

August 30, 2023

BSE Limited

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

Dear Sir/Madam,

Sub: Annual Report for the Financial Year ended March 31, 2023 – Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is further to our letter dated August 7, 2023 wherein the Company had informed that the 32nd Annual General Meeting (AGM) of the Company is scheduled to be held on Thursday, September 21, 2023 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 2022-23, which has been sent through electronic mode to the Members.

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

This is for your kind information and records.

Kindly acknowledge the receipt.

Thanking You,

Sincerely yours,

For Caplin Point Laboratories Limited

Venkatram G

General Counsel & Company Secretary
Membership No A23989

The Art of Uncompromising.

Caplin Point Laboratories Limited
Annual Report 2022-23





CAPLIN POINT[®]
Laboratories



The Art of Uncompromising.

Of all things, uncompromising is the way to greatness. At Caplin, we believe energy follows intention and uncompromising intention leads to uncompromising result. It is this belief that led us to execute one of the most spectacular corporate turnarounds in the country. From “nowhere” to “now here”.

This took us to foreign shores where we are known for our unflinching dedication to quality and R&D, and placed us on rock-solid ground as far as finances go.

Because the stand of uncompromising is not a way of working. It’s an Art and a way of life.

This art of uncompromising leads one to be the choice architect to decide, who that person or organization is, and what they wish to become.



At Caplin, the Company's visionary leadership has been conscious to create its own path than getting deterred by the roadblocks.

As a choice architect, Caplin took on the mantle to cater to the medical needs of the choiceless people at the Bottom of the Pyramid (BOP) in the markets the Company operates. The choice architecture of the Company reflects in one of the prominent corporate turnaround stories from India. Today, the Company has created a consistent performance growth chart right from revenues, to profits to cashflows, cash reserves, scale of manufacturing, innovation capabilities, market expansions and reward to the Stakeholders. The transformative growth which the Company has created for all stakeholders is not just achievement but also the driver of future progress. Caplin believes that good results in the present do not necessarily indicate good results in the future, but good processes do and right from operational excellence to higher degree of digitalization, Caplin has been investing in the right processes and technology.

Uncompromising is the key to prosperity that Caplin has never put in other's pocket. Good science, not just an old school, is an updated version of new normal and upgraded version of systems and facilities.

Today, Caplin has a unique differentiator of delivering ₹1200+ Crores from 6 countries whose population, when put together, is less than that of Tamil Nadu State in India.

Today, Caplin brings in 14% of its total revenue from the premier health & pharmaceutical market - U.S. Here, the Company is planning to replicate the success model of its Emerging Markets business by catering to BoP segment of end consumers.

The four pillars system of growth and strength at Caplin has been ensuring the sustainability and scalability of its operations. These four pillars of Integrity, Quality, Safety and Productivity provides the answers to all the doubts or queries which the team may have for which they may not get answers from even best of the search engines.



CAPLIN POINT®
Laboratories



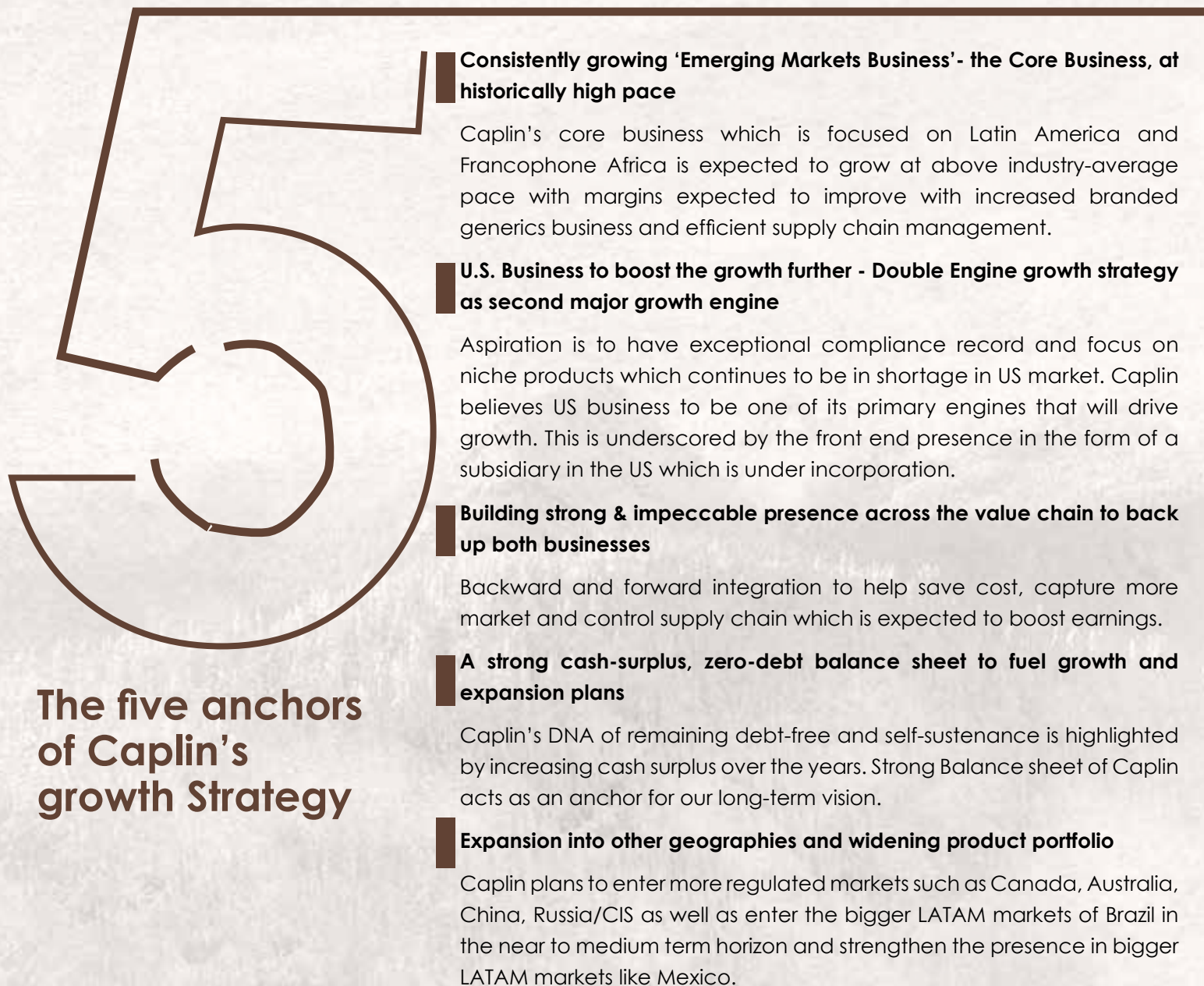
The Uncompromising Growth Strategy

Caplin's consistent growth strategy is earmarked by some unique value propositions, strong capabilities, ahead of the curve vision, commitment to create stakeholder value and to be in the leadership fray in the chosen lines of business. The cornerstones of the Company's growth strategy have been serving the Bottom of Pyramid end consumer segment; creating high growth sustainable business models in emerging markets; expanding in regulated markets with success of emerging markets; backward and forward integration across the value chain; building critical capabilities in-house; building a cash surplus balance sheet; and consistently innovating in complex product categories and excelling in business model differentiation.

The vision of the promoter group have paved the path to establish Caplin as one of the most prominent wealth creating company in its segment. The visionary leadership, which has led the company from the front has been ably supported by a highly efficient executive leadership and an amazing team of dreamers and doers.

“ The way to get started is to quit talking and begin doing” - Walt Disney

Following are the anchors of Caplin's growth strategy and the strategic decisions taken from time-to-time and on right time.



Our 5 key strategic decisions

which are yielding us good
dividends

**Plant to Portal:**

Caplin has chosen to direct market its products in the Emerging Markets to the pharmacies and wholesale channel partners, thereby the Company is able to circumvent trade channels and increases speed to market and improved margins.

Direct approach:

Proposed extension from product manufacture to retail interface through Healthcare portal automating pharmacies, clinics and diagnostic labs. Currently the Company generates 20% revenue from direct sales.

The Company has deployed the healthcare portal to automate the pharmacies and do a forward integration. This move is generating Big Data for generics which will lead to better product positioning and insights.

Expanding the ambit of forward integration, with enough headroom since there are about 15,000 pharmacies, to address bottom-of-the-pyramid customers and engage with doctors.

Forward Integration:

Caplin is moving up the Value Chain with acquisition of its Channel partners at Latin America.

This forward integration provides for greater control over manufacturing, export, import, distribution due to instant and accurate feedback from the markets from direct access to retailers and wholesalers.

Backward Integration:

Caplin plans to utilize its API Plant to cater to both - the U.S. and LATAM businesses, as well as upcoming Oncology business. This backward integration will help the Company in manufacturing and supply of APIs for complex injectable products. The targeted complete backward integration, starting from Key Starting Material (KSM) to Intermediates and API is under progress.

Setting up of CRO

U.S. FDA approved CRO wing of Caplin will cover BE/BA studies for captive consumption, before scaling up as a commercial CRO. Target markets are, U.S., E.U., and LATAM. The CRO wing also completes back to back virtual and physical US FDA Audits and EIR has been received for first inspection.

The Course of This Report



<https://www.caplinpoint.net/index.php/annual-report/> click here view 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 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.



Corporate Overview

The Art of Uncompromising	01
The Uncompromising Growth Strategy	04
Uncompromising on opportunities to transform	10
Caplin - The Choice Architect	14
Products	18
Manufacturing Capabilities	22
Global Market Network	26
Research & Development	28
Chairman's Message	32
From MD's Desk	36
Latam Corner by Business Head, Latam	39
COO on Regulated Markets Business	41
Board of Directors	44
Corporate Information	47
Financial Performance	48
Business Operations Excellence	50
Caplin Cares	51
Management Discussion and Analysis	52

Management Reports

Directors' Report	68
Corporate Governance Report	90
Business Responsibility & Sustainability Report (BRSR)	111

Financial Statements

Standalone Financial Statements

Independent Auditor's Report	147
Standalone Balance Sheet	158
Standalone Statement of Profit and Loss	159
Standalone Statement of Cash Flow	160
Statement of Changes in Equity	162
Notes to the Standalone Financial Statements	163

Consolidated Financial Statements

Independent Auditor's Report	218
Consolidated Balance Sheet	224
Consolidated Statement of Profit and Loss	225
Consolidated Statement of Cash Flow	226
Consolidated Statement of Changes in Equity	228
Notes to the Consolidated Financial Statements	230

Notice of Annual General Meeting	284
--	-----

Uncompromising on opportunities to transform

From Choiceless Situations to becoming a Choice Architect

The story of transformation at Caplin has been that of grit to carve out our own path; gratitude for opportunities and for those who contribute; consistent progression, perfection in planning and excellence in execution.

From one (1) OSD (Only) plant in FY13 to three (3) up and running state of the art plants producing OSDs, Softgels, Sterile Injectables and APIs besides two (2) plants under construction as at end of FY23. From one production plant in FY13 to four (4) dedicated R&D facilities for APIs, OSDs and Injectables and one (1) fully operational 72-bed advanced Clinical Research facility.

To becoming a responsible Pharma Company

From Contract Manufacturer



Mix of generics, branded generics and specialty molecules and Injectables

Technology and research led marketing Company

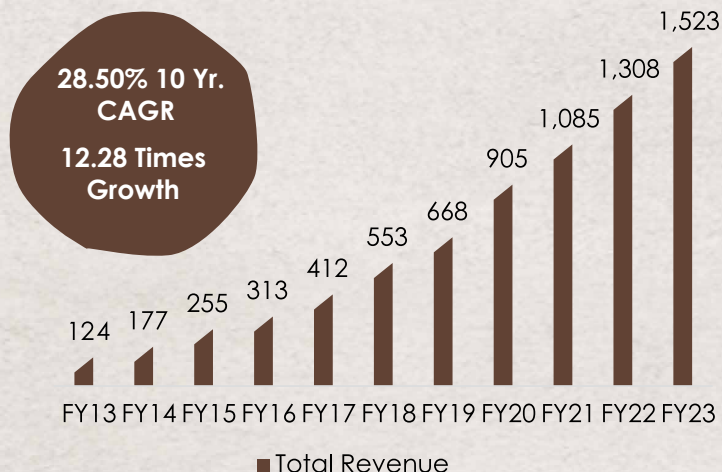
Launch specialty niche products that create new market in varied therapy segments

Selective use of Credit strategy to increase market share and remain cash surplus

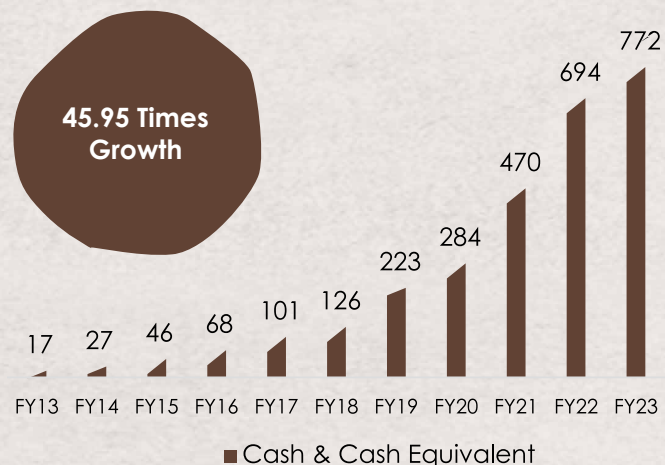
Extended to Regulated markets like USA with plans to enter Canada, Australia, China and Brazil shortly

Growing 10 folds or more, over 10 years, across majority of parameters

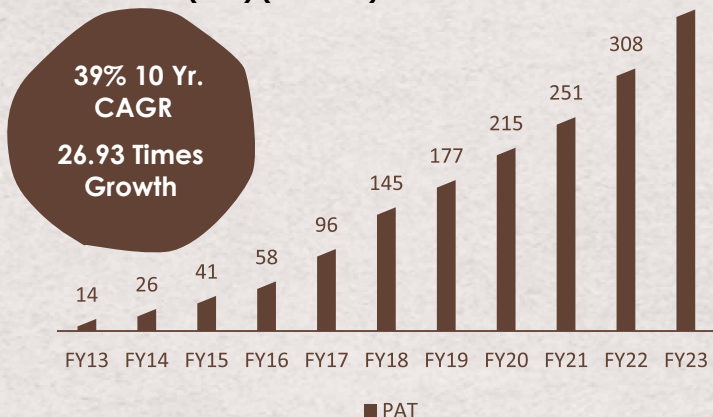
Total Revenue (₹ Crores)



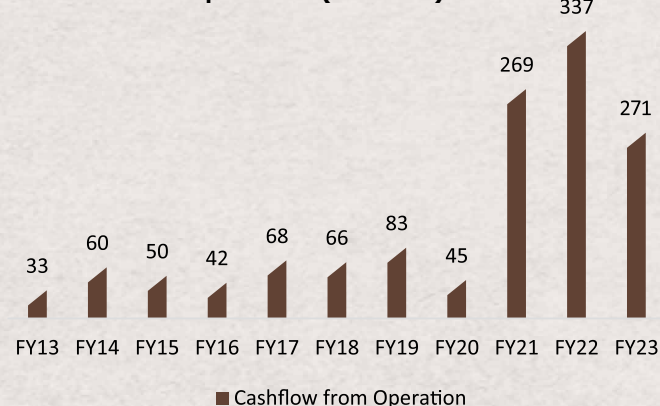
Cash & Cash Equivalent (₹ Crores)



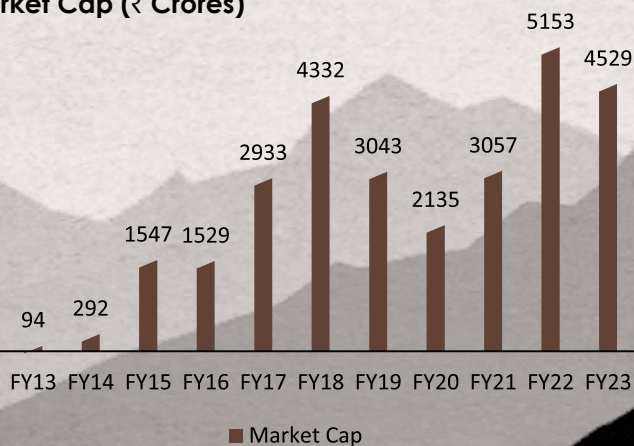
Profit After Tax (PAT) (₹ Crores)



Cashflow from Operation (₹ Crores)



Market Cap (₹ Crores)



From no presence in U.S. markets in FY13 to 14% revenue contribution in FY23

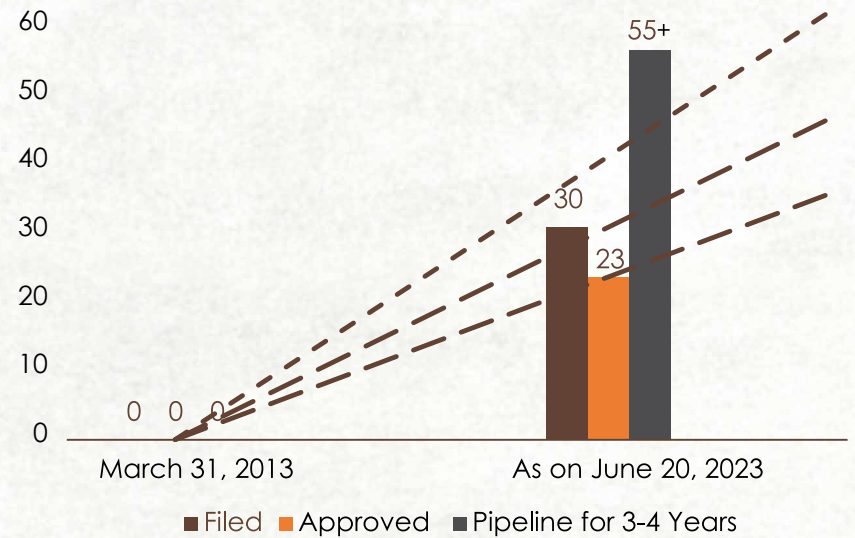
₹700 Crores Capex over FY13 – FY23

2,098 members strong team in FY23 from 300 in FY13

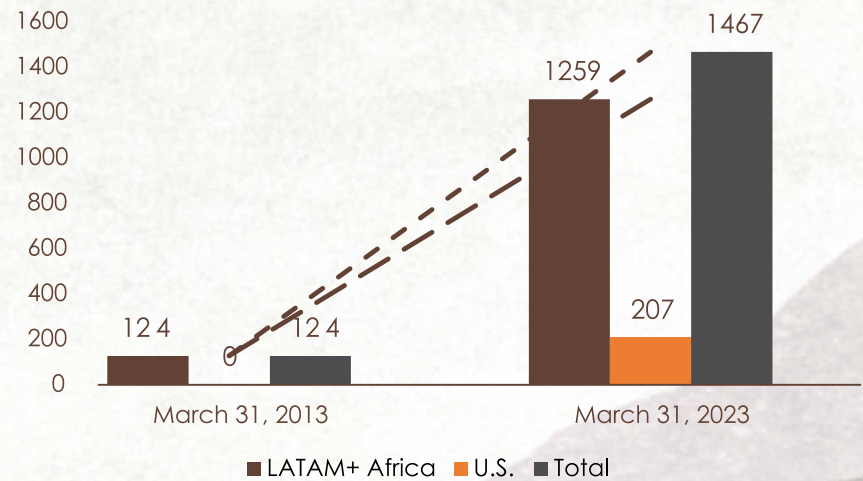




ANDAs (in Nos.)



Revenue from Operations (₹ Crores)



Caplin - The Choice Architect

Headquartered in India, Caplin is a global pharmaceutical integrated across the pharmaceutical value chain. The Company is present across all critical and value driven spots on 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 the recently added Key

Starting Material (KSM) manufacturing capabilities.

Founded in 1990, Caplin has been accredited as 2nd Largest Wealth Creator in a decade ending 2020 by Economic Times.

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



America, which now constitutes 14% of the Company's total revenues.

Caplin has highly diversified and wide portfolio of products as part of its strategy to provide widest solution to end consumers and to have a larger shelf-share in stores. Caplin's products include Liquid & Lyophilized Vials, Prefilled 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.

The manufacturing infrastructure of the Company is strategically balanced between owned facilities in India and the stringently certified outsourcing partners based in India and outside India, primarily in China. All the Company's manufacturing facilities and outsourced facilities are approved or certified by WHO-GMP, in addition to US FDA, Philippines FDA, ANVISA-Brazil and/or COFEPRIS-Mexico, as per applicability.

VISION

Caplin 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 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.



Caplin: Testimony of uncompromising achievement



Rated No. 1 in India for Most Consistent Profitable Growth across the last 10 years - Value Research magazine, Wealth Insight June, 2022

Second Largest wealth creator for the decade ending 2020 - The Economic Times

Six times recipient of Forbes Asia Best Under a Billion Award in 2014, 2015, 2016, 2021, 2022 & 2023 - Forbes Asia

Family Business Awards in 2018 by - The Economic Times for Honoring, family-owned businesses (emerging business category) - Economic Times

Outstanding Export Performance Award in 2018 - Pharmexcil

Top Performing Exporter in Tamil Nadu & Pondicherry Award in 2018 - Federation of Indian Export Organisations

Golden Phoenix Award in 2017 - Nanayam Vikatan - Crown for achievers / Business Star. Golden Phoenix Awards, 2017

Lifetime Achievement Award (Business) - Puthiya Thalaimurai's Tamilan Awards, 2023

The Uncompromising Numbers

₹1523 Crores
Total Income

₹497 Crores
of EBITDA

No. 1 Indian
player in
Central
America

₹772 Crores
Cash & Cash
Equivalents

Presence in 12
Countries in Latin
America (LATAM)

₹1450+ Crores
of liquid assets



Uncompromising on Delivering Customer Value - Products

Caplin was established with core objective of delivering highest quality medicines, in a variety of dosage, at affordable prices to the Bottom of Pyramid consumer segment of the markets the Company operates in.

At Caplin, there is absolutely no compromise on the product quality, innovation and timely availability of medicines. Over the years, Caplin has been adding capabilities across product capacities, product innovation and research & development. There has been a consistent and conscious effort to diversify the product mix and expand the Company's product portfolio.

During the recent years, there has been strategic shift of focus onto Complex Generics category. Besides, the ever expanding product portfolio has been providing for larger shelf-share for the Company's products.

Product Category List

- Tablets
- Capsules
- Injections (liquid & lyophilized, pre-filled syringes)
- Ophthalmic
- Liquid Orals
- Softgel Capsules
- Ointments, Creams & Gels
- Powder for injections
- Suppositories & Ovules
- Pre-Mix Bags
- Inhalers & Sprays
- Pre-filled Syringes

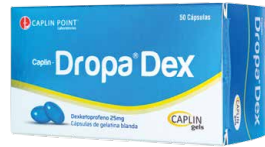
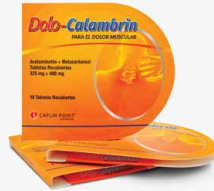


Some numbers to give glimpses of our product mix and depth of the portfolio:



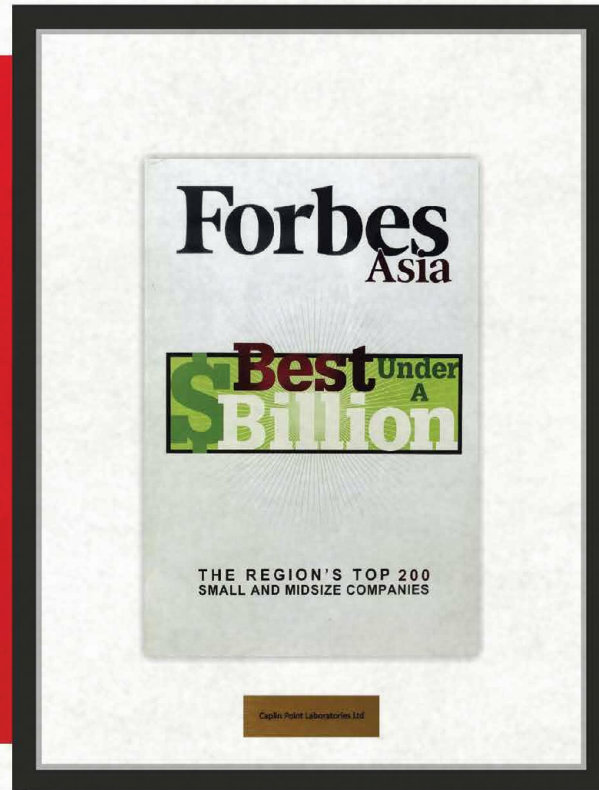
Changing product mix





Best Under
\$1 Billion

"IT's A Second Hat-Trick"



Uncompromising on scaling capacities and expanding capabilities

Manufacturing Capabilities

At the heart of Caplin's glorious journey has been an impeccable manufacturing infrastructure. The Company has been consistently investing into adding new plants, adding new capacities, securing quality manufacturing partnerships and fueling product portfolio expansion and diversification.

Started with OSD product, way back in 1990, Caplin has come a long way. Today, the Company has products ranging across tablets, capsules, injectable, ophthalmic, sachets, ready-to-use products. The Company has also roped in judiciously chosen outsourcing partners, thereby leading to asset-light manufacturing, hedge against cost escalation and currency fluctuation. At present about 65% of Caplin's total exports are met from India and 35% from China based outsourced partners.

Some Numbers:

Annual Product Manufacturing Capacities



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

Caplin's CP-I plant manufactures a variety of products and caters to the Company's Latin America and Africa markets. CP-I is WHO-GMP approved facility.

Location: Suthukeny, Puducherry, India

Product Category: Generics and Branded Generics

Products:

- ➔ Liquid injections in Vials, Ampoules and Pre-Filled Syringes
- ➔ Tablets
- ➔ Capsules
- ➔ Liquid Orals (Syrup & Suspension)
- ➔ Softgel Capsules
- ➔ Suppositories and Ovules



CAPLIN STERILES LTD UNIT-IV (CP IV PLANT):

CSL - CP-IV manufactures Sterile Injectable and Ophthalmic dosages. CSL – CP-IV is WHO-GMP, US FDA, Philippines FDA and ANVISA-Brazil approved manufacturing facility.

Location: Gummidipoondi, Chennai, India

Product Category: Injectables and Ophthalmic

Products:

- ➔ Vials
- ➔ Lyophilized Vials
- ➔ Ophthalmic
- ➔ Pre-Mixed Bags
- ➔ Pre-Filled Syringes

CAPLIN' GLOBAL MANUFACTURING INFRASTRUCTURE (OUTSOURCED)

In order to take Caplin quality products farther and to have much higher product capacities, Caplin has roped in manufacturing outsourced partners in China, apart from India. These outsourcing partners are chosen after stringent Vendor Qualification and Audit by Caplin. Caplin develops and transfers product technology to approved manufacturing sites which have all required approvals or certifications from US FDA, WHO-GMP, ANVISA etc.

The products produced here are subjected to strictest quality controls in Caplin's own Quality Control Laboratory, batch-by-batch.

Products manufactured at the outsourced manufacturing facilities:

- Tablets
- Capsules
- Dry powder for Oral Suspension
- Topicals (Creams, Lotions & Ointments)





Uncompromising footprints of growth

GLOBAL MARKET NETWORK



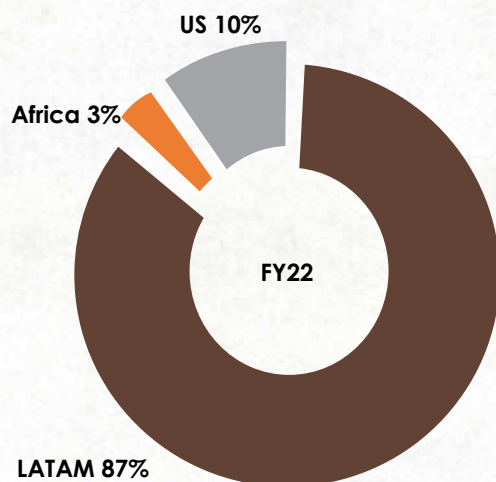
*Map not to scale and is used for representation purpose only.

