandran***	Member, Independent Director

*appointed as Chairman w.e.f. May 12, 2021

**appointed as Member w.e.f. May 12, 2021

***Ceases to be a Member and Chairman w.e.f. May 11, 2021

c) Meetings

The Audit Committee met four times during the year on 06.05.2021, 05.08.2021, 02.11.2021 and 03.02.2022.

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

Name of the Members	No. of meetings attended
Dr. K C John	4
Mr. V Thirumalai	3
Dr. Sridhar Ganesan	4
Mr. D Sathyanarayanan	4
Dr. R Ravichandran	1

Dr. K C John, the Chairman of the Audit Committee was present at the AGM held on September 28, 2021. The Company Secretary of the company acts as a 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

In accordance with the provisions of Section 178 of the Act, 2013 and Regulation 19 of the Listing Regulations, the Company has formed its Nomination and Remuneration Committee. The composition and terms of reference are in conformity with the said provisions.

The brief description of the terms of reference of the Committee are given below:

- ▶ Formulate Remuneration Policy and a Policy on Board Diversity;
- ▶ Formulate criteria for evaluation of Directors and the Board;
- ▶ To ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees and recommend the remuneration to the Board;
- ▶ Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- ▶ devising a policy on diversity of board of directors;
- ▶ Recommend to the board, all remuneration, in whatever form, payable to senior management.

The Committee acts as the Compensation Committee for administration of Caplin Point Laboratories Limited ESOP 2015, Caplin Point Laboratories Limited ESOP 2017 and Caplin Point Laboratories Limited ESOP 2021.



b) Composition

The composition of the Nomination and Remuneration Committee is given below:

Name of the Members	Category
Mr. V Thirumalai	Chairman, Independent Director
Dr. K C John	Member, Independent Director
Mr. D P Mishra*	Member, Non-Executive Non-Independent Director
Dr. R Ravichandran**	Member, Independent Director

* appointed as a Member w.e.f. May 12, 2021 and ceased to be a Member w.e.f. July 11, 2022. In his place, Mr C C Paarthipan, Chairman was appointed as member of the Committee w.e.f. 5th August, 2022.

** Ceased to be a Member w.e.f. May 11, 2021

c) Meetings

The Nomination and Remuneration Committee met four times during the year on 06.05.2021, 05.08.2021, 02.11.2021 and 03.02.2022.

Name of the Members	No. of meetings Attended
Mr. V Thirumalai	4
Mr. D P Mishra*	2
Dr. K C John	4
Dr. R Ravichandran	1

*Mr. D P Mishra ceases to be a Member w.e.f. July 11, 2022.

Mr. V Thirumalai, the Chairman of the Nomination and Remuneration Committee was present at the AGM held on September 28, 2021. 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 Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, Individual Directors and of its Committees. The Company

had carried out the said evaluation process in a transparent manner by using the questionnaire considered / approved by the Board after taking into account the Guidance Note issued by SEBI vide its Circular SEBI/HO/CFD/CMD/CIR/2017/004 dated January 5, 2017 and the recommendations of the Nomination and Remuneration Committee, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, board culture, execution and performance of specific duties, obligations, compliance and governance etc.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman and the Non-Executive Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction over the evaluation process.

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 this context.

The remuneration paid to Executive Directors as mentioned in this report has been approved by the Board and the details regarding the same are placed at the AGM for approval of the 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/index.php/corporate-governance/>



f) Details of Remuneration Paid to Non-Executive Directors for the Financial Year ended March 31, 2022

(Amount in ₹)

Name of Director	Remuneration	Commission and Performance linked Incentive	Sitting Fees	Total	No. Of shares held
Mr. C C Paarthipan	--	--	--	--	1,41,67,192
Mr. V Thirumalai	--	--	2,20,000	2,20,000	2,41,635
Dr. K C John	--	--	2,40,000	2,40,000	--
Mr. R Viswanathan	--	--	80,000	80,000	--
Mr. D Sathyanarayanan	--	--	1,60,000	1,60,000	--
Mr. D P Mishra	--	--	1,20,000	1,20,000	--
Dr. C K Gariyali	--	--	80,000	80,000	--
Dr. R Ravichandran	--	--	60,000	60,000	--

g) Details of Remuneration Paid to Executive Directors for the Financial Year Ended March 31, 2022

(₹ in Crores)

Name of Director	Gross	Contribution to PF	Total	No. of Shares held
Dr. Sridhar Ganesan	0.52	0.04	0.56	88,750

There is no severance fees payable to Executive Directors. The Notice period is bound by the employee contracts.

C. Stakeholders Relationship Committee
a) Terms of Reference

In accordance with the provisions of Section 178 of the Act, 2013 and Regulation 20 of the Listing Regulations, the Company has formed its Stakeholders Relationship Committee. The composition and terms of reference are in conformity with the said provisions.

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 Stakeholders Relationship Committee is given below:

Name of the Members	Category
Mr. V Thirumalai	Chairman, Independent Director
Mr. D Sathyanarayanan*	Member, Independent Director
Mr. D P Mishra**	Member, Non-Executive Non-Independent Director
Dr. R Ravichandran***	Member, Independent Director

*appointed as a Member w.e.f. May 12, 2021

**Ceased to be a Member w.e.f July 11, 2022

***Ceased to be a Member w.e.f. May 11, 2021

c) Meetings

The Stakeholders Relationship Committee met four times during the year on 06.05.2021, 05.08.2021, 02.11.2021 and 03.02.2022.

Name of the Members	No. of meetings attended
Mr. V Thirumalai	4
Mr. D P Mishra	4
Mr. D Sathyanarayanan	3
Dr. R Ravichandran	1



Mr. V Thirumalai, the Chairman of the Stakeholders Relationship Committee was present at the AGM held on September 28, 2021. The Company Secretary of the company acts as the Compliance Officer to the Committee and the Company.

The status of Investor Complaints during the year ended March 31, 2022, is as under:

Particulars	No. of Complaints
Complaints as on April 1, 2021	Nil
Complaints received during the year	2
Complaints resolved during the year	1
Complaints pending as on March 31, 2022*	1

*Subsequently the complaint has been resolved

D. Risk Management Committee

a) Terms of Reference

Pursuant to the provisions of Regulation 21 of the Listing Regulations, top 1000 listed entities based on their market capitalization are required to form a Risk Management Committee. Composition and terms of reference of the Committee are in conformity with the said provision.

The brief description of the terms of reference of the Committee, inter-alia, are given below

- ▶ To assess the Company's risk profile and key areas of risk in particular;
- ▶ To recommend the Board and adoption of risk assessment and rating procedures;
- ▶ To articulate the Company's policy for the oversight and management of business risks;
- ▶ To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas;
- ▶ To assess and recommend the Board acceptable levels of risk;
- ▶ To develop and implement a risk management framework and internal control system;
- ▶ To review the nature and level of insurance coverage;
- ▶ To have special investigations into areas of corporate risk and break-downs in internal control;
- ▶ To report the trends on the Company's risk profile, reports on specific risks and the status of the risk management process;
- ▶ To define the risk appetite of the organization;
- ▶ To exercise oversight of management's responsibilities and review the risk profile of the organization to ensure that risk is not higher than the risk appetite determined by the board;
- ▶ To ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
- ▶ To assist the Board in setting risk strategies, policies, frameworks, models and procedures in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting;
- ▶ To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work;
- ▶ To fulfill its statutory, fiduciary and regulatory responsibilities;
- ▶ To ensure that the risk awareness culture is pervasive throughout the organization;
- ▶ To review issues raised by Internal Audit that impact the risk management framework;
- ▶ To ensure that infrastructure, resources and systems are in place for risk management is adequate to maintain a satisfactory level of risk management discipline;
- ▶ The Board shall review the performance of the risk Management committee annually;
- ▶ Perform other activities related to risk management as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.



b) Composition

The composition of the Risk Management Committee is given below:

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

* appointed as Chairman w.e.f. May 12, 2021

** appointed as Member w.e.f. May 12, 2021

*** Ceased to be Chairman and Member w.e.f. May 11, 2021

c) Meetings

The Risk Management Committee met twice during the year on May 6, 2021 and August 5, 2021.

Name of the Members	No. of meetings attended
Mr. D Sathyannarayanan	2
Mr. Muralidharan D	1
Dr. Sridhar Ganesan	2
Mr. R Ravichandran	1

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

The Chairman of the Committee apprises the Board, 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 system. 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

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 CSR Committee formulates and recommends to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act, 2013. The Committee recommends the amount of expenditure to be incurred on the activities mentioned in the CSR Policy and monitors the implementation of the CSR Policy.

The composition of the CSR Committee and the details of meetings attended by its members are given below.

a) Composition

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

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

b) Meetings

The Corporate Social Responsibility Committee met one time during the year on 05.08.2021.

Name of the Members	No. Of meetings attended
Mr. C C Paarthipan	1
Dr. Sridhar Ganesan	1
Mr. V Thirumalai	1

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, 2022 is attached as **Annexure - III** to the Board's Report.

6. EMPLOYEE STOCK OPTION

Detailed information about Employee Stock Option and relevant information are given in the Directors Report.



7. 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
2021	28.09.2021 (30 th AGM)	10.00 AM	Through Video Conferencing ("VC") / Other Audio Visual Means ("OVAM").	Caplin Point Laboratories Limited Employees Stock Option Plan, 2021 and grant of employee stock options to the eligible employees. Extension of Caplin Point Laboratories Limited Employees Stock Option Plan, 2021 to the eligible employees of the group company, subsidiaries including step-down subsidiaries and associates of the Company.
2020	28.09.2020 (29 th AGM)	10.00 AM	Through Video Conferencing ("VC") / Other Audio Visual Means ("OVAM").	Appointment of Dr. C K Gariyali as an Independent Director
2019	12.09.2019 (28 th AGM)	10.00 AM	Sri Thyaga Brahma Gana Sabha (Vani Mahal) No.103, G N Road, T Nagar, Chennai -600 017	Amendment of Object Clause of Memorandum of Association Adoption of New Set of Articles of Association

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.

8. MEANS OF COMMUNICATIONS

a) 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.

b) 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.

c) 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.

9. GENERAL INFORMATION TO THE SHAREHOLDERS

Day, Date, Time & Venue of Annual General Meeting	Thursday, September 29, 2022 at 10:00 AM through VC/OAVM
Date of Book Closure	September 23, 2022 to September 29, 2022 (both days inclusive)
Dividend Payment Date	Dividend as recommended by the Board of Directors, if declared 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	NSE	CAPLIPOINT
	BSE	CAPPL (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 2021-22 paid to all the Stock Exchanges.	
Depository Fees	Annual custody fee for the Financial Year 2021-22 paid to the Depositories.	
Dematerialization of shares	As on March 31, 2022, 97.48% of the Company’s shares were held in dematerialized form.	

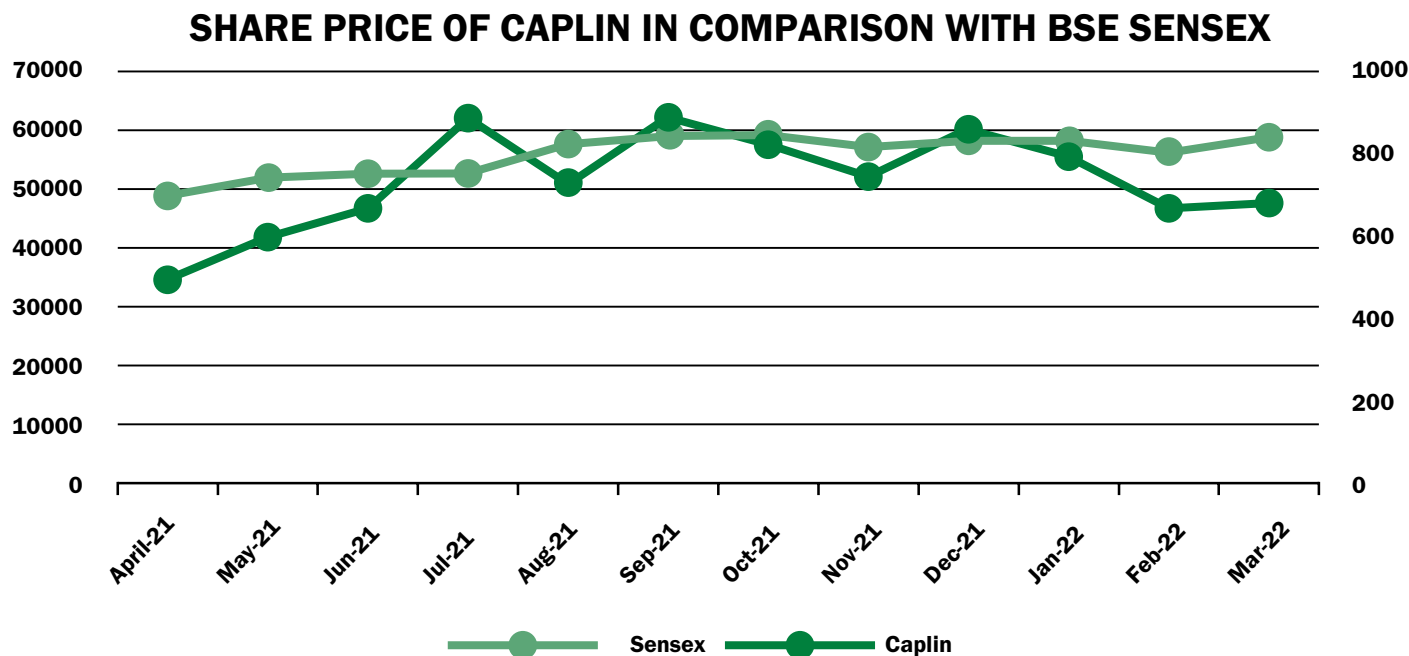
Particulars	No. of Shares	%
Physical	19,08,915	2.52
Demat		
NSDL	6,72,91,006	88.79
CDSL	65,88,955	8.69
Total	7,57,88,876	100.00
Registrar And Share Transfer Agents	Integrated Registry Management Services Private Limited, II Floor, “Kences Towers” No.1 Ramakrishna Street, North Usman Road T Nagar, Chennai - 600 017 Phone: 044 - 28140801 - 803 Fax: 044 - 28142479	
Share Transfer System	In terms of Regulation 40(1) of Listing Regulations, as amended, securities can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities. 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. The Directors and Company Secretary are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.	
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, 2022.	
Commodity Price Risk or Foreign exchange Risk and hedging activities	The Company does not involve in hedging activities in foreign exchange and commodity markets.	



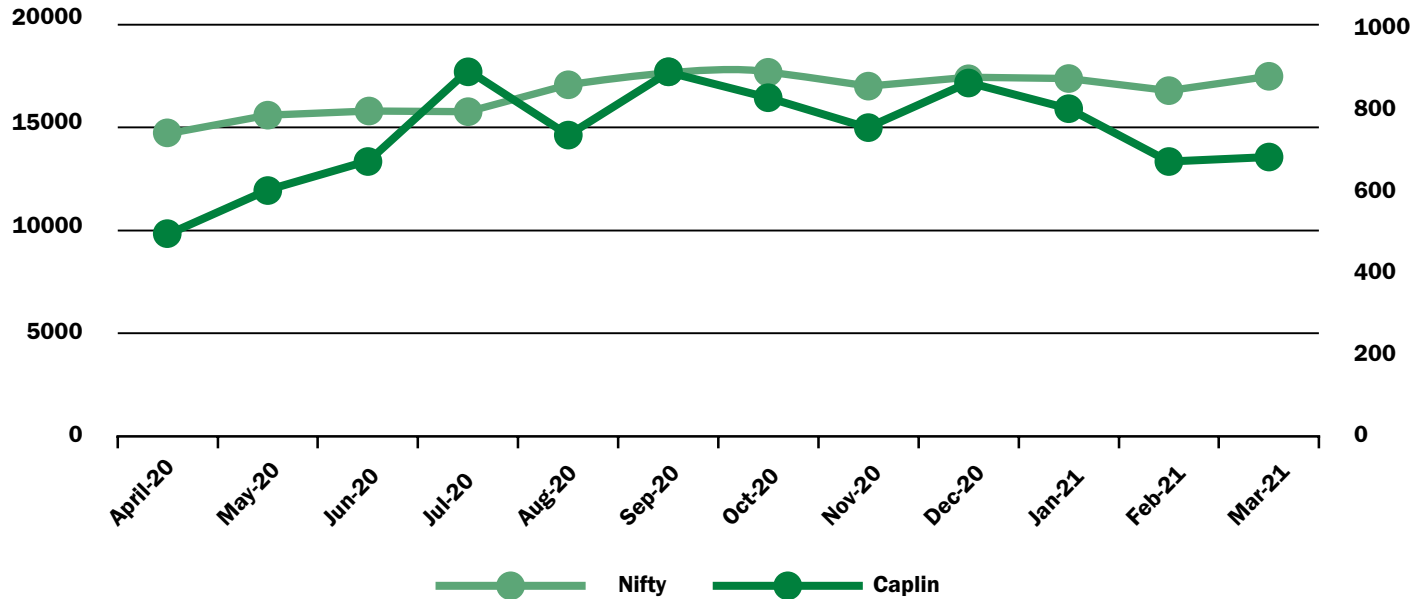
10. STOCK MARKET DATA

Month and Year	BSE				NSE			
	Caplin Price (in ₹)		S&P BSE Sensex		Caplin Price (in ₹)		S&P CNX Nifty	
	High	Low	High	Low	High	Low	High	Low
April, 2021	531.00	406.65	50375.77	47204.50	533.00	407.35	15044.35	14151.40
May, 2021	648.10	485.00	52013.22	48028.07	647.80	485.25	15606.35	14416.25
June, 2021	694.40	585.00	53126.73	51450.58	694.50	585.00	15915.65	15450.90
July, 2021	1034.00	655.70	53290.81	51802.73	1034.80	656.00	15962.25	15513.45
August, 2021	935.15	680.00	57625.26	52804.08	934.90	679.20	17153.50	15834.65
September, 2021	1007.00	722.30	60412.32	57263.90	1008.40	725.85	17947.65	17055.05
October, 2021	949.00	796.70	62245.43	58551.14	949.00	796.35	18604.45	17452.90
November, 2021	890.00	724.90	61036.56	56382.93	889.70	722.25	18210.15	16782.40
December, 2021	879.00	714.65	59203.37	55132.68	879.50	713.80	17639.50	16410.20
January, 2022	888.45	760.00	61475.15	56409.63	888.00	764.00	18350.95	16836.80
February, 2022	846.40	654.30	59618.51	54383.20	846.00	650.00	17794.60	16203.25
March, 2022	756.15	662.20	58890.92	52260.82	754.70	660.00	17559.80	15671.45

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



SHARE PRICE OF CAPLIN IN COMPARISON WITH NIFTY



12. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022

S.no	Category	No. Of Shareholders	No. Of Shares	% to Capital
1.	Promoters	5	5,22,14,192	68.89
2.	Mutual Funds	6	9,02,617	1.19
3.	Alternate Investment Funds	2	41,164	0.05
4.	Banks/Indian Financial Institutions	1	3,500	-
5.	Foreign Institutional Investors	64	15,73,064	2.08
6.	Individuals	81,239	1,57,56,234	20.80
7.	Bodies Corporate	266	14,00,649	1.85
8.	Clearing Members	54	85,128	0.11
9.	IEPF	1	18,49,256	2.44
10.	LLP	38	6,15,772	0.81
11.	Non-Resident Indians	1,733	9,59,103	1.27
12.	HUF	417	1,60,304	0.21
13.	Overseas Bodies Corporate	1	2,27,500	0.30
14.	Trusts	2	393	-
Total		83,829	7,57,88,876	100.00



13. DISTRIBUTION SCHEDULE AS ON MARCH 31, 2022

S. No	Category of Shares	No. of Holders	% to Holders	No. of Shares	% to shares
1	Up to 500	80,313	95.81	51,47,179	6.79
2	501 - 1000	1774	2.12	14,35,676	1.89
3	1001 - 2000	853	1.02	12,73,163	1.68
4	2001 - 3000	320	0.38	8,12,947	1.07
5	3001 - 4000	109	0.13	3,84,452	0.51
6	4001 - 5000	129	0.15	6,05,605	0.80
7	5001 - 10000	155	0.18	11,18,105	1.48
8	Above 100001	176	0.21	6,50,11,749	85.78
	Total	83,829	100.000	7,57,88,876	100.00

14. UNCLAIMED DIVIDEND AS ON MARCH 31, 2022

Financial Year	Due Date of transfer to IEPF	(Amount in ₹)
2014-15	05.12.2022	33,42,485.00
2015-16 (Interim)	06.03.2023	17,09,780.00
2015-16 (Final)	12.10.2023	24,24,614.50
2016-17	21.10.2024	45,98,198.50
2017-18	28.10.2025	8,08,574.00
2018-19	20.11.2026	34,31,909.80
2019-20 (Interim)	03.04.2027	38,96,676.00
2019-20 (Final)	27.10.2027	6,16,976.60
2020-21 (Interim)	05.06.2028	18,78,392.00
2020-21 (Final)	28.10.2028	17,83,030.00

Plant locations**a) Factories****Unit 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

Unit III	Unit VI	Unit VII	Unit VIII
Plot No.44, 8 th Avenue Domestic Tariff Area, Mahindra World City, Chengalpattu Taluk, Chengalpattu-603 004	4 th Floor, Plot No. 95 & 96, Road No.9, ALEAP Industrial Estates, Gajularamarm Village, Qutbullapur Mandal, Hyderabad-500 090	Module no.307 & 308, 3rd Floor, Ticel Park, Phase II, CSIR Road, Taramani, Chennai- 600 113	Ashvich Towers, No. 3, Developed Plots Industrial Estate, Perungudi, Chennai - 600 096



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	The Company Secretary & Compliance officer Caplin Point Laboratories Limited "Ashvich Towers" 3rd 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
a) 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 in the normal course of business and were approved by the Audit Committee. 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 entered during the Financial Year under review, is provided in Notes to accounts.

The policy on Related Party Transactions is hosted on the website of the Company at <https://www.caplinpoint.net/index.php/corporate-governance/>

b) 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.

c) Vigil Mechanism / Whistle Blower Policy

The Company has formulated a Vigil Mechanism / Whistle Blower Policy to enable Directors and employees to report their genuine concerns and grievances. The Policy provides for adequate safeguards against victimization of employees and directors who avail the vigil mechanism. The Company hereby affirms that no director/employee 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/index.php/corporate-governance/>

d) 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 Listing Regulations.

e) Policy on Material Subsidiaries

The Company has formulated a Policy on Material Subsidiary as required under Listing Regulations and the policy is hosted on the website of the Company at <https://www.caplinpoint.net/index.php/corporate-governance/>

f) 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 Listing Regulations.

g) Certificate on Non-Disqualification of Directors

The Company has obtained a certificate from M/s. M Alagar & Associates, Company Secretaries, Chennai, Secretarial Auditors 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 the Board/ Ministry of Corporate Affairs or any such Statutory Authority.

h) 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.



i) Total Fees paid to Statutory Auditors

During the Financial Year 2021-22, total fees for all services paid by the Company to M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, Statutory Auditors and all the entities forming part of the same network, aggregate to ₹ 0.16 Crores, excluding ₹ 0.01 crores towards reimbursement of expenses.

j) 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.

k) Compliance on Corporate Governance Report

The Corporate Governance Report of the Company for the financial year 2021 – 22 is in compliance with the applicable requirements of SEBI as per Listing Regulations.

l) CEO/ CFO Certification

The Managing Director and the CFO of the Company have certified to the Board of Directors, inter-alia, and the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the Financial Year ended March 31, 2022.

m) Code of Conduct

The Company has received confirmations from the Board (incorporating duties of Independent Directors) 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/index.php/corporate-governance/>

16. NON-MANDATORY REQUIREMENTS

- i. The Company maintains an office for the Non-Executive Chairman of the Company at the Company's expense and allows reimbursement of 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

There are no unclaimed physical shares till date in the books of the Company and hence the requirements to provide the details as per Regulation 34 (3) read with Schedule V of Part F of Listing Regulations is not applicable.

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, 2022 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

Place: Chennai

Date: September 05, 2022

Dr. Sridhar Ganesan

Managing Director



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, 2022 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 02, 2022

M. Alagar
Managing Partner
FCS No: 7488; COP No. 8196
UDIN: F007488D000729902



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C 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 <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, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SL. NO	DIN	NAME OF DIRECTOR	DATE OF APPOINTMENT/ RE-APPOINTMENT
1.	01067374	Dr. Komattu Chacko John	25/08/2014 (Re-appointed on August 25, 2017)
2.	01218784	Mr. Paarthipan Chingelput Chellappan	01/10/1993
3.	03015619	Mr. Thirumalai Venugopal	25/06/1994 (Re-appointed on December 18, 2017)
4.	06819026	Dr. Sridhar Ganesan	12/02/2014 (Re-appointed on August 25, 2020)
5.	07173713	Mr. Rengaraj Viswanathan	12/05/2015 (Re-appointed on May 12, 2018)
6.	07650566	Mr. Damodaran Sathyanarayanan	09/11/2016 (Re-appointed on November 09, 2019)
7.	08711546	Mrs. Gariyali Chanderkanta	04/03/2020

We noted that Mr. Durga Prasanna Mishra (DIN 02032818) has resigned from directorship w.e.f July 11, 2022. Intimation regarding resignation was made to Stock Exchanges on July 12, 2022 and e-form DIR-11 was filed by him on July 25, 2022 as per MCA records.

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

M. Alagar

Managing Partner

FCS No: 7488; CoP No: 8196

UDIN: F007488D000729803

Place: Chennai

Date: August 02, 2022



BUSINESS RESPONSIBILITY REPORT

(As per Regulation 34 (2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S.No.	Particulars	
01	Corporate Identity Number (CIN) of the Company	L24231TN1990PLC019053
02	Name of the Company	CAPLIN POINT LABORATORIES LIMITED
03	Registered address	"NARBAVI" No.3, Lakshmanan Street, T Nagar, Chennai - 600017
04	Website	www.caplinpoint.net
05	E-mail id	info@caplinpoint.net
06	Financial Year reported	2021-22
07	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC code 210
08	List three key products/services that the Company manufactures/provides	<ol style="list-style-type: none"> Propofol Injections Omeprazol Capsules Softgel Vitamins
09	Total number of locations where business activity is undertaken by the Company a) Number of International Locations b) Number of National Locations	<p>The company has a branch in China to source its raw materials and finished goods for import/export. The Company has three direct subsidiaries outside India (i) Hongkong (ii) Colombia (iii) Singapore. The Company in Colombia and Singapore are yet to commence operations.</p> <p>Registered Office: Ashvich Tower, 3rd Floor, No.3, Developed Plots Industrial Estate, Perungudi, Chennai – 600 096, Tamil Nadu.</p> <p>Manufacturing unit:</p> <p>Unit I 85/3, Suthukeny Village, Mannadipet Commune Panchayat, Puducherry - 605 502</p> <p>Unit II No.19,Chinnapuliyur Village,Gummidipoondi,Tamil Nadu - 601 201.</p> <p>R&D Units:</p> <p>Unit III Plot No.44,8th Avenue Domestic Traiff Area, Mahindra World city, Chengalpattu Taluk, Chengalpattu - 603 004</p> <p>Unit VI 4th Floor, Plot No. 95 & 96, Road no.9, ALEAP Industrial Eatates, Gajularamarm Village, Qutbullapur Mandal, Hyderabad - 500 090</p>



S.No.	Particulars
	<p>Unit VII Module no.307 & 308, 3rd Floor, Tichel Park, Phase II, CSIR Road, Taramani, Chennai- 600 113</p> <p>Unit VIII Ashvich Towers, No. 3, Developed Plots Industrial, Estate, Perungudi, Chennai - 600 096</p>
10	<p>Markets served by the Company - Local/State/National/International</p> <p>International – Predominantly Latin America and West Africa</p>

SECTION B: FINANCIAL DETAILS OF THE COMPANY

S.No.	Particulars
01	Paid up Capital (INR) Rs. 15.16 Crores
02	Total Turnover (INR) Rs 528.06 Crores
03	Total profit after taxes (INR) Rs. 187.87 Crores
04	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax Rs. 1.21 Crores i.e. 0.65% of profit after tax
05	List of activities in which expenditure in 4 above has been incurred Please refer the “Annual Report on CSR activities for the FY 2021-22” annexed to this Annual report

SECTION C: OTHER DETAILS

S.No.	Particulars
01	Does the Company have any Subsidiary Company/ Companies? YES
02	Do the Subsidiary Company/Companies participate in the BR (Business Responsibility) Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) The participation by subsidiaries in BR is not necessitated considering the size of the Company.
03	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] NO

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

DIN	06819026
Name	Dr Sridhar Ganesan
Designation	Managing Director



(b) Details of the BR head

No.	Particulars	Details
01	DIN Number (if applicable)	06819026
02	Name	Dr Sridhar Ganesan
03	Designation	Managing Director
04	Telephone number	044 28156653
05	e-mail id	info@caplinpoint.net

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		Business Ethics	Product responsibility	Well being of Employees	Stakeholder engagement	Human Rights	Environment	Public policy	CSR	Customer relation
01	Do you have a policy/ policies for....	YES	YES	YES	YES	YES	YES	YES	YES	YES
02	Has the policy being formulated in consultation with the relevant stakeholders?	YES	YES	YES	YES	YES	YES	YES	YES	YES
03	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies conform to the guidelines / standards of Companies Act, 2013 and other Statutory Acts, Regulations, Notifications, etc. The policies / standards are at par with generally accepted practices for the respective principles.								
04	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	YES	YES	YES	YES	YES	YES	YES	YES	YES
05	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	YES	YES	YES	YES	YES	YES	YES	YES	YES
06	Indicate the link for the policy to be viewed online?	https://www.caplinpoint.net/index.php/corporate-governance/								
07	Has the policy been formally communicated to all relevant internal and external stakeholders?	YES	YES	YES	YES	YES	YES	YES	YES	YES
08	Does the Company have in-house structure to implement the policy/ policies	YES	YES	YES	YES	YES	YES	YES	YES	YES
09	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	YES	YES	YES	YES	YES	YES	YES	YES	YES
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	YES	YES	YES	YES	YES	YES	YES	YES	YES



If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
01	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
02	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
03	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
04	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
05	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
06	Any other reason (please specify)									

3. Governance related to BR (Business Responsibility)

S.No.	Particulars	
01	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The BR is assessed annually by the Board of Directors
02	The BR is assessed annually by the Board of Directors	YES

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

S.No.	Particulars	
01	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others	YES. The Company Strictly adheres to fair, transparent and ethical governance practices. The Company has well defined anti-corruption and anti-bribery systems in place.
02	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has received 2 complaints from the shareholders during the year 2021-22. As on the date of the report both the complaints have been resolved. No complaint has been received under Whistle Blower Policy.

PRINCIPLE 2

S.No.	Particulars	
01	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	NIL
02	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	NIL





S.No.	Particulars	
03	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so	NO
04	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company continuously engages itself in identifying local vendors and service providers. The Company guides them on a continuous basis with respect to improvement of quality of products and services provided by them.
05	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	NIL

PRINCIPLE 3

S.No.	Particulars	
01	Please indicate the Total number of employees	743
02	Please indicate the Total number of employees hired on temporary/contractual/casual basis	595
03	Please indicate the Number of permanent women employees	100
04	Please indicate the Number of permanent employees with disabilities	2
05	Do you have an employee association that is recognized by management	Nil
06	What percentage of your permanent employees is members of this recognized employee association?	Nil

07 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on the end of financial year
01	Child labour / forced labour / involuntary labour		NII
02	Sexual harassment		NIL
03	Discriminatory employment		NIL



08 What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

a)	Permanent Employees	100%
b)	Permanent Women Employees	
c)	Casual/Temporary/Contractual Employees	
d)	Employees with Disabilities	

PRINCIPLE 4

S.No.	Particulars	
01	Has the company mapped its internal and external stakeholders?	YES
02	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders	YES
03	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so	NO

PRINCIPLE 5

S.No.	Particulars	
01	Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company's Code of Conduct and HR practices have been developed to respect and protect human rights. It extends only to the Company and its Subsidiaries.
02	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management	NIL

PRINCIPLE 6

S.No.	Particulars	
01	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others	It extends only to the Company and its Subsidiaries.
02	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc	NO
03	Does the company identify and assess potential environmental risks	YES
04	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	NO





S.No.	Particulars	
05	Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc	YES. The Company focuses on energy conservation. The energy conservation measures include use of alternate source of energy like wind power, solar.
06	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported	Yes. All emissions & wastes are within the permissible limits.
07	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	NIL

PRINCIPLE 7

S.No	Particulars	
01	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	YES Indian Drug Manufacturers Association Pharmaceuticals Manufacturers Association of Tamil Nadu Pharmaceutical Export Promotion Council Federation of Indian Exports Organization Confederation of Indian Industries
02	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	YES We have advocated for reforms through these Associations for the advancement of general public.

PRINCIPLE 8

S.No	Particulars	
01	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof	Yes. Please refer the "Annual Report on CSR activities for the FY 2021-22" annexed to this Annual report
02	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	All the projects were undertaken directly by the Company.
03	Have you done any impact assessment of your initiative?	NO
04	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken	Yes. Please refer the "Annual Report on CSR activities for the FY 2021-22" annexed to this Annual report
05	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	NO



PRINCIPLE 9

S.No	Particulars	
01	What percentage of customer complaints/consumer cases are pending as on the end of financial year	NIL
02	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	NO
03	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so	NO
04	Did your company carry out any consumer survey/ consumer satisfaction trends?	NO

FOR AND ON BEHALF OF THE BOARD**Place: Chennai****Date: September 05, 2022****C C PAARTHIPAN****Chairman**



CAPLIN POINT[®]
Laboratories

**STANDALONE
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

To
The Members
Caplin Point Laboratories Limited, Chennai

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Caplin Point laboratories Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit, (changes in equity) and its cash flows for the year ended on that date.

Basis for Opinion :

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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.

Key Audit Matters.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis of Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matter	Auditor's Response
1	<i>Impact of Covid-19 pandemic on the Company's operations</i>	<p>Principal Audit Procedures</p> <p>Our audit procedures included the following: We assessed the company's process to identify, assess, and respond to the risk of material misstatement considering the uncertainties and the impact of Covid-19 pandemic on the company's operations and results for the year under consideration.</p> <p>We have designed, planned and performed audit procedures including verification of the source and completeness of data provided for audit. We have considered management's adjustments or disclosures which includes the impact of the changes in the environment on the recognition and measurement of account balances and transactions in the financial statements or other specific disclosures.</p>



Information other than the financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of Management and Those Charged with Governance 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 of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- 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 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.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 our work; and (ii) to evaluate the effect of any identified misstatements in the 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 financial statements of the current period and are therefore the 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.

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 Section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit 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 purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - 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 Standards) Rules, 2015.
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financials controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting; and
 - g) 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 provisions of section 197 of the Act.

- h) 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:
- i. The Company has disclosed the impact of pending litigations on its financial position in the Standalone financial statements – refer note 35 to the financial statements;
 - ii. The Company does not have any long term contracts including any Derivative Contracts for which there are no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
 - iv. (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 persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the

Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on audit procedures which we 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) contain any material misstatement.
- i) In our opinion and 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 the Section 123 of the Act to the extent it applies to the payment of dividend. The interim dividend declared by the Company for the year until the date of this audit report is in accordance with section 123 of the Companies Act 2013 to the extent it applies to declaration of dividend. However, the said dividend was not paid on the date of this audit report.

For **CNGSN & ASSOCIATES LLP**

CHARTERED ACCOUNTANTS

Firm Registration No: 004915S/S200036

B RAMAKRISHNAN

Partner

Membership No: 201023

UDIN: 22201023AIVJQT2609

Place: Chennai

Date: 12th May 2022



Annexure -A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2022:

- i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and equipment;
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) We are informed that the company has formulated a programme for physical verification of all Property, Plant and equipment by which all fixed assets are verified in a phased manner, which, in our opinion is reasonable considering the size of the company and the nature of its assets. Accordingly, the Property, Plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) 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 standalone Ind AS financial statements, the lease agreements are in the name of the Company.
- (d) The Company has not revalued the Property, Plant and equipment or Intangible assets during the year.
- (e) According to information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (prohibitions) Act,1988(45 of 1988) and rules made thereunder.
- ii) (a) According to information and explanation given to us , physical verification of inventory has been conducted at reasonable

intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; Discrepancies noticed were less than 10% for each class of inventory.

- (b) During the year, the company was sanctioned non funded working capital limits to the extent of ₹ 40 crores in the nature of Letter of Credit, on the basis of security of Land and factory building. According to information and explanation given to us, the quarterly statement filed by the Company with the bank are in agreement with the books of account of the Company.
- iii) According to the information and explanations given to us, during the year, the Company has not made any guarantee or security or granted any advances in the nature of loan, secured or unsecured to companies, firms, limited liability partnerships or any other parties except an unsecured Loan to one of its Subsidiary company and investment made in Caplin Onco Ltd(Wholly Owned Subsidiary) during the year. Details of the Loan is stated in sub-clause (A) below
- (a) A. According to the information and explanation given to us and based on the audit procedures carried on by us, the company has granted loan to one of its subsidiary on an arms length basis, the details of which are as below.
- | Particulars | Amount
(₹ In Crores) |
|--|-------------------------|
| Aggregate amount during the year | 39.75 |
| Balance outstanding as at balance sheet date | 39.75 |
- B. According to the information and explanation given to us and based on the audit procedures carried on by us, the company has not granted any loan to any other parties. Hence, the details required are not discussed.
- (b) According to the information and explanation given to us and based on the audit procedures carried on by us, we are of the opinion that the terms and conditions of loans provided are not prejudicial to the interest of the Company.
- (c) According to the information and explanation given to us, the repayment of Principal and Interest has been stipulated and receipts are regular.



- (d) According to the information and explanation given to us, there is no amount overdue for more than 90 days in respect of loan provided.
- (e) According to the information and explanation given to us and on the basis of our examination of records, there is no loan given falling due during the year which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.
- (f) According to the information and explanation given to us and on the basis of our examination of records, the Company has not given any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans and advances granted, guarantees and securities provided and investments made by the company during the year.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, reporting under clause (v) of the Order does not arise.
- (b) According to the records of the company and the information and explanation given to us the details of disputed Excise, Value Added Tax and Income Tax not deposited are as follows:

Name of the Statute	Nature of Due	Amount in Crs	Period to which it relates	Forum in which the Dispute is pending
Income Tax	IT Matters under dispute	0.02	A.Y 2008-09	DCIT, Chennai
Income Tax	IT Matters under dispute	0.02	A.Y 2014-15	DCIT, Chennai
Income Tax	IT Matters under dispute	0.01	A.Y 2015-16	DCIT, Chennai
Income Tax	IT Matters under dispute	0.02	A.Y 2017-18	DCIT, Chennai
Income Tax	IT Matters under dispute	0.64	A.Y 2018-19	DCIT, Chennai

- viii) According to the information and explanations given by the management, we have not come across any transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 .
- ix) (a) According to information and explanation given to us, the company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the order does not arise.
- (b) According to the information and explanations given to us, we report that the company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any 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 explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, Joint Ventures or Associate Companies and hence reporting on clause 3(ix)(f) of the order is not applicable.
- x) (a) Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause (x)(a) of the Order is not applicable to the Company.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures during the year.
- xi) (a) In our opinion and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act is required to be filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanation given to us, no Whistle-blower complaints have been received during the year.
- xii) The Company is not a Nidhi Company and accordingly, paragraph (xii) 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 are in compliance with section 177 and 188 of the Act. The details of transactions during the year have been disclosed in Note 45 of the Standalone Financial statements as required by the applicable Accounting Standards.
- xiv) a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business
- b) We have considered the Internal Audit Reports of the company for the period under audit.
- xv) According to the information and explanations given to us, in our opinion during the year the company has not entered into non-cash transactions with directors or persons connected with its Directors and hence provisions of Section 192 of the Companies Act 2013 are not applicable to the company.
- xvi) (a) According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Hence, Clause (xvi)(b) of the Order is not applicable.
- (b) According to information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence Clause (xvi)(c) does not apply.
- (c) According to information and explanation given to us the Group does not have any CIC, accordingly the requirements of Clause (xvi)(d) is not applicable.
- xvii) According to information and explanation given to us, the Company has not incurred any cash loss in the current and in the immediately preceding financial year.
- xviii) According to information and explanation given to us, there has been no resignation of Statutory Auditors during the year and accordingly this clause is not applicable.
- xix) According to the information and explanations given to us , on the basis of Financial Ratios ageing and expected dates of realization of Financial assets and payment of financial liabilities, other information



accompanying the financial statements, our knowledge of the Board of Directors and the Management plans, nothing has come to our attention which causes us to believe that any material uncertainty exists on the date of audit report that the Company is not capable of meeting its liabilities as on date of the Balance Sheet and when they fall due within a period of one year from balance sheet date. We however state that this is not an assurance as to the future viability of the Company.

- xx) (a) In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) of sub-section 5 of Section 135 of the said Act pursuant to any project other than Ongoing project. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

- (b) According to the information and explanations given to us, In respect of ongoing projects, the company has transferred unspent CSR amount as at the end of the previous financial year to a special account within a period of 30 days from the end of the said financial year in compliance with the provision of 135(6) of the Act.

For **CNGSN & ASSOCIATES LLP**

CHARTERED ACCOUNTANTS

Firm Registration No: 004915S/S200036

B RAMAKRISHNAN

Partner

Membership No: 201023

UDIN: 22201023AIVJQT2609

Place: Chennai

Date: 12th May 2022



Annexure B to The Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory requirements' section of our report to the Members of Caplin Point Laboratories Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub – Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

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 (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 the Company's 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of 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 were 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 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 judgment, 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 Company's Internal Financial Controls over Financial Reporting.

Meaning of Internal financial Controls over financial Reporting

A Company's Internal Financial Controls 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 Internal Financial Controls 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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.

For **CNGSN & ASSOCIATES LLP**

CHARTERED ACCOUNTANTS

Firm Registration No: 004915S/S200036

B RAMAKRISHNAN

Partner

Membership No: 201023

UDIN: 22201023AIVJQT2609

Place: Chennai

Date: 12th May 2022





STANDALONE BALANCE SHEET

AS AT MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	2A	157.50	177.93
(b) Capital work-in-progress	2B	1.73	1.36
(c) Intangible assets	2C	4.47	3.60
(d) Right of Use Assets	2D	0.49	1.15
(e) Intangible Assets under development	2E	0.87	-
(f) Investments in Subsidiaries and Associate	3	177.12	137.98
(g) Financial assets			
(i) Investments	3A	35.61	0.66
(ii) Loans	4	39.75	-
(iii) Other Financial Assets	5	26.10	21.53
(h) Income tax assets (Net)		2.53	2.17
(i) Other Non current Assets	6	2.32	1.97
Sub-total-Non current assets		448.49	348.35
(2) Current Assets			
(a) Inventories	7	42.81	24.87
(b) Financial assets			
(i) Investments	8	51.97	10.54
(ii) Trade receivables	9	53.73	98.46
(iii) Cash and cash equivalents	10	81.01	148.82
(iv) Bank balances other than (iii) above	11	235.07	196.67
(v) Other Financial Assets	12	130.02	8.17
(c) Other current assets	13	11.06	25.11
Sub-total-Current assets		605.67	512.64
Total Assets		1,054.16	860.99
EQUITY AND LIABILITIES			
(1) Equity			
Equity share capital	14	15.16	15.13
Other equity	15	915.49	743.54
Sub-total-Equity		930.65	758.67
(2) Liabilities			
(A) Non-Current Liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	16	0.16	0.53
(b) Deferred tax liabilities (Net)	17	21.79	20.97
(c) Other non current liabilities	18	2.68	3.49
Sub-total-Non current liabilities		24.63	24.99
(B) Current Liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro and small enterprises	19	1.16	0.22
(b) total outstanding dues other than (i) (a) above		71.10	69.89
(ii) Lease Liabilities	20	0.46	0.79
(iii) Borrowings	21	-	0.01
(iv) Other financial Liabilities	22	4.50	4.62
(b) Provisions	23	1.20	1.16
(c) Other Current liabilities	24	20.46	0.64
Sub-total-Current liabilities		98.88	77.33
Total Equity and Liabilities		1,054.16	860.99

The accompanying notes 1 to 54 form an integral part of these standalone financial statements.

As per our report of even date attached
For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No : 4915S/ S200036

B.Ramakrishnan
Partner
ICAI Membership No. 201023

Place : Chennai
Date : 12th May, 2022

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

Dr.Sridhar Ganesan
Managing Director
DIN:06819026

Dinesh R G
Company Secretary



STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
I. INCOME			
(a) Revenue from Operations	25	528.06	482.68
(b) Other income	26	56.55	18.62
Total Income		584.61	501.30
II. EXPENSES			
(a) Cost of Materials Consumed	27	156.01	112.48
(b) Purchases of Stock-in-Trade		57.64	82.92
(c) Changes in inventories of Finished Goods including Stock-in-Trade and Work-in-progress	28	(9.00)	(0.57)
(d) Employee benefits expense	29	30.47	26.59
(e) Finance costs	30	0.09	0.17
(f) Depreciation and Amortisation Expenses	31	25.77	22.44
(g) Research and Development Expenses	32	23.87	19.40
(h) Other expenses	33	49.45	27.93
Total Expenses		334.30	291.36
III. Profit before Exceptional items and tax		250.31	209.94
IV. Exceptional Items		-	-
V. Profit Before Tax		250.31	209.94
VI. Tax Expense (Net)			
• Current Tax		61.62	54.88
• Deferred tax (Benefits)/Charge		0.82	(1.17)
VII. Profit After Tax for the Year		187.87	156.23
VIII. Other Comprehensive Income Items that will not be reclassified to profit or loss:			
(i) Remeasurement of Defined Benefit Plans		0.10	0.22
IX. Total Comprehensive Income for the Year		187.97	156.45
Earning Per Equity Share (Nominal value per share ₹ 2/-)			
Basic (in ₹)		24.82	20.65
Diluted (in ₹)		24.60	20.45

The accompanying notes 1 to 54 form an integral part of these standalone financial statements.