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

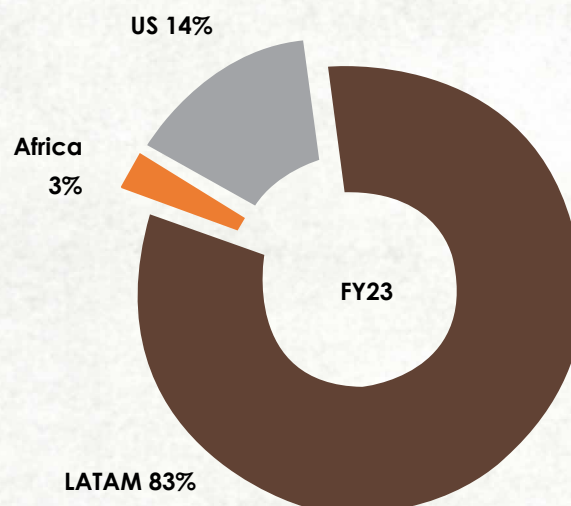
Caplin covers a wide spectrum of pharmaceutical formulations and therapeutic segments across 23 countries with revenue of ₹1523 crore in FY23.

GEOGRAPHIC REVENUE CONTRIBUTION (%)

OPERATING REVENUE

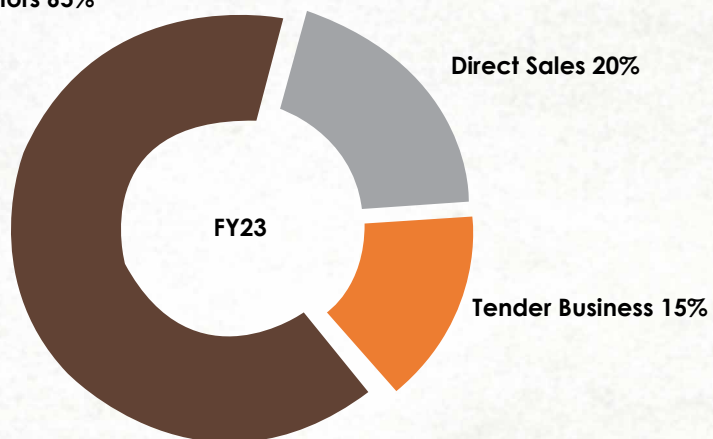


OPERATING REVENUE



REVENUE BY CHANNEL (EMERGING MARKETS) (FY23)

Distributors 65%

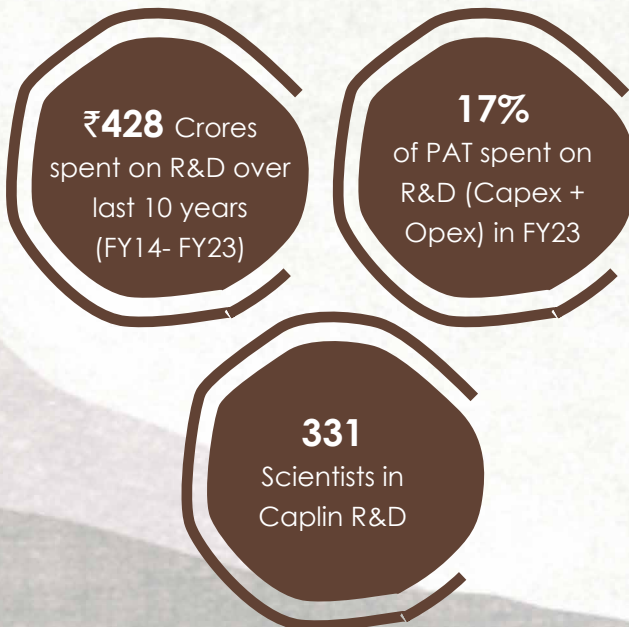


**100% REVENUE
FROM EXPORTS**

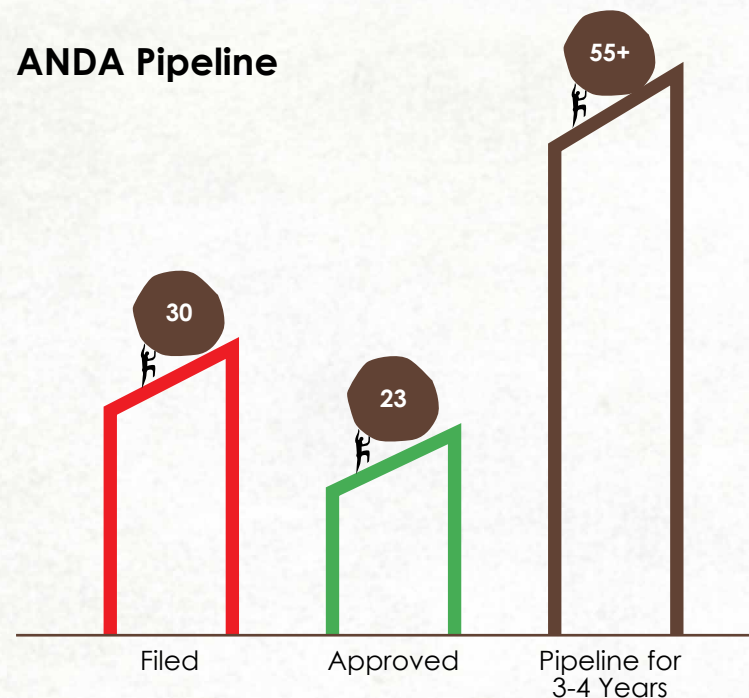
The uncompromising commitment to quality and innovation

Research & Development

Caplin is a leading player in India in terms of spending on Research & Development (R&D). The Company spends approximately above 4.5% of its revenues on R&D. Today, the Company has built one of the widest portfolio of products along with consistently evolving innovative products. The liberal investment in R&D have led to a formidable R&D infrastructure today.



ANDA Pipeline

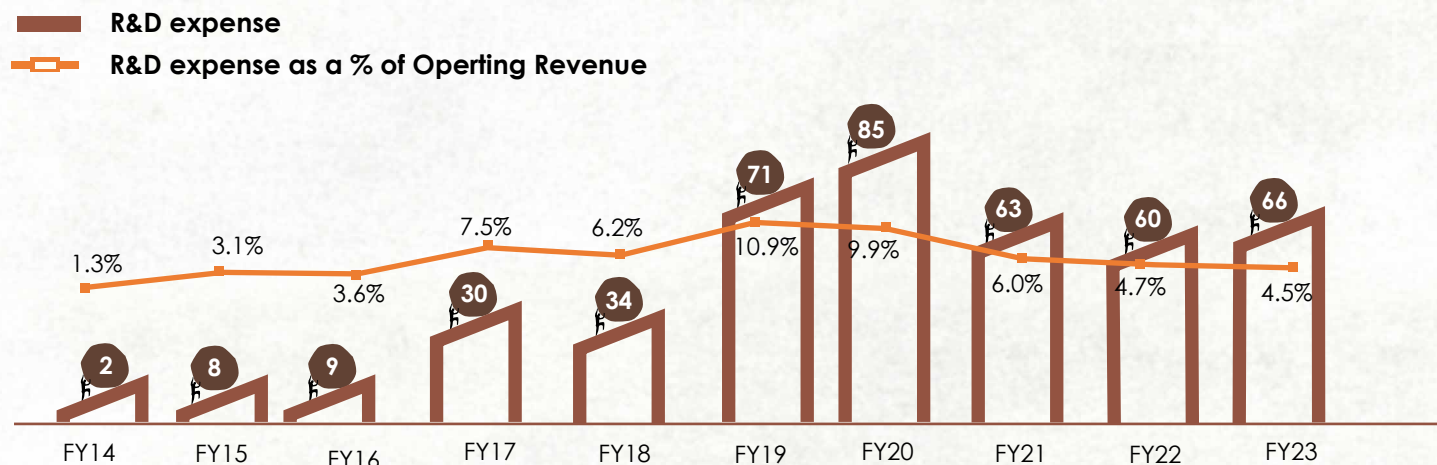


RESEARCH & DEVELOPMENT (R&D) FACILITIES

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).

R&D EXPENSE - CAPEX + OPEX



Note: FY16 Data for 9 months due to change in final year of the company

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 newly developed formulations to production locations.
- ➔ Process optimization and process improvement of commercial products.

Amaris Clinical CRO (CP-III)

With Amaris Clinical, Caplin had embarked on another exciting journey in 2019, as a Contract Research Organization or Clinical Research Organization (CRO). Ever since, Caplin has not looked back on the growth of this venture. Today, Amaris Clinical is a state-of-the-art, 72-bed CRO facility located at Chengalpattu, Chennai. With a capex of ₹29 Crores till date, we see this Clinical Research facility as cornerstone of our future expansions, integration and emergence into a bigger, big league player.

Amaris Clinical boasts of latest and most sophisticated equipment like Andrew Alliance – Auto Pipetting System, liquid handling - pipetting robotic system, Hamilton Automated Sample Access Manager (Sam HD), a completely automated sample collecting system and Advanced Volunteer Tracking System – to ensure quality and timely results and strictest adherence to compliances.



₹29

Crores – Capex Till
Date

62

Total Staff
members

**Captive and
Commercial
BA/BE Studies**

End-to-end
Automated – For
highest level of data
integrity and agility in
operations



Hamilton Automated Sample Access Manager (Sam HD)

REGULATORY APPROVALS

U.S. F.D.A. – The apex Food & Drug regulatory body from the U.S.A.

Instituto de Salud Pública de Chile (ISP) – The public health institute of Chile.

Drugs Controller General of India (DGCI) – The apex body for drug/ medicine approvals in India under Central Drugs Standards Control Organization (CDSCO) under Ministry of Health & Family Welfare, Govt. of India.

Caplin 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 areas of services at CP-V:

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

OTHER CAPLIN 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.

Chairman's Message



At Caplin, we are our own choice architect, we believe that the DNA of our Company was rewritten in those challenging years. We sought opportunities in spaces the broad market was not looking at; we embraced the unknown and we developed an insight into what not to do if we were to succeed.

It is my privilege to write to you and present the Annual Report for FY 2022-23. I hope this finds you safe and in good health.

A series of severe and mutually reinforcing shocks struck the world economy in 2022. With the impacts of the COVID-19 pandemic still reverberating worldwide, the war in Ukraine ignited a new crisis, disrupting food and energy markets, and worsening food insecurity and malnutrition in many developing countries. High inflation unleashed an erosion of real incomes and a global cost-of-living crisis that has pushed millions into poverty and economic hardship. At the same time, the climate crisis continued to impose a heavy toll, with heat waves, wildfires, floods and hurricanes inflicting massive economic damages and generating humanitarian crisis in many countries.

“Don't allow a crisis to go a waste”

Despite the grim situation globally, there is no stopping of Indian Growth Story though. India today ranks as the 5th largest economy in the world according to the World GDP Rankings 2023 and stands tall amongst most emerging economies. As economies across the globe struggled with geopolitical tensions, high inflationary environment and monetary tightening, the India story is one of resilience, backed by strong macro fundamentals and prudent governance.

Similar to the Indian growth story, Caplin has also maintained its consistent growth trajectory and again came out with stronger numbers for this financial year 2022-23.

FINANCIAL HIGHLIGHTS

In terms of the revenue and profits, we again did exceptionally well and passed another psychological milestone with flying colours by achieving a revenue of ₹1,523 Cr during the year.

We also achieved a healthy Profit after Tax which stood at

₹377 Cr, an increase of 22.2% compared to the previous financial year. As a result of our continued strategic and execution success, our Cash and Cash Equivalent reserves reached ₹772 Crores and our liquid assets touched ₹1450 Crores (after a capex spend of ₹500 Crores in the last 5 years). 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 key differentiator.

CHOICES AND THE CHOICE ARCHITECT

Today, we are the number one Indian Pharmaceutical Company in Central America.

We were also Rated as number one in India for “Most Consistent Profitable Growth across the last 10 years by a prestigious magazine. As per Economic Times, Caplin was the Second Largest wealth creator for the decade ending 2020. How did we reach at this height? Some 20 years ago, Caplin Point was on the verge of becoming virtually a non-performing asset following years of sustained losses. This sequence of unprofitability was derived from our engagement in a conventional business and strategy. Due to this, the Company's share price nosedived and reached a low of ₹2 against the face value of ₹10. The market capitalisation reduced to a mere ₹3 Crores. However, instead of giving up, we did what one would have least expected in the circumstances. We shifted our attention to West Africa, which was virtually a no-go zone at that point of time. This decision warranted courage on account of a difference in languages, cultures, risk to personal life, safety, security, living conditions and business orientation. In the relative absence of competition, the Company did not just capture market share but helped grow those markets. As the business grew from that point onwards, the Company extended to contiguous Francophone markets in that continent, generated surpluses and thereafter moved even more westwards – to Latin America, where the

Company continues to operate, grow and prosper.

All this was possible due to right decisions and right choices made by the Choice Architects. Who is a Choice Architect? The Choice Architect is someone who frames information and designs the presentation of choices. Many people turn out to be choice architects, without realizing it. The most experienced choice architect, the planner, is our brain.

“The last mistake is the first teacher. The past mistakes are the current teachers”

At Caplin, we are our own choice architect, we believe that the DNA of our Company was rewritten in those challenging years. We sought opportunities in spaces the broad market was not looking at; we embraced the unknown and we developed an insight into what not to do if we were to succeed. The result of these learnings during the period of a few years is that we did not just turn our small company around; we created wealth for all those who held shares in our Company. Our past proves that Caplin creates products and models for the people in choiceless situations, as it has been done before in the form of uninsured and underinsured in the large geographies.

GEMBA WALK

A Gemba Walk is a workplace walkthrough which aims

to observe employees, ask about their tasks, and identify productivity gains. There might be the places where you have underutilized talents, defects, deviations, overuse of the good people. To overcome these problems, we need to implement design thinking and collaborative work culture. We need to investigate and test the methods for correct root causes. We also need to implement lean initiatives for shop floor solutions, and create the right metrics, that brought the leadership teams back to the shop floor to meet with the line workers to reduce deviations. These methods will keep us insulated from future risks and allow the Company to follow its growth trajectory.

THE FUTURE IS BRIGHT

We are operating in a highly dynamic environment which is filled with opportunities. Caplin has a CAPEX plan of approximately ₹550 Crores. for expanding its existing capacities, widen its product portfolio and backward integrate majority of the products. Despite the aggressive growth plans and huge CAPEX, we have been and will remain a debt free Company. We are happy to share that all of the planned Capex is funded through internal accruals only.

We have also initiated steps to become backward integrated with own APIs for estimated 70% of all our filings in US by 2024, a critical differentiator for Generic Injectables. For this purpose, Caplin has acquired an API

Caplin is indeed a CHOICE ARCHITECT - We sell generics, but our business model isn't generic, it's a brand. A differentiated business model architecture. At the beginning, we happened to be on the last lane, quickly we moved into the fast lane and very soon we will be the front runner.

plant which will be refurbished into a regulated markets compliant plant, for general category APIs. This is part of the Company's backward integration initiative, both for Injectable and OSD APIs.

Our General Category API site refurbishment work is also going on track and we expect to complete it during next few quarters. The Oncology API site construction is also in progress and we are targeting to complete it before end of this year.

From a humble beginning as a Contract Manufacturer, we are on the path of becoming a vertically integrated responsible Pharma Company. I firmly believe that the day will come where we have differentiated products in various buckets in a huge basket, where Caplin will be similar to any large company with complete vertical integration. I firmly believe that the avenues that lie ahead of us are endless.

“In a world where science and spirituality are infinite, catering to the Bottom of the Pyramid to alleviate the suffering of the poor is definitely a finite solution.”

At Caplin, our hard work and strategic focus over the years have helped position us perfectly to make the best use of the business environment, and our future plans are focused on achieving accelerated growth. More importantly, we are fully equipped to achieve our potential with tenets of responsibility and sustainability at the core. I assure you that we would put our best foot forward to do the right things and to do things rightly.

I would like to express my sincere gratitude to the Board for its continued guidance and support. I also convey my heartfelt appreciation for all our business partners, vendors and other business associates who have firmly stood by your Company. We deeply value the faith, guidance and support of all our shareholders and would continue to do so as we attempt to emerge stronger from the challenges and look ahead to brighter times.

Warm regards,

C C Paarthipan
Chairman



At Caplin, we believe in investing in people, nurturing talent, build human relations for organizational success and grow mutually since together we all grow. In line with our core ideology of growing along with our people, we continued to invest in our strategic HR initiative of rewarding employees through ESOP schemes.

From MD's Desk

Dear Shareholders,

It is my pleasure to share the key developments of the Company for FY23 and way forward.

FY23, has been another great milestone and a rather momentous one, in our journey of stakeholder value creation without compromising on basic values. We have not only grown our revenues, operational profits, net profits and cash reserves, but we went ahead to create the avenues for a much greater and sustainable growth in the coming years.

During FY23, we clocked our highest ever financial performance numbers. Our total revenues crossed ₹1500 Crores mark to reach ₹1,523 Crores in FY23 from ₹1,308 Crores in FY22, registering 16.4% growth. Our Net Profits grew from ₹308 Crores in FY22 to ₹377 Crores in FY23 registering even higher growth of 22.4%. Our Cash & Cash Equivalents touches ₹772 Crores as at March 31, 2023.

PRODUCTS, CAPACITIES AND INNOVATION

Caplin, encouraged by market acceptance and demand, strategically doubled its capacity to produce Softgel formulation at its Puducherry facility, paving way for increased revenues and profitability. It is heartening to note that the Company currently has a healthy order book for the enhanced capacity and the trend is encouraging.

Another product line that facilitated growth in FY23 was Injectables – US revenues growing from ₹122 Crores to ₹207 Crores and Rest of the market contributing ₹100 Crores.

In the wake of recent capacity enhancements and higher utilization, we have an order book pipeline, full for the entire ensuing year. At Caplin, we believe in adopting the most updated technology. We believe that good performance today can be translated into tomorrow's consistent one with right processes and absorption of technology that is relevant for tomorrow. During FY23, we pursued this agenda with vigor and wisdom. During FY23, we implemented the latest, S4 HANA, version of SAP – enterprise resource planning system. We have started using Artificial Intelligence (AI) as baby steps towards greater benefits of the same in coming future, with greater use.

Our overall capex increased by more than 100% from ₹91 Crores in FY22 to ₹194 Crores in FY23 with clear plans for investment of around ₹350 Crores in 12 to 18 months.

INVESTING IN PEOPLE, BUILDING A GROWTH ORGANIZATION

At Caplin, we believe in investing in people, nurturing talent, build human relations for organizational success and grow mutually since together we all grow. In line with our core ideology of growing along with our people, we continued to invest in our strategic HR initiative of rewarding employees through ESOP schemes. During the year we had granted 76,500 fresh stock options, at ₹2 per option, to 11 employees under the Company's Employee's Stock Option Plans and around 1,13,870 shares have been allotted to 54 employees in response to the exercise of vested options. This has been a win-win situation for Caplin where to help us secure a higher growth through the highly rewarded and motivated human capital.

EMERGING MARKETS BUSINESS AND REST OF WORLD (ROW) MARKETS

We continued the success of our mainstay business of Emerging Markets through providing choicest products to the choice-less cross section of society – the Bottom of Pyramid population in the markets we operate. Our successful business model encompasses complete forward-backward integration; strong market presence; leadership in chosen therapy areas; and taking people along – the customers, pharmacies, trade channels, and our strong team.

During FY23, we developed pipeline of an absolutely new line of products i.e. Oncology along with multiple other products. For the backward integration, our API R&D facilities have made breakthroughs across Oncology as well as other products.

Our forward integration strategy is furthering well wherein more and more pharmacies and doctors are being integrated with our online health portal. This unique

inclusive eco-system in our strong markets is providing us strong market intelligence, better control over our supply chain management and higher share of our products in the markets. As at end of FY23, 20% of our revenues, from Emerging Markets, comes from Direct Sales and 15% from Tender Business. 25% is the Share of Branded Generics in 'Emerging Markets Business'.

Going forward, Caplin plans to enter more regulated markets such as Canada, Australia, China, Russia/CIS as well as enter the bigger LATAM markets of Brazil in the near to medium term horizon and strengthen the presence in bigger LATAM markets like Mexico.

U.S. AND REGULATED MARKETS BUSINESS

As on date, total ANDAs approved were 23 Nos. while we had filed 30 ANDAs and have a strong pipeline of 55+ ANDAs.

FY23, has been especially momentous for Caplin's U.S. and Regulated Markets business wherein we made significant progress on further fortifying this business. Our spirit of uncompromising to realizing our goals, leads us to make definitive progress.

Our strategic agenda to venture in U.S. and Regulated Markets on our own is progressing well during the year under review. This long-term vision of ours is impeccably

supported by our strategy to fully integrate our operations; innovate and offer new products; increase the filing pipeline; strengthen market network. Our Clinical Research Organization (CRO) division Amaris Clinical has been one of the pillars of strategy, together with setting up of dedicated API manufacturing facility at Visakhapatnam, India for this business. We have developed strong market network to market our products. This forward-backward integration is going to ensure self-sustenance, fast paced growth and better margins. The initial signs of success are visible from the fact that our U.S. and Regulated Markets business contributes 14% to our total revenues as compared to 10% in FY22 and almost negligible presence in FY13. Further we have launched co-labelled products in the US, for 4 approved products.

FUTURE OUTLOOK

With consistent investments in R&D, manufacturing, market developments and marketing, we are confident of delivering an equally strong performance on revenue and profitability growth in years to come. Going forward, the backward-forward integration; Increased contribution from U.S. and Regulated Markets and further expanding our Emerging Markets Business model across RoW markets augur well with our growth objectives and above par progress.

Sincerely,

Dr. Sridhar Ganesan
Managing Director

LATAM CORNER

ASHOK PARTHEEBAN – BUSINESS HEAD, LATAM

இயற்றலும் ஈட்டலும் காத்தலும் காத்த
வகுத்தலும் வல்லது அரசு – Thirukkural 385

*One who creates avenues of growth, earns wealth,
safeguards it and shares it as required, is an able ruler.*

Little did we know back in 2003 when our Chairman visited the small countries of Dominican Republic and Central America that these countries would contribute to 83% of our revenues 20 years down the line. These geographies were virgin territories, ripe for disruption in the generic space. Disrupt is what we did. Being closer to the customers opens a vision much wider than what the world wide web can offer.

In 2023, we launched 23 new products in Central America which has contributed to \$2.4m dollars in sale. Our addition of a second line of production in softgel dosage form helped in overcoming the scarcity in supply of our own products which helped in increasing the sale in that line by 18% YTD. In addition to the increase in revenue, our softgel products are slowly replacing the molecules that were widely consumed as tablets in the previous three years. We've launched all our softgels in branded generics also. Some of these branded generics are a household name in Central America these days.

We've successfully completed the bioequivalence studies for 8 molecules from our CRO, Amaris in this fiscal year. This venture not only helps in registering our OSD forms in Chile, but also validates the quality of our medicines that we currently sell in Central America.

Another dosage form we ventured into in this fiscal year, was pre-filled syringes (PFS). We've launched 6 new products in this area and 8 more are in the pipeline to be launched in the coming fiscal year. PFS will play a major role in our revenues in the years to come as we are the only ones present in this area apart from the MNCs in Central America.

We've successfully completed the bioequivalence studies for 8 molecules from our CRO, Amaris in this fiscal year. This venture not only helps in registering our OSD forms in Chile, but also validates the quality of our medicines that we currently sell in Central America. The idea behind doing these studies was that, we will not be seen just as another "Indian generic company" but we will be seen as one of the major players in the generic area. This will help us when we venture into brand marketing through doctor visits soon.

Now coming to the bigger geographies, we've successfully started exporting to Mexico in 2023 on a regular basis. We've received 3 new approvals in Mexico and expect to receive another 3 by the end of the year. We would also have submitted 15 more dossiers for registration by the end of 2023 for registration in Mexico.

We are expecting the approval of our CSL facility from INVIMA Colombia in late September 2023 which will help us submit our dossiers that we've already got approved in the US.

Our sales in Chile has grown from \$590,000 in 2022 to \$1,180,000 in 2023. We are currently doing bio-studies for some of the products in our softgel line also. This makes it easier to have a basket of products with different dosage forms and not just injectables with which we started. The sales cycles in private markets are much shorter than the Cenabast Govt. tenders in Chile. So, the Oral Solid Dosages (OSDs), creams and suspensions that we are currently registering in Chile will help us with the penetration into private market when we eventually open our own distribution center later in 2023. Our business in Peru has also been consistent in 2023. We've received 8 new approvals this year. We currently manage both these countries through importers.

We've grown from 33 retail stores in Guatemala to 41 in the current year and as planned last year, we are in line to finish this year with 50 stores. If having your own distribution center gets you closer to your customers, opening your own retail chain gets us a wide range of data on consumer behavior, competitor reaction and takes our market research for new launches to a whole new level. Our presence in the retail area contributes to our introduction of new products in Central America every year.

As the above mentioned Thirukkural says, creating different avenues of growth has brought us to where we are. The future is even more exciting with the completion of our Onco plant and other projects around the corner. Latam will continue to be our strongest pillar along with the US for years to come.



On Regulated Markets Business

VIVEK PARTHEEBAN, C.O.O

Caplin Steriles Limited, our Regulated Markets focused business, had an excellent year with revenues crossing ₹200 Crores for the first time, and achieving breakeven. The growth of 67% over last year was certainly satisfying, as we were able to balance our commercial production ably with Exhibit Batches as well, with 8 ANDAs filed during the year.

The growth in revenue was due to higher market-share achieved with existing products, with a couple of new launches also contributing to the same. The split up between Revenue and Profit Share/Milestone was around 75/25 for last year, which we feel is a good mix, considering our hybrid business model of out-licensing our ANDAs and also doing some CMO for partners.

We currently have 23 ANDAs approved from Caplin Steriles, with 18 in our own name and 5 in partners' names. Of these, we have launched 20 products with the other 3 to be launched in the coming months. We have 7 ANDAs under review with FDA as on date, which includes 5 Ophthalmic products, and we have 13 products under various stages of Stability, which are all expected to be filed before the end of this Financial Year. The products we will be filing this year are a healthy mix of differentiated products, which include Solution Injections, Emulsion Injections, Suspension Injections, Solution Ophthalmics,

We believe quality compliant manufacturers with a good track record of supplying without disruptions will soon be able to command a certain premium compared to others, and we're geared up to be one amongst these.

Emulsion Ophthalmics and Ready-To-Use Bags. We feel some of these products have limited competition as they fall under difficult to manufacture or otherwise known as complex category.

The Company's development pipeline remains robust, with 55+ products under various stages of development that will be filed over the next couple of years, which would include Prefilled Syringes, Lyophilized Vials, Injections in Plastic Vials and Autoinjectors. The overall market size for our pipeline is over \$5 billion.

As we progress further in the Injectable/Ophthalmic space, we will continue to evolve into R&D and manufacturing of more complex products falling into Drug-Device combinations such as Pens, Autoinjectors, complex Peptides etc., where the value realization is stronger with limited competition and price erosion.

At Caplin, we believe in identifying our patterns of successes in the past and working towards repeating the same. One significant pattern that continues to work for us, is the "road less travelled", where we have identified pockets of opportunities in multiple

markets of Latin America which were largely underserved. Similarly, we feel that the largest market in the US also has pockets of opportunities that are underserved. As we setup our own front end in the US this year, we will engage with buyers in the Tier 2 and Tier 3 space, similar to our Latam model. Even in the largest and most mature market in the world (US), we continue our unwavering focus towards catering to the bottom of the pyramid.

The US market today is fraught with supply disruptions, with a large percentage of generic injectable products continuing to be under shortage list. We believe quality compliant manufacturers with a good track record of supplying without disruptions will soon be able to command a certain premium compared to others, and we're geared up to be one amongst these. In this connection, we continue to add capacity at a good pace, with 2 more manufacturing lines coming in Phase 2 of our plant, one getting ready for operation in October, 2023 and the next in December, 2023. Work is also underway for Phase 3 of our plant, which will have a large Lyophilization capacity, and also a provision to add 5 more Injectable lines at a later stage.

In addition to this, our API plant in Vizag, that will largely be a backward integration move, is picking up speed, and expected to be completed early next year. These initiatives would be crucial in catapulting Caplin Steriles into one of the trusted sources of generic injectable/ophthalmic products in the Regulated space.

We have had a good record of receiving approvals on time and have had 5 ANDAs approved in the year 2022-23 and till date of this report. With a robust order book for existing products and new launches coming up, we expect Caplin Steriles to grow 40-50% in revenues once again this year. With a laser sharp focus towards compliance and automation of multiple processes in our operations, we remain confident of achieving the target.

At Caplin, we believe in the power of many compared to the power of one. On this note, we continue to recruit a healthy mix of subject matter experts along with fresh candidates that will be trained in the best practices when it comes to handling all critical operations at our sterile plant. Our Chairman will continue to closely monitor the progress at the plant, both in compliance, productivity and expansion.

We feel Caplin Steriles will start to contribute a meaningful share towards Caplin Point's next trajectory of growth. As there are limited number of high quality sterile plants for Regulated Markets, we remain excited for what the near term and long term opportunities Caplin Steriles brings for the overall organization and all stakeholders.

Brief profiles of the **Board of Directors**



MR. C.C.PAARTHIPAN | Chairman

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 travelled, 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 | Managing Director

Dr. Sridhar Ganesan has over 3 decades 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 | Director

Mr D Sathyanarayanan has over 3 decades 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.



DR R NAGENDRAN | Director

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

**DR. C K GARIYALI | Director**

Dr. C K Gariyali is a retired IAS officer and holds a Doctorate in Women Studies and she has been Principal Secretary to the Governor of Tamil Nadu from 2005- 2008 and Secretary to Honourable Chief Minister of Tamil Nadu from 2001-2002 and she has been district collector of Madras and South Arcot Districts from 1981-1984 and she has held various administrative positions in various government organisations during her career. She has worked with various International Agencies like World Bank, DANIDA (Danish International Development Agency), CIRDAP (Centre for Integrated Rural Development in Asia and Pacific), IFAD (International Food and Agricultural Development Agency), etc.

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

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

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

**MR S DEENADAYALAN | Director**

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



Corporate Office Team

Corporate Information

BOARD OF DIRECTORS

Mr. C C Paarthipan, Chairman
Dr. Sridhar Ganesan, Managing Director

Independent Directors

Mr. D Sathyanarayanan
Dr. C K Gariyali
Dr. R Nagendran
Mr. S Deenadayalan

Chief Financial Officer

Mr. D Muralidharan

Company Secretary

Mr. G Venkatram

STATUTORY AUDITORS

M/s. CNGSN & Associates LLP
Chartered Accountants, Chennai

SECRETARIAL AUDITORS

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

BANKERS

CSB Bank Ltd.
Axis Bank Ltd.
ICICI 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

UNIT IX

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

UNIT X

Plot no 28-H and 28-I, APIC, AP-SEZ,
Denotified Area Rambilli Mandal,
Atchutapuram Vishakhapatnam Andhra
Pradesh -531011

R&D

UNIT III

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

UNIT V (Caplin Steriles Ltd.)

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

UNIT VI

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

UNIT VII

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

UNIT VIII

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

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

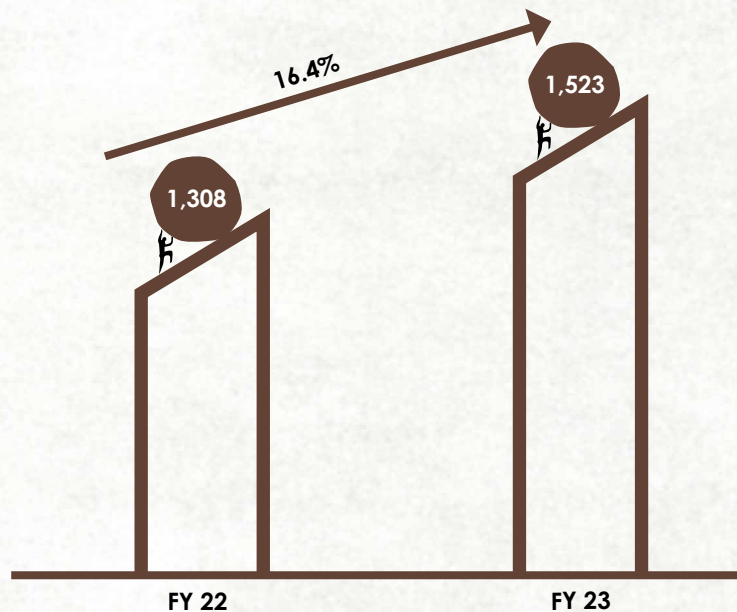
investor@caplinpoint.net

CORPORATE IDENTIFICATION NUMBER (CIN)

L24231TN1990PLC019053

Financial Performance

TOTAL INCOME (₹ CRORES)

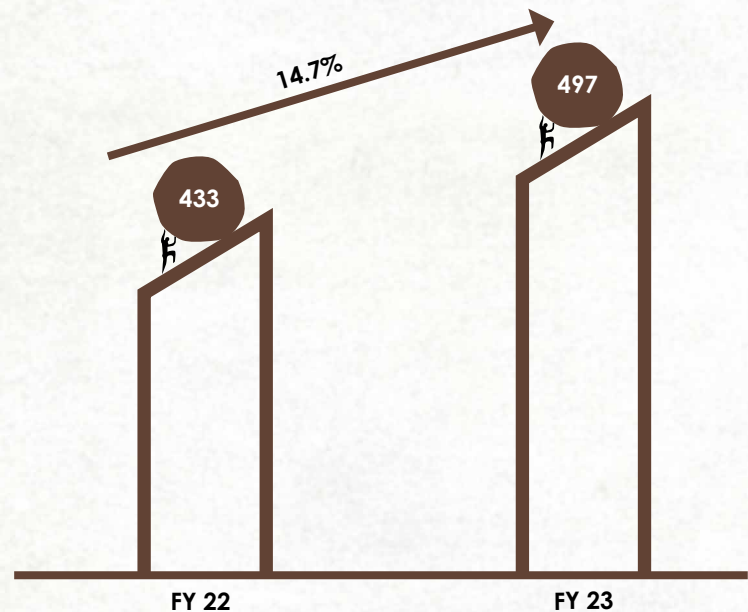


What? Total amount of money brought in by business through sale of goods & services. Starting point of a company's income statement.

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

How? A 16.4% growth in FY23 over FY22. A consistently growing healthy graph over the years.

EBITDA (₹ CRORES)

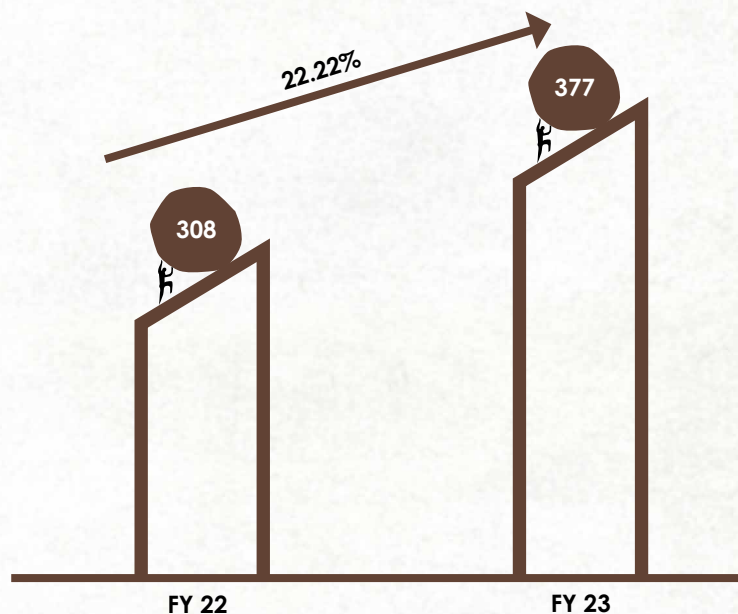


What? Earning or profit before fixed expenses like interest, depreciation, Taxation and extraordinary items). Also known as operating profit. EBITDA Margin states the EBITDA as %age of total revenue.

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 the margin between operating revenues and operating expenses.

How? A significant 14.7% growth in FY23 over FY22.

PAT (₹ CRORES)

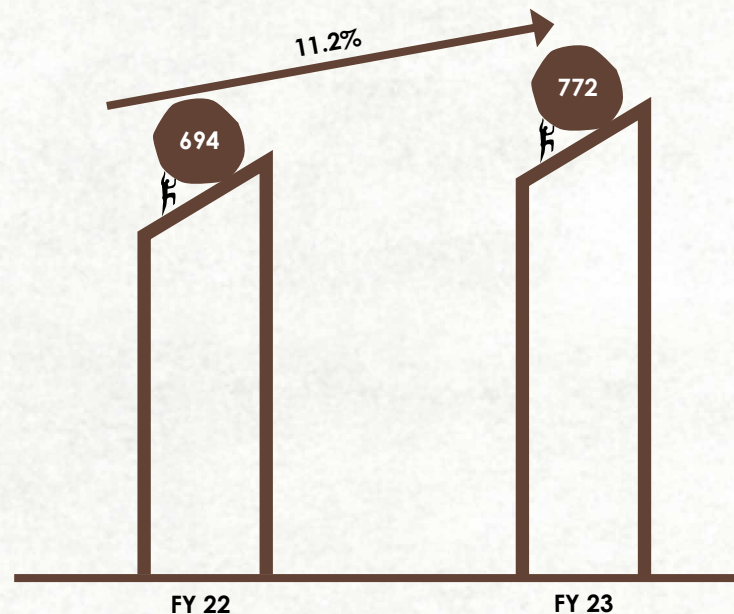


What? Profit After Tax (PAT) or Net Profit or Bottom Line is the amount of money the company earns after all expenses and taxes as well which can be utilized for future growth through re-investment. PAT Margin is profit as a %age of revenues.

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 22.2% growth in FY23 over FY22. 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 & 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 again reached an all time high of ₹772 Crores. A growth of 11.2% in FY23 over FY22.

Uncompromising on Business Operations Excellence

During FY23, Caplin created a streak of operational achievements. Right from completing Softgel expansion at CP-1 to completing BE studies for 30+ products in FY23 at Amaris Clinical to developing 65+ APIs in General as well as Oncology categories in the Company's 'Emerging Markets' business. On the other hand, the "US & Regulated Markets" business vertical crossed `200 Crores mark in Turnover, launched a co-labelled product in the U.S. and displayed a strong order book among other highlights.



The Company's quest to achieve operational excellence continued unabated during FY23 and here are some glimpses of the same:

CORPORATE HIGHLIGHTS

Capex increased by more than 100% from ₹91 Crores in FY22 to ₹194 Crores in FY23

'EMERGING MARKETS BUSINESS' HIGHLIGHTS

1. 25% - Share of Branded Generics in 'Emerging Markets Business'
2. Highly Diversified Revenue Streams – 65% from Distributors, 20% Direct Sales, 15% Tender Business

'U.S. & REGULATED MARKETS BUSINESS' HIGHLIGHTS

1. 14% contribution to total revenue by the 'U.S. & Regulated Markets Business'
2. Company has completed 4 complex products Exhibit Batches, which includes 3 Injectables and 1 Ophthalmic. Plans to file all 4 with US and Global markets during FY24
3. Launched co-labelled products in the US, for 4 approved products

Caplin Cares

Taking social and environmental care at the core of all that we do is the central approach to all business operations at Caplin. The Company believes that growing inclusively is the only sustainable path to progress for all stakeholders. Over the years, Caplin has been working relentlessly to reduce its environmental footprints, conserve natural resources, positively impact the lives of the people around our facilities of operations.

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

ECONOMIC OVERVIEW

Global Economy

The global economy is expected to grow at a slower pace in 2023 and 2024 than in 2022. The IMF has forecast global growth of 2.8% in 2023 and 3.0% in 2024, down from 3.4% in 2022.

Persistently high inflation, which averaged about 9 per cent in 2022, has prompted aggressive monetary tightening in many developed and developing countries. Rapid interest rate hikes, particularly by the Federal Reserve in the United States of America, have had global spill over effects, triggering capital outflows and currency depreciations in developing countries, increasing balance of payment pressures and exacerbating debt

sustainability risks. Financing conditions have tightened sharply amid high levels of private and public debt, pushing up debt-servicing costs, constraining fiscal space and increasing sovereign credit risks. Rising interest rates and diminishing purchasing power have weakened consumer confidence and investor sentiment, further clouding near-term growth prospects for the world economy. Global trade has softened to tapering demand for consumer goods, the protracted war in Ukraine and continued supply chain challenges.

Despite the slowdown, there are some bright spots in the global economy. The United States is expected to continue to grow at a healthy pace, and emerging markets and developing economies are expected to grow at a faster pace than advanced economies. Inflation is also expected to remain elevated in 2023 and 2024. The IMF has forecast inflation of 6.6% in advanced economies and 8.7% in emerging markets and developing economies in 2023. The main risks to the global economic outlook are: (i) A prolonged war in Ukraine, which could lead to a further escalation of energy and food prices and a more pronounced slowdown in global growth; (ii) A more aggressive tightening of monetary policy in major economies, which could lead to a recession; (iii) A sharp slowdown in China, which could have a significant impact on global trade and investment.¹

¹ Source: IMF report.



Indian Economy

The World Bank now fears that the ongoing slump in global economic growth will likely result in a "lost decade." Despite this gloom, many market analysts believe that this could well be India's decade. And there are enough reasons and data to back this claim. Recent data revisions by India suggest the economy has fared better than previously believed despite continuing global uncertainties. The International Monetary Fund (IMF) expects India to grow by 5.9% in FY 2023–24 and by an average rate of 6.1% over the next five years.

Growth is expected to be constrained by slower consumption growth and challenging external conditions. Rising borrowing costs and slower income growth will weigh on private consumption growth, and government consumption is projected to grow at a slower pace due to the withdrawal of pandemic-related fiscal support measures. The Future growth will be contingent on investment. Growth in investments will be critical to meet India's rising demand and ensure noninflationary growth in the long run. The inability to build up capacity would mean that India will have to suppress demand, failing which will result in inflation spiralling up. The challenge is several headwinds have kept investors at bay, and may likely continue doing so, at least in the near term.

Although headline inflation is elevated, it is projected to decline to an average of 5.2 percent in FY23/24, amid easing global commodity prices and some moderation in domestic demand. The Reserve Bank of India's has withdrawn accommodative measures to rein in inflation by hiking the policy interest rate. India's financial sector also remains strong, buoyed by improvements in asset quality and robust private-sector credit growth.

GLOBAL PHARMACEUTICAL INDUSTRY

The total spending and global demand for medicines will increase over the next five years to approximately \$1.9 trillion by 2027, according to a new report titled *Global Use of Medicines 2023 – Outlook through 2027* from the IQVIA Institute for Human Data Science.

The underlying growth rate of 3-6% in spend will be driven by new drug launches and wider use of recently launched brands despite efforts by players to constrain their budgets, and the impact of lower cost options.

→ **Increased use of medicine:** Medicine use – measured in defined daily doses - grew by 36% over the past decade, driven by increased access to medicines. However, growth is projected to slow through 2027 and reach a total of more than 3.4 trillion doses, up about 8% from the 2022 level. Highest volume growth

The underlying growth rate of 3-6% in spend will be driven by new drug launches and wider use of recently launched brands despite efforts by players to constrain their budgets, and the impact of lower cost options.

is expected in Latin America, Asia and Africa, driven by a mix of population growth and expanded access, while North America and Europe will see very low growth. Per capita medicine varies by region with Japan and Western Europe having more than double the use of most other regions.

→ **Spending and growth by regions:** The global medicine market — using invoice price levels — is expected to grow at 3–6% CAGR through 2027 to about \$1.9 trillion with diverging trends by region. Growth in developed economies continues at relatively steady rates with new products offset by patent expiries; Latin America, Eastern Europe and parts of Asia are expected to grow strongly from volume and greater adoption of novel medicines. The U.S. market growth, on a net price basis, is forecast to adjust -1 to 2% CAGR through 2027, down from 4% CAGR for the past five years. The impact of exclusivity losses will increase to \$140.7 billion over five years, including significant biosimilar introductions in 2023 and 2024. New brand spending in the U.S. is projected to be higher than

the last five years but will be a smaller share of total spending. Key elements of the Inflation Reduction Act (IRA) are expected to impact medicine pricing and cost sharing among stakeholders, even though the specific impact is yet to be determined as no baseline has been established and the detailed plans for implementation of IRA for medicine pricing and cost sharing have not been provided.

→ **Impact of COVID-19 on the use of medicines:** COVID-19 continues to have an impact on pharmaceutical markets globally and is estimated to expand the net cumulative pharmaceutical market by \$500 billion from 2020 through 2027, mostly linked to vaccines. Disruptions in demand for many other medicines, due to delayed diagnoses, continue to play out although global market growth is forecast to return to pre-pandemic projected levels by 2024. All regions around the world have exceeded previously projected first-wave vaccination rates while booster utilization is lagging. This creates substantial uncertainty about the future of the pandemic and the potential risks of re-emergence of infections, especially in regions of the world with the lowest immunization and booster rates.

→ **Growth in spending on specialty medicines:** Specialty medicines will represent about 43% of global spending in 2027 and 56% of total spending in developed markets. Global spending on cancer drugs is expected to reach \$370 billion by 2027, with growth accelerating from the launch and use of novel drugs and limited new biosimilar impact. Immunology spending growth will slow to 3-6% through 2027 from price reductions associated with biosimilar competition as volume growth continues at 12% annually. New therapies for



rare neurological disorders, Alzheimer's and migraines are expected to drive spending growth in neurology.

→ **Biotech spending:** Biotech will represent 35% of spending globally and will include both breakthrough cell and gene therapies, as well as a maturing biosimilar segment. Major advances are expected to continue, especially in oncology and immunology. The outlook for next-generation biotherapeutics includes a definitively uncertain range of clinical and commercial successes.

RECENT TRENDS

Pharma businesses are reorganising their business models, rationalising biopharma manufacturing, improving financial decisions, reducing human error, boosting performance, and speeding up time to market

thanks to AI and big data technologies. Each stage of the pharmaceutical value chain, including drug development, clinical trials, logistics, commercialization, marketing, and pharmacovigilance, benefits from the technologies' synergistic interaction.

In 2022, it was noted that there had been an increase in alliances and collaborations between major pharmaceutical companies and suppliers of AI technology. For instance, Sanofi and Exscientia collaborated to create a pipeline of precision-engineered pharmaceuticals for oncology and immunology therapies early this year. With the help of Exscientia's end-to-end AI-driven platform and real patient samples, the firms have teamed up once more to create about 15 novel specific molecular options against oncology and immunology illnesses.



THE NEWEST FASHION IS BLOCKCHAIN

Blockchain technology has steadily established itself as a significant new technology in the pharmaceutical industry. Each record, event, or transaction is kept in sequential, verifiable blocks on an open, decentralised, secure public ledger. A secure and convenient method of legitimate information sharing between enterprises is provided by blockchain.

Blockchain has a huge impact on the production of pharmaceuticals, the tracking and verification of medical supplies, the prevention of record fraud, and research and development. Its use is expected to grow in the future years. With data, the system enhances end-to-end supply chain visibility. Blockchain fills the gaps

Blockchain has a huge impact on the production of pharmaceuticals, the tracking and verification of medical supplies, the prevention of record fraud, and research and development. Its use is expected to grow in the future years.

between stakeholders by giving everyone a precise, real-time perspective of the supply chain, which is essential for ensuring the resilience of manufacturing and the supply chain.

The General Data Protection Regulations (GDPR) and the Drug Supply Chain Security Act (DSCSA) of the FDA are anticipated to go into full effect in 2023. To comply with these rules, the pharmaceutical industry will need blockchain technology to enhance traceability and visibility throughout the value chain.

R&D IN PERSONALISED MEDICINE IS INCREASING

Tailor-made or precision medicine offers immense promise for curing a wide range of illnesses, with the worldwide custom medicine industry predicted to rise to USD 717 billion by 2025. Particularly in terms of illness treatment and prevention, customised medicine has a lot of potential to advance healthcare in the future.

Research and development processes for customised medicine have advanced significantly as a result of recent advancements in big data, artificial intelligence, and genomic testing. Due to the availability of data, improvements in processing power, and artificial intelligence (AI), researchers may now create customised treatments using a constantly expanding collection of medical data.

Digitalization has become essential in all areas for pharmaceutical businesses to maintain leadership, deliver accurate results, and improve operations. Companies that stay at the forefront of technical advancements are those that continue to pave the way and open up new chances in the healthcare sector.²

² <https://www.worldpharmatoday.com>

The Pharmaceuticals market shows solid growth, which is mainly driven by innovative drugs and an increasing demand for healthcare, especially in emerging countries. Compared to the revenue generated by prescription drugs, OTC pharmaceuticals only play a minor role. The market for prescription drugs, for its part, is dominated by original products. This means that the larger number of OTC products, generics, and biosimilars sold cannot counterbalance the significantly higher prices of original products.

The Pharmaceuticals market is characterized by disruptions due to innovative drugs and expiring patents. Research and development, which involves large costs as well as high risks and considerable uncertainties, is the main market driver. In general, the Pharmaceuticals market is highly regulated. It is usually characterized by strict approval processes and strong patent legislation. Regulations, the availability and approval of drugs, and the period of exclusivity vary greatly from country to country.

Oncology Drugs is by far the largest market segment. In terms of regional share, the U.S. dominates the market, with Europe, Japan, and China also playing a significant role. The different segments have been affected very differently by the COVID-19 pandemic. While vaccines and antiviral drugs against the virus are generating additional revenue, and the development of mRNA drugs has received a boost, most pharmaceutical fields have been negatively impacted, mainly due to fewer new patients and barriers to healthcare access. After a shock in 2020, growth rates are back to pre-pandemic levels in most segments.³

3 <https://www.statista.com/outlook/hmo/pharmaceuticals/worldwide#analyst-opinion>

INDIAN PHARMACEUTICAL INDUSTRY

The Pharmaceutical industry in India is significantly contributing to healthcare globally. The Department of Pharmaceuticals has estimated the current size of the industry is about USD 41 Bn including drugs and medical devices.

India continues to play a substantial role in manufacturing various important, high-quality and cost-efficient medicines for Indian and global markets. The Pharmaceutical industry in India has unique characteristics with the domination of branded generics, local brands and low-price levels with intense competition.

Known as the "Pharmacy of the World", India plays a major role in the manufacturing and supplying of medicines globally. The pharma exports from India reach more than 200 countries in the world. Indian medicines are preferred around the world because of their high quality and low price. India is among the top 10 formulation exporting countries in the world, 4th largest by volume and 10th largest by value.



India is also the largest “generic only” exporter in the world, accounting for 20% of the global exports in generics.

The Pharmaceuticals industry has shown tremendous progress in terms of infrastructure development, technology base and a wide range of products. The industry has developed GMP Certified (Good Manufacturing Practices) facilities to produce different dosage forms.

India has the second-highest number of United States Food and Drug Administration (USFDA) approved facilities and labour costs in India are lower than other manufacturing hubs by up to 40%.

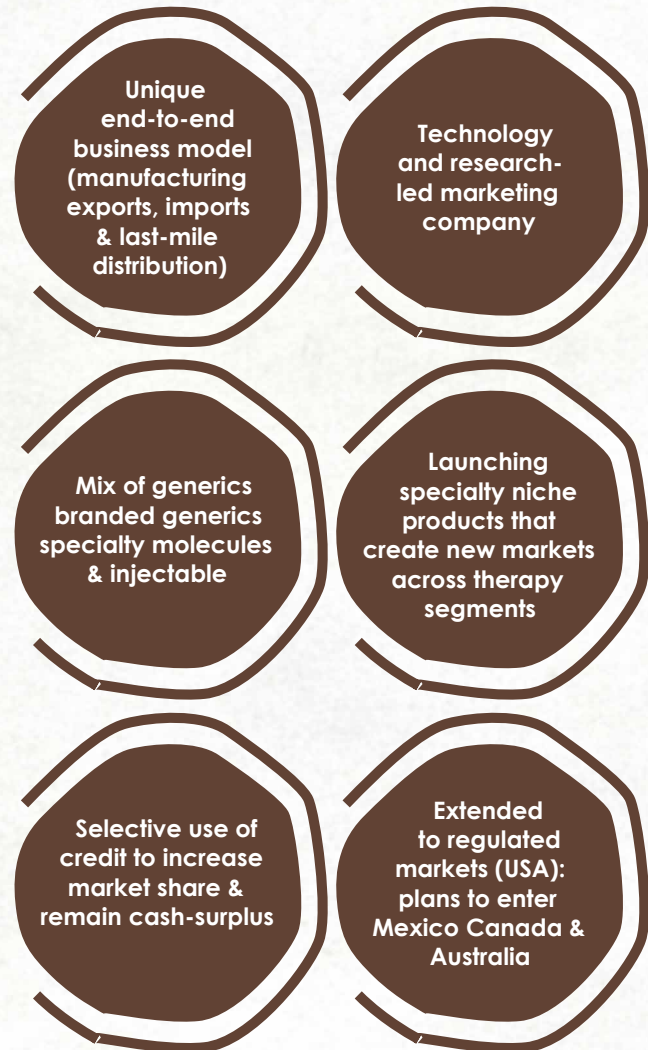
Despite recent headwinds, the Pharmaceutical industry in India has grown rapidly. India is likely to become one of the top 3 Pharmaceutical industries by 2030.

Generic penetration in high-value healthcare markets (e.g., US) is growing significantly, with India supplying over 20% of the demand in major geographies.⁴

COMPANY OVERVIEW

We are possibly the only mid-sized company in India's pharmaceutical sector to be engaged in the R&D and manufacture of finished formulations, APIs, clinical research, front-end generic presence in Latin America, brand marketing in Francophone Africa and a USFDA/EU-GMP approved injectable facility. The Company's unique business model has helped generate the resources to build world-class infrastructure. The Company's debt-free and cash surplus situation positions it attractively to address the opportunities of the future.

WHAT WE ARE Fully Integrated Pharma Company



One of the main reasons for the success can be attributed to the wide range of products offered across diverse geographies.

We have approx. 4000+ products registrations across the globe with 700+ pharmaceutical formulations & over 36 therapeutic sections.

⁴ <https://www.makeinindia.com/sector-highlights-pharmaceuticals>

CAPLIN AT A GLANCE

Our Growth engines

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.

Our aspiration is 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.

With the backward and forward integration, we will save cost, capture more market and control supply chain which is expected to boost earnings.

Caplin's DNA of remaining 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.

Caplin plans to enter more regulated markets such as Canada, Australia, China, Russia/CIS as well as enter the



bigger LATAM markets of Mexico and Brazil in the near to medium term horizon.

FINANCIAL HIGHLIGHTS

- ➔ Revenue grew by 16.4% YoY to ₹1,523 Crores
- ➔ Profit after Tax (PAT) at ₹377 Crores up 22.2% YoY
- ➔ Cash and Cash equivalents at ₹772 Crores, an increase of ₹78 Crores YoY after Capex
- ➔ Cash flow From Operations at ₹271 Crores
- ➔ Capex at ₹194 Crores.
- ➔ Basic EPS grew by 25% to ₹49.62 in FY23 against ₹39.61 in FY22

OUR CORE BUSINESS –TAPPING THE UNTAPPED MARKETS

Caplin covers a wide spectrum of pharmaceutical formulations and therapeutic segments across 23 countries with revenue of ₹1,523 Crores in FY23.

OPERATIONAL HIGHLIGHTS

CAPEX allocation

Caplin has ventured into a Capex journey of ₹~500-550 Crores for expanding existing capacities, widen its product portfolio and backward integrate majority of the products. We are happy to share that all of the planned Capex is funded through internal accruals only.

Capacity expansion at Caplin Steriles

Phase 2 of the facility is nearing completion. Post completion of this facility, we will be able to leverage large batches with faster filling speed for injectable vials. We are also adding a Pre-Filled Syringe Line which is a new delivery system not earlier available with us.

Phase 3 of the facility will have a high Lyophilization capacity.

ONCOLOGY FACILITY

Phase 1 of the Oncology Facility will have Oral Solid Dosages and Phase 2 would be manufacturing Injectables.

BACKWARD INTEGRATION

We are targeting to become a backward integrated Company with own APIs for 70% of all filings in US by

2024, a critical differentiator for Generic Injectables. For this purpose, we have acquired an API plant in Visakhapatnam, Andhra Pradesh. This facility will be refurbished into a regulated markets compliant plant, for general category APIs. This is part of the Company's backward integration initiative, both for Injectable and OSD APIs.

Oncology API site construction starting in adjacent facility



to the Finished Dosages Oncology plant at Kakkalur, Chennai.

CAPACITY EXPANSION AT ROW FACILITY

Softgel capacity expansion has been completed. It is twice the current capacity established for existing markets.

OSD Facility for Global markets: Construction work to commence shortly on a new Oral Solid Dosages plant in Thervoy SIPCOT, near Chennai. The facility will increase existing OSD capacity by three times and cater to additional demand from larger LATAM markets such as Mexico and Brazil, in addition to regulated markets such as US and EU.