As per our report of even date attached

For **CNGSN & Associates LLP**

Chartered Accountants

Firm Registration No : 4915S/ S200036

B.Ramakrishnan

Partner

ICAI Membership No. 201023

Place : Chennai

Date : 12th May, 2022

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

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Dinesh R G

Company Secretary



STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash Flow from Operating Activities		
Profit before tax	250.31	209.94
Adjustments for:		
Depreciation and Amortisation expense	25.77	22.44
Finance costs	0.09	0.17
Government grant	(0.82)	(0.80)
(Profit)/Loss on sale/disposal of property, plant and equipment	(0.12)	0.06
Employee Stock option Scheme Expense	2.18	3.29
Net Unrealised Foreign Exchange Fluctuation Loss (Gain)	0.13	0.19
Fair value gain on financial instruments through profit or loss	0.14	4.39
Realised gain on Financial Assets	(0.88)	(6.38)
Dividend Income	(23.05)	(3.05)
Interest income	(22.87)	(12.56)
Operating Profit before Working Capital changes	230.87	217.68
Adjustments for :		
(Increase) / Decrease in inventories	(17.94)	(2.50)
(Increase) / Decrease in Trade receivables	44.73	120.52
(Increase) / Decrease in Other Asset	14.05	(4.66)
(Increase) / Decrease in Other Financial assets	(0.57)	(0.07)
Increase/(Decrease) in Trade payables ,Other Liabilities & Provisions	21.80	18.56
Cash Generated from Operations	292.95	349.54
Income tax Paid	(61.98)	(54.90)
Net Cash inflow / (outflow) from Operating activities	230.97	294.64
B. Cash Flow from Investing Activities		
Sale / (Purchase) of investments	(76.53)	44.97
Investment in Bank Deposits & Inter Corporate Deposits	(122.50)	(20.00)
Investment in Subsidiaries	(34.63)	(0.37)
Loan given to Subsidiary company	(39.75)	-
Sale / (Purchase) of property, plant and equipment (Including CWIP)	(7.22)	(42.55)
Interest received	19.52	4.81
Dividend received	23.05	3.05
Realised gain on Financial Assets	0.88	6.38
Net Cash inflow/(outflow) from Investing activities	(237.18)	(3.71)
C. Cash Flow from Financing Activities		
Proceeds from exercise of employee stock options	0.03	-
Increase/(Decrease) in Long and Short term Borrowings	(0.01)	(0.27)
Interest paid (Including interest on Lease liability)	(0.09)	(0.17)
Dividend paid	(22.69)	(3.03)
Net Cash inflow / (outflow) from Financing activities	(22.76)	(3.47)
Net increase / (decrease) in cash and cash equivalents during the year D=(A+B+C)	(28.97)	287.46



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash and Cash Equivalents as at the beginning of the year ('E)	342.88	55.61
Effect of exchange rate changes on cash and cash equivalents (F)	(0.09)	(0.19)
Cash and Cash Equivalents as at the end of the year (G=D+E+F)	313.82	342.88
Less: Deposit under Lien (H)	0.02	0.36
Less: Bank Balance in Unspent CSR Account	3.99	-
Net Cash and Cash Equivalents as at the end of the year (I=G-H)	309.81	342.52

Notes:

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'.

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Reconciliation of Cash And Cash Equivalents		
Cash And Cash Equivalents As Per Balance Sheet	81.01	148.82
Other Bank Balances As Per Balance Sheet	235.07	196.67
Total Cash And Cash Equivalents As Per Balance Sheet	316.08	345.49
Less: Balance In Unclaimed Dividend Account	2.26	2.61
Less: Deposit Under Lien	0.02	0.36
Less: Bank Balance in Unspent CSR Account	3.99	-
Total Cash And Cash Equivalents As Per The Statement Of Cash Flows	309.81	342.52

- b) Net Cash and Cash Equivalents as at the end of the year includes bank deposits classified under other bank balance considering that such bank deposits are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value, however, deposit under lien has been excluded.
- c) Cash and cash equivalents does not include
- Investment in mutual fund of ₹ 51.97 Crores classified as current investment (Previous Year ₹ 10.54 Crores)
 - Investment in Corporate Bonds of ₹ 35.01 Crores classified as Non current investment (Previous Year ₹ Nil Crores)
 - Inter Corporate Deposits of ₹ 142.5 Crs classified as Other financial Assets (previous Year ₹ Nil Crs)

The accompanying notes 1 to 54 form an integral part of these standalone financial statements.

As per our report of even date attached

For **CNGSN & Associates LLP**

Chartered Accountants

Firm Registration No : 4915S/ S200036

B.Ramakrishnan

Partner

ICAI Membership No. 201023

Place : Chennai

Date : 12th May, 2022

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

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Dinesh R G

Company Secretary



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

A. EQUITY SHARE CAPITAL (Refer Note 14)

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at 31 March 2022		As at 31 March 2021	
	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT
Balance at the beginning of the reporting period	7,56,42,750	15.13	7,56,42,750	15.13
Issue of equity shares during the year	1,46,126	0.03	-	-
Balance at the end of the reporting period	7,57,88,876	15.16	7,56,42,750	15.13

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)	Retained Earnings	
Balance as at 31 March 2020	0.41	1.62	11.29	9.44	561.51	584.27
Profit for the year					156.23	156.23
Final Dividend on equity shares for FY 19-20					(3.03)	(3.03)
Movement in the comprehensive income for the year - actuarial gain/(loss) on employee benefit obligation					0.22	0.22
Movement in security premium		0.50				0.50
Share- based payment expenses (Net)				5.35		5.35
Balance as at 31 March 2021	0.41	2.12	11.29	14.79	714.93	743.54
Profit for the year					187.87	187.87
Interim Dividend on equity shares for FY 20-21					(11.35)	(11.35)
Final Dividend on equity shares for FY 20-21					(11.35)	(11.35)
Movement in the comprehensive income for the year - actuarial gain/(loss) on employee benefit obligation					0.10	0.10
Movement in security premium		12.51				12.51
Exercise of Employee stock option				(12.51)		(12.51)
Share- based payment expenses (Net)				6.68		6.68
Balance as at 31 March 2022	0.41	14.63	11.29	8.96	880.20	915.49

As per our report of even date attached
 For **CNGSN & Associates LLP**
 Chartered Accountants
 Firm Registration No : 4915S/ S200036

B.Ramakrishnan
 Partner
 ICAI Membership No. 201023

Place : Chennai
 Date : 12th May, 2022

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

Dr.Sridhar Ganesan
 Managing Director
 DIN:06819026

Dinesh R G
 Company Secretary



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

1 SIGNIFICANT 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 market. The Company’s principal research and development facilities are located in Tamil Nadu, India; its principal manufacturing facility is located in Puducherry, Tamilnadu, India. The Company’s shares are listed on the Bombay Stock Exchange and the National Stock Exchange in India.

1B. SIGNIFICANT 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 12, 2022.

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, 2022

(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 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 inspection is performed, its cost is recognized in the carrying amount of the 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.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Depreciation on tangible assets is provided on a straight line method over the 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 pro-rata basis for the number of days 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 does not exceed ₹ 5,000 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 life on Straight Line Method as follows:

Asset Category	Estimated useful life
Computer software & licenses	6 Years or use full 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 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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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 and the average lease terms. 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 finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract 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 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 it is 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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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 FIFO basis.

ii) Work-in-progress and Finished goods

Cost includes direct materials and labor 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 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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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, incentive receivable from Government 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. All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e. the date that 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.

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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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 a Company 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 loss allowance.

In case of other assets (listed as 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 loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as 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.
- Non-current financial liabilities mainly consist of Borrowings.

❖ **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 recognized initially 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 based on the effective interest rate method. Interest



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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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 of allocating 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 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.

l) Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at 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 to be 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.



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(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 only recognized 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 and control of the goods has been transferred to the customer, and when 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 term that have been agreed with the customer.

Revenue is measured at fair value of the consideration 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 non-refundable 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 MEIS (Merchandise Exports from India scheme) scrips.

Duty drawback 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.

MEIS scrips are freely transferable and can be utilised for the payment of customs duty. MEIS scrips are recognised either on transfer/sale of such scrips or when it is reasonably certain that such scrips can be utilised against import duties



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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 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 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 recognized in the statement of profit and loss in the year in which they arise.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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 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.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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.

u) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual

Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE : 2A - PROPERTY, PLANT & EQUIPMENT

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2021	Additions during the year	Deletions during the year	As at 31-03-2022	As at 01-04-2021	Additions during the year	Deletions during the year	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
Tangible Assets										
Land (i)	15.99	-	0.46	15.53	-	-	-	-	15.53	15.99
Leasehold Land	14.04	-	-	14.04	0.12	0.14	-	0.26	13.79	13.93
Factory Buildings (i)	57.56	-	0.52	57.03	7.73	2.30	0.52	9.51	47.52	49.83
Buildings - Others	4.51	-	0.05	4.46	1.06	0.07	0.01	1.11	3.34	3.45
Plant & Machinery (Ii)	71.18	2.80	2.05	71.93	31.75	7.34	1.74	37.34	34.59	39.43
Air Conditioner	3.27	0.10	-	3.37	0.73	0.37	-	1.10	2.27	2.53
Furniture & Fixtures	16.56	0.14	0.10	16.60	5.91	1.88	0.10	7.70	8.90	10.64
Office Equipment	5.86	0.16	0.18	5.84	4.25	0.60	0.18	4.68	1.17	1.60
Computers	6.11	0.37	0.01	6.46	4.33	1.21	0.01	5.53	0.93	1.78
Electrical Fittings	13.34	-	0.12	13.22	4.74	1.38	0.12	5.99	7.22	8.61
Motor Vehicles	5.23	0.24	0.40	5.07	3.99	0.48	0.40	4.07	1.00	1.24
Tools & Spares	0.52	-	0.02	0.50	0.52	0.00	0.02	0.50	0.00	0.00
Lab Equipment (Ii)	44.05	0.72	0.07	44.70	15.16	8.34	0.03	23.48	21.22	28.89
Motor Cycle	0.01	0.02	-	0.02	0.00	0.00	-	0.00	0.02	0.01
Total Tangible Assets	258.22	4.54	3.98	258.77	80.29	24.11	3.13	101.27	157.50	177.93



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2020	Additions during the year	Deletions during the year	As at 31-03-2021	As at 01-04-2020	Additions during the year	Deletions during the year	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Tangible Assets										
Land (i)	9.93	6.06	-	15.99	-	-	-	-	15.99	9.93
Leasehold Land	1.37	12.67	-	14.04	0.03	0.09	-	0.12	13.93	1.34
Factory Buildings (i)	46.05	11.51	-	57.56	5.94	1.79	-	7.73	49.83	40.11
Buildings - Others	4.51	-	-	4.51	0.99	0.07	-	1.06	3.45	3.52
Plant & Machinery (ii)	70.43	1.09	0.34	71.18	26.20	5.80	0.25	31.75	39.43	44.23
Air Conditioner	3.19	0.08	-	3.27	0.41	0.32	-	0.73	2.53	2.78
Furniture & Fixtures	16.39	0.17	-	16.56	4.14	1.77	-	5.91	10.64	12.24
Office Equipment	5.70	0.16	-	5.86	3.60	0.65	-	4.25	1.60	2.09
Computers	5.82	0.29	-	6.11	3.07	1.26	-	4.33	1.78	2.74
Electrical Fittings	13.25	0.09	-	13.34	3.49	1.25	-	4.74	8.61	9.76
Motor Vehicles	5.16	0.14	0.08	5.23	3.60	0.47	0.08	3.99	1.24	1.57
Tools & Spares	0.52	-	-	0.52	0.40	0.11	-	0.52	0.00	0.11
Lab Equipment (ii)	39.04	5.01	-	44.05	7.76	7.40	-	15.16	28.89	31.28
Motor Cycle	0.01	-	-	0.01	0.00	0.00	-	0.00	0.01	0.01
Total Tangible Assets	221.36	37.28	0.42	258.22	59.63	20.98	0.33	80.29	177.93	161.71

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. 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 for 31st March 2022 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 31st March 2022 includes ₹ 2.19 Crores (PY: ₹ 1.37 Crores) on such government grant.

NOTE : 2B - CAPITAL WORK IN PROGRESS
Ageing for capital work-in-progress as at March 31, 2022

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	1.04	0.69	-	-	1.73



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Ageing for capital work-in-progress as at March 31, 2021

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	1.36	-	-	-	1.36

NOTE : 2C INTANGIBLE ASSETS

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2021	Additions during the year	Deletions during the year	As at 31-03-2022	As at 01-04-2021	Additions during the year	Deletions during the year	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
Intangible Assets										
Computer Software	5.75	1.87	-	7.62	2.15	1.00	-	3.15	4.47	3.60
Total Other Intangible Assets	5.75	1.87	-	7.62	2.15	1.00	-	3.15	4.47	3.60

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2020	Additions during the year	Deletions during the year	As at 31-03-2021	As at 01-04-2020	Additions during the year	Deletions during the year	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Other Intangible Assets										
Computer Software	4.74	1.01	-	5.75	1.35	0.80	-	2.15	3.60	3.39
Total Other Intangible Assets	4.74	1.01	-	5.75	1.35	0.80	-	2.15	3.60	3.39

NOTE : 2D RIGHT OF USE (ROU) ASSETS

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2021	Additions during the year	Deletions during the year	As at 31-03-2022	As at 01-04-2021	Additions during the year	Deletions during the year	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
ROU Assets	2.25		-	2.25	1.10	0.66	-	1.76	0.49	1.15
Total ROU Assets	2.25	-	-	2.25	1.10	0.66	-	1.76	0.49	1.15

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2020	Additions during the year	Deletions during the year	As at 31-03-2021	As at 01-04-2020	Additions during the year	Deletions during the year	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
ROU Assets	2.25		-	2.25	0.44	0.66	-	1.10	1.15	1.81
Total ROU Assets	2.25	-	-	2.25	0.44	0.66	-	1.10	1.15	1.81



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE : 2E INTANGIBLE ASSETS UNDER DEVELOPMENT

Ageing for Intangibles under Development as at March 31, 2022

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	0.87	-	-	-	0.87

Ageing for Intangibles under Development as at March 31, 2021

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	-	-	-	-	-

NOTE 3: INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

	As at March 31, 2022	As at March 31, 2021
A. Fully paid Ordinary / Equity shares/Share in LLP - Unquoted - at cost		
(i) Subsidiaries		
88,000 (88,000) Caplin Point Far East Limited, (Hong Kong) of HKD 1/- each	0.08	0.08
9,69,814 (7,86,417) Caplin Point laboratories Colombia, SAS, (Colombia) of COP 1,000/- each	2.50	2.12
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)	137.09	132.59
50,000 (50,000) Equity Shares in CAPLIN POINT (S) PTE Ltd of USD 1/- each	0.38	0.38
3,42,58,000 (Nil) Equity Shares in CAPLIN ONCO LIMITED of ₹. 10/- each	34.26	-
(ii) Associate		
17,28,951 (17,28,951) equity shares of Hainan Jointown Caplinpoint Pharmaceutical Company Limited of ₹ 10/- each fully paid up (ii)	1.82	1.82
Total	177.12	137.98

- (i) The ESOP's issued by the Company to the employees of its subsidiary amounting to ₹ 4.50 Cr is considered as part of its cost of investment.
- (ii) The Company's Associate entity in China namely Hainan Jointown Caplinpoint Pharmaceutical Company Limited has since been liquidated and the amount invested by the Company in this joint venture has been received in full in FY 22-23



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 3A: NON-CURRENT INVESTMENTS

	As at March 31, 2022	As at March 31, 2021
A. 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	0.57	0.62
4,400 (4,400) shares of Karnataka Bank Ltd of ₹10/- each fully paid up	0.02	0.03
4,800 (4,800) shares of Indian Overseas Bank of ₹ 10/- each fully paid up	0.01	0.01
700 (700) shares of Bank of India of ₹ 10/- each fully paid up (Note-1)	0.00	0.00
B. Investments in Corporate Bonds - carried at amortised cost		
- 100 units of Shriram Transport Finance Company Ltd (Face Value ₹ 10 Lakh)	10.36	-
- 2 units of State Bank of India - Perpetual (Face value-₹ 1 Crore)	2.01	-
- 20 Units of Mahindra & Mahindra Financials Services Ltd 2031 (Face Value- ₹ 10 Lakh)	2.02	-
- 60 units of L&T Infra Debt Fund Ltd 2023 (Face Value-₹ 10 Lakh)	6.20	-
- 50 Units of Axis Finance Limited 2026 (Face Value- ₹ 10 Lakh)	5.27	-
- 50 Units of Shriram City Union Finance Limited 2022 (Face value- ₹ 10 Lakh)	5.05	-
- 40 Units of Power Finance Corporation Limited 2023 (Face Value ₹ 10 Lakh)	4.10	-
Total	35.61	0.66

Note-1 Investment in Bank of India as on 31/03/2022 is ₹ 32,095 (₹ 47,095 as on 31/03/2021)

NOTE 4: LONG TERM LOANS AND ADVANCES *

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Loan to Subsidiary	39.75	-
Total	39.75	-
* Break up:		
Loans considered good- Secured	-	-
Loans considered good- Unsecured	39.75	-
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	39.75	-
Less: Allowance for doubtful Loans	-	-
Total Loans	39.75	-

Terms of Borrowings

- (i) Unsecured loan to Related party consists of Loan to Subsidiary Company amounting to ₹ 39.75 Crores (March 31, 2021: Nil) towards Capex projects.
- (ii) Interest rate for the loan is currently 9% p.a. (SBI's one year MCLR + 2% Risk premium), payable with monthly rests, from the date of first disbursement.
- (iii) The Principal is repayable over a period of 5 years after completion of the moratorium period.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 5: OTHER FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Security Deposit - Unsecured & considered good	0.97	0.97
Rental Deposit -Unsecured & considered good	1.13	0.56
Bank Deposits with more than 12 months maturity	-	20.00
Inter Corporate Deposits with more than 12 months maturity	24.00	-
Total:	26.10	21.53

NOTE 6: OTHER NON CURRENT ASSET

	As at March 31, 2022	As at March 31, 2021
Advance for Capital expenditure	2.32	1.97
Total	2.32	1.97

NOTE 7: INVENTORIES (LOWER OF COST OR NET REALISABLE VALUE)

	As at March 31, 2022	As at March 31, 2021
Raw Materials	14.48	8.70
Packing Materials	6.55	5.09
Work-in-Progress	2.64	1.58
Stock In Trade	2.50	4.57
Finished Goods	14.37	4.36
Stores and Spares	2.27	0.57
Total	42.81	24.87

NOTE 8: CURRENT INVESTMENT

	As at March 31, 2022	As at March 31, 2021
Investment in Mutual Fund - fair value through Profit or Loss (i)	51.97	10.54
Total	51.97	10.54



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

(i) Investment in Mutual Fund at fair value through profit or loss

FUND NAME	As at March 31, 2022		As at March 31, 2021	
	Units	Amount ₹ in Crores	Units	Amount ₹ in Crores
Aditya Birla Sun Life Liquid Fund	2,93,819	10.01	-	-
Franklin India Fixed Maturity Plan B Series - 5 - Plan B1244 days - Growth	20,00,000	2.62	20,00,000	2.51
UTI Money Market Fund	40,885	10.12	-	-
Aditya Birla Sun Life Money Manager Fund	9,80,393	29.22	-	-
Franklin India Fixed Maturity Plans - Series 4 - Plan E 1098 days - Growth - Direct	-	-	20,00,000	2.51
Aditya Birla Sun Life Overnight Fund - Growth	-	-	18,065	2.00
Aditya Birla Sun Life Overnight Fund- Growth - Direct	-	-	31,528	3.52
Total		51.97		10.54

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate book value of quoted investments	51.35	9.84
Aggregate Market value of quoted investments	52.57	11.20
Aggregate value of un-quoted investments	212.13	137.98
Aggregate amount of impairment in value of investment		

NOTE 9: TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured considered good unless otherwise stated)		
Trade Receivables	53.73	98.46
Less: Allowance for doubtful trade receivables	-	-
Total receivables	53.73	98.46



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)
Trade Receivables ageing schedule
As on 31 March 2022:

Particulars	Outstanding from the due date of payment/transaction				
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	Total
Related Parties					
(i) Undisputed Trade receivables – considered good	11.14	-	-	-	11.14
Others					
(i) Undisputed Trade receivables – considered good	42.59	-	-	-	42.59

As on 31 March 2021:

Particulars	Outstanding from the due date of payment/transaction				
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	Total
Related Parties					
(i) Undisputed Trade receivables – considered good	21.47	-	-	-	21.47
Others					
(i) Undisputed Trade receivables – considered good	76.99	-	-	-	76.99

NOTE 10: CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Cash on Hand	0.06	0.05
Balance with Banks		
- Current accounts	20.31	35.67
- Earmarked balances for CSR	3.99	-
In Bank Deposit Accounts		
- Bank Deposit accounts less than 3 months maturity	56.65	113.10
	81.01	148.82

NOTE 11: OTHER BANK BALANCES

	As at March 31, 2022	As at March 31, 2021
- Unpaid Dividend account	2.26	2.61
In Bank Deposit Accounts		
- Bank Deposit accounts maturity (more than 3 months but less than 12 months) [Refer Note 37]	232.81	194.06
	-	-
Total	235.07	196.67



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 12: OTHER FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Interest Accrued on Deposits	11.52	8.17
Inter Corporate Deposits less than 1 year maturity	118.50	
Total:	130.02	8.17

NOTE 13: OTHER CURRENT ASSETS

	As at March 31, 2022	As at March 31, 2021
Advances recoverable in cash or kind for the value to be received	1.98	2.60
Export Incentives Receivable	0.45	10.12
Balance with Statutory Authorities	8.63	12.37
Provision for Compensated absences (Net)	-	0.02
Total	11.06	25.11

NOTE 14: SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
AUTHORISED		
8,50,00,000 (31st March, 2021: 8,50,00,000) equity shares of ₹ 2/- each	17.00	17.00
ISSUED, SUBSCRIBED AND PAID UP		
7,57,88,876 (31st March, 2021:7,56,42,750) equity shares of ₹ 2/- each fully paid up	15.16	15.13
	15.16	15.13

a) Reconciliation of equity shares outstanding at the beginning and at the end of the Year

Fund Name	As at March 31, 2022		As at March 31, 2021	
	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	7,56,42,750	15.13	7,56,42,750	15.13
Add: Equity shares allotted pursuant to employee stock option plan*	1,46,126	0.03		
Less: Equity shares bought back during the Year	-	-	-	-
Equity shares outstanding at the end of the Year	7,57,88,876	15.16	7,56,42,750	15.13

*During the financial year 2021-22 (2020-21), 1,46,126 (Nil) equity shares under ESOP Scheme vested were exercised



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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.

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) Details of shares in the company held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2022 (of ₹ 2/- each)		As at March 31, 2021 (of ₹ 2/- each)	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
P. Vijayalakshmi	1,78,80,000	23.59%	1,78,80,000	23.64%
C.C. Paarthipan	1,41,67,192	18.69%	1,41,67,192	18.73%
P. Ashok Gorkey	90,50,000	11.94%	90,50,000	11.96%
P. Vivek Siddarth	90,00,000	11.88%	90,00,000	11.90%

d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year:

Name of Shareholder	As at March 31, 2022 (of ₹ 2/- each)		As at March 31, 2021 (of ₹ 2/- each)		% Change during the Year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
P. Vijayalakshmi	1,78,80,000	23.59%	1,78,80,000	23.64%	0.00%
C.C. Paarthipan	1,41,67,192	18.69%	1,41,67,192	18.73%	0.00%
P. Ashok Gorkey	90,50,000	11.94%	90,50,000	11.96%	0.00%
P. Vivek Siddarth	90,00,000	11.88%	90,00,000	11.90%	0.00%
May India Property Pvt Ltd	21,17,000	2.79%	21,17,000	2.80%	0.00%

* Change in Promotor holding is due to allotment of ESOPs to employees during the year

e) Shares reserved for issuance under Employee Stock Options Plans of the Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares of ₹ 2/- each	Amount	No. of Shares of ₹ 2/- each	Amount
Caplin Point Employee Stock Option Plan 2015	3,03,116	0.06	3,74,250	0.07
Caplin Point Employee Stock Option Plan 2017	3,26,000	0.07	3,96,750	0.08
Caplin Point Employee Stock Option Plan 2021	40,000	0.01	Nil	-



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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
Total	2,38,876

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

	As at March 31, 2022	As at March 31, 2021
a) Capital Reserve		
Opening and closing balance as per last balance sheet	0.41	0.41
b) Securities Premium		
Opening balance as per last balance sheet	2.12	2.12
Add: Additions during the year	12.51	
Balance at the end of the Year	14.63	2.12
c) General Reserve		
Opening and closing balance as per last balance sheet	11.29	11.29
d) Employee Stock Options Outstanding		
- Employee Stock options outstanding		
Opening balance as per last balance sheet	28.80	25.03
Add: Options granted during the year	14.35	3.77
Less: Exercised during the year	(12.51)	-
Less: Lapsed during the year	-	-
Balance at the end of the Year (A)	30.64	28.80
- Deferred Employees Stock Options Cost		
Opening balance as per last balance sheet	14.01	15.59
Add: Options granted during the year	14.35	3.77
Less: Amortised during the year in statement of P&L account	(2.18)	(3.29)
Less: Amortised during the year in Cost of investment in subsidiary	(4.50)	(2.06)
Balance at the end of the Year (B)	21.68	14.01
(A-B)	8.96	14.79



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
e) Surplus in the Statement of Profit & Loss		
Balance at the beginning of the Year	714.84	561.64
Add: Profit during the Period	187.87	156.23
Interim Dividend Paid for FY 20-21	(11.35)	-
Final Dividend paid for FY 20-21	(11.35)	(3.03)
Balance at the end of the Year	880.01	714.84
f) Share Application Money pending Allotment*	0.00	
g) Other Comprehensive Income		
i) Actuarial Gain/ (Loss) on employee benefit obligation		
Opening balance as per last balance sheet	0.09	(0.13)
Add/(Less); Additions during the year	0.10	0.22
Balance at the end of the Year	0.19	0.09
Total	915.49	743.54

* Share Application Money Pending Allotment is ₹ 13,332 as on 31/03/2022 (₹ Nil as on 31/03/2021)

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 LIABILITY (NON-CURRENT LIABILITY)

	As at March 31, 2022	As at March 31, 2021
Lease Liability	0.16	0.53
Total	0.16	0.53



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 17: DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2022	As at March 31, 2021
a) Deferred Tax Liabilities on account of timing differences	21.79	20.97
Total	21.79	20.97

NOTE 18: OTHER NON CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Govt Grant [Refer Note 2(i)]	2.68	3.49
Total	2.68	3.49

NOTE 19: TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer Note- 36)	1.16	0.22
Total outstanding dues of creditors other than micro enterprises and small enterprises	71.10	69.89
Total	72.26	70.11

Trade Payables Ageing As at March 31, 2022

Particulars	Outstanding from the due date of payment/transaction				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	1.16	-	-	-	1.16
(ii) Others	71.10	-	-	-	71.10

Trade Payables Ageing As at March 31, 2021

Particulars	Outstanding from the due date of payment/transaction				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	0.22	-	-	-	0.22
(ii) Others	69.89	-	-	-	69.89



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 20: LEASE LIABILITY (CURRENT LIABILITY)

	As at March 31, 2022	As at March 31, 2021
Lease Liability	0.46	0.79
Total	0.46	0.79

NOTE 21: CURRENT BORROWING

	As at March 31, 2022	As at March 31, 2021
Current maturities of long term debt	-	0.01

NOTE 22: OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Creditors for Capital Goods	1.22	0.73
Unclaimed Dividend (Ref Note :44)	2.26	2.61
Salary and bonus payable	1.02	1.28
Total	4.50	4.62

NOTE 23: PROVISIONS-CURRENT

	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity(Net)	0.75	1.16
Provision for Compensated absences	0.45	-
Total	1.20	1.16

NOTE 24: OTHER CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Statutory Dues payable	0.85	0.64
Advance received from Customers (interest free)	19.61	-
Total	20.46	0.64



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 25: REVENUE FROM OPERATIONS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue From Operations	522.42	471.05
Sale of products	516.82	468.16
Service income	5.60	2.89
Other operating revenues		
Export Incentives	5.64	11.63
Total	528.06	482.68

NOTE 26: OTHER INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income	21.39	12.56
Interest Income from Subsidiary	1.48	-
Dividend on Non Current investment from subsidiary Company (a)	23.05	3.05
Share of Profit/ (loss) in LLP from Non Current investment from Subsidiary LLP (b)	0.05	0.01
Realised Gain on sale of financial instruments	0.88	6.38
Fair value gain/(loss) on financial instruments through profit or loss	(0.14)	(4.39)
Gain on Foreign exchange (net)	8.33	0.17
Govt Grant (c)	0.82	0.80
Profit on sale of Assets	0.43	-
Miscellaneous Income	0.26	0.04
Total	56.55	18.62

(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, 2022
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 27: COST OF MATERIALS CONSUMED

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock	14.36	12.43
Add : Purchases (Net)	164.95	114.41
Less Closing Stock	23.30	14.36
Total	156.01	112.48

NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS INCLUDING STOCK -IN-TRADE AND WORK-IN-PROGRESS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year		
Work in Progress	2.64	1.58
Finished Goods	14.37	4.36
Stock-in-Trade	2.50	4.57
(A)	19.51	10.51
Inventories at the beginning of the year		
Work in Progress	1.58	1.76
Finished Goods	4.36	7.03
Stock-in-Trade	4.57	1.15
(B)	10.51	9.94
Net (Increase) / Decrease in Inventories (B- A)	(9.00)	(0.57)

NOTE 29: EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries,wages, bonus and allowances	24.00	19.47
Contribution to Provident and Other funds	1.93	1.66
Employee share based expense	2.18	3.29
Staff Welfare Expenses	2.36	2.17
Total	30.47	26.59



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 30: FINANCE COSTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expense	0.00	0.02
Interest Expense on Lease	0.09	0.15
Total	0.09	0.17

NOTE 31: DEPRECIATION AND AMORTISATION

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment (Refer note: 2)	24.11	20.98
Amortisation of Intangible Assets	1.00	0.80
Depreciation on ROU Asset	0.66	0.66
	25.77	22.44

NOTE 32: RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
R & D Expenses	23.87	19.40
	23.87	19.40

NOTE 33: OTHER EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Loss on Sale of Asset	0.31	0.06
Power and Fuel	9.54	6.36
Contract Labour charges	4.92	3.91
Other Manufacturing Expenses	1.14	0.78
Communication Expenses	0.47	0.43



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Donations	0.10	0.19
Corporate social Responsibility Expenses	4.47	4.10
Professional and Consultancy charges	2.97	2.40
Rates & taxes	1.00	0.57
Travelling Expenses	1.22	0.96
Auditors' Remuneration -(Refer note:42)	0.17	0.17
Insurance	0.63	0.54
Repairs and Maintenance		
a) Plant and Machinery	2.65	1.40
b) Building	1.56	1.30
c) Others	0.54	0.36
Rent & Amenities	0.95	0.87
Freight outwards	12.23	2.78
Sundry Expenses	4.58	0.75
	49.45	27.93

NOTE 34: COMMITMENT (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account	10.69	1.90
Other Commitments (Raw material, Packing Material, Finished Goods, Other services)	25.41	30.35
Interim dividend of ₹ 2.00 (100%) per equity share of ₹ 2 each for the Financial Year 2021-22 payable after 24th May' 2022, not recognized as a liability in the financial statements for the year ended 31st March' 2022	15.16	11.35

NOTE 35: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)
Disputed statutory dues:

Name of the statute	Nature of dues	As at March 31, 2022	As at March 31, 2021	Forum where dispute is pending
Income Tax Act, 1961	Income tax	0.71	1.02	DCIT ,Chennai



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 36: 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 2021-22, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE “SUPPLIERS” REGARDING THEIR STATUS UNDER THE ACT

Particulars	As at March 31, 2022	As at March 31, 2021
(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 enterprise	1.16	0.22
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 37: BALANCES WITH SCHEDULED BANKS IN DEPOSIT ACCOUNTS INCLUDES:

- (a) Bank Deposit Accounts under Note no: 11 for the current year include ₹ 0.02 Crores (as at 31.03.2021 ₹ 0.36 Crores) earmarked as lien towards Margin for Letter of Credit and Bank Guarantee .

NOTE 38: 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 ₹ 1.70 Crores (Previous year ₹ 1.48 Crores) towards provident and pension fund contributions in the Statement of Profit and Loss.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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 annual 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
a. Change in Defined Benefit Obligation during the period				
Present Value of Obligation at the beginning of the year	3.38	2.88	1.19	0.99
Current service cost	0.89	0.89	0.09	0.07
Interest cost	0.25	0.21	0.04	0.03
Remeasurement Gains/(Losses):				
- Due to finance assumption	(0.14)	(0.09)	-	-
- Due to experience assumption	(0.07)	(0.26)	-	-



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Actuarial Gains/(Losses)	-	-	0.49	0.46
Benefits paid	(0.17)	(0.26)	(0.51)	(0.36)
Present Value of Obligation at the beginning of the year	4.14	3.38	1.30	1.19
b. Change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	2.22	1.91	1.21	0.11
Actuarial Gains/(Losses)	(0.11)	(0.13)	(0.06)	(0.00)
Interest Income	0.15	0.13	0.08	0.01
Contribution by the employer	1.30	0.56	-	1.35
Benefits paid	(0.17)	(0.26)	(0.38)	(0.26)
Fair Value of the plan assets at the end of the year	3.39	2.22	0.85	1.21

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
a. Amount recognised in Balance Sheet				
Projected benefit obligation at the end of the year	(4.14)	(3.38)	(1.30)	(1.19)
Fair value of plan assets at end of the year	3.39	2.22	0.85	1.21
Funded status of the plans – Liability recognised in the balance sheet	(0.75)	(1.16)	(0.45)	0.02
b. Components of defined benefit cost recognised in Statement of Profit and Loss				
Current service cost	0.89	0.89	0.09	0.07
Net Interest Expense	0.10	0.07	(0.04)	0.03
Remeasurements	-	-	0.55	0.46
Total Defined Benefit Cost recognised in Statement of Profit and Loss	0.99	0.96	0.60	0.56



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
b. Components of defined benefit cost recognised in Other Comprehensive Income				
Remeasurement due to;				
– Change in finance assumption	(0.14)	(0.09)	-	-
– Change in experience adjustment	(0.07)	(0.26)	-	-
Return of Plan Assets	0.11	0.13	-	-
Total Defined Benefit Cost recognised in Other Comprehensive Income	(0.10)	(0.22)	-	-

Actuarial Assumptions used for Valuation of Gratuity and Compensated Absences

Assumptions	As at March 31, 2022	As at March 31, 2021
Economic Assumptions		
Discount Rate	7.44%	7.03%
Salary Escalation Rate	7.00%	7.00%
Expected Rate of Return on Assets	7.44%	7.03%
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, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Sensitivity Analysis	As at March 31, 2022	As at March 31, 2021
Discount Rate		
- 1% increase (+100 Basis Points)	(0.32)	(0.29)
- 1% decrease (-100 Basis Points)	0.36	0.29
Salary Escalation Rate		
- 1% increase (+100 Basis Points)	0.30	0.24
- 1% decrease (-100 Basis Points)	(0.28)	(0.23)
Withdrawal Rate		
- 1% increase (+100 Basis Points)	0.01	(0.01)
- 1% decrease (-100 Basis Points)	(0.02)	0.01

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, 2022
Year - 2023	0.52
Year - 2024	0.31
Year - 2025	0.31
Year - 2026	0.30
Year - 2027	0.31
Year - 2028 to 2032	1.82

The company's best estimate of the contribution expected to be paid to the Gratuity during the next year is ₹ 1.61 Crore (March 31, 2021: ₹ 1.25 Crore)



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 39: INCOME TAXES:

- a. Tax expenses recognised in profit and loss:

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Current Tax Expense for the year	61.62	54.88
Deferred income tax liability/ (asset), net	0.82	(1.17)
Tax expense for the year	62.44	53.71

- b. Reconciliation of effective tax rate:

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Profit before Tax	250.31	209.94
Tax using the Company's domestic tax rate	63.00	52.84
(March 31, 2022:25.168%, March 31, 2021: 25.168%)		
Tax effect of :		
Tax impact on Donation & CSR expenses disallowance	1.15	1.08
Tax on Foreign dividend income received by the company is exempt on redistribution of the same as dividend by the company	(5.80)	(0.77)
Tax incentive on additional employment	(0.08)	(0.20)
Tax impact on Actual Gain on Mutual fund & shares	(0.10)	(0.07)
Tax impact on fair value of Mutual fund & shares (Disallowance)	0.04	1.10
Tax impact - Timing difference on R&D capital asset, book and tax depreciation and others	4.23	(0.27)
Current and Deferred Tax expenses as per note (a) above	62.44	53.71



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

c. Movement in deferred tax balances

Deferred Tax Liability	As at March 31, 2021	For the year ended March 31, 2022	As at March 31, 2022
Property, plant and equipment	20.97	0.82	21.79
Total	20.97	0.82	21.79

NOTE 40: REMUNERATION TO MANAGING DIRECTOR/WHOLE-TIME DIRECTORS

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Salaries	0.52	0.54
Contribution to provident and other funds	0.04	0.02
Total *	0.56	0.56

* Refer note 45 (C)

NOTE 41: RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Capital expenditure included in Fixed Assets	0.57	6.61
Revenue expenditures incurred during the Financial Year	23.87	19.40
Total	24.44	26.01

NOTE 42: AUDITORS' REMUNERATION COMPRISES OF FEES: (EXCLUDING APPLICABLE TAX)

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
For Statutory Audit	0.13	0.13
For Tax Audit	0.03	0.03
For Others	0.01	0.01
Total	0.17	0.17



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 43: EARNINGS PER SHARE IS CALCULATED AS UNDER
Basic

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Net Profit attributable to Equity Shareholders (₹ in Crores)	187.87	156.23
Weighted average number of equity shares of ₹ 2/- each outstanding during the year (in Nos.)	7,56,97,306	7,56,42,750
Earnings per share (in ₹)	24.82	20.65

Diluted

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Net Profit attributable to Equity Shareholders (₹ in Crores)	187.87	156.23
Weighted average number of equity shares of ₹ 2/- each outstanding during the year (in Nos.)	7,63,66,422	7,63,21,000
Earnings per share (in ₹)	24.60	20.47

NOTE 44: AMOUNT DUE TO INVESTOR EDUCATION AND PROTECTION FUND

The due amount of ₹ 0.29 Crores (PY : ₹ 0.21 Crores) were transferred to investor education and protection fund and there is no outstanding due amount to be transferred to investor education and protection fund as at 31st March 2022.

NOTE 45: 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, 2022	Percentage of Shares held by Caplin point laboratories limited as at March 31, 2021
Mr. Vivek Siddharth,	Relative of Chairman	Not Applicable	Not Applicable
Caplin Point Far East Limited, (Hong Kong)	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin Point (S) PTE Ltd (Singapore)	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin Onco Ltd, (India)	Wholly owned Subsidiary Company (Incorporated on 2nd June 2021)	100.00%	100.00%
Caplin Steriles Limited, (India)	Subsidiary Company	99.999%	99.999%
Argus Salud Pharma LLP, (India)	Subsidiary LLP	99.90%	99.90%



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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, 2022	Percentage of Shares held by Caplin point laboratories limited as at March 31, 2021
Caplin Point Laboratories Colombia SAS, (Colombia)	Subsidiary Company	87.69%	85.83%
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	Not Applicable	Not Applicable
Hainan Jointown Caplin point Pharmaceutical Company Limited, (China)*	Associate	39.00%	39.00%

* The Company's Associate entity in China namely Hainan Jointown Caplinpoint Pharmaceutical Company Limited has been liquidated and the amount invested by the Company in this joint venture has been received in full in FY 22-23

(b) Key Managerial Personnel

Dr. Sridhar Ganesan	- Managing Director from 28.03.2015
Mr. D Muralidharan	- Chief Financial Officer from 19.02.2016
Mr. Dinesh R G	- Company Secretary from 06.05.2021
Mr. Vinod Kumar Srinivasan	- Company Secretary from 11-01-2019 to 05-02-2021

(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, 2022	For the Financial Year ended March 31, 2021
Remuneration*		
Mr.Vivek Siddharth-Chief Operating officer (Related Party)	0.19	0.12
Dr. Sridhar Ganesan	0.56	0.56
Mr. D Muralidharan**	0.80	0.40
Mr. R G Dinesh	0.11	-
Mr. Vinod Kumar Srinivasan	-	0.09

* 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.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

** Remuneration to Mr. D Muralidharan includes Perquisites value of stock option amounting to ₹ 0.39 Cr pertaining to allotment of 5,000 equity shares under ESOP scheme during the year

(d) Details of Transactions that have taken place during the Financial Year with Subsidiary Companies/LLP:

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Share of profit (Loss) in Argus Salud Pharma LLP	0.05	0.01
Investment in Caplin Point (S) PTE Ltd	-	0.34
Investment in Caplin Onco Ltd	34.26	-
Investment in Caplin point Laboratories Colombia SAS	0.38	0.37
Sale of MEIS Licence to Caplin Steriles Limited	1.47	0.66
Corporate Office common expenses recovery from Caplin Steriles Ltd	0.80	0.52
Sale of Assets and Materials to Caplin Steriles Limited	1.16	0.65
Purchase of Assets and Materials from Caplin Steriles Limited	1.15	0.64
Capex Loan given to Caplin steriles Limited	39.75	-
Interest on Capex Loan received from Caplin Steriles Limited	1.48	-
Sale of goods to DROGUERIA SAIMED DE HONDURAS - HS	43.25	33.59
Sale of goods to Nuevos Eticos Neoethicals, S A - GT	124.36	123.92
Sale of goods to Neo Ethicals S.A Nicaragua	36.34	33.95
Sale of goods to Neo Ethicals CIA.LTDA-Ecuador	30.93	32.95
Rent received from Caplin Onco Ltd	0.07	-
SAP License charges recovered from Caplin Onco Ltd (i)	0.00	-
Rent & Consultancy charges paid to Ashvich Infotek Private Limited	1.14	0.99
Purchase of Asset from Ashvich Infotek Private Limited	-	0.13
Dividend income received from Caplin point Far East Limited	23.05	3.05

(i) SAP License charges amounts to ₹ 39,574



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

(e) Outstanding Balances

Particulars	As at March 31, 2022	As at March 31, 2021
Amount receivable/ (Payable) from Argus Salud Pharma LLP	0.05	(0.27)
Amount receivable/ (Payable) from Nuevos Eticos Neo Ethicals S.A - Guatemala	10.85	4.48
Amount receivable/ (Payable) to DROGUERIA SAIMED DE HONDURAS - HS	(1.48)	(0.95)
Amount receivable/ (Payable) to Neo Ethicals S.A Nicaragua	(14.84)	18.41
Amount receivable/ (Payable) from Neo Ethicals CIA.LTDA-Ecuador	0.30	(0.47)
Balance outstanding w.r.t Loan given to Caplin Steriles Ltd	39.75	-
Amount receivable/ (Payable) from Caplin Onco Limited	-	-
Amount receivable/(Payable) to Ashvich Infotek Private Ltd.	(0.04)	-

FINANCIAL INSTRUMENTS:

NOTE 46: 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 31 March 2022			As at 31 March 2021		
	Carrying Amount			Carrying Amount		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial Assets						
Non - Current Investments - Mutual fund and equity	0.60	-	0.60	0.66	-	0.66
Investment in Corporate Bonds	-	35.01	35.01	-	-	-
Non - Current Loans						
- Loan to Subsidiary	-	39.75	39.75	-	-	-



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at 31 March 2022			As at 31 March 2021		
	Carrying Amount			Carrying Amount		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Other Non Current Financial Assets	-	26.10	26.10	-	21.53	21.53
Other Current Financial Assets	-	130.02	130.02	-	8.18	8.18
Current Investments	51.97	-	51.97	10.54	-	10.54
Trade Receivable	-	53.73	53.73	-	98.46	98.46
Cash and Cash Equivalents	-	81.01	81.01	-	148.82	148.82
Other Bank Balances other than Cash and Cash Equivalents	-	235.07	235.07	-	196.67	196.67
Total	52.57	600.69	653.26	11.20	473.66	484.86
Financial Liabilities						
Non - Current Borrowings	-	-	-	-	-	-
Non - Current Lease Liability	-	0.16	0.16	-	0.53	0.53
Trade Payables	-	72.26	72.26	-	70.11	70.11
Current -Lease Liability	-	0.46	0.46	-	0.79	0.79
Current Borrowings	-	-	-	-	0.01	0.01
Other Current financial Liabilities	-	4.50	4.50	-	4.62	4.62
Total	-	77.38	77.38	-	76.06	76.06

(i) The Company estimates that the fair value of these investments are not materially different as compared to its cost

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 Liability 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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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.

Trade Receivables

Summary of the Company's exposure to credit	As at 31.03 2022	As at 31.03 2021
Neither past due nor impaired	53.73	98.46
Total	53.73	98.46

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.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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 ₹ 81.01 Crores (31.03.2021 ₹ 148.82 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 ₹ 235.07 Crores (31.03.2021 ₹ 196.67 Crores). The balances are held with banks with good credit rating.

Investment in mutual funds

As at the year end, the Company held Investment in Mutual Fund of ₹ 51.97 Crores (31.03.2021 ₹ 10.54 Crores). 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 asset

As at the year end, the Company held Inter Corporate Deposits/Bank Deposits of ₹ 143.58 Crores (31.03.2021 ₹ 21.24 Crores) under other financial asset.

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 Company has not availed any fund based working capital facilities from banks and financial institutions. The Company has obtained non-fund based working capital lines from 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.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

As at 31 March 2022	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 Liability	0.62	0.62	0.46	0.16	-	-	-
Trade payables	72.26	72.26	72.26	-	-	-	-
Other current Financial Liabilities	4.50	4.50	4.50	-	-	-	-
Total	77.38	77.38	77.22	0.16	-	-	-

As at 31 March 2021	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	0.01	0.01	0.01	-	-	-	-
Interest Payable on non-current borrowing		-	-	-	-	-	-
Lease Liability	1.32	1.32	0.79	0.37	0.16	-	-
Trade payables	70.11	70.11	70.11	-	-	-	-
Other current Financial Liabilities	4.62	4.62	4.62	-	-	-	-
Total	76.06	76.06	75.53	0.37	0.16	-	-

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 is 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(\$).