FINANCIAL RATIOS

Below are some of the Key Financial ratios:

Particulars	Consolidated		% Variance	Standalone		% Variance	Reason (If variation is more than 25%)
	FY 2022-23	FY 2021-22		FY 2022-23	FY 2021-22		
Debtors Turn Over Ratio	4.13	4.26	(3.05)%	7.45	6.94	7.31%	
Inventory Turnover Ratio	2.57	2.74	(6.24)%	4.2	6.05	(30.57)%	Standalone: Higher closing Inventory considering safety stock in the current year
Current Ratio	5.80	6.25	(7.18)%	4.52	6.13	(26.18)%	Standalone: Increase in other Current liabilities (Advance received from Customer) in the current year
Interest Coverage Ratio	NA	NA	-	NA	NA	-	
Debt Equity Ratio	NA	NA	-	NA	NA	-	
Operating Profit Margin %	32.64%	33.13%	(1.47)%	50.82%	47.24%	7.57%	
Net Profit Margin %	24.76%	23.58%	5.00%	37.33%	32.14%	16.15%	
Return on Net worth % (RONW)	22.06%	22.74%	(2.96)%	22.63%	22.24%	1.73%	Consolidated : Marginal decrease due to increase in base Standalone: Marginal increase due to receipt of higher dividend income during the year



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 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 CFO, Independent Director and the Managing Director 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 RMC.

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 the 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 in the US and other regulatory 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 absorbed through natural hedging. The Company receivables are at 97 days in 2022-23 as compared to 92 days in 2021-22. During the last few years, the increase in the cycle was on account of entering into the tender-based segment, marked by secure large sales to government agencies carrying a longer receivables cycle.

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

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, *inter-alia*, US FDA, Brazil 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 Rs. 772 Cr as on 31 March 2023. The Company's Average working capital cycle was 141 days in 2022-23 compared with 137 days in 2021-22.



Competition risk

The Company's prospects can be affected by rising competition

Mitigation strategy

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

HR HIGHLIGHTS DURING THE YEAR:

1. **Recruitment and Talent Acquisition:** The Company

focussed on attracting and retaining top talent. We utilized innovative digital strategies and technologies to identify and recruit skilled professionals who align with the company's values and culture.

2. **Employee Training and Development:** Caplin recognizes the importance of fostering a continuous learning culture. It had initiated various measures to enhance employee training and development programs to nurture the skills and capabilities of the workforce. This includes both technical and soft skill training initiatives to enhance productivity and promote career growth.
3. **Employee Engagement and Well-being:** The well-being and satisfaction of employees are crucial for maintaining a positive work environment. The Company is working to implement initiatives to strengthen employee engagement, such as organizing team-building activities and events, recognizing employee achievements etc.
4. **Diversity and Inclusion:** Caplin Point values diversity and is committed to fostering an inclusive work



environment. The Company is prioritizing initiatives that promote diversity, equity, and inclusion.

- 5. Performance Management:** The Company has a performance management system that covers the entire workforce. The process of further improving the goal-setting framework and establishing regular performance feedback mechanisms are underway.

Overall, in the year 2022 – 2023, Caplin had concentrated on attracting and retaining top talent, enhancing employee development and engagement, fostering diversity and inclusion, and improving performance management practices. Total number of employees at consolidated level as on March, 31, 2023 stands at 2,098.

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 32nd Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31, 2023.

1. FINANCIAL HIGHLIGHTS

₹ in Crores

Financial Results Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	528.61	528.06	1466.73	1269.41
Other Income	99.00	56.55	55.98	38.75
Total Income	627.61	584.61	1522.71	1308.16
Profit Before Interest, Depreciation and Tax	318.92	276.17	497.04	433.42
Less: Finance cost	0.12	0.09	0.78	0.70
Less : Depreciation and amortisation expenses	25.65	25.77	44.99	46.90
Add: Share of Profit in Associate	0.00	0.00	0.08	0.00
Profit Before Tax	293.15	250.31	451.35	385.82
Less: Tax Expenses	58.89	62.44	74.36	77.37
Profit After Tax	234.26	187.87	376.99	308.45
Less: Non-controlling Interest	0.00	0.00	0.73	8.61
Net profit attributable to the Shareholders of the Company	234.26	187.87	376.26	299.84

2. OPERATIONS REVIEW / PERFORMANCE

The Company has, on standalone basis, registered total revenue from operations of ₹ 528.61 Crores (Total Income ₹ 627.61 Crores) during the year under review as against ₹ 528.06 Crores (Total Income ₹ 584.61 Crores) in the previous financial year. The Profit After Tax was ₹ 234.26 Crores during the year under review as

against ₹ 187.87 Crores in the previous financial year. The Company has on consolidated basis, registered total revenue from operations of ₹ 1,466.73 Crores (Total Income ₹ 1522.71 Crores) during the year under review as against ₹ 1,269.41 Crores (Total Income ₹ 1308.16 Crores) in the previous financial year.

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

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) separate section on Management Discussion & Analysis and Business Responsibility Report & Sustainability, 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 27, 2023, declared an Interim Dividend of ₹ 2.00 (100%) per equity share of ₹ 2/- each, for the financial year 2022-23 and was paid to those shareholders whose name appeared in the Register of Members and beneficial owners as on the record date June 09, 2023.

Further, the Board of Directors, at their meeting held on August 7, 2023, have recommended a Final Dividend of ₹ 2.5 (125%) per equity share of ₹ 2 /- each, for the financial year 2022-23, subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM). If approved, the total dividend for the financial year 2022-23 would amount to ₹ 4.5/- per equity share (225%) of ₹ 2/- each.

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

5. TRANSFER TO RESERVES

The Board of Directors have decided to retain the entire amount of profits for the financial year 2022-23 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/shareholder-information/>. During the year the company had disposed its entire investment in Caplin Point Laboratories Colombia SAS to Caplin Point Far East Limited – Hong Kong, a wholly – owned subsidiary of the Company vide share purchase agreement dated March 28, 2023. Hence, w.e.f March 28, 2023 Caplin Point Laboratories Colombia SAS ceased to be a subsidiary but became a step-down subsidiary.

Considering the Income generated for the FY 2021-22, Nuevos Eticos Neo Ethicals S.A – Guatemala a step down subsidiary held through Caplin Point Far East Limited – Hong Kong, exceeded the threshold limit for material subsidiary as specified in the Listing Regulations, in addition to Caplin Steriles Limited and Caplin Point Far East Limited, Hong Kong which were already considered as 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 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, 2023.

9. SHARE CAPITAL

The paid up share capital as on March 31, 2023 stood at ₹ 15,18,05,492/-consisting of 7,59,02,746 equity shares of ₹ 2/- each. During the financial year the company had allotted 1,13,870 shares under various ESOP Schemes.

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

Particulars of loans, guarantees and investments as on March 31, 2023 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 2022- 23 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, 2023, Board comprised of Seven Directors out of which five are Independent Directors (including an Independent Woman Director) a Managing- Director and one Promoter Director.

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

Mr. D P Mishra (DIN: 02032818), Non - Executive Non - Independent Director tendered his resignation with effect from the closing hours of July 11, 2022. Further, Dr K C John (DIN: 01067374), Mr. V Thirumalai (DIN: 03015619) and Mr.R Viswanathan (DIN : 07173713) ceased to be Independent Directors on the Board of the company with effect from the close of business hours of August 24, 2022, December 17, 2022 and May 11, 2023 respectively as they have served the maximum term of an Independent Director under the Act. The Board wishes to place on record their appreciation for the valuable guidance and directions provided during their tenure as Directors of the Company.

The shareholders at their meeting held on September 29, 2022 had appointed Dr R Nagendran (DIN: 08943531) and Mr. S Deenadayalan (DIN: 01951620) as Independent Directors



on the Board for a period of five years effective from the date of the meeting based on the recommendation of the Nomination and Remuneration Committee and the Board.

Further, based on the recommendation of the Nomination and Remuneration Committee Dr. C K Gariyali was re-appointed as Independent Director for a second term of three years w.e.f from March 04, 2023 by the board subject to shareholders' approval at the ensuing Annual General Meeting. Mr. D. Sathyanarayanan is the other Independent Director on the Board.

b. Company Secretary and Compliance Officer

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

c. Retirement by rotation

Pursuant to Section 152 (6) of the Act, 2013, Mr. C C Paarthipan (DIN: 01218784), Non-Executive Promoter 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. Venkatram G, Company Secretary are the KMP of the Company.

13. DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Act, 2013, all Independent Directors have declared that they meet the criteria of independence as provided under the Act, 2013 and Listing Regulations and the Board confirms that they 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, 2023 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 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 the Companies (Corporate Social Responsibility Policy) Rules, 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, the details of which are given in the Corporate Governance Report which forms part of this report

22. AUDITORS

a. Statutory auditors

The current Statutory auditors M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, have served their maximum

permissible term under the Act, 2013. Their term comes to end at the forthcoming Annual General Meeting. The Board wishes to place on record their gratitude for the valuable guidance and support provided by them during their tenure.

M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, have issued the Auditors' Report for the financial year 2022-23 which does not contain any qualification, reservation or adverse remark and the same is attached with the financial statements.

The Audit Committee and the Board at their meeting held on August 07, 2023 have recommended the appointment of M/s. Brahmayya & Co, Chartered Accountants, (Firm Registration No. 000511S) Chennai, as Statutory Auditors of the Company to hold office from the conclusion of forthcoming AGM till the conclusion of 37th AGM. A resolution to this effect 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.

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. Accordingly, M/s. Alagar and Associates was appointed as the Secretarial Auditors of the Company for the financial year March 31, 2023.

The Secretarial Audit Report for the financial year 2022-23, given by M/s. Alagar and Associates, Company Secretaries, Chennai is attached as **Annexure - IV** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or other remarks.

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

c. Internal auditors

Pursuant to Section 138 of the Act, 2013, the Board at its meeting held on May 12, 2022 had re-appointed M/s. TBL &

Associates as Internal Auditors for carrying out internal audit of the Company, for the financial year 2022-23. The internal audit for the financial year 2022-23 was completed as per the scope defined by the Audit Committee.

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.

27. EMPLOYEE STOCK OPTION PLAN

The Company has three stock option schemes in force (i.e) Caplin Point Employee Stock Option Plan – 2015, Caplin Point Employee Stock Option Plan – 2017 and Caplin Point Laboratories Limited Employees Stock Option Plan – 2021. The Company had cumulatively granted 8,14,392 employee stock options across all the schemes of which 3,52,746 equity shares had been allotted as on March 31, 2023. 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, 2023 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 and its subsidiaries.

28. PARTICULARS OF EMPLOYEES RELATED DISCLOSURES

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

29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are planned/ repetitive in nature. Related Party Transactions entered pursuant to the omnibus approval so granted are placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. All the Related Party Transactions under Ind AS-24 have been disclosed at Note No. 44 to the standalone financial statements forming part of this Annual Report.

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

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

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 at the end of the financial year 2022-23.

32. INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, the Company has credited 1,21,725 unclaimed equity shares of ₹2/- each to IEPF pertaining to those shareholders who have not encashed/claimed their dividends for a period of seven consecutive years. The voting rights on the shares outstanding in the IEPF Authority as on March 31, 2023 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 2015-16(final) has to be transferred to IEPF. Members, who have not yet en-cashed or claimed

the dividends that are yet to be transferred to the IEPF, are requested to refer the Corporate Governance Report.

33. 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.

34 . 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 of Directors

Place: Chennai

Date: August 07, 2023

C C Paarthipan

Chairman

FORM AOC-1

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

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

PART "A": SUBSIDIARIES

(Amount in ₹)

S. No.	Particulars	Details				
		Caplin Steriles Limited	Argus Salud Pharma LLP	Caplin Point Far East Limited - Hong Kong (Consolidated)**	Caplin Point (S) Pte. Ltd - Singapore	Caplin Onco Limited
1	Name of the subsidiary	Caplin Steriles Limited	Argus Salud Pharma LLP	Caplin Point Far East Limited - Hong Kong (Consolidated)**	Caplin Point (S) Pte. Ltd - Singapore	Caplin Onco Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
3	Date of Acquisition	December 12, 2018	April 13, 2010	May 13, 2014	October 4, 2019	June 2, 2021
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable	Not applicable	1 USD = 82.22*	1 USD = 82.22*	Not Applicable
5	Share capital	1,79,95,70,886	99,10,000	9,49,148	41,11,000	66,00,00,000
6	Reserves & surplus	92,44,63,795	6,25,643	6,86,02,26,399	(18,37,617)	(1,43,58,631)
7	Total assets	4,73,57,42,950	2,15,92,941	8,90,16,23,449	23,72,047	69,26,90,646
8	Total Liabilities	2,01,17,08,727	1,10,57,297	2,04,04,47,902	98,664	4,70,49,881
9	Investments #	1,40,00,000	0.00	0.00	0.00	0.00
10	Turnover	2,07,28,85,046	0.00	10,62,68,70,704	4,93,320	0.00
11	Profit before taxation	86,38,187	9,09,366	2,33,71,06,378	(82,878)	(56,34,061)
12	Provision for taxation	(12,25,545)	(2,83,722)	(15,62,03,612)	0.00	(61,661)
13	Profit after taxation	74,11,641	6,25,644	2,18,09,02,766	(82,878)	(56,95,722)
14	Proposed Dividend	0.00	0.00	0.00	0.00	0.00
15	% of shareholding	99.99%	99.90%	100%	100%	100%

*Indian Rupee equivalent of the foreign currency translated as per exchange rate as at March 31, 2023 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 and Caplin Point Laboratories Colombia SAS

Notes:

- Name of subsidiaries which are yet to commence commercial operations: (i) Caplin Point Laboratories Colombia SAS (ii) Caplin Point (S) Pte. Ltd. (iii) Caplin Onco Ltd
- Name of subsidiaries which have been liquidated or sold during the year: The Company had transferred its direct Subsidiary in Colombia to Caplin Point Far East Limited, Hong Kong, it's wholly - owned subsidiary and made it a step down Subsidiary vide Share Sale/ Purchase Agreement dated March 28, 2023

PART “B”: ASSOCIATES AND JOINT VENTURES

S. No.	Name of associates/ Joint ventures	Latest audited balance sheet Date	Date on which the Joint venture was acquired	Shares of Associate/Joint ventures held by the company on the year end			Description of how there is significant influence	Reason Why the Joint venture is not consolidated	Net worth attributable To shareholding as per latest audited balance sheet	Profit / Loss for the year	
				No of Shares	Amount of Investment In Associates/Joint Venture	Extent of Holding %				i. Considered in Consolidation	ii. Not Considered in Consolidation
1	Sunsole Solar Private Limited	31.03.2023	09.03.2022	175,000	1,40,00,000	28.01%	Not Applicable	Not Applicable	1,41,97,304	7,83,945	-

The Company's Associate entity in China namely Hainan Jointown Caplinpoint Pharmaceutical Company Limited was liquidated in the FY 2021-22 and the amount invested by the Company in this joint venture has been received in full during the FY 2022-23

For and on behalf of the Board of Directors

C C Paarthipan
Chairman
DIN:01218784

Dr Sridhar Ganesan
Managing Director
DIN:06819026

Muralidharan D
Chief Financial Officer

Venkatram G
General Counsel & Company Secretary
Membership A23989

Place: Chennai

Date: August 07, 2023

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

1.	The steps taken or impact on conservation of energy	Power consumption for FY23 was 90,66,573 units as against 78,23,169 units in FY22. The unit consumption has increased by 16 % YOY.
2.	The steps taken by the company for utilizing alternate sources of energy	The company has been purchasing solar power for its office to replace power purchased from other sources. This has increased the proportion of renewable energy vis-à-vis non-renewable source of power. Out of the total power consumed, as of 31st March, 2023, 86.47% is from renewable energy source at the Corporate Office of the Company.
3.	The capital investment on energy conservation equipment	NIL

Power and Fuel Consumption	(in ₹)	
	Year ended March 31, 2023	Year ended March 31, 2022
Electricity		
Purchased units	90,66,573	78,23,169
Total amount paid	6,02,68,600	5,42,50,588
Rate per unit	6.65	6.93
Own generation by		
Diesel Generator (units)	2,85,588	2,07,124
Amount paid	76,16,519	56,25,603
Rate per unit	26.67	27.16
Third party (units)	1,92,097	1,62,108
Amount paid	14,75,006	11,99,598
Rate per unit	7.68	7.40
Others		
Diesel Consumed for Boiler (in Litres)	73,500	0.00
Total Amount paid	62,21,114	0.00
Rate per Litre	84.64	0.00
Light Diesel Oil Consumed for Boiler(in Litres)	3,77,367	6,84,335
Total Amount paid	2,33,51,228	3,42,91,580
Rate per Litre	61.88	50.11

(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 trails, 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. Continuous process improvements resulting in optimization of products and cost reduction.

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

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

iv) Expenditure incurred on Research and Development

The Company has incurred an expenditure of ₹ 30.49 Crores towards Research and Development (₹ 28.45 Crores of Revenue Expenditure and ₹ 2.04 Crore of Capital Expenditure).

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount ₹ in Crores)

Foreign exchange earned	480.42
Foreign exchange used	24.30

For and on behalf of the Board of Directors

Place: Chennai

Date: August 07, 2023

C C Paarthipan

Chairman

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

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

1. Brief outline on CSR Policy of the Company

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

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

2. Composition of CSR Committee

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

* Mr. V Thirumalai ceased to be Member w.e.f. December 17, 2022

** Mr. S Deenadayalan appointed as a Member w.e.f. December 18, 2022

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

S. No.	Particulars	Weblink
1.	CSR Committee	https://www.caplinpoint.net/wp-content/uploads/2021/11/List-of-Directors-and-Committees-270523.pdf
2.	CSR Policy	https://www.caplinpoint.net/wp-content/uploads/2021/07/CORPORATE-SOCIAL-RESPONSIBILITY-CSR-POLICY.pdf
3.	CSR Projects	https://www.caplinpoint.net/index.php/shareholder-information/

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

5. a) Average net profit of the company as per sub-section (5) of section 135 : ₹ 242.1 Crs
- b) Two percent of average net profit of the company as per sub-section (5) of section 135 : ₹ 4.84 Crs
- c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil

- d) Amount required to be set-off for the financial year, if any : Nil
- e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 4.84 Crs
6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : During the year INR 0.34 Crs was spent towards other than Ongoing Projects and INR 0.35 Crs was spent towards On-going project of the FY 2020-21
- b) Amount spent in Administrative overheads : Nil
- c) Amount spent on Impact Assessment, if applicable : NA
- d) Total amount spent for the financial year [(a)+(b)+(c)] : ₹ 0.69 Crs
7. a) CSR amount spent or unspent for the financial year

(₹ in Crores)

Total Amount Spent for the financial year.	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
0.34	4.5	April 29, 2023	Not Applicable		

- b) Excess amount for set-off, if any : Not Applicable
- c) Details of Unspent Corporate Social Responsibility amount for the preceding three financial years

(₹ in Crores)

Sl. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount Spent in the financial year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of Transfer		
1	2021-22	3.15	3.15	0	NIL	NIL	3.15	No
2	2020-21	3.99	3.64	0.35	NIL	NIL	3.64	No
3	2019-20	NA	NA	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

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

For and on behalf of the Board of Directors

Place: Chennai

Date: August 07, 2023

C C Paarthipan

Chairman of CSR Committee

Dr. Sridhar Ganesan

Managing Director

DIN: 06819026

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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, 2023 ("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, 2023 according to the provisions of:

- a) The Companies Act, 2013 (the 'Act') & the Rules made thereunder, including Secretarial Standards issued by Institute of Company Secretaries of India ('ICSI') and notified as on date;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- d) Foreign Exchange Management Act, 1999 and the Rules, Regulations, notifications and circulars made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(there were no events requiring compliance during the Audit Period)**
 - (iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (v) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.
 - (vi) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (vii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(there were no events requiring compliance during the Audit Period)**
 - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(there were no events requiring compliance during the Audit Period)**
- IX. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(there were no events requiring compliance during the Audit Period)**

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

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

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

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

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

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

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

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

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

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

M. Alagar

Managing Partner

Place: Chennai

FCS No: 7488/ CoP No: 8196

Date: July 31, 2023

UDIN: F007488E000712390

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

ANNEXURE - I

To,

**The Members,
Caplin Point Laboratories Limited**

Our report is to be read along with this letter.

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

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

M. Alagar
Managing Partner
FCS No: 7488/ CoP No: 8196
UDIN: F007488E000712390

Place: Chennai
Date: July 31, 2023

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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, 2023 (“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, 2023 according to the provisions of:

- | | |
|---|---|
| <p>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;</p> <p>b) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;</p> <p>c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;</p> | <p>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;</p> <p>e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): Not Applicable to the Company</p> <p>(i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;</p> <p>(ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;</p> <p>(iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;</p> <p>(iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;</p> <p>(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.</p> <p>(vi) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;</p> <p>(vii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;</p> <p>(viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;</p> <p>(ix) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021</p> <p>f) Based on the information received and representation made by the Company, we report there are adequate systems and process</p> |
|---|---|

in the Company commensurate with the size and operations of the Company to monitor and ensure Compliances with applicable laws, rules, regulations and guidelines including specific laws which are applicable to the Company as listed below.

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

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or as the case may be, and a system exists for

seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

- (i) The members at the Annual General Meeting has approved to increase the borrowing limit not exceeding ₹ 425 Crores under Section 180(1)(c) of the Companies Act, 2013.

For M/s. M. Alagar & Associates

Practising Company Secretaries

Peer Review Certificate No: 1707/2022

M. Alagar

Managing Partner

Place: Chennai

Date: July 31, 2023

FCS No: 7488/ CoP No: 8196

UDIN: F007488E000712115

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: F007488E000712115

Place: Chennai

Date: July 31, 2023

PARTICULARS OF EMPLOYEE RELATED DISCLOSURES

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

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company as on March 31, 2023 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year**

S.No	Name of the Director/KMP	Designation	Ratio to Median in Remuneration	% of increase in Remuneration
1	Mr C C Paarthipan	Chairman	0.00	NIL
2	Dr Sridhar Ganesan*	Managing Director	25.47 Times	56%
3	Mr R Viswanathan	Independent Director	0.58 Times	NIL
4	Mr D Sathyanarayanan	Independent Director	0.47 Times	NIL
5	Dr C K Gariyali	Independent Director	0.29 Times	NIL
6	Mr. S Deenadayalan	Independent Director	0.18 Times	NIL
7	Dr R Nagendran	Independent Director	0.12 Times	NIL
8	Mr D Muralidharan**	Chief Financial Officer	28.08 Times	20%
9	Mr Venkatram G***	General Counsel & Company Secretary	10.16 Times	NIL

* Remuneration to Dr. Sridhar Ganesan includes Perquisites value of stock option amounting to ₹ 0.30 Cr pertaining to allotment of 4,000 equity shares under ESOP scheme during the year

** Remuneration to Mr. D Muralidharan includes Perquisites value of stock option amounting to ₹ 0.61 Cr pertaining to allotment of 9,000 equity shares under ESOP scheme during the year

*** Mr. Venkatram G was appointed w.e.f. August 5, 2022

- ii. The percentage increase in the median remuneration of employees in the financial year: 3.98%**
- iii. Number of Permanent employees in the rolls of the Company as on March 31, 2023: 777 (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: 9.37%**
- v. Affirmation that the remuneration is as per the remuneration policy of the Company:** The Company affirms remuneration is as per the remuneration policy of the Company.

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

Employee Name	Gross Salary	Perquisites	EPF Employer Contribution	Total	Designation	Qualification	Experience (No. of years) (Overall experience including Caplin)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the company (with Designation)	Percentage of Equity Shares held	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Dr.Neelakandan K	0.62	0.29	0.05	0.96	Vice President	PhD (Organic chemistry)	20	13 May 2019	43	Emcure Pharmaceutical / General Manager	0.01%	No
Muralidharan D	0.32	0.62	0.03	0.97	Chief Financial Officer	B Com ACS CMA	46	19 Feb 2016	67	Merck Specialities Pvt ltd/ Chief Commercial Head	0.02%	No
Dr.Sridhar Ganesan	0.53	0.30	0.04	0.87	Managing Director	B Pharm, MS, PhD	44	25 Aug 2014	68	National pharmaceutical / CEO	0.12%	No
Umesh setty	0.57	0.23	0.05	0.85	Senior Vice President	M Pharm	23	14 Nov 2018	50	Ajanta Pharma/ Deputy General Manager	0.01%	No
Dr.Hero Velladurai	0.72	0.00	0.06	0.78	President	MSc, PhD	28	04 Sep 2019	50	Aurobindo Pharma/ Associate Vice President	0.00%	No
Dr.Gunasakaran S	0.47	0.15	0.00	0.62	President	MBBS, MD Pharmacology	15	03 Jun 2020	42	Azidus laboratories Ltd/ Vice President	0.01%	No
Paul Premchand J	0.20	0.24	0.00	0.44	Vice President	M.Tech (Environmental Engineering) MBA (Project Management)	15	01 Nov 2015	43	Partner, Vertex Pharmaceutical Ltd	0.00%	No
Anand G K	0.29	0.15	0.00	0.44	General Manager	MSc	28	19 Nov 2015	52	Fourrts India Laboratories Pvt Ltd. / Assistant General Manager	0.01%	No
Shobhit Arora	0.43	0.00	0.00	0.43	Vice President	MBA-Marketing	24	14 Feb 2022	47	Brawn Laboratories Limited / General Manager	0.00%	No
Dinesh R	0.20	0.22	0.00	0.42	Senior General Manager	MBA - Finance	19	01 Dec 2010	41	TCS eserve/ Deputy Manager	0.01%	No

- vii.** Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees - NIL
- viii.** Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month - NIL
- ix.** Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company - NIL

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

Name	Designation	Remuneration in ₹ Crores.	Qualification	Experience (No. of years) (Overall experience including Caplin)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the company (with Designation)	Percentage of Equity Shares held	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Partheeban Vivek Siddarth	Chief Operating Officer	0.19	OPM, B.Sc Biotechnology	18 years 4 months	March 01, 2005	39	NA	11.86%	Yes, son of Mr. C C Paarthipan, Chairman

For and on behalf of the Board of Directors

Place: Chennai
 Date: August 07, 2023

C C Paarthipan
 Chairman

Annexure - VI

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, 2023 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	01.04.2022 to 31.03.2023	The salient terms shall be as per the shareholders' approval accorded on September 29, 2022	February 03, 2022	Sale of MEIS Licence	0.11
2.	Caplin Steriles Limited - Subsidiary	01.04.2022 to 31.03.2023		February 03, 2022	Corporate Office common expenses recovery	0.55
3.	Caplin Steriles Limited - Subsidiary	01.04.2022 to 31.03.2023		February 03, 2022	Software and system related expenses recovery	0.93
4.	Caplin Steriles Limited - Subsidiary	01.04.2022 to 31.03.2023		February 03, 2022	Sale of Assets and Materials	0.03
5.	Caplin Steriles Limited- Subsidiary	01.04.2022 to 31.03.2023		February 03, 2022	Purchase of Assets and Materials	0.76
6.	Caplin Steriles Limited- Subsidiary	01.04.2022 to 31.03.2023		February 03, 2022	Rent received	0.05
7.	Caplin Steriles Limited- Subsidiary	01.04.2022 to 31.03.2023		February 03, 2022	Capex Loan	116.25
8.	Caplin Steriles Limited- Subsidiary	01.04.2022 to 31.03.2023		February 03, 2022	Interest on Capex Loan	7.36
9.	Nuevos Eticos Neo Ethicals S.A - Guatemala	01.04.2022 to 31.03.2023		February 03, 2022	Sale of goods	116.07
10.	Caplin Point Far East Limited - Hong Kong	01.04.2022 to 31.03.2023		February 03, 2022	Sale of shares of Caplin Point Laboratories Colombia SAS	2.32

For and on behalf of the Board of Directors

Place: Chennai

Date: August 07, 2023

C C Paarthipan

Chairman

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

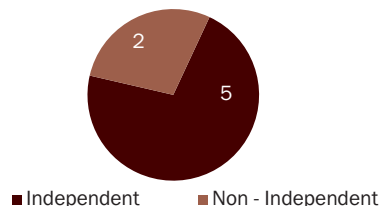
Below is a report on the corporate governance standards as outlined in Regulations 17 to 27 read in conjunction with Schedule V of SEBI Listing Regulations.

2. BOARD OF DIRECTORS

i. Composition and category of Board of Directors

As on March 31, 2023, Board comprised of seven Directors out of which five are Independent Directors (including an Independent Woman Director), a Managing-Director and one Promoter Director.

Composition of Independent & Non-Independent Directors



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

Mr. D P Mishra (DIN: 02032818), Non - Executive Non - Independent Director tendered his resignation with effect

from the closing hours of July 11, 2022. Further, Dr K C John (DIN: 01067374), Mr. V Thirumalai (DIN: 03015619) and Mr. R Viswanathan (DIN : 07173713) ceased to be Independent Directors on the Board of the company with effect from the close of business hours of August 24, 2022, December 17, 2022 and May 11, 2023 respectively as they have served the maximum term of an Independent Director under the Companies Act.