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Exposure to Currency risk

Following is the currency profile of non-derivative financial assets and financial liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	USD in Crores	₹ in Crores	USD in Crores	₹ in Crores
Export Debtors	0.69	52.50	1.34	98.46
Cash and cash equivalents	0.08	6.09	0.36	26.14
Total	0.77	58.59	1.70	124.60
Creditors	0.03	2.17	0.00	1.42
Total	0.03	2.17	0.00	1.42
Net statement of financial position exposure	0.74	56.42	1.70	123.18

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 ₹ 0.56 Crore for the year ended March 31, 2022 (₹ 1.23 Crores for the year ended March 31, 2021)

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 31 March 2022 and 31 March 2021, the Company has not availed any long term borrowings except for loans on certain vehicles in previous year 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 31 March 2022, 31 March 2021, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Risk due to outbreak of COVID 19 pandemic

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories and investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used internal and external sources of information and based on the current estimates arrived at using the said assumptions, the Company expects to recover the carrying amount of receivables, inventories and investments. As the outbreak continues to evolve, the company will continue to closely monitor any material changes to future economic conditions.

NOTE 47: THE RATIOS FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021 ARE AS FOLLOWS :

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Variance	Reason (If variation is more than 25%)
Current Ratio	Current Assets	Current Liabilities	6.13	6.63	-8%	
Debt - Equity Ratio	Total Debt	Shareholder's Equity	NA	NA		
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	NA	NA		
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	22.24%	23.00%	-3%	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	6.05	8.25	-27%	Reduction in Inventory turnover ratio is on account of Increase in Finished Goods Inventory due to rescheduling of vessels
Trade receivables turnover ratio	Net Sales	Avg. Trade Receivables	6.94	3.04	128%	Improvement in Trade receivable turnover ratio is due to focus on faster collection.
Trade Payables turnover ratio	Net Purchases	Average Trade Payables	3.13	3.25	-4%	
Net Capital turnover ratio	Net Sales	Working Capital	1.04	1.11	-6%	
Net Profit ratio	Net Profit	Net Sales	35.58%	32.37%	10%	
Return on Capital employed	Earning before interest and taxes	Capital Employed	26.89%	27.65%	-3%	

* Net sales exclude other Income



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 48: 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 49: 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 segment". Hence there are no reportable business segments to be disclosed as required by the said standard.

NOTE 50: DISCLOSURE OF TRANSACTION WITH STRUCK OFF COMPANIES

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.

NOTE 51: ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

- (i) 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.
- (ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) 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.
- (iv) 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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

- (v) 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
- (vi) The Company has not traded or invested in crypto currency or virtual currency during the year.
- (vii) 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.
- (viii) No Scheme of Arrangements have been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013, during the year

NOTE 52: 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 ₹ 39.75 Crs as at 31st March 2022. (The maximum amount of loan outstanding during the year is ₹ 39.75 Crs) for its Capex purposes. The terms of such transaction have been recorded in writing.

NOTE 53: 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 54: PREVIOUS YEAR'S FIGURES HAVE BEEN REGROUPED / RECLASSIFIED WHEREVER NECESSARY TO CORRESPOND WITH THE CURRENT YEAR'S CLASSIFICATION / DISCLOSURE.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **CNGSN & Associates LLP**

Chartered Accountants

Firm Registration No : 4915S/ S200036

B.Ramakrishnan

Partner

ICAI Membership No. 201023

Place : Chennai

Date : 12th May, 2022

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

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Dinesh R G

Company Secretary





CAPLIN POINT[®]
Laboratories

**CONSOLIDATED
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

To
The Members
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") and its subsidiaries (the Holding Company, its subsidiaries and its associate, together referred to as 'the Group'), which comprise the consolidated balance sheet as at 31 March 2022, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant 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, and based on the consideration of the reports of the other auditor(s) on separate financial statements of the subsidiaries and associates referred to in the Other Matters Section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, its consolidated profit including other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (CFS) section of our report. We are independent of the Group 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 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 audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 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 that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 of these consolidated financial statements that give a true and fair view





of the consolidated state of affairs, consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors /management of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the Group'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 management either intends to liquidate the Group 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 are also responsible for overseeing the Group's financial reporting process.

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 Standards on Auditing 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 to cease to continue as a going concern.
- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group 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 such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For other entities included in the consolidated Ind AS 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 misstatements 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 our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors'

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. Our opinion on this regard is not modified.

Other Matters

The consolidated annual financial results include the audited financial results of ten subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1271.31 Crores as at 31 March 2022, total revenue (before consolidation adjustments) of ₹ 1,150.57 Crores and total net profit after tax (before consolidation adjustments) of ₹ 154.10 Crores and the Group's share of net profit after tax (before consolidation adjustments) of ₹ Nil Crores of one associate for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results certified by the Board of Directors.

Report on other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate financial statements of subsidiary and associate companies incorporated in India, referred in the Other Matters paragraph above 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 purpose of our audit of the aforesaid consolidated financial statements.





- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **“Annexure A”**.
- g) 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 Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
- h) With respect to the other matters to be included in the Auditors’ 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:
- i. The consolidated financial statements disclose the impact of pending litigation(s) as at 31 March 2022 on the consolidated financial position of the Group. (Refer Note no. 36).
 - ii. The Group does not have any long term contracts including derivative contracts, which have any material foreseeable losses,
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.
- i) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor’s Report) Order, 2020 (“CARO”/ “the Order”) issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements.

For **CNGSN & ASSOCIATES LLP**

CHARTERED ACCOUNTANTS

Firm Registration No: 004915S/S200036

B RAMAKRISHNAN

Partner

Membership No: 201023

UDIN: 22201023AIVJWQ7144

Place: Chennai

Date: 12th May 2022



Annexure A - To The Independent Auditors' Report of even date To The Members of Caplin Point Laboratories Limited, on the consolidated Ind AS financial statements as of and for the year ended 31st March 2022

Report on the Internal financial Controls with reference to 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** (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

Management's Responsibility for Internal financial Controls

The Holding Company's Board of Directors is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements 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 the Company's 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 Companies Act, 2013 (hereinafter referred to as "Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 Auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 controls with reference to consolidated financial statements.

Meaning of Internal financial Controls over Financial Reporting

A Company's internal financial controls with reference to the consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that internal financial controls with reference to consolidated financial statements 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 Holding Company and its subsidiaries which are incorporated in India, have, in all material respects, an adequate internal

financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal controls with reference to the consolidated financial statements criteria established by the respective 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 (the "Guidance Note").

For **M/s CNGSN & ASSOCIATES LLP**
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S/S200036

B RAMAKRISHNAN

Partner

Membership No: 201023

UDIN: 22201023AIVJWQ7144

Place: Chennai

Date: 12th May 2022





CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2A	276.66	296.96
(b) Capital work-in-progress	2B	15.41	13.82
(c) Intangible assets	2C	8.53	7.23
(d) Right of Use Assets	2D	1.38	1.15
(e) Intangible Assets under development	2E	2.32	0.06
(f) Financial Assets			
(i) Investments	3	37.01	0.66
(ii) Other Financial Assets	4	28.71	23.69
(g) Deferred Tax Assets (Net)	5	6.21	-
(h) Other Non-Current assets	6	62.27	5.47
Sub-total-Non current assets		438.50	349.04
(2) Current Assets			
(a) Inventories	7	227.31	179.01
(b) Financial assets			
(i) Investments	8	51.97	10.54
(ii) Trade receivables	9	320.06	279.36
(iii) Cash and cash equivalents	10	150.76	231.57
(iv) Bank balances other than (iii) above	11	312.23	206.76
(v) Other Financial Assets	12	130.84	8.44
(c) Other current assets	13	104.65	98.89
Sub-total-Current assets		1,297.82	1,014.57
Total Assets		1,736.32	1,363.61
EQUITY AND LAIBILITIES			
(1) Equity			
Equity Share capital	14	15.16	15.13
Instruments entirely equity in nature	15	74.58	74.58
Other Equity	16	1,394.19	1,096.12
Equity attributable to shareholders of the company		1,483.93	1,185.83
Non controlling interest		25.95	17.54
Sub-total-Equity		1,509.88	1,203.37
(2) Liabilities			
(A) Non-Current Liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	17	1.17	0.53
(b) Deferred Tax Liabilities (Net)	5	-	1.16
(c) Provisions	18	6.06	5.36
(d) Income tax Liability (Net)		2.42	0.33
(e) Other non current liabilities	19	9.11	10.01
Sub-total-Non current liabilities		18.76	17.39
(B) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	20	0.50	17.07
(ii) Lease Liabilities	21	0.46	0.79
(iii) Trade Payables			
(a) total outstanding dues of micro and small enterprises	22	1.57	0.62
(b) total outstanding dues other than (i) (a) above		161.61	87.88
(iv) Other financial Liabilities	23	31.05	29.87
(b) Provisions	24	2.56	2.48
(c) Other Current Liabilities	25	9.93	4.14
Sub-total-Current liabilities		207.68	142.85
Total Equity and Liabilities		1,736.32	1,363.61

The accompanying notes 1 to 56 form an integral part of these consolidated financial statements.

As per our report of even date attached

For **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No : 4915S/ S200036

B.Ramakrishnan
Partner
ICAI Membership No. 201023
Place : Chennai
Date : 12th May, 2022

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

Dr.Sridhar Ganesan
Managing Director
DIN:06819026
Dinesh R G
Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
I. INCOME			
(a) Revenue from Operations	26	1,269.41	1,061.29
(b) Other income	27	38.75	23.54
Total Income		1,308.16	1,084.83
II. EXPENSES			
(a) Cost of Materials Consumed	28	192.31	129.82
(b) Purchases of Stock-in-Trade		397.12	259.57
(c) Changes in inventories of Finished Goods including Stock-in-Trade and Work-in-progress	29	(31.92)	82.35
(d) Employee benefits expense	30	115.30	102.53
(e) Finance costs	31	0.70	1.59
(f) Depreciation and Amortisation Expenses	32	46.90	36.97
(g) Research and Development Expenses	33	59.27	53.69
(h) Other expenses	34	142.66	104.69
Total Expenses		922.34	771.21
III. Profit before Exceptional items and tax		385.82	313.62
IV. Exceptional Items		-	-
V. Profit Before Tax		385.82	313.62
VI. Tax Expense (Net)			
- Current Tax		83.91	71.14
- Deferred tax (Benefits)/Charge		(6.54)	(8.95)
VII. Profit After Tax for the Year		308.45	251.43
VIII. Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
(i) Remeasurement of Defined Benefit Plans		0.09	0.32
(ii) Exchange difference in translating the financial statements of foreign operations		14.17	(7.49)
IX. Total Comprehensive Income for the Year		322.71	244.26
X. Profit attributable to:			
Owners of the Company		299.84	242.27
Non - Controlling Interests		8.61	9.16
		308.45	251.43
XI. Total Comprehensive Income for the Period attributable to :			
Owners of the Company		314.10	235.12
Non - Controlling Interests		8.61	9.16
		322.71	244.26
Earning Per Equity Share (Nominal value per share ₹ 2/-)			
Basic (in ₹)		39.61	32.03
Diluted (in ₹)		39.26	31.71

The accompanying notes 1 to 56 form an integral part of these consolidated financial statements.

As per our report of even date attached

For **CNGSN & Associates LLP**

Chartered Accountants

Firm Registration No : 4915S/ S200036

B.Ramakrishnan

Partner

ICAI Membership No. 201023

Place : Chennai

Date : 12th May, 2022

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

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Dinesh R G

Company Secretary



CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash Flow from Operating Activities		
Profit before tax	385.82	313.62
Adjustments for:		
Depreciation and Amortisation expense	46.90	36.97
Finance costs	0.70	1.59
Government grant	(1.54)	(1.06)
(Profit)/Loss on sale/disposal of property, plant and equipment	1.17	0.60
Expenses for Increasing the Authorised share capital of a Subsidiary	0.76	
Employee Stock option Scheme Expense	6.67	5.35
Net Unrealised Foreign Exchange Fluctuation Loss (Gain)	0.04	0.24
Fair value gain on financial instruments through profit or loss	0.14	4.39
Realised gain on Financial Assets	(0.90)	(6.38)
Interest income	(23.50)	(18.61)
Operating Profit before Working Capital changes	416.25	336.71
Adjustments for :		
(Increase) / Decrease in inventories	(48.31)	59.23
(Increase) / Decrease in Trade receivables	(40.70)	(50.40)
(Increase) / Decrease in Other Financial assets	(1.18)	0.31
(Increase) / Decrease in Other assets	(5.76)	(30.60)
Increase/(Decrease) in Trade payables ,Other Liabilities & Provisions	83.77	26.98
Impact of Foreign currency translation	14.17	(7.48)
CASH GENERATED FROM OPERATIONS	418.25	334.75
Income tax Paid	(81.50)	(66.14)
Net Cash inflow / (outflow) from Operating activities (A)	336.75	268.61
B. Cash Flow from Investing Activities		
Sale / (Purchase) of investments	(76.53)	44.97
Investment in Bank Deposits & Inter corporate Debenture	(122.33)	(21.24)
Proceeds from sale of Equity shares/(Investment in Equity shares)	(1.40)	0.23
Sale / (Purchase) of property, plant and equipment (Including CWIP)	(91.18)	(73.33)
Interest received	19.60	13.55
Realised gain on Financial Assets	0.90	6.38
Net Cash inflow / (outflow) from Investing activities (B)	(270.94)	(29.44)
C. Cash Flow from Financing Activities		
Expenses for Increasing the Authorised share capital of a subsidiary	(0.76)	-
Increase/(Decrease) in Long and Short term Borrowings	(16.56)	(19.41)
Interest paid (Including interest on Lease liability)	(0.70)	(1.54)
Dividend paid	(22.69)	(3.03)
Net Cash inflow / (outflow) from Financing activities (C)	(40.71)	(23.98)



(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net increase / (decrease) in cash and cash equivalents during the year (D=A+B+C)	25.10	215.19
Cash and Cash Equivalents as at the beginning of the year (E')	435.72	220.77
Effect of exchange rate changes on cash and cash equivalents (F)	(0.09)	(0.24)
Cash and Cash Equivalents as at the end of the year (G=D+E+F)	460.73	435.72
Less: Deposit under Lien (H)	4.24	4.61
Less: Bank Balance in Unspent CSR Account	3.99	-
Net Cash and Cash Equivalents as at the end of the year (I=G-H)	452.50	431.11

Notes:

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, 2022	For the year ended March 31, 2021
Cash And Cash Equivalents As Per Balance Sheet	150.76	231.57
Other Bank Balances As Per Balance Sheet	312.23	206.76
Total Cash And Cash Equivalents As Per Balance Sheet	462.99	438.33
Less: Balance In Unpaid Dividend Account	2.26	2.61
Less: Deposit Under Lien	4.24	4.61
Less: Bank Balance in Unspent CSR Account	3.99	-
Total Cash And Cash Equivalents As Per The Statement Of Cash Flows	452.50	431.11

b) Net Cash and Cash Equivalents as at the end of the year includes bank deposits classified under other bank balance considering that such bank deposits are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value, however, deposit under lien has been excluded.

c) Cash and cash equivalents does not include

- > Investment in mutual fund of ₹ 51.97 Crores classified as current investment (Previous Year ₹ 10.54 Crores)
- > Investment in Corporate Bonds of ₹ 35.01 Crores classified as Non current investment (Previous Year ₹ Nil Crores)
- > Inter Corporate Deposits of ₹ 142.5 Crs classified as Other financial Assets (previous Year ₹ Nil Crs)
- > Bank Deposits of ₹ 1.08 Crs classified as Other financial Assets (previous Year ₹ 21.24 Crs)

The accompanying notes 1 to 56 form an integral part of these Consolidated financial statements.

As per our report of even date attached

For **CNGSN & Associates LLP**

Chartered Accountants

Firm Registration No : 4915S/ S200036

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;

CIN: L24231TN1990PLC019053

B.Ramakrishnan

Partner

ICAI Membership No. 201023

Place : Chennai

Date : 12th May, 2022

C.C. Paarthipan

Chairman

DIN:01218784

Muralidharan D

Chief Financial Officer

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Dinesh R G

Company Secretary



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31 March 2022		As at 31 March 2021	
	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT
Balance at the beginning of the reporting period	7,56,42,750	15.13	7,56,42,750	15.13
Changes in equity share capital during the year	1,46,126	0.03	-	-
Balance at the end of the reporting period	7,57,88,876	15.16	7,56,42,750	15.13

B. B. INSTRUMENTS ENTIRELY EQUITY IN NATURE (Refer Note 15)

(i) Cumulative Convertible Preference Shares (CCPS)

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at 31 March 2022		As at 31 March 2021	
	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

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Reserves and Surplus									
	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	Cost of Equity Transactions	Retained Earnings	Total Other Equity
Balance as at 31 March 2020	2.39	2.12	143.42	11.29	9.44		16.44	(1.43)	674.55	858.22
Profit for the year									251.43	251.43
Final Dividend on equity shares for FY 19-20									(3.03)	(3.03)
Movement in the comprehensive income for the year - actuarial gain/(loss) on employee benefit obligation									0.32	0.32
Movement in Foreign Exchange Translation Reserve							(7.48)			(7.48)
Gain on derecognition of Non Controlling Interest	0.47									0.47
Movement in security premium#		0.00								0.00
Share- based payment expenses (Net)					5.35					5.35
Add/ (Transfer) to non-controlling interest									(9.16)	(9.16)
Balance as at 31 March 2021	2.86	2.12	143.42	11.29	14.79	-	8.96	(1.43)	914.11	1,096.12



(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Reserves and Surplus									
	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	Cost of Equity Transactions	Retained Earnings	Total Other Equity
Balance as at 31 March 2021	2.86	2.12	143.42	11.29	14.79	-	8.96	(1.43)	914.11	1,096.12
Profit for the year									308.45	308.45
Issue of Bonus Shares by a Subsidiary	0.35								(0.35)	-
Interim Dividend on equity shares for FY 20-21									(11.35)	(11.35)
Final Dividend on equity shares for FY 20-21									(11.35)	(11.35)
Movement in the comprehensive income for the year - actuarial gain/(loss) on employee benefit obligation									0.09	0.09
Share Application Pending Allotment						0.00				0.00
Movement in Foreign Exchange Translation Reserve							14.17			14.18
Movement in security premium		12.51	(1.43)					1.43		12.51
Exercise of Employee stock option					(12.51)					(12.51)
Share- based payment expenses (Net)					6.67					6.66
Add/ (Transfer) to non-controlling interest									(8.61)	(8.61)
Balance as at 31 March 2022	3.21	14.63	141.99	11.29	8.95	-	23.13	(0.00)	1,190.99	1,394.19

* Share Application Money Pending Allotment is ₹ 13,332 as on 31/03/2022 (₹ Nil as on 31/03/2021)

Movement in Security Premium on equity shares during FY 20-21 amounts to ₹ 1923 towards issue of 100 equity shares in Caplin steriles Ltd.

As per our report of even date attached

For **CNGSN & Associates LLP**

Chartered Accountants

Firm Registration No : 4915S/ S200036

B.Ramakrishnan

Partner

ICAI Membership No. 201023

Place : Chennai

Date : 12th May, 2022

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;

CIN: L24231TN1990PLC019053

C.C. Parthipan

Chairman

DIN:01218784

Muralidharan D

Chief Financial Officer

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Dinesh R G

Company Secretary



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

1. SIGNIFICANT 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.

Pursuant to amendment to the Schedule III of the Companies Act, 2013 issued by the Ministry of Corporate Affairs; following Balance Sheet line items in the current and previous year have been reclassified:

- a. Security deposits - earlier disclosed under the head of 'Loans' are shown under 'Other financial assets'
- b. Current portion of long-term borrowings - earlier disclosed under the head of 'Other financial liabilities' is shown under 'borrowings' Other new disclosures are given together with related notes.

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 12, 2022.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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.

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 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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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.

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 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 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 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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 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 pro-rata basis for the number of days 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 does not exceed ₹ 5,000 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 life on Straight Line Method as follows:

Asset Category	Estimated useful life
Computer Software & licenses	6 Years or use full 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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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 and the average lease terms. 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 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 finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract 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 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 it



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

is 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 FIFO basis.

ii) Work-in-progress and Finished goods

Cost includes direct materials and labor 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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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 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, incentive receivable from Government 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 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. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e. the date that 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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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:
 - 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 loss allowance.

In case of other assets (listed as 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 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 recognized initially 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 based on 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 of allocating interest expense over the relevant period.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

❖ **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 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 at 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 to be 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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 only recognized 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 and control of the goods has been transferred to the customer, and when 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 term that have been agreed with the customer.

Revenue is measured at fair value of the consideration 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 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) Service Income

Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront non-refundable 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 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 MEIS (Merchandise Exports from India scheme) scrips.

Duty drawback 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.

MEIS scrips are freely transferable and can be utilised for the payment of customs duty. MEIS scrips are recognised either on transfer/sale of such scrips or when it is reasonably certain that such scrips can be utilised against import duties

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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 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 is a defined benefit plan. The Group'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 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.

❖ *Compensated absences:*

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.

t) Share based Payments

The Company operates Employee Stock Option Plans (ESOP's) for its employees and for the employees of its Subsidiaries.