The shareholders at their meeting held on September 29, 2022 had appointed Dr R Nagendran (DIN: 08943531) and Mr. S Deenadayalan (DIN: 01951620) as Independent Directors on the Board for a period of five years effective from the date of the meeting based on the recommendation of the Nomination and Remuneration Committee and the Board. Further, based on the recommendation of the Nomination and Remuneration Committee Dr. C K Gariyali was re-appointed as Independent Director for a second term of three years w.e.f from March 04, 2023 by the board subject to shareholders' approval at the ensuing Annual General Meeting. Mr. D. Sathyanarayanan is the other Independent on the Board.

Pursuant to Section 152 (6) of the Companies Act, 2013 (Act, 2013) Mr. C C Paarthipan (DIN: 01218784), Non-Executive Promoter Director, retires by rotation and being eligible offers himself for re-appointment.

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 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.

ii. 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 five times (i.e.) 12-05-2022, 05-08-2022, 05-09-2022, 12-11-2022 and 11-02-2023. The maximum time gap between two meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

Besides, the Independent Directors held a separate meeting on 29-03-2023, 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 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, 2023 are as under:

Name of the Director & DIN	Category	No. of Board meetings attended in the year	Attendance at the previous AGM (29.09.2022)	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	5	Yes	2	-	-	-
Dr. Sridhar Ganesan DIN :06819026	Managing Director	5	Yes	2	-	1	-
Mr. D P Mishra DIN : 02032818*	Non-Executive-Non-Independent Director	1	No	-	-	-	-
Mr. V Thirumalai DIN :03015619*	Independent Director	4	Yes	-	-	-	-
Mr. R Viswanathan DIN : 07173713*	Independent Director	5	Yes	-	-	1	-
Dr. K C John DIN : 01067374*	Independent Director	2	Yes	1	1	1	
Mr. D Sathyanarayanan DIN : 07650566	Independent Director	4	Yes	-	-	2	-

Name of the Director & DIN	Category	No. of Board meetings attended in the year	Attendance at the previous AGM (29.09.2022)	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	
Dr. C K Gariyali DIN:08711546	Independent Director	5	Yes	1	-	1	-
Mr. S Deenadayalan* DIN: 01951620	Independent Director	2	Yes	-	2	2	-
Dr. R Nagendran* DIN: 08943531	Independent Director	2	Yes	1	-	1	-

* Notes: -

- Mr. D P Mishra tendered his resignation with effect from the close of business hours of July 11, 2022.
- Dr. K C John, Mr. V Thirumalai, and Mr. R Viswanathan have completed their term of office as Independent Director with effect from the close of business hours of August 24, 2022, December 17, 2022 and May 11, 2023 respectively.
- Mr. S Deenadayalan and Dr. R Nagendran were appointed as Independent Directors by the Shareholders at their meeting held September 29, 2022.
- As required under the Regulation 17A of the Listing Regulations, none of the Directors including Independent Directors holds Directorship in more than 7 (seven) listed companies across the Directorships held including that of Caplin.
- 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. 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.
- Only Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning committee positions.
- None of the Directors of the Company are related to each other.

iii. Familiarization Programme for Independent Directors

Pursuant to the Code of Conduct for Independent Directors specified under the Act, 2013 and requirements of the Listing Regulations, the Company has framed a familiarization programme for all its Independent Directors. The familiarisation programme for our Directors is customised to suit their individual interests and area of expertise. During the financial year under review, the Independent Directors were apprised at frequent intervals on the industry trends, an overview of the Company's business model, strategy, products, market, risk management, group structure and its subsidiaries, and its operations by the senior management team. The Independent Directors were also regularly apprised of all regulatory and policy changes including their roles, rights and responsibilities. Among other matters, presentations on internal control over financial reporting, operational control over financial reporting were also made to the Board Members during the year.

The details of familiarization programme are provided at <https://www.caplinpoint.net/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.

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

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

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

ii. 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.

iii. 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.

iv. Industry Knowledge: Expertise in Pharma Industry

v. 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.

vi. 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.

4. 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;
- ▶ 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	Remark
Mr. S Deenadayalan	Chairman, Independent Director	Appointed as Chairman w.e.f. December 18, 2022
Dr. Sridhar Ganesan	Member, Managing Director	NIL
Mr. V Thirumalai	Chairman, Independent Director	Re-designated as Chairman on September 05, 2022 and he ceased to be a Member w.e.f. December 17, 2022
Dr. K C John	Chairman, Independent Director	Ceased to be a Member w.e.f. August 24, 2022
Mr. D Sathyanarayanan	Member, Independent Director	NIL

Name of the Members	Category	Remark
Mr. R Viswanathan	Member, Independent Director	Appointed as Member on September 05, 2022 and ceased to be a Member w.e.f. May 11, 2023. Dr R Nagendran was appointed as a member w.e.f. May 27, 2023

c. Meetings

The Audit Committee met five times during the year on 12-05-2022, 05-08-2022, 05-09-2022, 12-11-2022 and 11-02-2023.

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

Name of the Members	No. of meetings attended
Mr. S Deenadayalan	1
Dr. Sridhar Ganesan	5
Mr. V Thirumalai	4
Dr. K C John	2
Mr. D Sathyanarayanan	4
Mr. R Viswanathan	3

Mr. V Thirumalai, the Chairman of the Audit Committee was present at the AGM held on September 29, 2022. 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.

- ▶ Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ▶ Evaluating the balance of skills, knowledge and experience required on the Board. Based on this evaluation, the Committee shall prepare a description of the role and capabilities required of an Independent Director. The person recommended by the Committee to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
- ▶ Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- ▶ Devising a policy on diversity of board of directors;
- ▶ Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- ▶ Recommend whether to extend or continue the term of appointment of an independent director, on the basis of the report of performance evaluation of independent directors;
- ▶ Recommend to the board, all remuneration, in whatever form, payable to senior management.

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

b. Composition

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

Name of the Members	Category	Remark
Mr. S Deenadayalan	Chairman, Independent Director	Appointed as a Member and Chairman w.e.f. December 18, 2022
Mr. V Thirumalai	Chairman, Independent Director	Ceased to be Member w.e.f. December 17, 2022
Mr. C C Paarhipan	Member, Non-Executive Non-Independent Director	Appointed as a Member w.e.f August 05, 2022
Dr. K C John	Member, Independent Director	Ceased to be Member w.e.f. August 24, 2022
D P Mishra	Member, Non-Executive-Non-Independent Director	Ceased to be Member w.e.f July 11, 2022
Mr. R Viswanathan	Member, Independent Director	Appointed as Member w.e.f September 05, 2022 and ceased to be a Member w.e.f. May 11, 2023. Dr. C K Gariyali was appointed as member w.e.f May 27, 2023

c. Meetings

The Nomination and Remuneration Committee met four times during the year on 12-05-2022, 05-08-2022, 05-09-2022 and 15-12-2022.

Name of the Members	No. of meetings attended
Mr. S Deenadayalan	0
Mr. V Thirumalai	4
Mr. C C Paarhipan	2
Dr. K C John	2
Mr. R Viswanathan	2
Mr D P Mishra	1



Mr. V Thirumalai, the Chairman of the Nomination and Remuneration Committee was present at the AGM held on September 29, 2022. 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. The performance evaluation process comprises of three components:

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

Board was evaluated on following parameters:

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

Committees were evaluated on the following parameters:

- ▶ Functions and Duties
- ▶ Management Relations
- ▶ Support to the Committee
- ▶ Overall

Criteria of evaluation of Directors: -

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

The evaluation is conducted through self-evaluation forms. The outcome of evaluation of Individual Directors was communicated by the Chairman to the respective Directors while the evaluation of Board and Committee effectiveness was reviewed by the Board/ respective Committees

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.

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

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

The remuneration policy has been uploaded on the website of the Company at <https://www.caplinpoint.net/wp-content/uploads/2021/07/NOMINATION-AND-REMUNERATION-POLICY.pdf>

f. Details of Remuneration Paid to Non-Executive Directors for the Financial Year ended March 31, 2023: -

Name of Director	Remuneration	Commission and Performance linked Incentive	Sitting Fees Amount in ₹	Total Amount in ₹	No. Of shares held
Mr. C C Paarthipan	--	--	--	--	1,41,67,192
Mr. V Thirumalai	--	--	2,40,000	2,40,000	2,41,635
Dr. K C John	--	--	1,20,000	1,20,000	--
Mr. R Viswanathan	--	--	2,00,000	2,00,000	--
Mr. D Sathyanarayanan	--	--	1,60,000	1,60,000	--
Mr. D P Mishra	--	--	40,000	40,000	--
Dr. C K Gariyali	--	--	1,00,000	1,00,000	--
Mr S Deenadayalan	--	--	60,000	60,000	70
Dr R Nagendran	--	--	40,000	40,000	--

g. Details of remuneration paid to Managing Director for the Financial Year Ended March 31, 2023

Name of Director	Gross ₹ in Crores	Contribution to PF ₹ in Crores	Total ₹ in Crores	No. of Shares held
Dr. Sridhar Ganesan	0.83	0.04	0.87	92,750

There is no severance fees payable to the Managing Director. The Notice period is bound by the contract of employment.

C. Stakeholders Relationship Committee

a. Terms of Reference

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	Remark
Mr. V Thirumalai	Chairman, Independent Director	Ceased to be Member w.e.f. December 17, 2022
Mr. S Deenadayalan	Chairman, Independent Director	Appointed as a member and Chairman w.e.f. December 18, 2022
Mr. D Sathyanarayanan	Member, Independent Director	NIL
D P Mishra	Member, Non-Executive-Non-Independent Director	Ceased to be Member w.e.f. July 11, 2022
Mr. C C Paarthipan	Member, Non-Executive Non-Independent Director	Appointed as a member w.e.f. August 05, 2022 and ceased to be a member w.e.f. December 17, 2022
Dr. Sridhar Ganesan	Member, Executive Non-Independent Director	Appointed as a member w.e.f. December 18, 2022



c. Meetings

The Stakeholders Relationship Committee met thrice during the year on 12-05-2022, 05-08-2022 and 11-02-2023.

Name of the Members	No. of meetings attended
Mr. V Thirumalai	2
Mr. S Deenadayalan	1
Mr. D Sathyanarayanan	3
Mr. C C Paarthipan	1
Mr. D P Mishra	1
Dr. Sridhar Ganesan	1

Mr. V Thirumalai, the Chairman of the Stakeholders Relationship Committee was present at the AGM held on September 29, 2022. The Company Secretary of the company acts as the Secretary to the Committee and the Company.

The status of Investor Complaints during the year ended March 31, 2023, is as under:

Particulars	No. of Complaints
Complaints as on April 1, 2022	1
Complaints received during the year	15
Complaints resolved during the year	16
Complaints pending as on March 31, 2023	0

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 formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly,

ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business continuity plan
- ▶ To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- ▶ To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- ▶ To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- ▶ To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- ▶ The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

b. Composition

The composition of the Risk Management Committee is given below:

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

c. Meetings

The Risk Management Committee met thrice during the year on 05-08-2022, 25-01-2023 and 11-02-2023

Name of the Members	No. of meetings attended
Mr. D Sathyanarayanan	3
Dr. Sridhar Ganesan	3
Mr. D Muralidharan	3

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 responsibilities of CSR committee include:

- Approving the CSR budget, at the time of approving the annual financial statements of the previous financial year, for the current financial year, after taking into account the required spending under the Act as well as the Surplus arising out of any CSR project that needs to be ploughed back, unspent amount carried forward as well as excess spending of the previous financial year, if any;
- Approving the following:
 - ▶ List of CSR projects for the entirety of CSR budget
 - ▶ Duration of each of the CSR projects and approving converting a single year project into multi-year (Ongoing) project along with proper justification
 - ▶ The selection of implementing agency(ies), if any, on the basis of track record and other criteria such as local credibility, local knowledge, domain expertise, local institutional relationships and their approach to sustainability.
- Formulating and recommending to the Board, an Annual Action Plan, at the same meeting for approving the CSR budget, comprising the following: -
 - ▶ the list of CSR projects that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

- ▶ the manner of execution of such projects;
- ▶ the modalities of utilisation of funds and implementation schedules for the projects;
- ▶ monitoring and reporting mechanism for the projects; and
- ▶ details of need and impact assessment, if any, for the projects undertaken by the company
- Making recommendations to the Board about any changes required in the annual action plan along with justifications;
- Instituting a transparent monitoring mechanism for the implementation of the Projects along with specifying the documentation standards required from the implementation agencies/ inhouse CSR personnel to enable certification of amount spent to the Board by the Committee and Chief Financial Officer

a. Composition

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

Name of the Members	Category	Remark
Mr. C C Paarthipan	Chairman	NIL
Dr. Sridhar Ganesan	Member, Managing Director	NIL
Mr. V Thirumalai	Member, Independent Director	Ceased to be Member w.e.f. December 17, 2022
Mr. S Deenadayalan	Member, Independent Director	Appointed as a Member w.e.f. December 18, 2022

b. Meetings

The Corporate Social Responsibility Committee met thrice during the year on 05-08-2022, 05-09-2022 and 11-02-2023.



Name of the Members	No. of meetings attended
Mr. C C Paarthipan	3
Dr. Sridhar Ganesan	3
Mr. V Thirumalai	2
Mr. S Deenadayalan	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, 2023 is attached as Annexure - III to the Board's Report.

5. PARTICULARS OF SENIOR MANAGEMENT PERSONNEL AS ON MARCH 31, 2023

1. Anto Vijinth V, Functional Head -HO, HR & Admin
2. Dinesh R, Functional Head - HO, Production Planning & Inventory Control
3. Dr Gunasakaran S, President, Clinical Research Operations
4. Dr Hero Velladurai, President, R&D (API) - Chennai
5. Muralidharan D, Chief Financial Officer, Finance & Accounts
6. Dr Neelakandan K, Vice President, R&D (API), Hyderabad

7. Partheeban Vivek Siddarth, Chief Operating Officer, Operations
8. Paul Premchand J, Vice President, Corporate Affairs
9. Shobhit Arora V, Vice President, Business Development
10. Sivakumar Balasubramanian, Plant Head, Puducherry
11. Dr Umapathy V, General Manager, Regulatory Affairs
12. Umesh Setty V, Senior Vice President, R&D (Formulations)
13. Venkatram G, General Counsel & Company Secretary
14. Viswanathan Subramanyan, Vice President, Information Technology

6. EMPLOYEE STOCK OPTION

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

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
2022	29.09.2022 (31 st AGM)	10.00 AM	Through Video Conferencing ("VC") / Other Audio Visual Means ("OVAM").	<ol style="list-style-type: none"> 1. Approval for providing loans and guarantees under Section 185 of the Companies Act, 2013 2. To consider and approve the Appointment of Dr R. Nagendran as an Independent Director of the Company 3. To consider and approve the Appointment of Mr. S. Deenadayalan as an Independent Director of the Company
2021	28.09.2021 (30th AGM)	10.00 AM	Through Video Conferencing ("VC") / Other Audio Visual Means ("OVAM").	<ol style="list-style-type: none"> 1. Caplin Point Laboratories Limited Employees Stock Option Plan, 2021 and grant of employee stock options to the eligible employees. 2. 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 (29th AGM)	10.00 AM	Through Video Conferencing ("VC") / Other Audio Visual Means ("OVAM").	Appointment of Dr. C K Gariyali as an Independent Director

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

i. Results

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

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

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

ii. Website

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

iii. Presentations to Institutional Investors / Analysts

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

9. GENERAL INFORMATION TO THE SHAREHOLDERS

Day, Date, Time & Venue of Annual General Meeting	Thursday, September 21, 2023 at 10:00 AM through VC/OAVM					
Date of Book Closure	September 15, 2023 to September 21, 2023 (both days inclusive)					
Dividend Payment Date	Final Dividend as recommended by the Board of Directors, if approved at the meeting, will be paid as per the Statutory timelines					
Financial Year	April 1 to March 31					
Listing of Equity Shares:-	BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 National Stock Exchange of India Ltd. ("NSE") Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (E), Mumbai - 400 051					
Trading symbol	<table border="1"> <tr> <td>NSE</td> <td>CAPLIPOINT</td> </tr> <tr> <td>BSE</td> <td>CAPPL (524742)</td> </tr> </table>	NSE	CAPLIPOINT	BSE	CAPPL (524742)	
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 2022-23 paid to all the Stock Exchanges.					
Depository Fees	Annual custody fee for the Financial Year 2022-23 paid to the Depositories.					
Dematerialization of shares	As on March 31, 2023, 98.57% of the Company's shares were held in dematerialized form.					

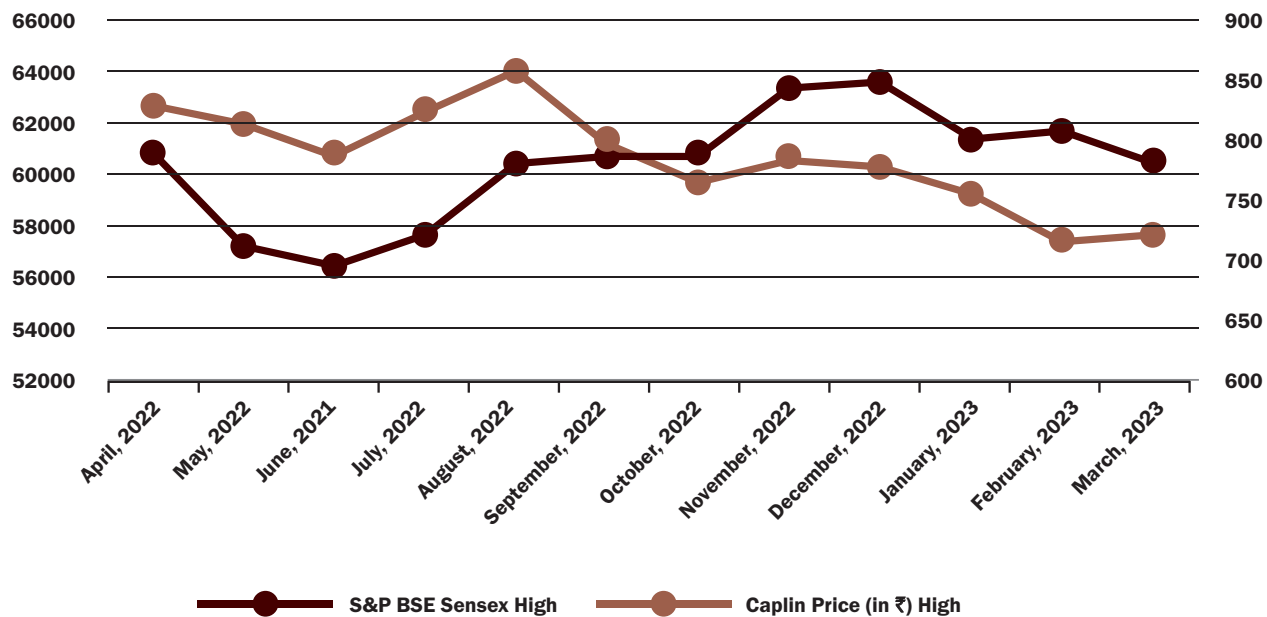
Particulars	No. of Shares	%
Physical	10,83,470	1.43
Demat		
NSDL	6,80,27,464	89.62
CDSL	67,91,812	8.95
Total	7,59,02,746	100.00
Registrar and Share Transfer Agents	Integrated Registry Management Services Private Limited, II Floor, "Kences Towers" No.1 Ramakrishna Street, North Usman Road T Nagar, Chennai - 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. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.	
Outstanding GDRs / ADRs / Warrants / any other Convertible Instruments	The Company does not have any outstanding GDRs / ADRs / Warrants / Any other Convertible Instruments as on March 31, 2023.	
Commodity Price Risk or Foreign exchange Risk and hedging activities	The Company has adequate governance structure to align and review the risks around procurement in line with external and internal factors. The Company has not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices. Accordingly, no disclosure is required pursuant to SEBI circular dated November 15, 2018.	

10. STOCK MARKET DATA

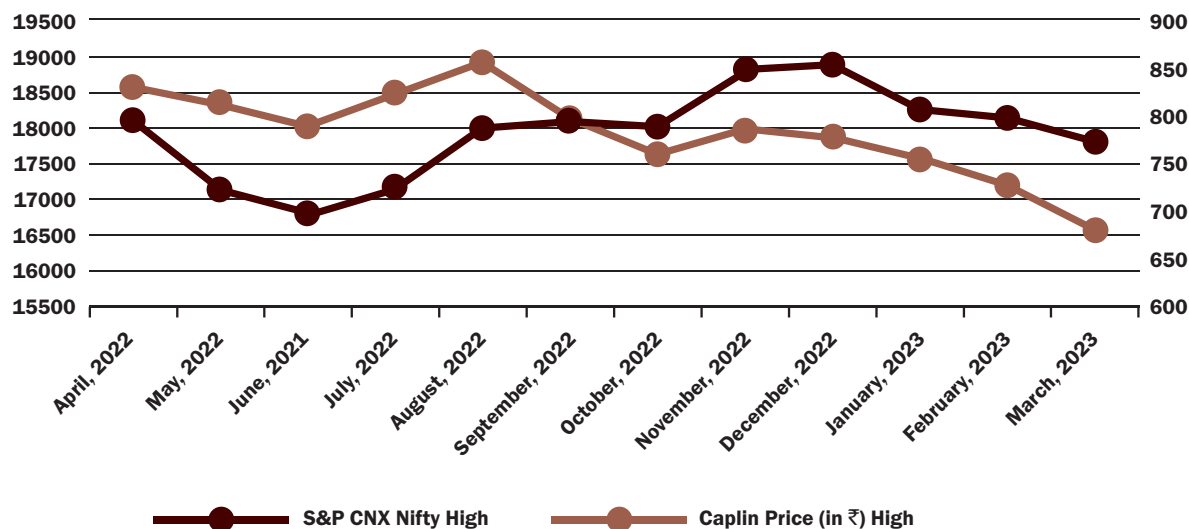
Month and Year	BSE				NSE			
	Caplin Price (in ₹)		S&P BSE Sensex		Caplin Price (in ₹)		S&P CNX Nifty	
	High	Low	High	Low	High	Low	High	Low
April, 2022	828	679.4	60845.1	56356.87	830	677.65	18114.65	16888.7
May, 2022	813.7	626.3	57184.21	52669.51	814	626	17132.85	15739.65
June, 2022	789	630.5	56432.65	50921.22	789	631	16793.85	15191.1
July, 2022	824.9	704.2	57619.27	52094.25	824.9	704	17172.8	15511.05
August, 2022	856	741.25	60411.2	57540.36	856.8	736.65	17992.2	17154.8
September, 2022	798.6	694.4	60676.12	56314.05	797.95	697.05	18096.15	16788.6
October, 2022	764.95	700.1	60786.7	56683.4	759.4	700	18022.8	16956.95
November, 2022	785.8	715.5	63303.01	60425.47	785.75	718.1	18816.05	17969.4
December, 2022	776.95	710.15	63583.07	59765.56	777.8	706.95	18887.6	17779.5
January, 2023	754.55	673	61343.96	58699.2	755.75	679.3	18251.95	17405.55
February, 2023	716.45	650	61682.25	58937.64	726.95	650.95	18134.75	17255.2
March, 2023	720	580.3	60498.48	57084.91	680	580	17799.95	16913.75

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 BSE SENSEX

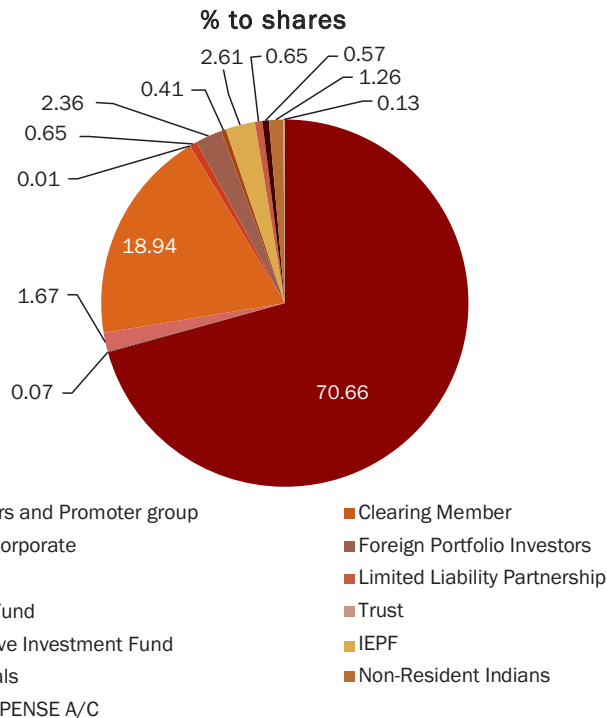


SHARE PRICE OF CAPLIN IN COMPARISON WITH NIFTY



12. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2023

Category	No. of Shareholders	No. of Shares	% to Capital
Promoters and Promoter group	7	53632982	70.66
Alternative Investment Fund			
Fund	2	52777	0.07
Bank	2	3550	0.00
Bodies Corporate	266	1268453	1.67
Individuals	80458	14376548	18.95
Clearing Member	37	11286	0.01
CPL-ESCROW A/C	1	500	0.00
CPL-SUSPENSE A/C	1	490140	0.65
Foreign Portfolio Investors	68	1788996	2.36
HUF	900	314024	0.41
IEPF	1	1982116	2.61
Limited Liability Partnership	37	489661	0.65
Mutual Fund	5	434529	0.57
Non-Resident Indians	1997	955966	1.26
Trust	4	101218	0.13
Total	83786.00	75902746.00	100.00



13. DISTRIBUTION SCHEDULE AS ON MARCH 31, 2023

S. No	Category of Shares	No. of Holders	% to Holders	No. of Shares	% to Capital
1	Up to 500	80307	95.85	4959816	6.53
2	501 - 1000	1759	2.10	1390992	1.83
3	1001 - 2000	833	0.99	1244998	1.64
4	2001 - 3000	309	0.37	785193	1.03
5	3001 - 4000	125	0.15	439874	0.58
6	4001 - 5000	117	0.14	546852	0.72
7	5001 - 10000	147	0.18	1028198	1.35
8	Above 10001	189	0.23	65506823	86.32
	Total	83786	100.00	75902746	100.00

14. UNCLAIMED DIVIDEND AS ON MARCH 31, 2023

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

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

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

- Download the Form IEPF - 5 from the website of IEPF (<http://www.iepf.gov.in>) for filling the claim for refund of shares and dividends.
- Read the instructions provided on the website / instructions kit along with the e-form carefully before filling the form.
- After filling / completing the form, to save it and submit the duly completed form by following the instructions given in the upload link on the website.

- On successful uploading, the acknowledgment will be generated indicating the SRN. This SRN is to be used for future tracking of the form.
- Printout of the duly completed IEPF - 5 and the acknowledgment issued after uploading the form will have to be submitted together with an Indemnity Bond in original along with the other documents as mentioned in the Form IEPF-5 to the Nodal Officer of the Company

The following are the details of unclaimed dividend as on March 31, 2023

Financial Year	Due Date of transfer to IEPF	(Amount in ₹)
2015-16 (Final)	19.10.2023	24,10,265
2016-17	28.10.2024	45,64,533
2017-18	04.11.2025	7,67,686
2018-19	19.10.2026	33,88,033
2019-20 (Interim)	10.04.2027	38,33,794
2019-20 (Final)	04.11.2027	6,09,289
2020-21 (Interim)	12.06.2028	18,45,176
2020-21 (Final)	04.11.2028	17,57,568
2021-22 (Interim)	18.06.2029	24,68,604
2021-22 (Final)	11.09.2029	20,42,811

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 of the Company

Unit III	Unit VI	Unit VII	Unit VIII
Plot No.44, 8 th Tariff Area, Mahindra World City, Chengalpattu Taluk, Chengalpattu - 603 004 Avenue Domestic	4 th Floor, Plot No. 95 & 96, Road No.9, ALEAP Industrial Estates, Gajularamm Village, Qutbullapur Mandal, Hyderabad-500 090	Module no.307 & 308, 3 rd , Floor, Tichel Park, Phase II, CSIR Road, Taramani, Chennai - 600113	Ashvich Towers, No. 3, Developed Plots Industrial Estate, Perungudi, Chennai - 600 096

c) Address for Correspondence

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

i. Related Party Transactions

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

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

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

iii. Details of Non-Compliance

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

iv. Vigil Mechanism / Whistle Blower Policy

The Company has formulated a Vigil Mechanism / Whistle Blower Policy which inter-alia enables the following:-

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

The Company hereby affirms that no Directors/Employees/Third-parties have been denied access to the Chairman of the Audit Committee. The whistle blower policy is hosted on the website of the Company at <https://www.caplinpoint.net/wp-content/uploads/2021/07/WHISTLE-BLOWER-POLICY-VIGIL-MECHANISM.pdf>.

v. Compliance with Mandatory Requirements

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

vi. 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/wp-content/uploads/2021/07/MATERIAL-SUBSIDIARY-POLICY.pdf>

vii. Utilization of Funds

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

viii. Certificate on Non-Disqualification of Directors

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

ix. Recommendations by the Committees

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

x. Total Fees paid to Statutory Auditors

During the Financial Year 2022-23, 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 ₹ 0.19 Crores,

Name of Subsidiary	Date & Place of incorporation	Name of Statutory Auditor	Date of appointment of Statutory Auditor
Caplin Steriles Limited	12/12/2018 Chennai, Tamilnadu, India	M S K A & Associates	July 12, 2021
Caplin Point Far East Limited, Hongkong	13/05/2014 Hongkong, China	C&N Certified Public Accountants	February 03, 2016
Nuevos Eticos Neo Ethicals S.A – Guatemala *	16 th November, 2004. Guatemala	UHY Pérez & Co.	March 31, 2020

* Subsidiary of the Company since March 31, 2020

xiii. Compliance on Corporate Governance Report

The Corporate Governance Report of the Company for the financial year 2022 – 23 is in compliance with the applicable requirements of SEBI as per Listing Regulations.

xiv. CEO/ CFO Certification

The Managing Director and the CFO of the Company have certified to the Board of Directors, inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the Financial Year ended March 31, 2023.

xv. Code of Conduct

The Company has received confirmations from the Board and the Senior Management personnel regarding their adherence to the Code of Conduct. The Annual Report of the Company contains a certificate

excluding ₹ 0.01 crores towards reimbursement of expenses.

xi. Sexual Harassment at Workplace

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

xii. Details of material subsidiaries

Income generated from Nuevos Eticos Neo Ethicals S.A – Guatemala, step down subsidiary exceeded the threshold limit specified in the Listing Regulations, thereby it became material subsidiary of the company during the year in addition to Caplin Steriles Limited and Caplin Point Far East Limited, Hongkong. Following data is given with respect to the material subsidiaries:

by the Managing Director, on the compliance declarations received from Board of Directors and Senior Management. The Code has been hosted on the Company's website at <https://www.caplinpoint.net/wp-content/uploads/2021/07/CODE-OF-CONDUCT-BUSINESS-ETHICS.pdf>

16. NON-MANDATORY REQUIREMENTS

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

Details	Number of Members	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (01-04-2022)	392	544640
No.of Shares transferred to IEPF Account	56	44500
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	10	10000
Number of shareholders to whom shares were transferred from suspense account during the year	10	10000
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (31-03-2023)	326	490140

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, 2023 all members of the Board and the Senior Management Personnel have affirmed in writing their adherence to the Code of Conduct adopted by the Company.

FOR CAPLIN POINT LABORATORIES LTD

Dr. Sridhar Ganesan
 Managing Director
 DIN: 06819026

Place: Chennai

Date: August 07, 2023

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, 2023 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.

Place: Chennai
Date: July 10, 2023

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

M. Alagar
Managing Partner
FCS No: 7488; COP No. 8196
UDIN: F007488E000574142

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 the portal <http://www.mca.gov.in/>) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SL. NO	NAME OF DIRECTOR	DIN	DESIGNATION	DATE OF APPOINTMENT/ RE-APPOINTMENT
1.	Mr. Paarthipan Chingelput Chellappan	01218784	Chairman (Non-Executive and Promoter Director)	01/10/1993
2.	Mr S Deenadayalan	01951620	Independent Director	29/09/2022
3.	Dr. Sridhar Ganesan	06819026	Managing Director (Executive and Non- Independent)	12/02/2014 (Re-appointed on August 25, 2022)
4.	Mr. Damodaran Sathyanarayanan	07650566	Independent Director	09/11/2016 (Re-appointed on November 09, 2019)
5.	Dr. Gariyali Chanderkanta	08711546	Independent Director	04/03/2020 (Re-appointed on February 04, 2023)
6.	Dr R Nagendran	08943531	Independent Director	29/09/2022
7.	*Mr. Rengaraj Viswanathan	07173713	Independent Director	12/05/2015 (Re-appointed on May 12, 2018)
8.	**Mr. Komattu Chacko John	01067374	Independent Director	25/08/2014 (Re-appointed on August 25, 2017)
9.	***Mr. Thirumalai Venugopal	03015619	Independent Director	24/07/1994 (Re-appointed on December 18, 2017)

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

* Mr. Komattu Chacko John (DIN: 01067374) ceased to be an Independent Director upon completion of his second term of five consecutive years from August 25, 2017 to August 24, 2022.

* Mr. Thirumalai Venugopal (DIN: 03015619) ceased to be an Independent Director upon completion of his second term of five consecutive years from December 18, 2017 to December 17, 2022.

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: F007488E000574120

Place: Chennai

Date: July 10, 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity- **L24231TN1990PLC019053**
2. Name of the Listed Entity- **Caplin Point Laboratories Limited**
3. Year of incorporation- **1990**
4. Registered office address- **Ashvich Towers, 3rd Floor, No.3, Developed Plots, Industrial Estate, Perungudi, Chennai, Tamil Nadu 600096**
5. Corporate address- **Ashvich Towers, 3rd Floor, No.3, Developed Plots, Industrial Estate, Perungudi, Chennai, Tamil Nadu 600096**
6. E-mail- **compliance.officer@caplinpoint.net**
7. Telephone- **+91 04424968000**
8. Website- **www.caplinpoint.net**
9. Financial year for which reporting is being done- **1st April 2022- 31st March 2023**
10. Name of the Stock Exchange(s) where shares are listed- **BSE and NSE**
11. Paid-up Capital – **INR 15.18 Crores**
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report- **Mr Venkatram G, General Counsel & Company Secretary**
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) – **The Company had considered all the units of Caplin Point laboratories Limited (CPL) and Caplin Steriles Limited (CSL) which is a material Subsidiary of the Company incorporated in India. Other Subsidiaries have not been considered for the reporting.**

II. Products/services

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

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

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Pharmaceuticals and finished dose formulation	210	100%

III. Operations

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

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

*Note: Units that were yet to commence manufacturing or R&D activities have not been considered for the purpose of this report.

Registered Office of the Company

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

Manufacturing Units

- Unit 1: No. 85/3, Suthukeny Viillage, Mannadipet Commune Panchayat, Puducherry 605502
- Unit 4: No. 895&897, Sirupuzhalpettai, Gummidipoondi Taluk, Thiruvallur, Tamil Nadu 601201

R & D Units

- Unit 3: No. 44, 8th Avenue, Domestic Tariff Area, Mahindra World City, Chengalpattu Taluk, Tamil Nadu - 603004
- Unit 6: No. 95&96, 4th Floor, Road No. 9, ALEAP Industrial Estates, Gajularamaram Village, Qutubullapur Mandal, Hyderabad, Telangana - 500090
- Unit 7: Module No. 307 & 308, 3rd Floor, TICEL Bio Park, Phase 2, CSIR Road, Taramani, Chennai, Tamil Nadu - 600113
- Unit 5: Ashvich Tower, No. 3 Developed Plots Industrial Estate, Perungudi, Chennai, Tamil Nadu - 600096.
- Unit 8: Ashvich Tower, No. 3 Developed Plots Industrial Estate, Perungudi, Chennai, Tamil Nadu - 600096.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	The Company's products are not marketed/ sold in India
International (No. of Countries)	23 countries

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

100% of the products are exported.

c. A brief on types of customers

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

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1275	1079	84.63%	196	15.37%
2.	Other than Permanent (E)*	Nil	Nil	Nil	Nil	Nil
3.	Total employees (D + E)	1275	1079	84.63%	196	15.37%
WORKERS						
4.	Permanent (F)	367	255	69.48%	112	30.52%
5.	Other than Permanent (G)	244	145	59.43%	99	40.57%
6.	Total workers (F + G)	611	400	65.47%	211	34.53%

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

b. Differently abled Employees and workers:

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

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	13	2	15.38%
Key Management Personnel	6	1	16.66%

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

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	35.33%	30.39%	34.59%	31.19%	35.81%	31.85%	27.96%	47.46%	30.88%
Permanent Workers	15.77%	5.35%	12.78%	10.40%	9.67%	10.22%	5.75%	3.80%	4.21%

V. Holding, Subsidiary and Associate Companies (including joint ventures)
21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture*	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Caplin Steriles Limited	Subsidiary	99.99%	YES
2.	Caplin Onco Ltd	Subsidiary	100%	NO
3.	Argus Salud Pharma LLP	Subsidiary	99.90%	NO
4.	Caplin Point Far East Limited	Subsidiary	100%	No
5.	Caplin Point (S) Pte Ltd	Subsidiary	100%	NO
6.	Caplin Point Laboratories Colombia SAS	Step down subsidiary	100%	NO
7.	Caplin Point El Salvador, S.A. DE C.V.	Step down subsidiary	100%	NO
8.	Drogueria Saimed de Honduras S.A	Step down subsidiary	100%	NO
9.	Neoethicals CIA. LTDA Ecuador	Step down subsidiary	100%	NO
10.	Neo Ethicals S.A. Nicaragua	Step down subsidiary	100%	NO
11.	Nuevos Eticos Neo Ethicals S.A. Guatemala	Step down subsidiary	69%	NO
12.	Sunsole Solar Private Limited	Associate of Caplin Steriles Limited	28.01%	NO

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

VI. CSR Details

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

1. Turnover (in ₹): 5,28,61,45,688*
2. Net worth (in ₹): 11,39,50,56,855

*CSR is not applicable for CSL and hence figures pertaining to CPL alone has been given here.

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) ³	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders ¹	Yes	16	0	Nil	2	1	Nil
Employees and workers ²	Yes	49	7	Nil	28	0	Nil
Customers	Yes	11	0	Nil	23	0	Nil
Value Chain Partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Yes	Nil	Nil	Nil	Nil	Nil	Nil

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

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

³ Some of the policies are internal in nature and hence has not been posted in the website though it provides for effective redressal of the relevant complaints. Policies that are available for external stakeholders are given in the Company's website at <https://www.caplinpoint.net/index.php/corporate-governance/>.

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

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



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Developing a pipeline of talented workforce	Risk and Opportunity	Inability to meet employees' skill upgradation, career growth and welfare expectations would result in higher employee turnover. This is particularly so since the manufacturing and R&D operations of the Company are located in areas where strong competition exists for relevant skilled manpower. Hence, the Company considers nurturing internal talent by way of upskilling the present employees and creating an active talent pool by partnering with educational institutions as the two key initiatives in developing a talented and robust work force.	-	Positive. Upskilling the workforce will scale up the knowledge and awareness towards good manufacturing and business practices which ensures compliance with all applicable norms and increases quality consciousness. Creating a talent pool which can be readily absorbed into operations will empower those who are entering the industry fresh after their education. It will also ensure that the company's operations do not suffer due to lack of adequate talented manpower.
2	Social License to Operate	Opportunity	Company's business growth and growing economic foot print requires increasing acceptance of the Company's fair practices and procedures by all the stakeholders and in particular the community at large where the Company operates.	-	Positive. Strong Social License to Operate will create trust among the stakeholders and enhance corporate credibility in the eyes of investors.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Risk of Non Compliance to environment/ health & safety regulations	Risk	Pharmaceutical manufacturing processes falls under the ambit of Hazardous processes which requires strict compliances and stringent compliance requirements increases the risk caused due to any deviance.	<p>The Company implements measures to both adapt and mitigate risks arising due to evolving Compliance requirements.</p> <p>Adapting is done by evaluating the specific actions to be taken by the Company to comply with the requirements including change in business processes, upgrading/modifying operating procedures to meet compliance requirements and evaluating Compliance risks as part of the Risk Management process of the Company.</p> <p>Mitigating involves a strategy of identifying all applicable Acts, creating comprehensive checklist of compliances, obtaining assurance of compliance through internal sources like internal compliance audits/ verifications and external sources like Internal Audit verifications, drawing down an action plan for remedying non-compliances and escalating significant instances of non-compliances to appropriate levels for remedial action.</p>	<p>Negative.</p> <p>Non-compliance may have detrimental effects, such as financial loss and loss of reputation.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Risk of engagement with such value chain partners who do not share the vision of sustainable development and environmental goals	Risk	Due to the nature of business, Company needs to engage with diverse range of value chain partners. To ensure that those who form the part of the value chain are in line with the manufacturing standards, environmental goals and sustainability objectives of the company is a complex task. But, the risk of deviation in any part of the value chain will have significant impact on both the sustainability and business performance of the Company.	The Company follows a strategy of contractually enforcing key sustainability goals through its sourcing contracts with the value chain partners. The Company is also subject to similar covenants in contracts with its Customers in regulated markets which specify explicit measures to be taken to comply with the environmental goals and sustainability objectives. These covenants are tracked for performance to avoid breach.	Negative. Risk of violation by value chain partners will have both sustainability and business impact. Breach of contractual terms with customers may lead to claims.
5	Renewable Energy	Opportunity	Renewable energy usage results in meeting the sustainability objectives of the Company by reducing the Company's carbon foot print.. It also results in tangible financial benefit like cost saving.	-	Positive. Reduction in overall indirect emissions and energy cost.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	N	Y	Y	N	Y	Y
Note: Majority of the Policies are approved by the Board and are posted on Company's website, while few policies that have a bearing on the principles were approved by MD/ COO of the Company which are made available to all the internal stakeholders.									
c. Web Link of the Policies, if available	All the policies that were approved by the Board are available on the Company's Website https://www.caplinpoint.net/index.php/corporate-governance/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	The Company's policies incorporate necessary procedures wherever necessary and in case the policies do not provide for the procedures, the same are covered under relevant Standard Operating Procedures (SOP)								
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Though the policies like the Code of Conduct and Business Ethics, Whistleblower Mechanism etc are applicable to all value chain partners, the Company is in the process of operationalizing the participation of the value chain partners by establishing relevant mechanisms.								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> ➤ WHO Good Manufacturing Practice (GMP) ➤ US FDA GMP ➤ COFEPRIS Mexico ➤ ISO 9001:2015 Quality Management System certificate ➤ Philippines FDA ➤ Accredited for BA/BE study by CDSCO (Central Drugs Standard Control Organization) India ➤ ISP Chile ➤ ANVISA Brazil 								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>While the Company is in the process of setting specific targets, the following are the broad contours of the efforts that will be taken regarding sustainable growth and social responsibility:</p> <ul style="list-style-type: none"> ➤ Ensuring Zero Discharge in all the units and transparency in disseminating pollution data to local community. ➤ Priority for employees from disadvantaged sections of the society and from local area wherever possible in manpower recruitment. Company will also work to create a stable and sustainable talent pool by giving skill training relevant to the industry, nurturing local talent through internship programs at colleges in the areas surrounding corporate and manufacturing facilities. ➤ Increasing the component of locally sourced inputs and materials through strict quality control measures. 								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	<ul style="list-style-type: none"> ➤ Extending medical facilities through medical camps in the areas and villages surrounding manufacturing facilities and in the markets where the Company operates. ➤ Increasing the use of renewable energy so that it is used more than the traditional sources of energy. ➤ Integration of value chain partners in all the sustainability and social initiatives of the Company. 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<ul style="list-style-type: none"> ➤ During the financial year, the Company had invested in a renewable energy company for the purpose of purchasing the solar power generated by it, through its Subsidiary Caplin Steriles Limited. Due to this, as at the end of the financial year, out of the total energy utilized by the Company significant portion of energy comes from solar power. ➤ Contractual terms have been introduced obligating Contract Manufacturers and other vendors of the Company to follow sustainable and socially responsible practices as part of their business and which covers all the principles. <p>The Company is in the process of implementing more mechanisms during the current year to meet its environmental, social and governance objectives which shall be presented in the subsequent reports.</p>								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:	<p>The Company is dedicated to conducting its operations and business affairs honestly, morally, and in compliance with all applicable laws and ethical principles. However, the Company is also well aware that ESG is not just about meeting the ethical standards and ensuring compliances but also about how we incorporate sustainability and social responsibility in to our strategy and decision making process so that the steps we take considers the holistic benefits to all the stakeholders.</p> <p>Towards this, the Company will take further steps to strengthen ESG integration into its decision making process and we will also take steps to measure the impact of ESG initiatives for interventions wherever required.</p> <p>As elsewhere specified in the report, the main challenge remains how we will also bring in the value chain partners into this ESG journey on which we had embarked upon. This will be addressed by a multi-pronged strategy like extending the Code of Conduct and Business Ethics, Whistle Blower mechanism etc to value chain partners, imposing ESG obligations through contractual clauses etc.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Dr Sridhar Ganesan, Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No. All sustainability issues are handled by the existing Committees/ Board.								
10. Details of Review of NGRBCs by the Company:									

Disclosure Questions

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All review of performance against the policies and follow-up action is carried out by the Managing Director of the Company who in turn apprises the Board about any remedial steps to be taken in case of deviation. These reviews are carried out once in a financial year.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company fully complies with all the statutory rules and regulations applicable to it.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
	No. However, the Internal and Secretarial Auditors of the Company assess/ evaluate adherence to the Compliances applicable under various Statutes as well the Company's policies approved by the Board and the findings are reported to the Audit committee/ Board.																	

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

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

SECTION C PRINCIPLE WISE PERFORMANCE DISCLOSURE
PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total Number of Training and Awareness Programmers held	Topics/ Principles covered under the training and its impact	%age of persons in respective Category covered by the awareness Programmers
Board Of Directors		<ul style="list-style-type: none"> ➤ The Independent Directors, at the time of their appointment, are adapted with the organization set-up of the company, the functioning of various divisions, the company's market share and the industry, control processes, governance mechanism and any such relevant information for the purpose of familiarization – 71% ➤ The company also provide regular updates on the latest amendments to the various regulations – Corporate Laws, Environmental Regulations, Labour Laws and such other Statutes as may be applicable to the company – 100% 	
Key Managerial Personnel		<ul style="list-style-type: none"> ➤ As a part of the Board process specified above, all Key Managerial Personnel of the Company were given training on all the policies that impinge upon sustainability and social responsibility – 100% 	
Employees other than BOD and KMPs/ Workers	52 programs*	Principle 2 Principle 4 Principle 3 Principle 6	71%
Workers	52 programs*	Principle 2 Principle 4 Principle 3 Principle 6	100%

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

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

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

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

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

Not Applicable.

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

Though the Company does not have a separate anti -corruption and bribery policy, its Code of Conduct and Business Ethics and the whistle-blower policy covers substantially the processes against corruption and bribery. The Company discourages all forms of Corruption, Bribery and Kick-backs, whether directly by the employees or through any consultants/ third parties. The Company believes in acting in accordance with the highest standards of ethics, integrity and morality. Corruption on the part of those who are associated with the Company means inducing or gratifying any authority or statutory body, through means that are illegitimate, immoral, or incompatible with ethical standards. As per the Code of Conduct and Business Ethics, corruption includes any form of bribery, gift, kickback, hospitality and entertainment, political contribution, improper performance or abstinence from duty for any financial, professional or any personal gain. The Company prohibits all employees and associates from offering or accepting any undue monetary or other advantage to any person or persons. In case any public official seek illegal gratification from the Company, the same shall be reported to the Managing Director and the Chief Operating Officer by the concerned Employee dealing with the said official for determining the further course of action under relevant Law.

More details about the policy can be had from the link <https://www.caplinpoint.net/wp-content/uploads/2021/07/CODE-OF-CONDUCT-BUSINESS-ETHICS.pdf>

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

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

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

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

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

PRINCIPLE 2: Business should provide goods and services in a manner that is sustainable and safe

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of the product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of Improvements in environment and social Impacts
R&D	Nil	Nil	Nil
Capex	0.82 %	17.12 %	<p>FY 2022-23</p> <ol style="list-style-type: none"> 1. New condensate pump for the boiler 2. Total replacement of all lights from CFL to LED 3. Installation of isolator 4. Installation of wet scrubber <p>All the above projects have lead to conservation of energy.</p> <p>FY 2021-22</p> <ol style="list-style-type: none"> 1. Replacing water heater (Geyser) with Heat Pump warm water supply for change rooms 2. Investment in renewable energy company 3. Installation of ETP RO unit for recycling purpose <p>Above projects have lead to increase in renewable energy consumption and reduction of effluents discharge.</p>

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) No

b. If yes, what percentage of inputs were sourced sustainably?

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

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

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

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

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

- Hazardous waste is disposed of through authorized disposal facilities under long term agreements
- E-waste is given for recycling through authorised e-waste Recyclers. The arrangement is being formalized by way of long term agreements
- Bio-medical waste, which is a critical component of the waste generated, is disposed through authorised recyclers under long term agreements
- Plastic Wastes are being disposed of under informal arrangements through recyclers who also handle hazardous and other wastes. This is being formalized and shall be completed during the year 2023-24.

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

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

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

1. a. Measures for well-being of employees

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	%(B/A)	No. (C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	1079	1079	100%	1079	100%	0	0	0	0	475	44.02%
Female	196	196	100%	196	100%	196	100%	0	0	54	27.55%
Total	1275	1275	100%	1275	100%	196	15.37%	0	0	529	41.49%
Other than Permanent Employees											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

b. Measures for well-being of workers

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	No. (B)	%(B/A)	No. (C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)	
Permanent Workers											
Male	255	255	100%	255	100%	0	0	0	0	100	39.21%
Female	112	112	100%	112	100%	112	100%	0	0	81	72.32%
Total	367	367	100%	367	100%	112	30.51%	0	0	181	49.31%
Other than Permanent Workers											
Male	145	0	0	145	100%	0	0	0	0	72	49.65%
Female	99	0	0	99	100%	0	0	0	0	27	27.27%
Total	244	0	0	244	100%	0	0	0	0	99	40.57%

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

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the Authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	28.31%	62.94%	Y	30.09%	66.83%	Y
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

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

The Company maintain suitable facilities and infrastructure for persons with disabilities to enable them to effectively discharge their duties in the establishment. We aim to ensure that our physical infrastructure (buildings, furniture, facilities and services in the building/campus) adheres to the accessibility standards given in the Harmonized Guidelines and Space Standards for Barrier Free Built Environment for Persons with Disabilities and Elderly Persons, 2016 and the National Building Code, 2016. In case of facilities that were constructed before the coming into effect the said Code, steps shall be taken to ensure Compliance in a time bound manner. Any new facility that is built, renovated, leased or rented is being evaluated for compliance with accessibility standards at different stages of the building construction and employees facing accessibility issues are provided with dedicated support by way of a reporting mechanism to HR head/ Managing Director.

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

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

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

Gender	Permanent Employees		Permanent Workers	
	Return to work	Retention Rate	Return to work	Retention Rate
Male	-	-	-	-
Female*	75%	100%	100%	100%
Total	75%	100%	100%	100%

* Note: While calculating the retention rate for the year, the Company has considered those women employees/ workers who joined back in the year 2021-22 after their maternity leave and have completed one year of service during the year 2022-23. Hence, the retention rate appears higher than the return to work rate.

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

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

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

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

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / Workers in respective category, who are part of association or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of Union or Associations (D)	% (D / C)
Total Permanent Employees	Nil	Nil	Nil	Nil	Nil	Nil
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil
Total Permanent Workers	Nil	Nil	Nil	Nil	Nil	Nil
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and Safety Measures		On skill Upgradation		Total (D)	On Health and Safety Measures		On skill Upgradation	
		NO. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1079	780	72.28%	780	72.28%	943	655	69.45%	655	69.45%
Female	196	129	65.81%	129	65.81%	160	100	62.50%	100	62.50%
TOTAL	1275	909	71.29%	909	71.29%	1103	755	68.44%	755	68.44%
Workers*										
Male	255	255	100%	255	100%	289	289	100%	289	100%
Female	112	112	100%	112	100%	112	112	100%	112	100%
TOTAL	367	367	100%	367	100%	401	401	100%	401	100%

*Only permanent workers are considered.

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	NO. (B)	% (B/A)	Total (C)	No. (D)	% (D/A)
Employees						
Male	1079	1079	100%	943	943	100%
Female	196	196	100%	160	160	100%
TOTAL	1275	1275	100%	1103	1103	100%
Workers						
Male	255	255	100%	289	289	100%
Female	112	112	100%	112	112	100%
TOTAL	367	367	100%	401	401	100%

*Note: Only permanent workers are considered. Also, the performance evaluation cycle of the Company commences from October of each year and applicable only to those who have joined to the month of June of that year.

10. Health and safety Management

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

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

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

Our Health and safety management system comprises of the following -

i. Written Instructions and safe work procedures:

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

ii. Trainings

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

- Chemical safety, handling and spillage response training
- Safety management training along with mock drill
- Fire alarm & emergency response training
- Incident and Accident reporting training
- Personal Protective equipment training



- Environmental awareness training
- Occupational health training
- Biological materials handling training
- Disaster Management and Business Continuity Plan training
- Other training programs specific to unit's operational requirements

iii. Identifying hazards and managing risk

iv. Health and safety committee meetings

v. Emergency preparedness drills

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

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

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

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

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

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

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

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

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

11. Details of the safety related Incidents

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.29	0
	Workers	0.61	0.63
Total recordable work-related injuries	Employees	3	0
	Workers	4	4
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

Note: Record-able work related injuries has been taken to include injuries that are both reportable and non-reportable (first aid cases) under the Factories Act, 1948

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

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

- Permit to work system: In manufacturing units, permit-to work system is used to ensure that work is done safely and efficiently. Permits for work execution are prepared by an authorized person (both the issuer and the receiver). Based on safety officer clearance, the work shall be initiated in the work place.
- Qualitative risk assessment – (QCERA) Qualitative chemical exposure risk assessment
- Quantitative risk assessment – (HIRA) Hazard identification risk assessment
- Environment Monitoring and Display boards at place to monitor the emissions, discharge and waste generation
- Standard operating Procedures
- Elaborate change management process
- Safety Committee reviews
- Pre-startup safety review
- Safety inductions before commencement of new activity
- Process specific trainings

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending Resolution at the end of year	Remarks
Working Conditions	49	7	All pending complaints have been resolved since the close of financial year	28	0	Nil
Health & Safety	0	0	Nil	Nil	Nil	Nil

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

14. Assessments for the year:

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

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

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

Manufacturing units have implemented incident management and reporting systems. All incidents are thoroughly investigated for root causes and trainings are provided to employees/ workers to remediate the root causes so that the incidents do not recur. Similarly, for near misses, there are procedures in place to highlight them, investigate and remediate. Initial and periodic inspections of the workplace are carried out to identify new or recurring hazards. Also, regular trainings are conducted with respect to safety and controlling measures about new or recurring hazards. Adequate information on safe work place are made available throughout the units through sign boards and other mechanisms.

PRINCIPLE 4: Business should respect and be responsive to all its stakeholder
1. Describe the processes for identifying key stakeholder groups of the entity.

Company engages with a broad range of stakeholders in its day to day business. Stakeholder engagement also helps to manage risks and opportunities in business operations. The key stakeholders identified by the Company, on the basis of risks and opportunities they present to the Company, are: Employees, Investors, Vendors, Patients, Regulators and Local Communities.