ESOP's for Parent Company Employees: The grant date fair value of options using Black Scholes model granted to employees



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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 Subsidiary (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 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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

x) Recent Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Group does not expect the amendment to have any significant impact in its financial statements

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE: 2A PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2021	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2022	As at 01-04-2021	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
Tangible Assets												
Land (i)	19.34	0.03	0.93	0.46	19.83	-	-	-	-	-	19.83	19.34
Leasehold Land	14.04	-	-	-	14.04	0.12	-	0.14	-	0.26	13.79	13.93
Factory Buildings (i)	98.11	-	0.61	0.65	98.07	11.21	-	3.85	0.54	14.52	83.55	86.90
Buildings - Others	10.12	0.16	-	1.01	9.26	2.43	0.04	0.27	0.74	2.00	7.26	7.69
Plant & Machinery (ii)	129.97	-	16.13	4.11	141.99	41.96	-	18.15	2.51	57.59	84.40	88.01
Air Conditioner	4.87	-	0.12	-	4.99	1.06	-	0.48	-	1.54	3.45	3.81
Furniture & Fixtures	22.85	0.09	0.55	0.22	23.27	8.60	0.06	2.78	0.15	11.29	11.98	14.25
Office Equipment	8.90	0.03	0.71	0.38	9.25	5.91	0.01	1.14	0.25	6.81	2.44	2.99
Computers	8.53	0.04	1.02	0.01	9.57	5.93	0.03	1.74	0.01	7.68	1.89	2.60
Electrical Fittings	18.00	-	0.15	0.12	18.02	6.14	-	2.04	0.12	8.06	9.96	11.86
Motor Vehicles	9.24	0.09	1.28	0.58	10.03	5.74	0.04	1.19	0.51	6.46	3.57	3.49
Tools & Spares	0.53	-	-	0.02	0.51	0.52	-	0.00	0.02	0.50	0.01	0.01
Lab Equipment (ii)	64.89	-	4.94	0.13	69.70	22.82	-	12.47	0.08	35.20	34.50	42.08
Motor Cycle	0.01	-	0.02	-	0.02	0.00	-	0.00	-	0.00	0.02	0.01
Total Tangible Assets	409.39	0.44	26.46	7.69	428.58	112.44	0.18	44.25	4.95	151.92	276.66	296.96

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2020	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2021	As at 01-04-2020	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Tangible Assets												
Land (i)	13.40	(0.12)	6.06	-	19.34	-	-	-	-	-	19.34	13.40
Leasehold Land	1.37	-	12.67	-	14.04	0.03	-	0.09	-	0.12	13.93	1.34
Factory Buildings (i)	85.78	-	12.32	-	98.11	7.89	-	3.33	-	11.21	86.90	77.90
Buildings - Others	12.96	(0.37)	1.04	3.52	10.12	2.26	(0.04)	1.12	0.91	2.43	7.69	10.70
Plant & Machinery (ii)	105.78	0.02	24.57	0.41	129.97	31.65	(0.10)	10.68	0.27	41.96	88.01	74.06
Air Conditioner	4.79	-	0.08	-	4.87	0.63	-	0.43	-	1.06	3.81	4.16
Furniture & Fixtures	22.62	(0.06)	0.39	0.10	22.85	6.04	(0.06)	2.62	-	8.60	14.25	16.58
Office Equipment	8.62	(0.02)	0.30	-	8.90	4.96	(0.01)	0.96	-	5.91	2.99	3.66
Computers	7.96	(0.03)	0.61	0.01	8.53	4.18	(0.01)	1.76	-	5.93	2.60	3.79



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2020	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2021	As at 01-04-2020	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Electrical Fittings	17.80	-	0.20	-	18.00	4.23	-	1.91	-	6.14	11.86	13.57
Motor Vehicles	8.97	(0.14)	1.28	0.88	9.24	4.88	0.06	1.13	0.33	5.74	3.49	4.17
Tools & Spares	0.53	-	-	-	0.53	0.41	-	0.11	-	0.52	0.01	0.12
Lab Equipment (ii)	54.04	-	11.08	0.23	64.89	11.88	-	11.00	0.06	22.82	42.08	42.16
Motor Cycle	0.01	-	-	-	0.01	0.00	-	0.00	-	0.00	0.01	0.01
Total Tangible Assets	344.64	(0.72)	70.62	5.15	409.39	79.02	(0.16)	35.14	1.57	112.44	296.96	265.63

- (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. 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 for 31st March 2022 includes ₹ 9.79 Crores (PY: ₹ 9.14 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 31st March 2022 includes ₹ 3.68 Crores (PY: ₹ 2.14 Crores) on such government grant.

NOTE : 2B - CAPITAL WORK IN PROGRESS
Ageing for capital work-in-progress as at March 31, 2022

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	10.49	4.84	0.08	-	15.41

Ageing for capital work-in-progress as at March 31, 2021

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	12.13	1.69	-	-	13.82

NOTE : 2C INTANGIBLE ASSETS

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2021	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2022	As at 01-04-2021	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
Computer Software	10.88	0.06	3.66	0.75	13.85	3.70	(0.03)	1.71	0.01	5.37	8.48	7.18
GoodWill (Acquisition)	0.05	0.00	-	-	0.05	-	-	-	-	-	0.05	0.05
Total Intangible Assets	10.93	0.06	3.66	0.75	13.90	3.70	(0.03)	1.71	0.01	5.37	8.53	7.23



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2020	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2021	As at 01-04-2020	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Computer Software	7.84	(0.01)	3.28	0.23	10.88	2.83	(0.07)	1.16	0.23	3.70	7.18	5.01
GoodWill (acquisition)	0.05	-	-	-	0.05	-	-	-	-	-	0.05	0.05
Total Intangible Assets	7.89	(0.01)	3.28	0.23	10.93	2.83	(0.07)	1.16	0.23	3.70	7.23	5.06

NOTE : 2D RIGHT OF USE (ROU) ASSETS

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2021	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2022	As at 01-04-2021	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021
ROU Assets	2.25	-	1.01	-	3.26	1.10	-	0.78	-	1.88	1.38	1.15
Total ROU Assets	2.25	-	1.01	-	3.26	1.10	-	0.78	-	1.88	1.38	1.15

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2020	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2021	As at 01-04-2020	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
ROU Assets	2.25	-	-	-	2.25	0.44	-	0.66	-	1.10	1.15	1.81
Total ROU Assets	2.25	-	-	-	2.25	0.44	-	0.66	-	1.10	1.15	1.81

NOTE : 2E INTANGIBLE ASSETS UNDER DEVELOPMENT

Ageing for Intangibles under Development as at March 31, 2022

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	2.32	-	-	-	2.32

Ageing for Intangibles under Development as at March 31, 2021

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	-	-	-	0.06



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 3 NON CURRENT INVESTMENTS

	As at March 31, 2022	As at March 31, 2021
A. Fully paid Ordinary / Equity shares (unquoted)		
(i) Others		
1,75,000 equity shares of ₹ 10/- each at a premium of ₹ 70/- each in Sunsole Solar Pvt Ltd (Note-1)	1.40	-
A. Fully paid Ordinary / Equity shares - Quoted		
26,800 (26,800) shares of The Catholic Syrian Bank Ltd of ₹ 10/- each fully paid up	0.57	0.62
4,400 (4,400) shares of Karnataka Bank Ltd of ₹ 10/- each fully paid up	0.02	0.03
4,800 (4,800) shares of Indian Overseas Bank of ₹ 10/- each fully paid up	0.01	0.01
700 (700) shares of Bank of India of ₹ 10/- each fully paid up (Note-2)	0.00	0.00
B. Investments in Corporate Bonds - carried at amortised cost		
- 100 units of Shriram Transport Finance Company Ltd (Face Value ₹ 10 Lakh)	10.36	-
- 2 units of State Bank of India - Perpetual (Face value-₹ 1 Crore)	2.01	-
- 20 Units of Mahindra & Mahindra Financials Services Ltd 2031 (Face Value- ₹ 10 Lakh)	2.02	-
- 60 units of L&T Infra Debt Fund Ltd 2023 (Face Value-₹ 10 Lakh)	6.20	-
- 50 Units of Axis Finance Limited 2026 (Face Value- ₹ 10 Lakh)	5.27	-
- 50 Units of Shriram City Union Finance Limited 2022 (Face value- ₹ 10 Lakh)	5.05	-
- 40 Units of Power Finance Corporation Limited 2023 (Face Value ₹ 10 Lakh)	4.10	-
Total	37.01	0.66

Note-1 Equity shares subscribed during the year FY 2021-22 for 28.01% stake in the entity, to meet the minimum statutory norms for purchase of Captive Solar power.

Note-2 Investment in Bank of India as on 31/03/2022 is ₹ 32,095 (₹ 47,095 as on 31/03/2021)

NOTE 4 OTHER FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Security Deposit - Unsecured & considered good	2.48	0.65
Rental Deposit -Unsecured & considered good	1.15	1.80
Bank Deposits with more than 12 months maturity	1.08	21.24
Inter Corporate Deposits with more than 12 months maturity	24.00	-
Total	28.71	23.69



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 5 DEFERRED TAX LIABILITIES/(ASSETS) (NET)

	As at March 31, 2022	As at March 31, 2021
a) Deferred Tax Liabilities on account of timing differences	21.79	20.97
b) Deferred Tax Asset on account of timing differences	(28.00)	(19.81)
Total:	(6.21)	1.16

NOTE 6 OTHER NON CURRENT ASSET

	As at March 31, 2022	As at March 31, 2021
Advance for Capital expenditure	62.27	5.47
Total	62.27	5.47

NOTE 7 INVENTORIES (LOWER OF COST OR NET REALISABLE VALUE)

	As at March 31, 2022	As at March 31, 2021
Raw Materials	32.03	21.91
Packing Materials	21.34	20.27
Work-in-Progress	6.67	3.09
Stock In Trade	136.86	121.70
Finished Goods	17.91	4.73
Stores and Spares	12.50	7.31
Total	227.31	179.01

NOTE 8 CURRENT INVESTMENT

	As at March 31, 2022	As at March 31, 2021
Investment in Mutual Fund - fair value through Profit or Loss (i)	51.97	10.54
Total	51.97	10.54

(i) Investment in Mutual Fund at fair value through profit or loss

FUND NAME	As at March 31, 2022		As at March 31, 2021	
	Units	Amount ₹ in Crores	Units	Amount ₹ in Crores
Aditya Birla Sun Life Savings Fund	2,93,819	10.01	-	-
Franklin India Fixed Maturity Plan B Series - 5 - Plan B1244 days	20,00,000	2.62	20,00,000	2.51
UTI Money Market Fund	40,885	10.12	-	-
Aditya Birla Sun Life Money Manager Fund	9,80,393	29.22	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)

FUND NAME	As at March 31, 2022		As at March 31, 2021	
	Units	Amount ₹ in Crores	Units	Amount ₹ in Crores
Franklin India Fixed Maturity Plans - Series 4 - Plan E 1098 days - Direct - Growth	-	-	20,00,000	2.51
Aditya Birla Sun Life Overnight Fund - Growth	-	-	18,065	2.00
Aditya Birla Sun Life Overnight Fund - Growth - Direct	-	-	31,528	3.52
Total		51.97		10.54

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate book value of quoted investments	51.35	9.84
Aggregate Market value of quoted investments	52.57	10.54
Aggregate value of un-quoted investments	36.41	-
Aggregate amount of impairment in value of investment	-	-

NOTE 9 TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
(Unsecured considered good unless otherwise stated)		
Trade Receivables	320.06	279.36
Less: Allowance for doubtful trade receivables	-	-
Total receivables	320.06	279.36

Trade Receivables ageing schedule
As on 31 March 2022:

Particulars	Outstanding from the due date of payment/transaction			
	Less than 6 months	1-2 years	2-3 years	More than 3 years
Others				
(i) Undisputed Trade receivables – considered good	320.06	-	-	-

As on 31 March 2021:

Particulars	Outstanding from the due date of payment/transaction			
	Less than 6 months	1-2 years	2-3 years	More than 3 years
Others				
(i) Undisputed Trade receivables – considered good	279.36	-	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 10 CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Cash on Hand	2.54	2.66
Balance with Banks		
- Current accounts	75.22	57.84
- Earmarked balances for CSR	3.99	-
In Bank Deposit Accounts		
- Bank Deposit accounts less than 3 months maturity	69.01	171.07
Total	150.76	231.57

NOTE 11 OTHER BANK BALANCES

	As at March 31, 2022	As at March 31, 2021
- Unpaid Dividend account	2.26	2.61
In Bank Deposit Accounts		
- Bank Deposit accounts maturity (more than 3 months but less than 12 months)	309.97	204.15
Total	312.23	206.76

NOTE 12 OTHER FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Interest Accrued on Deposits	12.34	8.44
Inter Corporate Deposits having less than 1 year maturity	118.50	-
Total	130.84	8.44

NOTE 13 OTHER CURRENT ASSETS

	As at March 31, 2022	As at March 31, 2021
Advances recoverable in cash or kind for the value to be received	59.46	41.94
Export Incentives Receivable	1.27	11.81
Balance with Statutory Authorities	43.92	45.14
Total	104.65	98.89



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 14 SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
AUTHORISED		
8,50,00,000 (31st March,2021: 8,50,00,000) equity shares of ₹ 2/- each	17.00	17.00
ISSUED, SUBSCRIBED AND PAID UP		
7,57,88,876 (31st March,2021:7,56,42,750) equity shares of ₹ 2/- each fully paid up	15.16	15.13
Total	15.16	15.13

a) Reconciliation of equity shares outstanding at the beginning and at the end of the Year

Fund Name	As at March 31, 2022		As at March 31, 2021	
	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	7,56,42,750	15.13	7,56,42,750	15.13
Add: Equity shares allotted pursuant to employee stock option plan*	1,46,126	0.03	-	-
Equity shares outstanding at the end of the Year	7,57,88,876	15.16	7,56,42,750	15.13

* During the financial year 2021-22 (2020-21), 1,46,126 (Nil) 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.

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) Details of shares in the company held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2022 (of ₹ 2/- each)		As at March 31, 2021 (of ₹ 2/- each)	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
P. Vijayalakshmi	1,78,80,000	23.59%	1,78,80,000	23.64%
C.C. Paarthipan	1,41,67,192	18.69%	1,41,67,192	18.73%
P. Ashok Gorkey	90,50,000	11.94%	90,50,000	11.96%
P. Vivek Siddarth	90,00,000	11.88%	90,00,000	11.90%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year:

Name of Shareholder	As at March 31, 2022 (of ₹ 2/- each)		As at March 31, 2021 (of ₹ 2/- each)		% Change during the Year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
P. Vijayalakshmi	1,78,80,000	23.59%	1,78,80,000	23.64%	0.00%
C.C. Paarthipan	1,41,67,192	18.69%	1,41,67,192	18.73%	0.00%
P. Ashok Gorkey	90,50,000	11.94%	90,50,000	11.96%	0.00%
P. Vivek Siddarth	90,00,000	11.88%	90,00,000	11.90%	0.00%
May India Property Pvt Ltd	21,17,000	2.79%	21,17,000	2.80%	0.00%

* Change in Promotor holding is due to allotment of ESOPs to employees during the year

e) Shares reserved for issuance under Employee Stock Options Plans of the Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares of ₹ 2/- each	Amount	No. of Shares of ₹ 2/- each	Amount
Caplin Point Employee Stock Option Plan 2015	3,03,116	0.06	3,74,250	0.07
Caplin Point Employee Stock Option Plan 2017	3,26,000	0.07	3,96,750	0.08
Caplin Point Employee Stock Option Plan 2021	40,000	0.01	Nil	-

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	146,126
Total	238,876

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

	As at March 31, 2022	As at March 31, 2021
Preference share Capital	74.58	74.58
Series A Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up		
Total	74.58	74.58



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 16 OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
a) Capital Reserve		
Opening balance as per last balance sheet	2.86	2.39
Add: Gain on derecognition of Non Controlling Interest	-	0.47
Add: Additions during the year (Issue of Bonus Shares by a Subsidiary)	0.35	-
Balance as at year end	3.21	2.86
b) Securities Premium		
Opening balance as per last balance sheet	2.12	2.12
Add: Additions during the year	12.51	0.00
Balance as at year end	14.63	2.12
c) General Reserve		
Opening and closing balance as per last balance sheet	11.29	11.29
d) Employee Stock Options Outstanding		
- <i>Employee Stock options outstanding</i>		
Opening balance as per last balance sheet	28.80	25.03
Add: Options granted during the year	14.35	3.77
Less: Exercised during the year	12.51	-
Balance as at year end (A)	30.64	28.80
- <i>Deferred Employees Stock Options Cost</i>		
Opening balance as per last balance sheet	14.01	15.59
Add: Options granted during the year	14.35	3.77
Less: Amortised during the year	(6.67)	(5.35)
<i>Balance as the year end (B)</i>	21.69	14.01
(A-B)	8.95	14.79
e) Retained Earnings / Surplus in the Statement of Profit & Loss		
Balance at the beginning of the Year	914.41	675.17
Add : Profit during the Year	299.84	242.27
Final Dividend paid for FY 20-21	(11.35)	(3.03)
Interim Dividend Paid for FY 20-21	(11.35)	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Issue of Bonus Shares by a Subsidiary	(0.35)	
Balance at the end of the year	1,191.20	914.41
f) Share Application Money pending Allotment*	0.00	
g) Other Comprehensive Income		
i) Foreign currency Translation Reserve		
Balance at the beginning of the Year	8.95	16.44
Profit/ (Loss) on foreign currency translation	14.18	(7.48)
Balance at the end of the year	23.13	8.96
ii) Actuarial Gain/ (Loss) on employee benefit obligation		
Opening balance as per last balance sheet	(0.30)	(0.62)
Add/(Less); Additions during the year	0.09	0.32
Balance as at the end of the year	(0.21)	(0.30)
Securities Premium-Preference Share	141.99	143.42
Cost of Equity Transactions	-	(1.43)
Closing Balance	1,394.19	1,096.12

* Share Application Money Pending Allotment is ₹ 13,332 as on 31/03/2022 (₹ Nil as on 31/03/2021)

NOTE 17 LEASE LIABILITY (NON CURRENT)

	As at March 31, 2022	As at March 31, 2021
Lease Liability	1.17	0.53
Total	1.17	0.53

NOTE 18 PROVISIONS (NON-CURRENT)

	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity(Net)	6.06	5.36
	-	
Total	6.06	5.36



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 19 OTHER NON CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Govt Grant	6.11	7.01
Others	3.00	3.00
Total	9.11	10.01

NOTE 20

	As at March 31, 2022	As at March 31, 2021
Current Borrowings	0.50	17.07

NOTE 21 LEASE LIABILITY (CURRENT)

	As at March 31, 2022	As at March 31, 2021
Lease Liability	0.46	0.79

NOTE 22 TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer Note-37)	1.57	0.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	161.61	87.88
Total	163.18	88.50

Trade Payables Ageing As at March 31, 2022

Particulars	Outstanding from the due date of payment/transaction				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	1.57	-	-	-	1.57
(ii) Others	161.61	-	-	-	161.61

Trade Payables Ageing As at March 31, 2021

Particulars	Outstanding from the due date of payment/transaction				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	0.62	-	-	-	0.62
(ii) Others	87.88	-	-	-	87.88



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 23 OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Creditors for Capital Goods	3.04	3.29
Unclaimed Dividend (Ref Note :43)	2.26	2.61
Salary and bonus payable	7.24	6.02
Amount payable towards investment in subsidiary	0.01	0.01
Amount Payable to subsidiary on Acquisition	18.50	17.94
Total:	31.05	29.87

NOTE 24 PROVISIONS-CURRENT

	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity(Net)	1.66	2.39
Provision for Compensated absences	0.90	0.09
Total	2.56	2.48

NOTE 25 OTHER CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Statutory Dues payable	4.44	4.14
Advance received from Customers	5.49	-
Total	9.93	4.14

NOTE 26 REVENUE FROM OPERATIONS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	1,263.01	1,048.26
Sale of products	1,210.49	1,010.78
Service income	52.52	37.48
Other operating revenues		
Export Incentives	6.40	13.03
Total	1,269.41	1,061.29



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 27 OTHER INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income	23.50	18.61
Dividend Income*	0.00	-
Realised Gain on sale of financial instruments	0.90	6.38
Fair value gain/(loss) on financial instruments through profit or loss	(0.14)	(4.39)
Foreign exchange, net	10.98	0.72
Govt Grant	1.54	1.06
Profit on sale of Assets	0.43	-
Miscellaneous Income	1.54	1.16
Total	38.75	23.54

*Dividend Income amounts to ₹ 7,920

NOTE 28 COST OF MATERIALS CONSUMED

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock	49.49	26.37
Add : Purchases (Net)	208.69	152.94
Less Closing Stock	65.87	49.49
Total	192.31	129.82

NOTE 29 CHANGES IN INVENTORIES OF FINISHED GOODS INCLUDING STOCK -IN-TRADE AND WORK-IN-PROGRESS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year		
Work in Progress	6.67	3.09
Finished Goods	17.91	4.73
Stock-in-Trade	136.86	121.70
(A)	161.44	129.52
Inventories at the beginning of the year		
Work in Progress	3.09	2.30
Finished Goods	4.73	7.20
Stock-in-Trade	121.70	202.37
(B)	129.52	211.87
Net (Increase) / Decrease in Inventories (B- A)	(31.92)	82.35



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 30 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries,wages, bonus and allowances	92.87	83.73
Contribution to Provident and Other funds	8.62	7.47
Employee Compensation Expense -ESOP	6.67	5.35
Staff Welfare Expenses	7.14	5.98
Total	115.30	102.53

NOTE 31: FINANCE COSTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expense	0.58	1.44
Interest Expense on Lease	0.12	0.15
Total	0.70	1.59

NOTE 32: DEPRECIATION AND AMORTISATION

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment (Refer note: 2)	44.23	35.15
Amortisation of Intangible Assets	1.71	1.16
Depreciation on ROU Asset	0.96	0.66
Total	46.90	36.97

NOTE 33: RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
R & D Expenses	59.27	53.69
Total	59.27	53.69

NOTE 34: OTHER EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Power and Fuel	21.40	16.36
Contract Labour charges	4.92	3.91
Other Manufacturing Expenses	2.94	3.36
Communication Expenses	1.79	1.64



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Donations	0.29	0.48
Corporate Social Responsibility	4.47	4.10
Professional and Consultancy charges	18.42	12.44
Rates & taxes including ANDA Application fees	13.25	10.50
Travelling Expenses	3.58	2.72
Auditors' Remuneration (Refer Note-43)	0.68	0.70
Insurance	2.00	1.82
Repairs and Maintenance		
a) Plant and Machinery	9.99	5.36
b) Building	2.23	1.74
c) Others	2.66	1.79
Rent & Amenities	6.89	6.76
Freight outwards	17.08	7.14
Other Selling Expenses	10.43	10.89
Software maintenance charges	1.99	1.39
Loss on Sale of Asset	0.31	0.60
Sundry Expenses	17.34	10.99
Total	142.66	104.69

NOTE 35: COMMITMENT (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account	86.01	6.10
Other Commitments (Raw material, Packing Material, Finished Goods, Other services)	37.94	43.68
Interim dividend of ₹ 2.00 (100%) per equity share of ₹ 2 each for the Financial Year 2021-22 payable on or after 24th May' 2022, not recognized as a liability in the financial statements for the year ended 31st March' 2022	15.16	11.35

NOTE 36: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)
Disputed statutory dues:

Name of the statute	Nature of dues	As at March 31, 2022	As at March 31, 2021	Forum where dispute is pending
Income Tax Act, 1961	Income tax	0.71	1.02	DCIT, Chennai



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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 2021-22, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE “SUPPLIERS” REGARDING THEIR STATUS UNDER THE ACT

Particulars	As at March 31, 2022	As at March 31, 2021
(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 enterprise	1.57	0.62
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 ₹ 4.24 Crores (as at 31.03.2021 ₹ 4.61 Crores) earmarked as lien towards Margin for Letter of Credit and Bank Guarantee.

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 ₹ 3.67 Crores (previous year ₹ 3.34 Crores) towards provident and pension fund contributions in the Statement of Profit and Loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

(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

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 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.

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
a. Change in Defined Benefit Obligation during the period				
Present Value of Obligation at the beginning of the year	6.23	5.23	2.52	2.05
Current service cost	1.71	1.60	0.19	0.15
Interest cost	0.48	0.39	0.13	0.10
Remeasurement Gains/(Losses):				-
- Due to finance assumption	(0.28)	(0.17)	-	-
- Due to experience assumption	(0.05)	(0.33)	-	-
Actuarial Gains/(Losses)	-	-	1.18	1.01



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Benefits paid	(0.54)	(0.49)	(1.23)	(0.79)
Present Value of Obligation at the beginning of the year	7.55	6.23	2.79	2.52
b. Change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	3.84	3.21	2.43	1.14
Actuarial Gains/(Losses)	(0.22)	(0.21)	(0.12)	(0.06)
Interest Income	0.26	0.22	0.17	0.08
Contribution by the employer	2.55	1.11	0.11	1.80
Benefits paid	(0.54)	(0.49)	(0.70)	(0.51)
Fair Value of the plan assets at the end of the year	5.89	3.84	1.89	2.43

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
a. Amount recognised in Balance Sheet				
Projected benefit obligation at the end of the year	(7.55)	(6.23)	(2.79)	(2.52)
Fair value of plan assets at end of the year	5.89	3.84	1.89	2.43
Funded status of the plans – Liability recognised in the balance sheet	(1.66)	(2.39)	(0.90)	(0.09)
b. Components of defined benefit cost recognised in Statement of Profit and Loss				
Current service cost	1.71	1.60	0.19	0.15
Net Interest Expense	0.21	0.16	(0.04)	0.03
Remeasurements	-	-	1.30	1.07
Total Defined Benefit Cost recognised in Statement of Profit and Loss	1.92	1.76	1.45	1.25



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
b. Components of defined benefit cost recognised in Other Comprehensive Income				
Remeasurement due to;				
– Change in finance assumption	(0.28)	(0.17)	-	-
– Change in experience adjustment	(0.05)	(0.33)	-	-
Return of Plan Assets	0.22	0.21	-	-
Total Defined Benefit Cost recognised in Other Comprehensive Income	(0.11)	(0.29)	-	-

Actuarial Assumptions used for Valuation of Gratuity and Compensated Absences

Assumptions	As at March 31, 2022	As at March 31, 2021
Economic Assumptions		
Discount Rate	7.44%	7.03%
Salary Escalation Rate	7.00%	7.00%
Expected Rate of Return on Assets	7.44%	7.03%
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, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Sensitivity Analysis	As at March 31, 2022	As at March 31, 2021
Discount Rate		
- 1% increase (+100 Basis Points)	(0.61)	(0.58)
- 1% decrease (-100 Basis Points)	0.71	0.59
Salary Escalation Rate		
- 1% increase (+100 Basis Points)	0.56	0.46
- 1% decrease (-100 Basis Points)	(0.53)	(0.43)
Withdrawal Rate		
- 1% increase (+100 Basis Points)	0.02	(0.03)
- 1% decrease (-100 Basis Points)	(0.04)	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, 2022
Year - 2023	0.71
Year - 2024	0.55
Year - 2025	0.55
Year - 2026	0.56
Year - 2027	0.60
Year - 2028 to 2032	3.37

The company's best estimate of the contribution expected to be paid to the Gratuity Plan during the next year is ₹ 2.86 Crore (March 31, 2021: ₹ 1.75 Crore)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 40: INCOME TAXES:

a. Tax expenses recognised in profit and loss:

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Current Tax Expense for the year	83.91	71.14
Deferred income tax liability/ (asset), net	(6.54)	(8.95)
Tax expense for the year	77.37	62.19

b. Reconciliation of effective tax rate:

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Profit before Tax	385.82	313.62
Tax using the Company's domestic tax rate	97.10	78.93
(March 31, 2022: 25.168%, March 31, 2021: 25.168%)		
Tax effect of :		
Tax impact on Donation & CSR expenses disallowance	1.15	1.08
Impact of foreign dividend taxed at special rate	-	-
Differences in tax rates of subsidiary companies	(17.62)	(18.40)
Tax incentive on additional employment	(0.08)	(0.20)
Tax impact on Actual Gain on Mutual fund & shares	(0.10)	(0.07)
Tax impact on fair value of Mutual fund & shares (Disallowance)	0.04	1.10
Tax impact - timing difference on R&D capital asset, book and tax depreciation and others	(3.12)	(0.25)
Current and Deferred Tax expenses as per note (a) above	77.37	62.19



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

c. Movement in deferred tax balances

Deferred Tax Liability	As at March 31, 2021	For the year ended March 31, 2022	As at March 31, 2022
Property, plant and equipment	24.05	0.78	24.83
Business Loss	(23.72)	(7.32)	(31.04)
Total	0.33	(6.54)	(6.21)

NOTE 41: REMUNERATION TO MANAGING DIRECTOR/WHOLE-TIME DIRECTORS OF THE PARENT COMPANY

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Salaries	0.52	0.54
Contribution to provident and other funds	0.04	0.02
Total *	0.56	0.56

* Refer note 46 (c)

NOTE 42: RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Capital expenditure included in Fixed Assets	3.20	9.72
Revenue expenditures incurred during the Financial Year	59.27	53.69
Total	62.47	63.41

NOTE 43: AUDITORS' REMUNERATION COMPRISES OF FEES: (EXCLUDING APPLICABLE TAX)

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
For Statutory Audit	0.47	0.41
For Tax Audit	0.20	0.22
For Others	0.01	0.07
Total	0.68	0.70



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 44: EARNINGS PER SHARE IS CALCULATED AS UNDER
Basic

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Net Profit after minority interest attributable to equity shareholders (₹ in Crores)	299.84	242.27
Weighted average number of equity shares of ₹2/- each outstanding during the year (in Nos.)	7,56,97,306	7,56,42,750
Earnings per share (in ₹)	39.61	32.03

Diluted

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Net Profit after minority interest attributable to equity shareholders (₹ in Crores)	299.84	242.27
Weighted average number of equity shares of ₹2/- each outstanding during the year (in Nos.)	7,63,75,622	7,63,21,000
Earnings per share (in ₹)	39.26	31.71

NOTE 45: AMOUNT DUE TO INVESTOR EDUCATION AND PROTECTION FUND

The due amount of ₹ 0.29 Crores (PY : ₹ 0.21 Crores) were credited to investor education and protection fund and there is no outstanding due amount to be credited to investor education and protection fund as at 31st March 2022.

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, 2022	Percentage of Shares held by Caplin point laboratories limited as at March 31, 2021
Mr. Vivek Siddharth,	Relative of Chairman	Not Applicable	Not Applicable
Argus Salud Pharma LLP, (India)	Subsidiary LLP	99.90%	99.90%
Caplin Point Laboratories Colombia SAS, (Colombia)	Subsidiary Company	87.69%	85.83%
Caplin Point Far East Limited, (Hong Kong)	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin point (S) PTE Ltd, (Singapore)	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin Onco Ltd, (India)	"Wholly owned Subsidiary Company (Incorporated on 2nd June 2021)"	100.00%	100.00%
Caplin Steriles Limited, (India)	Subsidiary Company	99.999%	99.999%
Caplin Point El Salvador, S.A. DE C.V.,(El Salvador)	Step down wholly owned subsidiary Company	100.00%	100.00%
Nuevos Eticos Neo Ethicals S.A - Guatemala	Step down subsidiary Company	69.00%	69.00%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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, 2022	Percentage of Shares held by Caplin point laboratories limited as at March 31, 2021
Neoethicals CIA.LTDA - Ecuador	Step down wholly owned subsidiary Company	100.00%	100.00%
Drogueria Saimed de Honduras S.A.	Step down wholly owned subsidiary Company	100.00%	100.00%
Neo Ethicals S.A - Nicaragua	Step down wholly owned subsidiary Company	100.00%	100.00%
Ashvich Infotek Private Limited	Director's relatives are interested	Not Applicable	Not Applicable
Hainan Jointown Caplin point Pharmaceutical Company Limited, (China)	Associate	39.00%	39.00%
Sunsole Solar Pvt Ltd ##	Associate of CSL	28.01%	-

** The Company's Associate entity in China namely Hainan Jointown Caplinpoint Pharmaceutical Company Limited has been liquidated and the amount invested by the Company in this joint venture has been received in full in April 2022

Equity shares subscribed during the year FY 2021-22 for 28.01% stake in the entity, to meet the minimum statutory norms for purchase of Captive Solar power.

(b) Key Managerial Personnel

Dr. Sridhar Ganesan	- Managing Director from 28.03.2015
Mr. D Muralidharan	- Chief Financial Officer from 19-02-2016
Mr. Dinesh R G	- Company Secretary from 06.05.2021
Mr. Vinod Kumar Srinivasan	- Company Secretary from 11-01-2019 to 05-02-2021

(c) Details of Transactions that have taken place during the Financial Year with Key Management Personnel:

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Remuneration*		
Mr.Vivek Siddharth-Chief Operating officer (Related Party)	0.19	0.12
Dr. Sridhar Ganesan	0.56	0.56
Mr. D Muralidharan**	0.80	0.40
Mr. R G Dinesh	0.11	-
Mr. Vinod Kumar Srinivasan	-	0.09

* 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

** Remuneration to Mr. D Muralidharan includes Perquisites value of stock option amounting to ₹ 0.39 Cr pertaining to allotment of 5,000 equity shares under ESOP scheme during the year

(d) Details of related party transactions during the year ended 31st March, 2022 (after consolidation adjustments):

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Rent paid to Ashvich Infotek Private Limited by Caplin Steriles Ltd.	1.24	1.17
Rent & Consultancy charges paid to Ashvich Infotek Private Limited by Caplin Point Laboratories Ltd	1.14	0.99
Purchase of Asset from Ashvich Infotek Private Limited by Caplin Point Laboratories Ltd	-	0.13

Note :- Transaction Balances with companies own subsidiaries are eliminated on consolidation

(e) Outstanding Balances

Particulars	For the Financial Year ended March 31, 2022	For the Financial Year ended March 31, 2021
Amount receivable/(Payable) to Ashvich Infotek Private Ltd.	(0.15)	(0.06)

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).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at 31 March 2022			As at 31 March 2021		
	Carrying Amount			Carrying Amount		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial Assets						
Non - Current Investments - Quoted & unquoted equity	0.60	1.40	2.00	0.66	-	0.66
Investment in Corporate Bonds	-	35.01	35.01	-	-	-
Other Non Current Financial Assets	-	28.71	28.71	-	23.69	23.69
Other Current Financial Assets	-	130.84	130.84	-	8.44	8.44
Current Investments-Investment in Mutual Fund		51.97	51.97	-	10.54	10.54
Trade Receivable		320.06	320.06	-	279.36	279.36
Cash and Cash Equivalents		150.76	150.76	-	231.57	231.57
Other Bank Balances other than Cash and Cash Equivalents		312.23	312.23	-	206.76	206.76
Total	0.60	1,030.98	1,031.58	0.66	760.36	761.02
Financial Liabilities						
Non - Current Lease Liability	-	1.17	1.17		0.53	0.53
Trade Payables	-	163.18	163.18	-	88.50	88.50
Current -Lease Liability	-	0.46	0.46	-	0.79	0.79
Current Borrowings	-	0.50	0.50		17.07	17.07
Other Current financial Liabilities	-	31.05	31.05	-	29.87	29.87
Total	-	196.36	196.36	-	136.76	136.76

(i) The Company estimates that the fair value of these investments are not materially different as compared to its cost

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 and Liability 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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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.

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 2022	As at 31.03 2021
Neither past due nor impaired	320.06	279.36
Total	320.06	279.36



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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 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 ₹ 150.76 Crores (31.03.2021 ₹ 231.57 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 ₹ 312.23 Crores (31.03.2021 ₹ 206.76 Crores). The balances are held with banks with good credit rating.

Investment in mutual funds

As at the year end, the Company held Investment in Mutual Fund of ₹ 51.97 Crores (31.03.2021 ₹ 10.54 Crores). 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 asset

As at the year end, the Company held Inter Corporate Deposits/Bank Deposits of ₹ 142.50 Crores (31.03.2021 ₹ 20.00 Crores) under other financial asset.

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 Company has not availed any fund based working capital facilities from banks and financial institutions. The Company has obtained non-fund based working capital lines from 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in ₹ Crores unless otherwise stated)
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 31 March 2022	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	0.50	0.50	0.50	-	-	-	-
Interest Payable on non-current borrowing	-	-	-	-	-	-	-
Lease Liability	1.63	1.63	0.46	1.17	-	-	-
Trade payables	163.18	163.18	163.18	-	-	-	-
Other current Financial Liabilities	31.05	31.05	31.05	-	-	-	-
Total	196.36	196.36	195.19	1.17	-	-	-

As at 31 March 2021	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	17.07	17.07	17.07	-	-	-	-
Interest Payable on non-current borrowing	-	-	-	-	-	-	-
Lease Liability	1.33	1.33	0.79	0.54	-	-	-
Trade payables	88.50	88.50	88.50	-	-	-	-
Other current Financial Liabilities	29.87	29.87	29.87	-	-	-	-
Total	136.77	136.77	136.23	0.54	-	-	-

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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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, 2022		As at March 31, 2021	
	USD in Crores	₹ in Crores	USD in Crores	₹ in Crores
Export Debtors	4.22	320.06	3.80	279.36
Cash and cash equivalents	0.10	7.51	0.43	31.68
Total	4.32	327.57	4.23	311.04
Creditors	0.06	4.22	0.03	2.06
Total	0.06	4.22	0.03	2.06
Net statement of financial position exposure	4.26	323.35	4.20	308.98

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 ₹ 3.23 Crores for the year ended March 31, 2022 (₹ 3.09 Crores for the year ended March 31, 2021)

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 31 March 2022 and 31 March 2021, 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

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 31 March 2022 and 31 March 2021, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Risk due to outbreak of COVID 19 pandemic

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventories and investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used internal and external sources of information and based on the current estimates arrived at using the said assumptions, the Company expects to recover the carrying amount of receivables, inventories and investments. As the outbreak continues to evolve, the company will continue to closely monitor any material changes to future economic conditions.

NOTE 48: THE RATIOS FOR THE YEARS ENDED MARCH 31, 2022 AND MARCH 31, 2021 ARE AS FOLLOWS :

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Variance	Reason (If variation is more than 25%)
Current Ratio	Current Assets	Current Liabilities	6.25	7.10	-12%	Nil
Debt - Equity Ratio	Total Debt	Shareholder's Equity	NA	NA		Nil
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	NA	NA		Nil
Return on Equity Ratio	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	22.74%	23.28%	-2%	Nil
Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.74	2.26	21%	Nil
Trade receivables turnover ratio	Net Sales	Avg. Trade Receivables	4.24	4.18	1%	Nil
Trade Payables turnover ratio	Net Purchases	Average Trade Payables	4.81	5.41%	-11%	Nil
Net Capital turnover ratio	Net Sales	Working Capital	1.16	1.22	-4%	Nil
Net Profit ratio	Net Profit	Net Sales	24.30%	23.69%	3%	Nil
Return on Capital employed	Earning before interest and taxes	Capital Employed	28.39%	28.89%	-2%	Nil

* Net sales exclude other Income.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(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 Company has no borrowings except for certain vehicle loans.

NOTE 50: 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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Parent								
Caplin Point Laboratories Limited	61.64	63.05	930.65	758.67	60.91	62.14	187.87	156.23
Subsidiaries								
Indian								
1. Argus Salud Pharma LLP	0.07	0.07	1.04	0.80	0.02	0.00	0.05	0.01
2. Caplin Steriles Limited	17.79	24.08	268.59	289.82	(7.89)	(9.08)	(24.34)	(22.84)
3. Caplin Onco Ltd	2.21	-	33.39	-	(0.28)	-	(0.87)	-
Foreign subsidiaries	-							
1. Caplin Point Far East Limited (Refer Note)	31.72	26.31	478.90	316.64	58.96	58.60	181.85	147.33
2. Caplin Point laboratories Colombia, SAS	0.01	0.00	0.09	0.04	(0.16)	(0.07)	(0.49)	(0.17)
3. Caplin Point (S) PTE. LTD*	0.01	0.02	0.22	0.26	(0.02)	(0.02)	(0.05)	(0.06)
Indian Associate								
1. Sunsole Solar Pvt Ltd	0.09	-	1.40	-	-	-	-	-
Foreign Associate								
1. Hainan Jointown Caplin point Pharmaceuticals Co Ltd	0.11	0.14	1.74	1.74	-	(0.02)	-	(0.05)
Minority interest in subsidiary	1.72	1.46	25.95	17.54				
Total Eliminations / Consolidation Adjustments	(15.37)	(15.14)	(232.08)	(182.14)	(11.53)	(11.54)	(35.58)	(29.02)
	100.00	100.00	1,509.88	1,203.37	100.00	100.00	308.45	251.43

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 51: 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 segment". Hence there are no reportable business segments to be disclosed as required by the said standard.

NOTE 52: 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 53: 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 54: 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 has 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 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.
- (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, 2022

(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.
- (viii) No Scheme of Arrangements have been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act,2013,during the year

NOTE 55: 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 56: PREVIOUS YEAR'S FIGURES HAVE BEEN REGROUPED / RECLASSIFIED WHEREVER NECESSARY TO CORRESPOND WITH THE CURRENT YEAR'S CLASSIFICATION / DISCLOSURE.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For **CNGSN & Associates LLP**

Chartered Accountants

Firm Registration No : 4915S/ S200036

B.Ramakrishnan

Partner

ICAI Membership No. 201023

Place : Chennai

Date : 12th May, 2022

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

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Dinesh R G

Company Secretary





CAPLIN POINT[®]
Laboratories

AGM NOTICE

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting (“AGM”) of the members of Caplin Point Laboratories Limited (“The Company”) will be held on Thursday, September 29, 2022 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 Financial Year ended March 31, 2022 along with the Reports of the Board of Director’s and the Auditor’s thereon.

2. Declaration of Final Dividend and Ratification of Interim Dividend

To declare a final dividend of ₹ 2/- (100%) per equity share of ₹ 2/- as recommended by the Board of Directors of the Company and to ratify the Interim Dividend of ₹ 2/- (100 %) per equity share of ₹ 2/-, aggregating to ₹ 4 (200%) for the Financial Year ended March 31, 2022.

3. Appointment of Dr. Sridhar Ganesan as a Director liable to retire by rotation

To appoint a Director in place of Dr. Sridhar Ganesan (DIN: 06819026) who retires by rotation, and being eligible, offers himself for re-appointment.

4. Re-appointment of M/s. CNGSN & Associates LLP as the Statutory Auditors of the Company

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules,

2014(including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendation of the Audit Committee, M/s. CNGSN & Associates LLP (FRN: 004915S) be and are hereby re-appointed as the Statutory Auditors of the Company who shall hold office from the conclusion of this 31st Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company at a remuneration as disclosed in the explanatory statement.”.

SPECIAL BUSINESS

5. Approval of Material Related Party Transaction(s) with NuevosEticos Neo Ethicals S.A – Guatemala

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Regulation 23 read with Regulation 2 (1) (zb) & (zc) (i) 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, the Company’s Policy on Related Party Transactions and based on the recommendations of the Audit Committee of the Company, consent of the Members be and is hereby accorded for 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 the related party mentioned herein below for a period of five financial years i.e. from financial year 2022-23 to 2027-28, on such material terms and conditions as mentioned in the explanatory statement to this Resolution and on such other terms as maybe mutually agreed between the related party and the Company and/or its subsidiaries.”



Name of the transacting/ contracting party	Description 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)	Ultimate Holding Company	NuevosEticos Neo Ethicals S.A – Guatemala	Step-Down Subsidiary	Sale of Goods, materials and transfer of other resources, services or obligations by CPL to NuevosEticos Neo Ethicals S.A – Guatemala	Transactions/ contracts/ arrangements of both CPL and CPFEL with NuevosEticos Neo Ethicals S.A – Guatemala shall not collectively exceed 30% of the respective previous financial year's audited consolidated turnover of CPL.
Caplin Point Far East Limited (Honk Kong) (CPFEL)	Wholly owned subsidiary of CPL	NuevosEticos Neo Ethicals S.A – Guatemala	Holding Company	Sale of Goods, materials and transfer of resources, services or obligations by CPFEL to NuevosEticos Neo Ethicals S.A – Guatemala	

“RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as ‘Board’ which term shall be deemed to 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”.

6. Approval of Material Related Party Transaction(s) with Caplin Steriles Limited

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Regulation 23 read with Regulation 2 (1) (zb) & (zc) (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Section 188 read with section 2(76) of the Companies Act, 2013 and relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof) and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions and based on the recommendations of the Audit Committee 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 with the related party mentioned herein below for a period of five financial years i.e. from financial year 2022-23 to 2027-28, on such material terms and conditions as mentioned in the explanatory statement to this Resolution and on such other terms as maybe mutually agreed between the Company and the related party.”

Name of the transacting/ contracting party	Description 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)	Holding Company	Caplin Steriles Limited (CSL)	Subsidiary of CPL	Inter-corporate loan from CPL to CSL	Upto ₹ 425 Crores in the aggregate



Name of the transacting/ contracting party	Description 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)	Holding Company	Caplin Steriles Limited (CSL)	Subsidiary of CPL	Purchase of Goods, materials and transfer of resources, services or obligations from CSL by CPL in the ordinary course of business	₹ 100 Crores per financial year
Caplin Point Laboratories Limited (CPL)	Holding Company	Caplin Steriles Limited (CSL)	Subsidiary of CPL	Sale of Goods, materials and transfer of resources, services or obligations by CPL to CSL in the ordinary course of business	
Caplin Point Laboratories Limited (CPL)	Holding Company	Caplin Steriles Limited (CSL)	Subsidiary of CPL	Employee Stock Options (ESOP) on the shares of CPL issued to the employees of CSL as per the approval of shareholders granted for the respective ESOP schemes	
Caplin Point Laboratories Limited (CPL)	Holding Company	Caplin Steriles Limited (CSL)	Subsidiary of CPL	Leasing of land	

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to 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”.

7. Approval for providing loans and guarantees under Section 185 of the Companies Act, 2013

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

“**RESOLVED THAT**, pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder as amended from time to time, consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board

or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including a loan represented by a book debt or give guarantee or provide security in connection with loan taken by any subsidiary of the company, in which any director of the Company is or is deemed to be interested, upto an aggregate sum of INR 450 Crores (Rupees Four Hundred and Fifty Crores Only), provided that such loans are utilized by the borrowing Subsidiary company for its principal business activities.

“**RESOLVED FURTHER THAT**, for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution.”

8. To consider and approve the 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 **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and



Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and all other applicable laws for the time being in force Dr Sridhar Ganesan (DIN: 06819026) be and is hereby reappointed as a Managing Director of the Company for the period of two years with effect from August 25, 2022, at a remuneration recommended by the Nomination & Remuneration Committee as set out below:-

1. Salary: ₹ 55,20,000 per annum

2. 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 fund and gratuity as per the rules of the fund/scheme in force from time to time.

4. General:

i) Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes) the perquisites shall be valued as per income tax rules;

ii) The following shall not be considered as part of perquisites:

a. Contribution to provident fund, superannuation fund or annuity fund to the extent that is singly or put together are not taxable under the Income Tax Act, 1961;

b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and

c. Encashment of leave at the end of the tenure.

iii) 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;

iv) Dr Sridhar Ganesan will not be entitled to any sitting fees for attending meetings of the Board and the committees thereof;

v) 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 be and is hereby authorised to alter and vary the scope of remuneration of Dr Sridhar Ganesan, to the extent recommended by the nomination and remuneration committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

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."

9. To consider and approve the Appointment of Dr R. Nagendran as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an **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, Dr R. Nagendran (DIN: 08943531), 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 i.e., from the conclusion of the 31st 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."