2. List of stakeholder group identified as a key for entity and the frequency engage with each stakeholder group

Stakeholder Group	Whether identified as vulnerable & Marginalized Group (Yes/No)	Channel of communication	Frequency of Engagement (Annually/Half Yearly / Quarterly/ others)	Purpose and Scope of engagement including key topics and concerns raised during such engagement
Employees	No	Through regular meetings, projects or operations reviews; one-on-one discussions, video/ audio conferences; counselling	Annually and need based	Career Management and Growth Prospects, Learning opportunities, compensation structure, building a safety culture and inculcating healthy & safe work practices
Investors	No	Through Annual Report, company website, Press Releases, interview by Key Managerial Personnel, Investor Presentations and earnings call	Quarterly and Annually	Financial & operational performance, Business sustainability, Strategy, update on key projects undertaken, communicating growth plans and understanding shareholders expectation

Stakeholder Group	Whether identified as vulnerable & Marginalized Group (Yes/No)	Channel of communication	Frequency of Engagement (Annually/Half Yearly / Quarterly/ others)	Purpose and Scope of engagement including key topics and concerns raised during such engagement
Regulators	No	Through audits, filing of statutory records & participation in consultative process	Quarterly, Half-yearly, Annually and need based	Ensure 100% compliance to all laws and participation in policy making initiatives to drive cross-industry sustainability
Vendors	No	Through site inspections/ visits, mails & calls	Annual and need based	Stronger partnerships, driving sustainability in value chain, product quality, ethical conduct and fair business practices
Patients	Yes	Through direct presence in the markets and last mile connectivity through distributors, representatives and pharmacists	Regular	Reaching out to bottom of the pyramid customers with quality products at affordable cost and better availability
Local Communities	Yes	Through community interactions	Annually	Ascertaining the impactful projects that can be taken up as part of the CSR initiatives

Principle 5: Business should respect and promote Human Rights

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. employees / workers Covered (B)	% (B / A)	Total (C)	No. employees / workers Covered (D)	% (D / C)
Employees						
Permanent	1275	0*	0	1103	0	0
Other than permanent	0	0	0	0	0	0
Total Employees	1275	0	0	1103	0	0
Workers						
Permanent	367	0*	0	401	0	0
Other than permanent	244	0	0	205	0	0
Total Workers	611	0	0	606	0	0

*Though the Company has not conducted specific training programs covering human rights issues, the Company regularly communicates with the employees on human rights issues like ensuring equality, prevention of sexual harassment, avoiding child labour by posting the relevant policies in the website and in other conspicuous places etc.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1275	21	1.64%	1254	98.36%	1103	23	2.09%	1080	97.91%
Male	1079	10	0.92%	1069	99.08%	943	10	1.07%	933	98.93%
Female	196	11	5.62%	185	94.38%	160	13	8.13%	147	91.87%
Other than Permanent	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Workers										
Permanent	367	0	0	367	100%	401	0	0	401	100%
Male	255	0	0	255	100%	289	0	0	289	100%
Female	112	0	0	112	100%	112	0	0	112	100%
Other than Permanent	244	0	0	244	100%	205	0	0	205	100%
Male	145	0	0	145	100%	112	0	0	112	100%
Female	99	0	0	99	100%	93	0	0	93	100%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
BOD*	-	-	-	-
KMP	4	91,27,325	1	13,00,003
Employees other than Directors and key Managerial Personnel	1079	4,54,494	196	2,76,612
Workers**	255	3,02,568	112	2,31,354

*All Non Executive Directors are paid only sitting fees. MD/WTD has been considered as apart of KMP

**Only permanent workers have been considered for the purpose of the calculation of median remuneration/ salary/ wages

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues. (Yes/No)

The Company has constituted an Ethics Committee comprising of the following officials:

- i. Managing Director
- ii. Chief Operating Officer
- iii. Chief Financial Officer
- iv. General Counsel & Company Secretary
- v. Head - Human Resources

The Ethics Committee has the following role in respect of any human rights violation issues reported to it:

- i. Conduct the enquiry in a fair and unbiased manner.
- ii. Ensure complete fact-finding.
- iii. Maintain strict confidentiality.
- iv. Decide on the outcome of the investigation, whether an unethical activity has been committed and if so by whom.
- v. Decide on the appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures.
- vi. Minute Committee deliberations and document the final report
- vii. Submit a report to the Audit Committee regarding the effective functioning of the Whistle-blower mechanism, at such intervals as the Committee may specify which shall not be more than six months.

Apart from the Ethics Committee, the Company also has Internal Complaints Committee for addressing Sexual Harassment issues as per Statutory procedure.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has procedure for safeguarding whistle blower from discrimination and harassment. Complainants are protected and no action by way of discrimination, harassment, victimization, suspension, reduction or discontinuation or any other unfair employment practice like threat or intimidation or termination or suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like will be adopted against any employee or third-party on account of his or her making such complainant.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. The Company had incorporated the human rights components in key agreement with vendors and suppliers. Also, the Company is subject to various ESG requirements under the contracts it has with its customers.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties for)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others –	100%
1) Health & Safety	
2) Working Conditions	

10. Provide details of any corrective actions taken or underway to address significant risks concerns arising from the assessments at Question above.

No corrective actions were necessary.

Principle 6 Business should respect and make efforts to protect and restore Environment

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	1,85,72,688	1,88,76,480
Total fuel consumption (B)	8,91,699	7,03,883
Energy consumption through other sources (C)*	31,01,294	11,23,511
Total energy consumption (A+B+C)	2,25,65,681	2,07,03,874
Energy intensity per rupee of turnover	0.0030	0.0031

*Note: The energy consumption through other sources indicates energy generated from renewable sources.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Not applicable

3. Disclosures related to water

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	NIL	NIL
(ii) Groundwater	72,022	60,606
(iii) Third party water	9,024.23	9,168.11
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	NIL	NIL
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	81,046.23	69,774.11
Total volume of water consumption (in kilolitres)	81,046.23	69,774.11
Water intensity per rupee of turnover	0.000011	0.000010

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No. Though the Company currently does not have zero liquid discharge mechanism, the ratio of water utilised from recycling to the total water consumed is being constantly improved and the balance water which is not recycled is used for internal gardening, utility and domestic purposes. The Company ensures that the water used for internal gardening, utility and domestic purposes do not contain any substances more than their permitted limits under the pollution control norms. The water used for internal gardening, utility and domestic purposes are treated at the Effluent Treatment Plants before it is used for the said purposes. However, in respect of all the units which are currently being constructed, Zero Liquid Discharge mechanism shall be implemented. All the units have adequate Effluent and Sewage Treatment plants in compliance with the Pollution Control norms.

5. Detail of Air emissions by the entity

Parameter	unit	FY 2022-23	FY 2021-22
NOx	mg/Nm ³	229.55	122.76
SOx	mg/Nm ³	31.67	42.06
Particulate matter (PM)	mg/Nm ³	23.53	20.16
Persistent organic pollutants (POP)	ppm	Nil	Nil
Volatile organic compounds (VOC)	ppm	Nil	Nil
Hazardous air pollutants (HAP)	ppm	Nil	Nil
Others – please specify	ppm	Nil	Nil

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	3,224	3,374
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	20,987	21,330
Total Scope 1 and Scope 2 emissions per rupee of turnover	In kg/ ₹	0.0032	0.0037

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

In order to conduct monthly assessment of the ambient air quality, stack monitoring, noise monitoring, source emissions, Volatile compound monitoring etc. government approved external laboratories are engaged as follows

In Gummidipoondi unit - EHS 360 Labs Private Limited

In Chengalpattu Mahindra World city unit- EHS 360 Labs Private Limited

In Puducherry unit- Chennai Mettex Lab Private Limited.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. The Company has plans to reduce greenhouse gas emissions by retrofitting equipments that use fuel to generate power. Also, change in fuel used will be explored to reduce greenhouse gas emissions. In the Gummidipoondi manufacturing unit, as on 31st March, 2023, 48.89% of power utilised was solar power. Similarly, in the Corporate Office, out of the total power consumed, as of 31st March, 2023, 86.47% is from renewable energy source. Increasing the proportion of renewable energy utilization will prevent the depletion of natural resources by reducing the consumption of coal or other natural resources used to generate power. We are looking forward to reduce our dependency on purchased electricity which in turn will have direct impact on our initiatives for incorporating environment friendly and sustainable practices in our operations. Following further actions were taken:

- Installation of heat pump based water heating system which has resulted in an estimated reduction in electricity consumption by 24,145 KWH / Year
- Steam condensate water transferring to the boiler condensate pump capacity increased, which in turn reduces the water makeup of the boiler and fuel consumption.
- Pumping condensate water near to the boiling point reducing fuel consumption during generation of steam.

8. Provide detail of the waste Management by the entity

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	41.89	25.20
E-waste (B)	0.95	NIL
Bio-medical waste (C)	6.31	4.29
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	-	-
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any (G)	52.56	39.81
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	76.05	69.50
Total (A+B + C + D + E + F + G + H)	177.76	138.80
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	47.71	37.67
(ii) Re-used	--	--
(iii) Other recovery operations	--	--
Total	47.71	37.67
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	10.34	5.71
(ii) Landfilling	77.14	70.27
(iii) Other disposal operations	42.57	25.15
Total	130.05	101.13

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Wastes generated are categorized under two major heads:

Hazardous waste:

- Spent Solvent waste
- Chemical Solid Waste

- Spent oil
- Used Battery
- E- waste
- Bio medical wastes such as expired/ rejected medicines, used syringes etc

Non Hazardous Waste

- Paper Waste
- Plastic waste

All liquid wastes are collected, packed and stored in leak proof containers so that wastes do not escape and contaminate the environment. Generated wastes are sent for recycling or disposed for treatment within the stipulated time as per applicable rules through authorized disposal and recyclers. E-waste broadly includes computers, servers, scanners, PSs, Air conditioners etc. All such E-wastes are disposed through registered E-waste vendors or disposed through buy back method. For spent batteries, the same are disposed of by way of buy back and replacement arrangement with the supplier of batteries.

For FY23-24, the Company is initiating the disposal of Hazardous Waste to AFRF (Alternate Fuel Resource Facility) for reducing the land fill and incineration quantity and to avoid land contamination and Air pollution. In AFRF, disposed hazardous waste are reprocessed and sent to cement factories for using as fuel.

The Company has long term agreements with authorised recyclers who manage the disposal and recycling processes of hazardous wastes/ E-wastes and Bio Medical wastes in line with regulations. The standard operating procedure for handling liquid and solid waste at all the units have been implemented which outlines the segregation of waste as per standard guidelines.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable as none of our units are at any ecologically sensitive Areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Requirement for carrying out environmental impact assessment did not arise during the current financial year.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

Yes. The Company is compliant with the applicable environmental law / regulations / guidelines.

Principle 7 Business when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

1. a. Number of affiliation with trade and Industry Chamber/Associations

The company is member of total 7 trade and industry chambers/ associations

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Drug Manufacturers Association	National
2	Pharmaceuticals Manufacturers Association of Tamil Nadu	State
3	Pharmaceutical Export Promotion Council	National
4	Federation of Indian Exports Organization	National
5	Confederation of Indian Industries	National
6	PDMA – Pondicherry Drug Manufactures Association	State
7	Hindustan Chamber of Commerce	National

2. Provide detail of the corrective action taken or underway on any issues related to anti- competitive conduct by the entity based on adverse orders from regulatory authorities: Company has not been in any issue related to anti – competitive conduct.

No such instance during the financial year.

Principle 8 Businesses should promote inclusive growth and equitable development

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

Not applicable

3. Describe the mechanisms to receive and redress grievances of the community.

The Company interacts with local community on a regular basis through formal and informal communication channels.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	7.20%	2.49%
Sourced directly from within the district and neighbouring districts	47.92 %	45.73 %

Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

In markets like Latin America, the Company primarily exports the pharmaceutical products it manufactures to its Subsidiaries situated in multiple countries in the region. As such, the teams in the Subsidiaries are tasked with the responsibility of gathering any grievances from the consumers and receive their complaints and communicate it to the Company for speedy redressal. The Company has a standard policy and procedure of dealing with all such consumer complaints in a time bound manner. In the regulated markets, the receipt and redressal of any consumer complaint is handled as per contractual provisions with the front end partners.

For handling market complaints from Regulated markets also Standard Operating Procedures are in place through Quality Assurance department, Regulatory Affairs department and external Pharmacovigilance team.

In both the cases, the Quality Assurance department is responsible for receiving, logging, initiating investigation, selection of the cross functional team, completing investigations, notifying relevant stakeholders as need be (as per the customer quality agreement terms), implementation of corrective and preventive actions, responding to complainant and maintain the product complaint files.

The external Pharmacovigilance team shall be responsible to investigate complaints related to Adverse Drug Reaction / Adverse Drug Events and provide a report on the investigation to the head Regulatory Affairs. For the purposes of investigation, respective customer help or external pharmacovigilance services may be utilized. The scope of services of Pharmacovigilance team shall encompass all the deliverables coming under Individual Case Safety Reporting processing (ICSR processing), as follows:

- Literature screening activity
- Case Processing services consisting of:
 - a. Triage, Case Processing, Quality Review & Medical Review and expedited reporting.
 - b. Literature search, analysis and reporting of literature cases.
- Aggregate Reports: Development Safety Update Report (DSURs), Quarterly Periodic Adverse Drug Experience Reports (PADERs) and Periodic Safety Update Reports (PSURs)/ Periodic Benefit Risk Evaluation Reports (PBRERs).
- Clinical overviews (COs).

- Signal Management and Signal reports.
- Risk Management Reports.
- Call Centre Management Support

Regulatory Affairs department shall be responsible to assess the impact from the regulatory aspect and also responsible for field alert / notification to respective health authority/qualified persons for critical failures related to complaint handling.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage of total turnover
Environment and social parameters relevant to the product	Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data Privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber Security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of Essential Services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
other	11	0	Nil	23	0	Nil

4. Details of instances of product recalls on account of safety issues:

	Number	Reason of recall
Voluntary recalls	1	The recall was initiated during the financial year 2021-22 arising out of failure of a product in Long term stability study to meet the product specifications and this recall was fully completed in financial year 2022-23. However, there was no adverse event associated with this recall as the recall was made voluntarily.
Forced recalls	--	--

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The company has Personal Data Protection and Privacy Policy which provides the framework for the cyber security risks related to the data privacy. The policy is available at the link at <https://www.caplinpoint.net/index.php/corporate-governance/>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Apart from the product recall which was detailed in Point No. 4, there were no other instances of product recall/ quality issues/ privacy or cyber security breach requiring corrective action as at the end of the financial year. There was also no penalty levied or action taken by regulatory authorities on safety of products/ services. All remedial actions were taken to avoid recurrence of the product recall.



CAPLIN POINT[®]
Laboratories

**STANDALONE
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

To
The Members
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 2023, 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, 2023, its profit, total comprehensive income 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	<p>Accounting of recognition, measurement, presentation, and disclosures of revenues and other related balances in view of applicability of Ind AS 115 "Revenue from Contracts with Customers" (Revenue Accounting Standard)</p> <p>The application of the revenue accounting standard involves certain key judgments relating to the identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, the revenue accounting standard contains disclosures that involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of the revenue accounting standard.</p> <p>Our audit approach consisted of testing the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> Evaluated the design of internal controls relating to the implementation of the revenue accounting standard. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving inquiry and observation, reperformance, and inspection of evidence in respect of the operation of these controls.

S. No	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> • Tested the relevant information technology systems' access and change in management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard. • Recognition of Export Incentives as per the terms of the Schemes have been evaluated.
2	<p>System environment and internal controls : Impact of change in the Accounting Software(TCS Ion to SAP) on the Company's bookkeeping and control.</p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls. The Company has a complex system environment, reflecting the different nature of the different operating activities. The Company has renewed its system landscape, with the Migration from TCS Ion to SAP during the year for better control and tracking.</p> <p>The implementation of new systems, together with the complex system environment introduce risks related to system access, change management and data transfer between the different systems, and we have accordingly designated this as a focus area in the audit.</p> <p>Management has mitigated this risk by means of manual controls.</p>	<p>We assessed the company's process to identify, assess, and respond to the risk of material misstatement considering the uncertainties and the impact of Migration from TCS Ion to SAP on the company's book keeping for the year under consideration.</p> <p>We have designed, planned, and performed the following audit procedures</p> <ul style="list-style-type: none"> • Testing the system implementations included both the testing of the controls surrounding implementation as well as testing the migration of income statement and balance sheet balances between legacy systems and the new system. • Evaluating the impact on inventory management and cost allocation to inventory on account of change in the manner of computation and apportionment of overhead costs post such migration. • Ascertaining the differences in the classification of Account Balances in the books and ensuring proper presentation in the Financial Statements of the Company. • Verified the impact of the same on product Groups and subgroups, Product Price lists, supplier / customer master. • Treatment of open invoices, Bills, purchase order and sale orders and other opening account balances have been evaluated. • Our response to the risks related to the complex system environment includes both the test of IT and business process controls. We also performed sufficient tests of details as part of our audit. • We also tested the company's controls around system interfaces, and the transfer of data from one Software to another keeping in mind the key financial reporting controls.
3	<p>Verification and Valuation of Inventory in accordance to the financial statements' accounting principles on inventories - IND AS 2 :</p> <p>The company has significant inventory balances in both the Manufacturing as well as trading segments. Inventory management, stocktaking routines and costing of inventories are underlying key factors in determining the value of inventories. According to the financial statements' accounting principles inventories are measured at the lower of cost or net realizable value. Due to Size and complexity of the inventory valuation and Verification of inventories is considered as a key audit matter</p>	<p>Our audit procedures related to valuation and verification of inventories included:</p> <ul style="list-style-type: none"> • Assessing the compliance of company's accounting policies over inventory with applicable accounting standards. • Assessing the inventory valuation processes and practices. On major locations we tested the effectiveness of the key controls • Assessing functionality of the key IT systems of inventory management. • Testing of controls over inventory management and accuracy of inventory amounts. • Performing tests on selected inventory items to relevant components of valuation. • Evaluate management's instructions and procedures for recording and controlling the results of the entity's physical inventory counting; • Observe the performance of management's count procedures • Inspect the inventory; and perform test counts <p>In addition, we assessed the appropriateness of the Company's disclosures in respect of inventory valuation.</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, 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.

The Board of Directors is 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 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 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 2023 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 a 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 34 to the financial statements;

ii. The Company does not have any long-term contracts including any Derivative Contracts for which there are 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 2023;

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 that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (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 the declaration of dividend. However, the said dividend was not paid on the date of this audit report.

j) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

K.PARTHASARATHY
 Partner

Place: Chennai
 Date: 27/05/2023

Membership No: 018394
 UDIN: 23018394BGWVDH9351

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, 2023:

- 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 working capital limits to the extent of ₹ 57.6 crores, on the basis of security of Land and factory building and current assets by various banks. 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 - Caplin Steriles Limited, India 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 arm's length basis, the details of which are as below.
- | Particulars | Amount
(₹ In Crores) |
|--|-------------------------|
| Aggregate amount during the year | 116.25 |
| Balance outstanding as at balance sheet date | 156.00 |
- 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, we do not have anything specific to report under this clause.
- (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 investments made, and 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 payment of Interest has been regular and the repayment of principal has not commenced as per terms of the loan sanctioned

- (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
- (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	0.64	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.
- 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.
- vi) We have reviewed the cost records maintained by the company as prescribed by the central government under section 148(1) of the companies act 2013 and are of the opinion that *prima facie* the prescribed cost records are made and maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess, Goods and Services Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed arrears of statutory dues which are outstanding as at **31st March 2023** for a period of more than six months from the date they become payable.
- (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. 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 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 an 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 44 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.
- (b) According to explanations, 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.
- (c) 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.
- (d) 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 **M/S CNGSN & ASSOCIATES LLP**
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S/S200036

K.PARTHASARATHY

Partner

Membership No: 018394

UDIN: 23018394BGWVDH9351

Place: Chennai

Date: 27/05/2023

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 unauthorized 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 2023, 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 **M/S CNGSN & ASSOCIATES LLP**

CHARTERED ACCOUNTANTS

Firm Registration No: 004915S/S200036

K.PARTHASARATHY

Partner

Membership No: 018394

UDIN: 23018394BGWVDH9351

Place: Chennai

Date: 27/05/2023



STANDALONE BALANCE SHEET

AS AT MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	2A	151.70	157.50
(b) Capital work-in-progress	2B	42.68	1.73
(c) Intangible assets	2C	3.94	4.47
(d) Right of Use Assets	2D	1.21	0.49
(e) Intangible Assets under development	2E	-	0.87
(f) Investments in Subsidiaries and Associate	3	205.93	177.12
(g) Financial assets			
(i) Investments	3A	69.04	35.61
(ii) Loan to Subsidiary	4	156.00	39.75
(iii) Other Financial Assets	5	2.20	26.10
(h) Income tax assets (Net)		0.99	2.53
(i) Other Non current Asset	6	5.51	2.32
Sub-total-Non current assets		639.20	448.49
(2) Current Assets			
(a) Inventories	7	51.53	42.81
(b) Financial assets			
(i) Investments	8	159.17	51.97
(ii) Trade receivables	9	88.24	53.73
(iii) Cash and cash equivalents	10	122.02	81.01
(iv) Bank balances other than (iii) above	11	149.36	235.07
(v) Other Financial Assets	12	71.07	130.02
(c) Other current assets	13	22.59	11.06
Sub-total-Current assets		663.98	605.67
Total		1,303.18	1,054.16
EQUITY AND LIABILITIES			
(1) Equity			
Equity share capital	14	15.18	15.16
Other equity	15	1,124.73	915.49
Sub-total-Equity		1,139.91	930.65
(2) Liabilities			
(A) Non-Current Liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	16	0.48	0.16
(b) Deferred tax liabilities (Net)	17	14.14	21.79
(c) Other non current liabilities	18	1.80	2.68
Sub-total-Non current liabilities		16.42	24.63
(B) Current Liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro and small enterprises	19	0.11	1.16
(b) total outstanding dues other than (i) (a) above	19	81.31	63.86
(ii) Lease Liabilities	20	0.86	0.46
(iii) Other financial Liabilities	21	20.32	11.74
(b) Provisions	22	0.17	1.20
(c) Other Current liabilities	23	44.08	20.46
Sub-total-Current liabilities		146.85	98.88
Total		1,303.18	1,054.16

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

As per our report of even date attached

For **CNGSN & Associates LLP**

Chartered Accountants

Firm Registration No : 4915S/ S200036

K.Parthasarathy

Partner

ICAI Membership No. 018394

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

CIN: L24231TN1990PLC019053

C.C. Paarhipan

Chairman

DIN:01218784

Muralidharan D

Chief Financial Officer

Place : Chennai

Date : 27th May, 2023

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Venkatram G

General Counsel & Company Secretary

Place : Chennai

Date : 27th May, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Notes	For the Year ended March 31, 2023	For the Year ended March 31, 2022
I. INCOME			
(a) Revenue from Operations	24	528.61	528.06
(b) Other income	25	99.00	56.55
Total Income -(a+b)		627.61	584.61
II. EXPENSES			
(a) Cost of Materials Consumed	26	151.35	156.01
(b) Purchases of Stock-in-Trade		48.38	57.64
(c) Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade	27	(1.67)	(9.00)
(d) Employee benefits expense	28	36.68	30.47
(e) Finance costs	29	0.12	0.09
(f) Depreciation and Amortisation Expenses	30	25.65	25.77
(g) Research and Development Expenses	31	28.45	23.87
(h) Other expenses	32	45.50	49.45
Total Expenses		334.46	334.30
III. Profit before Exceptional items and tax (I-II)		293.15	250.31
IV. Exceptional Items		-	-
V. Profit Before Tax (III-IV)		293.15	250.31
VI. Tax Expense (Net)			
• Current Tax		66.58	61.62
• Deferred tax (Benefits)/Charge		(7.69)	0.82
Total tax expense		58.89	62.44
VII. Profit for the Year (V-VI)		234.26	187.87
VIII. Other Comprehensive Income Items that will not be reclassified to profit or loss:			
(i) Remeasurement of Defined Benefit Plans		0.15	0.10
(ii) Income tax relating to these items		(0.04)	-
Other Comprehensive income/(loss) (net of tax)		0.11	0.10
IX. Total Comprehensive Income for the Year (VII+VIII)		234.37	187.97
Earning Per Equity Share (Nominal value per share ₹ 2/-)	42		
Basic (in ₹)		30.89	24.82
Diluted (in ₹)		30.62	24.60

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

K.Parthasarathy
Partner
ICAI Membership No. 018394

Place : Chennai
Date : 27th May, 2023

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;
CIN: L24231TN1990PLC019053

C.C. Paarthipan
Chairman
DIN:01218784

Muralidharan D
Chief Financial Officer

Place : Chennai
Date : 27th May, 2023

Dr.Sridhar Ganesan
Managing Director
DIN:06819026

Venkatram G
General Counsel & Company Secretary

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
A. Cash Flow from Operating Activities		
Profit before tax	293.15	250.31
Adjustments for:		
Depreciation and Amortisation expense	25.65	25.77
Finance costs	0.12	0.09
Government grant	(0.87)	(0.82)
Exchange Gain on Disposal of Associate	(0.21)	-
Exchange Loss on Disposal of Subsidiary	0.56	-
(Profit)/Loss on sale/disposal of property, plant and equipment	0.32	(0.12)
Employee Stock option Scheme Expense	3.80	2.18
Net Unrealised Foreign Exchange Fluctuation Loss (Gain)	(1.10)	0.13
Fair value loss on financial instruments through profit or loss	0.54	0.14
Realised gain on Financial Assets	(1.83)	(0.88)
Dividend Income	(46.18)	(23.05)
Interest income	(40.37)	(22.87)
Operating Profit before Working Capital changes	233.58	230.87
Adjustments for :		
(Increase) / Decrease in inventories	(8.72)	(17.94)
(Increase) / Decrease in Trade receivables	(34.51)	44.73
(Increase) / Decrease in Other Asset	(11.53)	14.05
(Increase) / Decrease in Other Financial assets	(0.10)	(0.57)
Increase/(Decrease) in Trade payables, Other Liabilities & Provisions	43.41	21.80
Cash Generated from Operations	222.14	292.95
Income tax Paid	(65.04)	(61.98)
Net Cash inflow / (outflow) from Operating activities	157.10	230.97
B. Cash Flow from Investing Activities		
Sale / (Purchase) of investments	(141.17)	(76.53)
Investment in Bank Deposits & Inter Corporate Deposits	91.49	(122.50)
Investment in Subsidiaries	(31.74)	(34.63)
Proceeds from Disposal of Associate	2.03	-
Proceeds from Disposal of Subsidiary (Net)	1.94	-
Loan given to Subsidiary	(116.25)	(39.75)
Increase/(Decrease) in Other Bank Balances	85.82	(38.75)
Sale / (Purchase) of property, plant and equipment (Including CWIP)	(58.63)	(7.22)
Interest received	31.83	19.52
Dividend received	46.18	23.05
Realised gain on Financial Assets	1.83	0.88
Net Cash inflow/(outflow) from Investing activities	(86.67)	(275.93)
C. Cash Flow from Financing Activities		
Proceeds from exercise of employee stock options*	0.02	0.03
Increase/(Decrease) in Long and Short term Borrowings	-	(0.01)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest paid (Including interest on Lease liability)	(0.12)	(0.09)
Dividend paid	(30.32)	(22.69)
Net Cash inflow / (outflow) from Financing activities	(30.42)	(22.76)
Net increase / (decrease) in cash and cash equivalents during the year D=(A+B+C)	40.01	(67.72)
Cash and Cash Equivalents as at the beginning of the year ('E)	81.01	148.82
Effect of exchange rate changes on cash and cash equivalents (F)	1.00	(0.09)
Cash and Cash Equivalents as at the end of the year (G=D+E+F)	122.02	81.01
Less: Bank Balance in Unspent CSR Account (H)	6.64	3.99
Net Cash and Cash Equivalents as at the end of the year (I=G-H)	115.38	77.02

Notes:

* Proceeds from exercise of employee stock options amounting to ₹ 2,27,740 (PY: ₹ 2,92,252) for 1,13,870 Shares (PY:1,46,126 Shares) under ESOP exercised during the year ended March 2023.