10. To consider and approve the Appointment of Mr. S. Deenadayalan 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. S. Deenadayalan (DIN: 01951620), 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 i.e., from the conclusion of the 31st Annual General Meeting and whose term is not liable to retire 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**

G. Venkatram

(General Counsel & Company Secretary)

PLACE: Chennai

DATE: September 5, 2022

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: info@caplinpoint.net



NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”) setting out the material facts regarding the items of special businesses specified above is annexed hereto.
 2. In compliance with the General Circular No. 02/2022 dated May 05, 2022 read with General Circular No. 20/2020 dated May 5, 2020 and Securities and Exchange Board of India (“SEBI”) Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (hereinafter collectively referred to as “the Circulars”), Companies have been allowed to hold their Annual General Meeting through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”). Hence, in compliance to the Circulars, the AGM of the Company is being held through VC. The Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for 31st AGM shall be the Registered Office of the Company.
 3. Pursuant to the aforesaid Circulars, 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.co.in.
 4. The attendance of the 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. Brief resume, details of Directors shareholding and Directors inter-se relationship of Directors seeking appointment /Re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, are provided as Annexure to this Notice.
 6. Members may note that the Board has recommended a Final Dividend of ₹ 2/- per equity share. The Register of Members and Share Transfer Books of the Company will be closed from September 23, 2022 to September 29, 2022 (both days inclusive) for the purpose of AGM and final dividend.
 7. 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 22, 2022 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.
 8. Members holding shares in physical forms are requested to notify and change in their address to the Company / Share Transfer Agents quoting Register 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.
 9. 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 Company by sending email corpserve@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 2022-23 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.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Integrated Registry Management Services Private Limited.
11. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Act, 2013 read with Rules made there under are requested to send the prescribed Form SH.13 to M/s. Integrated Registry Management Services Private Limited. The Form SH.13 for the purpose would be available for download on the Company's website www.caplinpoint.net under the section 'Investor'.
12. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary at the Company's Registered Office or the Registrar and Share Transfer Agents, Integrated Registry Management Services Private Limited. 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.
13. 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 LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020; the Company is pleased to offer e-voting facility to its Members to exercise their right to vote at the 31st 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).
14. 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), not later than 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, NSDL, and RTA and also be displayed on the Company's website www.caplinpoint.net.

15. In view of the COVID-19 pandemic and owing to difficulties in printing and dispatching of physical copies of Annual Report for Financial Year 2021-22 & Notice of 31st AGM, the Company, in compliance with the MCA and SEBI Circulars the Annual Report for Financial Year 2021-22 along with the Notice of the 31st 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 Registrar and Transfer Agents, (RTA) 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; e-mail: corpserv@integratedindia.in.
16. Members holding shares in demat form are requested to update their email address with their Depository Participants. The Annual Report for the Financial Year 2021-22 will be available on Company's website for download and the notices and annual report can be accessed from Stock Exchange websites (i.e.) BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com
17. SEBI vide its notification dated January 24, 2022 has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly, as per the amended regulation that 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.
18. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in this Notice. The



facility of participation at the AGM through VC/OAVM will be made available at least to 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 etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

19. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, 2013, will be available electronically for inspection by the members at the AGM.

VOTING THROUGH ELECTRONIC MEANS

- In Compliance with provisions of Section 108 of the Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Listing Regulations the Company is pleased to provide members facility to exercise their right to vote at the 31st AGM of the Company by electronic means and the business may be transacted through e-Voting Services to Members holding shares as on September 22, 2022 being the "Cut-off Date fixed for determining voting rights of Members entitled to participate in the remote e-Voting process through the platform provided by NSDL viz., www.evoting.nsdl.com.
- The remote e-voting period commences on Monday, September 26, 2022 at 9.00 A.M. (IST) and ends on Wednesday, September

28, 2022 at 5.00 P.M. (IST). During this period members of the Company, holding the shares either in physical form or in dematerialised form, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Members who have not cast their vote on any of the resolutions using the remote e-Voting facility can vote on those resolutions during the AGM. Members who have cast their vote by remote-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

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	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.
	2. If you are not registered for ideas e-Services, option to register is available at https://eservices.nsdl.com Select " Register Online for ideas Portal " or click at https://eservices.nsdl.com/secureweb/ideasdirectreg.jsp



TYPE OF SHAREHOLDERS	LOGIN METHOD
	<ol style="list-style-type: none"> 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. 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 held 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 SPEED-e” facility by scanning the QR code mentioned below for seamless voting experience. 
Individual shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/easiregistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. From a link in www.cdslindia.com homepage. 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 provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding Securities in demat Mode) login through their Depository Participants	<p>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.</p>

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.co.in or call at toll Free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43



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?

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to 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 Caplin Point Laboratories Limited 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 alagar@geniconsolutions.com with a copy marked to evoting@nsdl.co.in. 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 toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in

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 for e-voting for the resolutions set out in this notice:

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 corpserv@integratedindia.in.
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 corpserv@integratedindia.in.
3. If you are an Individual shareholder 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.
4. Alternatively members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
5. 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 EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/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 will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 23, 2022 (9.00 A.M. (IST)) to September 26, 2022 (5.00 P.M. (IST)). The same will be replied by the company suitably.
6. 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 THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CIRCULARS ISSUED THERE UNDER

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 28, 2020, Dr. Sridhar Ganesan retires by rotation at this 31st Annual General Meeting of the Company and is eligible for re-appointment.

Accordingly, in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)



Regulations, 2015 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

Re-appointment of M/s. CNGSN & Associates LLP as the Statutory Auditors of the Company

M/s. CNGSN & Associates LLP, Chartered Accountants, (Firm Registration No. 004915S) (hereinafter referred to as CNGSN or the firm) were appointed as the Statutory Auditors of the Company for a term of one year at the 22nd Annual General Meeting (AGM) held on December 27, 2013. Further, they were appointed for period of three consecutive years from the 23rd AGM till the 26th AGM of the Company. The firm was re-appointed as the Statutory Auditors of the Company at the 26th AGM of the Company held on September 21, 2017, for a term of five years commencing from the Financial Year 2017-18. In terms of the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Firm is eligible to be re-appointed for a remaining term of one year.

Based on the recommendations of the Audit Committee, the Board of Directors, at its meeting held on September 5, 2022, approved the re-appointment of M/s. CNGSN & Associates LLP as the statutory auditors of the Company to hold office from the conclusion of the ensuing AGM until the conclusion of the 32nd AGM.

The proposed remuneration to be paid to CNGSN for their audit services for the Financial Year ending March 31, 2023 is ₹ 19.50 Lakhs plus applicable taxes and excluding out-of-pocket expenses. Besides the audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by clients, banks, statutory authorities and other

audit related services for which the remuneration shall be agreed on mutual terms, as approved by the Board of Directors in consultation with the audit committee.

CNGSN & ASSOCIATES LLP (CNGSN) is a Limited Liability Partnership with LLP Identity No.AAC-9402, a Chartered Accountancy firm headquartered out of Chennai, India. The firm was established during the year 1990 as a Partnership Firm and was subsequently converted to a Limited Liability Partnership with effect from November 19, 2014. The firm consists of 11 partners with multiple locations in South India. Considering the evaluation of the past performance, experience, and expertise of M/s. CNGSN & Associates LLP, it is proposed to re-appoint CNGSN as the Statutory Auditor of the Company based on the recommendation of the Audit Committee.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

ITEM NO. 5

Approval of Material Related Party Transaction(s) of the Company and/or its Subsidiaries with NuevosEticos Neo Ethicals S.A – Guatemala

Pursuant to the amended provisions of Regulation 23 (2) and Regulation 2 (1) (zc) of the 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 in which the Company or any of its Subsidiaries are parties. Material Related Party Transaction means 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. As per this, the sale transactions of the Company and its wholly owned Subsidiary Caplin Point Far East Limited (Honk Kong) with Nuevos Eticos Neo Ethicals S.A – Guatemala shall be material requiring the approval of the shareholders by way of an ordinary resolution.



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
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)	Nuevos Eticos Neo Ethicals S.A – Guatemala is a step-down subsidiary of Caplin Point Laboratories Limited (CPL). With respect to Caplin Point Far East Limited (Honk Kong) (CPFEL), Nuevos Eticos Neo Ethicals S.A – Guatemala is the subsidiary of CPFEL. CPFEL holds 69% of the share capital of Nuevos Eticos Neo Ethicals S.A – Guatemala. Apart from this, there are no other concern or interest.
2.	Type, material terms and particulars of the proposed RPT	<ul style="list-style-type: none"> ● Sale of Goods, materials and transfer of resources, services or obligations shall be in the ordinary course of business ● Both CPL and CPFEL supply pharmaceutical products to Nuevos Eticos Neo Ethicals S.A – Guatemala ● The pricing shall be at arm’s length similar to transaction with unrelated parties and shall be based on individual Purchase Orders ● Credit terms shall be up to 120 days (including transit time) as applicable to unrelated parties.
3.	Tenure of the proposed RPT	Since the transaction is a continuing one, this approval shall be valid for a period of 5 financial years commencing from FY 2022-23.
4.	Value of the proposed RPT	The collective value of transaction of CPL and CPFEL with Nuevos Eticos Neo Ethicals S.A – Guatemala shall not exceed 30% of the respective previous financial year’s audited consolidated turnover of CPL.
5.	Justification as to why the RPT is in the interest of the listed entity	Nuevos Eticos Neo Ethicals S.A – Guatemala is a primary front end distribution entity of the Company. The unique business model of the Company has helped in achieving direct presence in those markets, thereby negating the requirement for intermediaries, through its Subsidiaries/ Step-Down Subsidiaries, which is critical for the continued and enhanced financial performance of the Company.
6.	Name of the director or key managerial personnel who is related	None of the Director/ Key Managerial Personnel of the Company are related.
7.	Valuation or other external report relied upon by the listed entity in relation to the transactions	Not applicable.

Since the transactions are in the ordinary course of business and shall be carried out at an arm’s length basis, the provisions of Section 188 of the Companies Act, 2013 shall not apply. Any subsequent material modifications to the terms, as per the Related Party Transaction Policy of the Company, shall be subject to prior approval of the shareholders.

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 September 5, 2022. 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. 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. 6**Approval of Material Related Party Transaction(s) with Caplin Steriles Limited**

Pursuant to the amended provisions of Regulation 23 (2) and Regulation 2 (1) (zc) of the 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 in which the Company or any of its Subsidiaries are party. Material Related Party Transaction means 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 Company presently owns 99.99%

of equity shares in Caplin Steriles Limited (CSL). The remaining 100 equity shares are held by two other shareholders namely Eight Roads Ventures India III LLP (Eight Roads) and F-Prime Capital Partners Life Sciences Fund VI LP (F-Prime). Eight Roads and F-Prime also hold 7,45,82,875 Compulsorily Convertible Preference Shares which are convertible as per the terms of its issue.

CSL caters to regulated markets of United States, Canada, Australia etc which are of strategic importance to the Company's long term objectives. Hence, the Company proposes to enter into various transactions with CSL which will collectively make the transactions between the Company and CSL material.

Details of the transactions, in addition to what has been provided as part of the resolution is given in the table below:

Sl. No	Description	Details
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)	Caplin Point Laboratories Limited (CPL) holds 99.99% of the equity share capital of CSL and hence is the holding Company of CSL.
2.	Type, material terms and particulars of the proposed RPT	<ul style="list-style-type: none"> ● Sale/ Purchase of Goods, materials and transfer of resources, services or obligations shall be in the ordinary course of business and on arm's length basis. ● Credit terms for Sale/ Purchase shall be comparable to terms for unrelated parties. ● Employees Stock Options shall be granted to employees of CSL based on the approval granted by the shareholders at the meeting held on September 28, 2021 based on the recommendations of the Nomination and Remuneration Committee of the Company and CSL. ● Lease of land shall be on the terms as below: <ul style="list-style-type: none"> ■ The Company owns 8.11 acres of land near the facility of CSL in Gummidipoondi. This shall be leased for the purpose of enabling CSL to develop a green belt for environmental purposes. ■ The lease shall be for a period of five years which may be renewed based on mutual agreement and approval of the Audit Committee on arms-length terms. ■ The Annual Lease rental shall be fixed on arm's length basis taking into account the prevailing lease rental rates in the area. ■ Terms of inter-corporate loan shall be as per point 3 below.



Sl. No	Description	Details
3.	Details of Inter-Corporate Loans (ICL)	Maximum value of ICL shall not exceed ₹ 425 Crores in the aggregate. The loan is given from out of the internal accruals of the Company and 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 the date of approval. 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 disbursal of loan. CSL shall utilize the ICL for carrying out expansion activities and also for working capital purposes.
4.	Tenure of the proposed RPT	Approval for the transactions shall be valid for a period of 5 financial years commencing from 2022-23.
5.	Value of the proposed RPT	As given in the resolution.
6.	Justification as to why the RPT is in the interest of the listed entity	CSL caters to the key 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. This, the Board strongly feels, will in-turn enhance shareholders value.
7.	Name of the director or key managerial personnel who is related	Mr CC Paarthipan, Chairman, Dr Sridhar Ganesan, Managing Director and Dr C K Gariyali, Independent Director also serve on the Board of CSL.
8.	Valuation or other external report relied upon by the listed entity in relation to the transactions	Not applicable.

Any subsequent material modifications to the transactions, as per the Related Party Transaction Policy of the Company, shall be subject to prior approval of the shareholders. 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 September 5, 2022. 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 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. 7

Approval for providing loans and guarantees under Section 185 of the Companies Act, 2013

The Company will be required to render support for the business requirements of its Subsidiary companies from time to time. In the light of the provisions of Companies Act, 2013, the Company, with the approval of shareholders by way of special resolution, would be in a position to provide financial assistance by way of loan or give guarantee or provide security in respect of loans taken by its Subsidiaries for their principal business activities. This would exclude wholly-owned Subsidiaries of



the Company which are exempt from the requirement of shareholders' approval as well as providing any guarantee or security in respect of loan made by any bank or financial institution to its subsidiaries.

The Company presently owns 99.99% of equity shares in Caplin Steriles Limited (CSL). The remaining 100 equity shares are held by two other shareholders namely Eight Roads Ventures India III LLP (Eight Roads) and F-Prime Capital Partners Life Sciences Fund VI LP (F-Prime). Eight Roads and F-Prime also hold 7,45,82,875 Compulsorily Convertible Preference Shares which are convertible as per the terms of its issue. The Company intends to extend Inter Corporate Loan to CSL from time to time to meet its expansion requirements as well as working capital needs which shall not exceed ₹ 425 in the aggregate. Further, given the expanding footprint of the Company in varied markets, the requirement to support other Subsidiaries could arise in the near future. Hence, including the Inter Corporate Loan to CSL, approval of shareholders by way of special resolution is being sought for an overall limit of ₹ 450 Crores (Rupees Four Hundred and Fifty Crores Only) in the aggregate in respect of all of its Subsidiaries. The Board of Directors may be authorised to evaluate the proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for principal business activities of the respective Subsidiaries. These loans/ guarantee/ security shall be also subject to approval of shareholders under any other provisions of the Companies Act, 2013 and Listing Regulations as and when needed.

The Board of Directors Recommend the Special Resolution for approval by the shareholders. Mr CC Paarthipan, Chairman, Dr Sridhar Ganesan, Managing Director and Dr C K Gariyali, Independent Director serve on the Board of CSL and hence to that extent are interested in the resolution. Except as above, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 8

Re-appointment of Dr Sridhar Ganesan as the Managing Director of the Company

Dr Sridhar Ganesan was re-appointed as the Managing Director of the Company for a period of two years with effect from August 25, 2020.

Based on the strong performance of the Director and considering his significant contribution in the growth of the Company, the Nomination and Remuneration Committee 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, 2022 on the terms and conditions, including remuneration, as explained herein.

Accordingly, the Board, based on the recommendation of the Nomination and Remuneration Committee, at its meeting held on September 5, 2022, has 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 ordinary resolution as set out in Item no.8 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 NOS. 9 & 10

Appointment of Dr R Nagendran and Mr S Deenadayalan as Independent Directors of the Company

The Company's Board comprised of seven Directors out of which five Directors were Independent. Out of this, Dr K C John's (DIN: 01067374) tenure as Independent Director ended on August 24, 2022. Mr V Thirumalai (DIN: 03015619) tenure as Independent Director ends on December 17, 2022. The Company, as a matter of good corporate governance, believes in having an Independent Board comprising of majority Independent Directors. Hence, the Company had identified two Directors viz Dr R Nagendran (DIN: 0894353) and Mr S Deenadayalan (DIN: 01951620) to be inducted on the Board. The Nomination and Remuneration Committee ('NRC') had considered the profiles and the declarations submitted by the respective Directors, had determined their suitability for being inducted as Independent Directors and had recommended the same to the Board. The Board had, at the meeting held on September 5, 2022, recommended for the approval of shareholders, the appointment of Dr R Nagendran (DIN: 0894353) and Mr S Deenadayalan (DIN: 01951620) as Independent Directors for a period of five years from the date of the Annual General Meeting i.e. five years from September 29, 2022.

Dr R Nagendran (DIN: 0894353) has more than thirty years of experience in the field of education, research and training, mainly focussing on



Environmental Science. He was also the first expert member of the National Green Tribunal, India's Environmental Court. He is also an ISO certified Environmental Auditor and has the technical and managerial skills to guide the Company in the areas of Environment, Sustainability and Governance. His expertise in the field of environmental science shall be a value addition to the Board and the Board believes that Dr R Nagendran has the potential to provide substantial contribution in the growth of the Company over his period of appointment of five years. Dr R Nagendran is qualified to be a Director as per the provisions of Section 164 of the Companies Act, 2013 and provided his consent to act as the Director of the Company. Dr R Nagendran has given his declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, Dr R Nagendran fulfils the conditions for appointment as an Independent Director as specified in the Companies Act and Listing Regulations. He is independent of the management and possesses appropriate skills, experience and knowledge to hold the Independent Directorship position.

Mr S Deenadayalan (DIN: 01951620) has more than twenty years of experience in human resource development and has extensively worked and mentors the underprivileged and helps them to become successful professionals and entrepreneurs. More than 30,000 municipal school students have been benefitted by his idealistic model and many are leading entrepreneurs all over the world. He had founded the CEO group (Customer, Employees, Owner or Organisation) in 1998 and his teams have impacted leading organisations across the world. His graduation is from the bottom of the pyramid, with a degree in Sociology from Annamalai University and PG in Social Work from Madras School of Social Work. Appointment of Mr. Deenadayalan in the Board would greatly enhance the decision making efficacy of the Board and his prowess and leadership skills would be a valuable addition. Mr S Deenadayalan is qualified to be

a Director as per the provisions of Section 164 of the Companies Act, 2013 and provided his consent to act as the Director of the Company. Mr S Deenadayalan has given his declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, Mr S Deenadayalan fulfils the conditions for appointment as an Independent Director as specified in the Companies Act and Listing Regulations. He is independent of the management and possesses appropriate skills, experience and knowledge to hold the Independent Directorship position.

As per the provisions of the 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, both Dr R Nagendran and Mr S Deenadayalan will cross 75 years of age during the proposed tenure of their appointment. Considering the rich exposure to their respective fields and the strength they bring to the Board, the Nomination and Remuneration Committee and the Board feels that their induction is justified.

Details of both the Directors as required under Regulation 36(3) of SEBI LODR and the Secretarial Standards are provided as an annexure to the Notice. The Directors shall be eligible for sitting fee as applicable to all the other Directors and shall not be eligible for any stock options.

Except for Dr R Nagendran and Mr S Deenadayalan 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 the said transaction. The Board recommends the Special Resolution for the appointment of Dr R Nagendran as in Item No. 9 and Special Resolution for the appointment of Mr S Deenadayalan as in Item No.10 for approval by the Shareholders.



ANNEXURE TO NOTICE

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / REAPPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LODR REGULATIONS AND APPLICABLE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name of the director	Dr Sridhar Ganesan	Dr R Nagendran	Mr S Deenadayalan
Age	68	70	71
Qualifications	MS in Pharmaceuticals and Doctorate in Homeopathic Medicines	PhD in Ecology and Ethology and MSc in Zoology	Post Graduate degree in Social Work from Madras School of Social Work and Under Graduate degree in Sociology from Annamalai University
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.	<ul style="list-style-type: none"> i) Former Expert Member of the National Green Tribunal and former Head of Department of Environmental Science in St. Joseph's College, Bangalore. ii) Qualified ISO Environmental Auditor approved by EARA and ANSIRAB-QSD, USA. iii) He had taught Environmental Science in various prestigious institutions like Anna University. iv) His areas of expertise include Environmental Management, Sustainability, Policy advisory etc. 	<ul style="list-style-type: none"> i) Has extensively worked and mentors individuals enabling them to become successful professionals and more than 30,000 municipal school students have been benefitted by his idealistic model. ii) Founder of CEO group (Customer, Employees, Owner or Organisation). iii) His areas of expertise include entrepreneurship, leadership mentoring, Human Resource Management etc
Terms and conditions of appointment/ re-appointment	As provided in the Explanatory Statement to the Notice under Item No. 8	As provided in the Explanatory Statement to the Notice under Item No. 9 & 10	As provided in the Explanatory Statement to the Notice under Item No. 9 & 10
Remuneration last drawn	Salary – ₹ 55, 20, 000 per annum and other perquisites subject to Schedule V limits.	Not Applicable	Not Applicable
Remuneration sought to be paid	Salary – ₹ 55, 20, 000 per annum and other perquisites subject to Schedule V limits.	Not Applicable	Not Applicable
Date of first appointment on the board	August 25, 2014	Not Applicable	Not Applicable
Shareholding (Including beneficial ownership), if any, in the company	88, 750 shares	NIL	NIL



Name of the director	Dr Sridhar Ganesan	Dr R Nagendran	Mr S Deenadayalan
Relationship with other directors/ Key Managerial Person	NIL	NIL	NIL
Number of meetings of the Board attended during the year	Four (4)	Not Applicable	Not Applicable
Listed entities in which the person holds the directorship	1 (Including Caplin Point Laboratories)	NIL	NIL
Memberships/ Chairmanship of committees of the board (Audit & Stakeholders Relationship Committee)*	NIL	NIL	NIL
Listed entities from which the director has resigned in the past three years	NIL	NIL	NIL

*Other than Caplin Point Laboratories Limited

By Order of the Board of Directors

For **Caplin Point Laboratories Limited**

G. Venkatram

(General Counsel & Company Secretary)

PLACE: Chennai

DATE: September 5, 2022

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: info@caplinpoint.net



Corporate Information

BOARD OF DIRECTORS

Mr. C C Paarthipan, Chairman
Dr. Sridhar Ganesan, Managing Director

INDEPENDENT DIRECTORS

Mr. V Thirumalai
Mr. R Viswanathan
Mr. D Sathyanarayanan
Dr. C K Gariyali

CHIEF FINANCIAL OFFICER

Mr. D Muralidharan

COMPANY SECRETARY

Mr. G Venkatram

STATUTORY AUDITORS

M/s. CNGSN & Associates LLP
Chartered Accountants, Chennai

BANKERS

The CSB Bank Ltd.
Axis 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 II

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

UNIT IV (Caplin Steriles Ltd.)

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

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, Tisel Park, Phase II, CSIR Road, Taramani, Chennai - 600 113.

UNIT VIII

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

UNIT IX

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

STOCK EXCHANGES WHERE SHARES OF THE COMPANY ARE LISTED

National Stock Exchange of India Limited (NSE)

BSE Limited (BSE)

REGISTRAR AND 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

info@caplinpoint.net

CORPORATE IDENTIFICATION NUMBER (CIN)

L24231TN1990PLC019053



CAPLIN POINT LABORATORIES LIMITED

CIN: L24231TN1990PLC019053

Regd. Office: "Ashvich Towers" 3rd Floor, No.3, Developed Plots Industrial Estates,
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