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, 2023	For the Year ended March 31, 2022
a) Reconciliation of Cash And Cash Equivalents		
Cash And Cash Equivalents As Per Balance Sheet	122.02	81.01
Total Cash And Cash Equivalents As Per Balance Sheet	122.02	81.01
Less: Bank Balance in Unspent CSR Account	6.64	3.99
Total Cash And Cash Equivalents As Per The Statement Of Cash Flows	115.38	77.02
Cash & Cash Equivalent does not include following:		
Investment in mutual fund	20.27	51.97
Investment in Corporate Bonds-Non Current Investment	68.30	35.01
Investment in Corporate Bonds-Current Investment	138.90	-
Inter Corporate Deposits	51.01	142.50
Other Bank balances	149.36	235.07
Total:	427.84	464.55

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For **CNGSN & Associates LLP**

Chartered Accountants

Firm Registration No : 4915S/ S200036

K.Parthasarathy

Partner

ICAI Membership No. 018394

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

Venkatram G

General Counsel & Company Secretary

Place : Chennai

Date : 27th May, 2023

Place : Chennai

Date : 27th May, 2023

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

A. EQUITY SHARE CAPITAL (Refer Note 14)

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at 31 March 2023		As at 31 March 2022	
	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT
Balance at the beginning of the reporting period	7,57,88,876	15.16	7,56,42,750	15.13
Changes in equity share capital due to prior period errors	-	-	-	-
Issue of equity shares during the year	1,13,870	0.02	1,46,126	0.03
Balance at the end of the reporting period	7,59,02,746	15.18	7,57,88,876	15.16

B. OTHER EQUITY (Refer Note 15)

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Reserves and Surplus							Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Employee Stock Option Outstanding (Net)	Share Application Money pending Allotment	Other Comprehensive Income	Retained Earnings	
Balance as at 31 March 2021	0.41	2.12	11.29	14.79	-	0.09	714.84	743.54
Changes due to prior period errors	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	0.10	187.87	187.97
Additions/ (deductions) during the year :	-	-	-	-	-	-	-	-
Final Dividend on equity shares for FY 20-21	-	-	-	-	-	-	(11.35)	(11.35)
Interim Dividend on equity shares for FY 20-21	-	-	-	-	-	-	(11.35)	(11.35)
Movement in security premium	-	6.02	-	-	-	-	-	6.02
Exercise of Employee stock option	-	-	-	(6.02)	-	-	-	(6.02)
Share- based payment expenses	-	-	-	2.18	-	-	-	2.18
Share Application Money pending Allotment	-	-	-	-	0.00	-	-	0.00
Amortised during the year in Cost of investment in subsidiary	-	-	-	4.50	-	-	-	4.50
Balance as at 31 March 2022	0.41	8.14	11.29	15.45	0.00	0.19	880.01	915.49
Changes due to prior period errors	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	0.11	234.26	234.37
Additions/ (deductions) during the year :	-	-	-	-	-	-	-	-
Final Dividend on equity shares for FY 21-22	-	-	-	-	-	-	(15.16)	(15.16)
Interim Dividend on equity shares for FY 21-22	-	-	-	-	-	-	(15.16)	(15.16)
Movement in security premium	-	5.27	-	-	-	-	-	5.27
Exercise of Employee stock option	-	-	-	(5.27)	-	-	-	(5.27)
Share- based payment expenses (Net)	-	-	-	3.80	-	-	-	3.80
Share Application Pending Allotment*	-	-	-	-	(0.00)	-	-	(0.00)
Amortised during the year in Cost of investment in subsidiary	-	-	-	1.39	-	-	-	1.39
Balance as at 31 March 2023	0.41	13.41	11.29	15.37	-	0.30	1,083.95	1,124.73

* Share Application Money Pending Allotment is ₹ Nil as on 31/03/2023 (₹ 13,332 as on 31/03/2022)

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

K.Parthasarathy
 Partner
 ICAI Membership No. 018394

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

Venkatram G
 General Counsel & Company Secretary

Place : Chennai
 Date : 27th May, 2023

Place : Chennai
 Date : 27th May, 2023

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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 markets. 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 27, 2023.

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, 2023

(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 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.

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, 2023

(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 individually does not exceed ₹ 10,000 is depreciated at the rate of 100%.

c) Intangible Assets:

i) Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Expenditure on research and development eligible for capitalization are carried as Intangible assets underdevelopment where such assets are not yet ready for their intended use.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

ii) Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii) Amortization

Intangible assets are amortized over their estimated useful life on Straight Line Method as follows:

Asset Category	Estimated useful life
Computer software & licenses	6 Years or useful life whichever is lower

The estimated useful lives of intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern, if any.

d) Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

i) Company as Lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease 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, 2023

(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. 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 cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

f) Research and Development:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year 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, 2023

(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 Weighted Average basis.

ii) Work-in-progress and Finished goods

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h) Government Grants and Assistance

Grants from the Government are recognized when the Company will comply with all the conditions attached to them and there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants relating to an asset are initially recognized as deferred income and subsequently recognized in the Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.

i) Borrowing Costs

Borrowing cost directly attributable to acquisition and construction of assets that necessarily take substantial period of time to get

ready for their intended use or sale are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Fair Value Measurement

The Company measures some of its financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of 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, 2023

(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. However, trade receivables that do not contain a significant financing component are measured at transaction price. All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e. the date 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, 2023

(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 group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - the Company has transferred substantially all the risks and rewards of the asset, or
 - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

❖ Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- i) Trade Receivables
- ii) Other financial assets that are measured at amortized cost.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as 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 expense that is not capitalized as part of cost of an

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

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.

I) **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.

Contingent liabilities and contingent assets are not recognized in the financial statements. Contingent liabilities are disclosed

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation, received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc.. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates.

In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when

the associated uncertainty with the variable consideration is subsequently resolved.

ii) Profit Sharing Revenues

The company has entered into arrangements with its business partners for sale of products in certain markets whereby the company is eligible for a share of profit over and above the base selling price. The share of profits is dependent on the ultimate sales made by the business partner and subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement. The profit share component is recognized as revenue only to the extent that it is highly probable that a significant reversal will not occur.

iii) Service Income

Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront payments received under these arrangements are recognized as revenue upon satisfaction of performance obligations.

iv) Interest and Dividend Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the 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).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

o) Export Incentive

Export incentives comprise of Duty draw back and RODTEP (Remission of Duties or Taxes on Export Products Scheme) scrips.

Duty drawback and RODTEP are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

RODTEP scrips are freely transferable and can be utilised for the payment of customs duty

p) Employee Benefits

i) Short term employee benefits

Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid is as a result of the unused entitlement as at the year end.

ii) Post-Employment Benefits:

▶ Defined contribution plans

Employee benefits in the form of contribution to Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plans and the

same are charged to the statement of profit and loss for the year in which the employee renders the related service.

▶ Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

❖ Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. Obligation under the gratuity scheme is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the profit or loss.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

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.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

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.

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 standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE : 2A - PROPERTY, PLANT & EQUIPMENT

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2022	Additions during the year	Deletions during the year	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deletions during the year	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Tangible Assets										
Land (i)	15.53	3.61	-	19.14	-	-	-	-	19.14	15.53
Leasehold Land	14.04	-	-	14.04	0.26	0.14	-	0.40	13.64	13.78
Factory Buildings (i)	57.03	4.57	0.09	61.51	9.51	1.94	0.09	11.36	50.15	47.52
Buildings - Others	4.46	1.41	-	5.87	1.11	0.10	-	1.21	4.66	3.35
Plant & Machinery (ii)	71.93	1.13	0.72	72.34	37.34	8.24	0.65	44.93	27.41	34.59
Air Conditioner	3.37	-	0.09	3.28	1.10	0.33	0.05	1.38	1.90	2.27
Furniture & Fixtures	16.60	0.02	0.23	16.39	7.70	1.50	0.15	9.05	7.34	8.90
Office Equipment	5.84	1.40	0.15	7.09	4.68	0.68	0.14	5.22	1.87	1.16
Computers	6.46	0.56	0.21	6.81	5.53	0.78	0.02	6.29	0.52	0.93
Electrical Fittings	13.22	-	0.39	12.83	5.99	1.25	0.27	6.97	5.86	7.23
Motor Vehicles	5.07	3.24	0.14	8.17	4.07	0.34	0.14	4.27	3.90	1.00
Tools & Spares	0.50	-	0.01	0.49	0.50	-	0.01	0.49	0.00	0.00
Lab Equipment (ii)	44.70	2.67	0.90	46.47	23.48	8.37	0.67	31.18	15.29	21.22
Motor Cycle	0.02	0.01	-	0.03	0.00	0.01	-	0.01	0.02	0.02
Total Tangible Assets	258.77	18.62	2.93	274.46	101.27	23.68	2.19	122.76	151.70	157.50

Note:

- (i) The title deeds of immovable properties included in fixed assets are held in the name of the Company, except for a land and building for ₹ 17.38 Crores purchased by the Company during the financial year 2020-21 through e-auction from Punjab National Bank under the SARFAESI Act, 2002 and rules thereof, for which the transfer of title is in progress. In respect of immovable properties taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.
- (ii) Gross Block for 31st March 2023 includes ₹ 4.86 Crores (PY: ₹ 4.86 Crores) of government grant in the nature of waiver of duty on purchase of plant and machinery & lab equipment. Accumulated Depreciation for Plant & Machinery as at 31st March 2023 includes ₹ 3.06 Crores (PY: ₹ 2.19 Crores) on such government grant.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)

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	7.30	1.72	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	0.61	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	1.39	0.12	5.99	7.22	8.61
Motor Vehicles	5.23	0.24	0.40	5.07	3.99	0.49	0.40	4.07	1.00	1.24
Tools & Spares	0.52	-	0.02	0.50	0.52	-	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	80.28	24.10	3.11	101.27	157.50	177.93

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, 2023

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	42.68	-	-	-	42.68
Projects temporarily suspended	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***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
Projects temporarily suspended	-	-	-	-	-

NOTE : 2C INTANGIBLE ASSETS

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2022	Additions during the year	Deletions during the year	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deletions during the year	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Computer Software	7.62	0.89	0.37	8.14	3.15	1.27	0.21	4.20	3.94	4.47
Total Intangible Assets	7.62	0.89	0.37	8.14	3.15	1.27	0.21	4.20	3.94	4.47

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
Computer Software	5.75	1.87	-	7.62	2.15	1.00	-	3.15	4.47	3.60
Total Intangible Assets	5.75	1.87	-	7.62	2.15	1.00	-	3.15	4.47	3.60

NOTE : 2D RIGHT OF USE (ROU) ASSETS

Particulars	Gross block				Depreciation Reserve				Net Block	
	As at 01-04-2022	Additions during the year	Deletions during the year	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deletions during the year	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
ROU Assets	2.25	1.43	1.15	2.53	1.76	0.70	1.15	1.32	1.21	0.49
Total ROU Assets	2.25	1.43	1.15	2.53	1.76	0.70	1.15	1.32	1.21	0.49

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)
NOTE : 2E INTANGIBLE ASSETS UNDER DEVELOPMENT
Ageing for Intangibles under Development as at March 31, 2023

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

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
Projects temporarily suspended	-	-	-	-	-

NOTE 3: INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE

Particulars	As at March 31, 2023	As at March 31, 2022
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
Nil (11,48,471) Caplin Point laboratories Colombia, SAS, (Colombia) of COP 1,000/- each - (Refer note i)	-	2.50
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 (Refer note ii)	138.48	137.09
50,000 (50,000) Equity Shares in CAPLIN POINT (S) PTE Ltd of USD 1/- each	0.38	0.38
6,60,00,000 (3,42,58,000) Equity Shares in CAPLIN ONCO LIMITED of ₹ 10/- each	66.00	34.26
(ii) Associate		
Nil (17,28,951) equity shares of Hainan Jointown Caplinpoint Pharmaceutical Company Limited of ₹ 10/- each fully paid up - (Refer note iii)	-	1.82
Total	205.93	177.12

- (i) The Shares of Company's Subsidiary entity in Colombia namely Caplin Point laboratories Colombia, SAS has been transferred to the Company's wholly owned subsidiary Caplin Point Far East Limited on 28th March 2023
- (ii) The ESOP's issued by the Company to the employees of its subsidiary amounting to ₹ 1.39 Cr (PY: ₹ 4.50 Cr) is considered as part of its cost of investment.
- (iii) 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, 2023*(All amounts are in ₹ Crores unless otherwise stated)***NOTE 3A: NON-CURRENT INVESTMENTS**

Particulars	As at March 31, 2023	As at March 31, 2022
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	0.66	0.57
4,400 (4,400) shares of Karnataka Bank Ltd of ₹ 10/- each fully paid up	0.06	0.02
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)	0.01	0.00
B. Investments in Corporate Bonds carried at amortised cost		
- Investment in Corporate Bonds - Refer Note 8(ii)	68.30	35.01
Total	69.04	35.61

Note-1 Investment in Bank of India as on 31/03/2023 is ₹ 52,255 (₹ 32,095 as on 31/03/2022)

NOTE 4: LOAN TO SUBSIDIARY*

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Loan to Subsidiary	156.00	39.75
Total	156.00	39.75
* Break up:		
Loans considered good- Secured	-	-
Loans considered good- Unsecured	156.00	39.75
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	156.00	39.75
Less: Allowance for doubtful Loans	-	-
Total Loans	156.00	39.75

Terms of Borrowings

- (i) Unsecured loan to Related party consists of Loan to Subsidiary Company amounting to ₹ 156 Crores (March 31, 2022: ₹ 39.75 Crores) towards Capex projects.
- (ii) Interest rate for the loan is currently 9.4% 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, 2023
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 5: OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Electricity Deposit - Unsecured & considered good	0.97	0.97
Security Deposit - Unsecured & considered good	1.23	1.13
Inter Corporate Deposits with more than 12 months maturity	-	24.00
Total:	2.20	26.10

NOTE 6: OTHER NON CURRENT ASSET

Particulars	As at March 31, 2023	As at March 31, 2022
Advance for Capital expenditure	5.51	2.32
Total	5.51	2.32

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

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials	18.71	14.48
Packing Materials	9.35	6.55
Work-in-Progress	3.94	2.64
Stock In Trade	0.95	2.50
Finished Goods	16.29	14.37
Stores and Spares	2.29	2.27
Total	51.53	42.81

NOTE 8: CURRENT INVESTMENT

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Mutual Fund - fair value through Profit or Loss (i)	20.27	51.97
Investment in Corporate Bonds -Current (ii)	138.90	-
Total	159.17	51.97

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023		As at March 31, 2022	
	Units	Amount ₹ in Crores	Units	Amount ₹ in Crores
Aditya Birla Sun Life Liquid Fund	1,97,224	7.10	2,93,819	10.01
Franklin India Fixed Maturity Plan B Series - 5 - Plan B1244 days - Growth	-	-	20,00,000	2.62
UTI Money Market Fund	-	-	40,885	10.12
Aditya Birla Sun Life Money Manager Fund	-	-	9,80,393	29.22
ICICI Prudential Liquid Fund Direct Growth	3,95,447	13.17	-	-
Total		20.27		51.97

(ii) Investment in Corporate Bonds - as on 31st Mar 2023

Particulars	No. of Bonds/ Debentures	Current Investments (₹ In Crores)	Non-Current Investments (₹ In Crores)	TOTAL
Aditya Birla Finance Limited	50	5.05	5.00	10.05
Axis Finance Limited	50	-	5.22	5.22
Cholamandalam Investment & Finance Co. Limited	410	30.91	10.03	40.94
Godrej Properties Limited	50	5.01	-	5.01
HDB Financial Services Limited	150	5.01	10.21	15.22
HDFC Limited	150	15.13	-	15.13
L&T Group	410	33.73	10.24	43.97
Mahindra & Mahindra Financial services Limited	220	9.98	10.29	20.27
ONGC PETRO Additions Limited	100	10.06	-	10.06
PFC Ltd	40	4.02	-	4.02
REC Ltd	100	10.00	-	10.00
SBI	2	-	2.01	2.01
Shriram Finance Limited	250	9.99	15.30	25.29
Grand Total		138.90	68.30	207.20

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)

Investment in Corporate Bonds - as on 31st Mar 2022

Particulars	No. of Bonds/ Debentures	Current Investments (₹ In Crores)	Non-Current Investments (₹ In Crores)	TOTAL
Shriram Transport Finance Company Ltd	100.00	-	10.36	10.36
State Bank of India - Perpetual	2.00	-	2.01	2.01
Mahindra & Mahindra Financials Services Ltd 2031	20.00	-	2.02	2.02
L&T Infra Debt Fund Ltd 2023	60.00	-	6.20	6.20
Axis Finance Limited 2026	50.00	-	5.27	5.27
Shriram City Union Finance Limited 2022	50.00	-	5.05	5.05
Power Finance Corporation Limited 2023	40.00	-	4.10	4.10
Total			35.01	35.01

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate book value of quoted investments	20.33	51.35
Aggregate Market value of quoted investments	21.00	52.57
Aggregate value of un-quoted investments	464.13	212.13
Aggregate amount of impairment in value of investment	-	-

NOTE 9: TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
(Carried at amortised cost unless otherwise stated)		
Trade Receivables - Unsecured considered good	36.93	42.59
Receivables from related parties	51.31	11.14
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Less: Provision for expected credit loss	-	-
Total receivables	88.24	53.73

- (i) The Company's trade receivables do not carry a significant financial element
- (ii) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. There are no trade or other receivables which are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Trade Receivables ageing schedule

As on 31 March 2023:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	84.54	3.70	-	-	-	-	88.24
(ii) Undisputed Trade receivables – which have a significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-

As on 31 March 2022:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	42.37	11.36	-	-	-	-	53.73
(ii) Undisputed Trade receivables – which have a significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 10: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on Hand	0.05	0.06
Balance with Banks		
- Current accounts	33.33	20.31
- Earmarked balances for CSR*	6.64	3.99
In Bank Deposit Accounts		
- Bank Deposit accounts less than 3 months maturity	82.00	56.65
	122.02	81.01

* Unspent CSR amount had been deposited in a separate bank account before the due date

NOTE 11: OTHER BANK BALANCES

Particulars	As at March 31, 2023	As at March 31, 2022
- Unpaid Dividend account	2.37	2.26
In Bank Deposit Accounts		
- Bank Deposit accounts maturity (more than 3 months but less than 12 months) [Refer Note 36]	146.99	232.81
	-	-
Total	149.36	235.07

NOTE 12: OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Accrued on Deposits	20.06	11.52
Inter Corporate Deposits less than 1 year maturity	51.01	118.50
Total:	71.07	130.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 13: OTHER CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Advances recoverable in cash or kind for the value to be received	3.19	1.98
Export Incentives Receivable	1.32	0.45
Balance with Statutory Authorities	18.04	8.63
Provision for Compensated absences (Net)	0.04	-
Total	22.59	11.06

NOTE 14: SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
AUTHORISED		
8,50,00,000 (31st March, 2022: 8,50,00,000) equity shares of ₹ 2/- each	17.00	17.00
ISSUED, SUBSCRIBED AND PAID UP		
7,59,02,746 (31st March, 2022:7,57,88,876) equity shares of ₹ 2/- each fully paid up	15.18	15.16
	15.18	15.16

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	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	7,57,88,876	15.16	7,56,42,750	15.13
Add: Equity shares allotted pursuant to employee stock option plan*	1,13,870	0.02	1,46,126	0.03
Less: Equity shares bought back during the Year	-	-	-	-
Equity shares outstanding at the end of the Year	7,59,02,746	15.18	7,57,88,876	15.16

*During the financial year 2022-23 (2021-22), 1,13,870 (1,46,126) equity shares under ESOP Scheme vested were exercised

b) Rights, preference & restrictions attached to shares

Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one Vote per Share.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

c) Shareholding of Promoter

The details of shares held by promoters as at 31st march 2023 are as follows:

Promoter Name	No. of shares	% of total shares	% change during the year
C.C. Paarthipan	1,41,67,192	18.66%	0.00%
Promoter Group			
P. Vijayalakshmi	1,87,78,790	24.74%	5.03%
P. Ashok Gorkey	90,50,000	11.92%	0.00%
P. Vivek Siddarth	90,00,000	11.86%	0.00%
May India Property Private Limited	21,17,000	2.79%	0.00%
First Dimension Holdings Private Limited*	3,70,000	0.49%	100.00%
Kiraviz Properties And Consultancy Llp**	1,50,000	0.20%	100.00%

*First Dimension Holdings Private Limited has been classified as promoter Group due to acquisition of controlling stake during the year by Mr C C Paarthipan, the sole Promoter of the Company

** Kiraviz Properties And Consultancy LLP has been classified as promoter Group due to acquisition of controlling stake during the year by Ms. P.Vijayalakshmi who is the immediate relative of Mr C C Paarthipan, the sole Promoter of the Company.

The details of shares held by promoters as at 31st march 2023 are as follows:

Promoter Name	No. of shares	% of total shares	% change during the year
C.C. Paarthipan	1,41,67,192	18.69%	0.00%
Promoter Group			
P. Vijayalakshmi	1,78,80,000	23.59%	0.00%
P. Ashok Gorkey	90,50,000	11.94%	0.00%
P. Vivek Siddarth	90,00,000	11.88%	0.00%
May India Property Private Limited	21,17,000	2.79%	0.00%

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

Name of Shareholder	As at March 31, 2023 (of ₹ 2/- each)		As at March 31, 2022 (of ₹ 2/- each)	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
P. Vijayalakshmi	1,87,78,790	24.74%	1,78,80,000	23.59%
C.C. Paarthipan	1,41,67,192	18.66%	1,41,67,192	18.69%
P. Ashok Gorkey	90,50,000	11.92%	90,50,000	11.94%
P. Vivek Siddarth	90,00,000	11.86%	90,00,000	11.88%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares of ₹ 2/- each	Amount (₹ in crs)	No. of Shares of ₹ 2/- each	Amount (₹ in crs)
Caplin Point Employee Stock Option Plan 2015	77,291	0.02	3,03,116	0.06
Caplin Point Employee Stock Option Plan 2017	2,86,855	0.06	3,26,000	0.07
Caplin Point Employee Stock Option Plan 2021	97,500	0.02	40,000	0.01

f) Aggregate number of shares issued pursuant to Stock Option Plans of the Company

Particulars	Aggregate No. of Shares
Issued in FY 2016-17	26,750
Issued in FY 2017-18	26,750
Issued in FY 2018-19	26,750
Issued in FY 2019-20	12,500
Issued in FY 2021-22	1,46,126
Issued in FY 2022-23	1,13,870
Total	3,52,746

g) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

NOTE 15: OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
OTHER EQUITY		
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	8.14	2.12
Add: Additions during the year	5.27	6.02
Balance at the end of the Year	13.41	8.14
c) General Reserve		
Opening and closing balance as per last balance sheet	11.29	11.29

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
d) Employee Stock Options Outstanding		
- Employee Stock options outstanding		
Opening balance as per last balance sheet	37.13	28.80
Add: Options granted during the year (net)	(4.75)	14.35
Less: Exercised during the year	(5.27)	(6.02)
Less: Lapsed during the year	-	-
Balance at the end of the Year (A)	27.11	37.13
- Deferred Employees Stock Options Cost		
Opening balance as per last balance sheet	21.68	14.01
Add: Options granted during the year (net)	(4.75)	14.35
Less: Amortised during the year in statement of P&L account	(3.80)	(2.18)
Less: Amortised during the year in Cost of investment in subsidiary	(1.39)	(4.50)
Balance at the end of the Year (B)	11.74	21.68
(A-B)	15.37	15.45
e) Surplus in the Statement of Profit & Loss		
Balance at the beginning of the Year	880.01	714.84
Add: Profit during the Period	234.26	187.87
Final Dividend paid for FY 21-22	(15.16)	(11.35)
Interim Dividend Paid for FY 21-22	(15.16)	(11.35)
Balance at the end of the Year	1,083.95	880.01
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	0.19	0.09
Add/(Less); Additions during the year	0.11	0.10
Balance at the end of the Year	0.30	0.19
Total	1,124.73	915.49

* Share Application Money Pending Allotment is ₹ Nil as on 31/03/2023 (₹ 13,332 as on 31/03/2022)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	0.48	0.16
Total	0.48	0.16

NOTE 17: DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Deferred Tax Liabilities on account of timing differences	14.14	21.79
Total	14.14	21.79

NOTE 18: OTHER NON CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Government Grant -Refer Note (a) below	1.80	2.68
Others	-	-
Total	1.80	2.68

- (a) Systematic recognition of Government grant, in the nature of waiver of duty on depreciable tangible assets, over the useful life of the such assets.
Refer Note 2A

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 19: TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer Note- 35)	0.11	1.16
Total outstanding dues of creditors other than micro enterprises and small enterprises	81.31	63.86
Total	81.42	65.02

Trade Payables Ageing As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME	0.11	-	-	-	-	0.11
(ii) Others	51.73	29.58	-	-	-	81.31
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-

Trade Payables Ageing As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME	1.16	-	-	-	-	1.16
(ii) Others	48.17	15.69	-	-	-	63.86
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-

NOTE 20: LEASE LIABILITY (CURRENT LIABILITY)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	0.86	0.46
Total	0.86	0.46

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 21: OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Creditors for Capital Goods	5.51	1.22
Unclaimed Dividend	2.37	2.26
Salary and bonus payable	1.20	1.02
Provision for CSR	11.24	7.24
Total	20.32	11.74

NOTE 22: PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity(Net)	0.17	0.75
Provision for Compensated absences	-	0.45
Total	0.17	1.20

NOTE 23: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues payable	0.86	0.85
Advance received from Customers	43.22	19.61
Total	44.08	20.46

NOTE 24: REVENUE FROM OPERATIONS

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Revenue From Operations	520.62	522.42
Sale of products	519.28	516.82
Service income	1.34	5.60
Other operating revenues		
Export Incentives	7.99	5.64
Total	528.61	528.06

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 25: OTHER INCOME

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest Income	33.00	21.39
Interest Income from Subsidiary	7.36	1.48
Dividend on Non Current investment from subsidiary Company (a)	46.18	23.05
Share of Profit/ (loss) in LLP from Non Current investment from Subsidiary LLP (b)	0.06	0.05
Realised Gain on sale of financial instruments	1.83	0.88
Fair value gain/(loss) on financial instruments through profit or loss	(0.54)	(0.14)
Gain on Foreign exchange (net)	9.39	8.33
Govt Grant (c)	0.87	0.82
Profit on sale of Assets	0.05	0.43
Miscellaneous Income	0.80	0.26
Total	99.00	56.55

(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.

NOTE 26: COST OF MATERIALS CONSUMED

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Opening Stock	23.30	14.36
Add : Purchases (Net)	158.40	164.95
Less Closing Stock	30.35	23.30
Total	151.35	156.01

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 27: CHANGES IN INVENTORIES OF FINISHED GOODS INCLUDING STOCK -IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Inventories at the end of the year		
Work in Progress	3.94	2.64
Finished Goods	16.29	14.37
Stock-in-Trade	0.95	2.50
(A)	21.18	19.51
Inventories at the beginning of the year		
Work in Progress	2.64	1.58
Finished Goods	14.37	4.36
Stock-in-Trade	2.50	4.57
(B)	19.51	10.51
Net (Increase) / Decrease in Inventories (B- A)	(1.67)	(9.00)

NOTE 28: EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries,wages, bonus and allowances	27.95	24.00
Contribution to Provident and Other funds	1.45	1.25
Gratuity expense (Refer Note 37)	0.56	0.68
Employee share based expense	3.80	2.18
Staff Welfare Expenses	2.92	2.36
Total	36.68	30.47

NOTE 29: FINANCE COSTS

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest Expense*	-	0.00
Interest Expense on Lease	0.12	0.09
Total	0.12	0.09

* interest expense amounts to ₹ 1,571 for the year ended March 31,2022

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 30: DEPRECIATION AND AMORTISATION

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation on property, plant and equipment (Refer note: 2A)	23.68	24.10
Amortisation of Intangible Assets (Refer note:2C)	1.27	1.01
Depreciation on ROU Asset (Refer note: 2D)	0.70	0.66
Total	25.65	25.77

NOTE 31: RESEARCH AND DEVELOPMENT EXPENSES

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
R & D Expenses (Refer note 40)	28.45	23.87
Total	28.45	23.87

NOTE 32: OTHER EXPENSES

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Loss on Sale of Asset	0.36	0.31
Power and Fuel	9.89	9.54
Contract Labour charges	5.76	4.92
Other Manufacturing Expenses	3.33	1.14
Communication Expenses	0.51	0.47
Donations	0.12	0.10
Corporate Social Responsibility (Refer Note 49)	4.84	4.47
Professional and Consultancy charges	2.62	2.97
Rates & taxes including ANDA Application fees	0.54	1.00
Travelling Expenses	2.46	1.22

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Auditors' Remuneration -(Refer note:41)	0.20	0.17
Insurance	0.64	0.63
Repairs and Maintenance		
a) Plant and Machinery	1.49	2.65
b) Building	1.92	1.56
c) Others	1.23	0.54
Rent & Amenities	0.96	0.95
Freight outwards	3.91	12.23
Sundry Expenses	4.72	4.58
Total	45.50	49.45

NOTE 33: COMMITMENT (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account	19.77	10.69
Other Commitments (Raw material, Packing Material, Finished Goods, Other services)	49.01	25.41
Interim dividend of ₹ 2.00 (100%) per equity share of ₹ 2 each for the Financial Year 2022-23 payable after 9th June' 2023, not recognized as a liability in the financial statements for the year ended 31st March' 2023 (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)	15.18	15.16

NOTE 34: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

Disputed statutory dues:

Name of the statute	Nature of dues	As at March 31, 2023	As at March 31, 2022	Forum where dispute is pending
Income Tax Act, 1961	Income tax	0.64	0.71	DCIT,Chennai

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 35: DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2022-23, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE “SUPPLIERS” REGARDING THEIR STATUS UNDER THE ACT

Particulars	As at March 31, 2023	As at March 31, 2022
(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	0.11	1.16
Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE 36: BALANCES WITH SCHEDULED BANKS IN DEPOSIT ACCOUNTS INCLUDES:

- (a) Bank Deposit Accounts under Note no: 11 for the current year include ₹ 4.68 Crores (as at 31.03.2022 ₹ 0.02 Crores) earmarked as lien towards Margin for Letter of Credit and Bank Guarantee .

NOTE 37: EMPLOYEE BENEFITS

(i) Defined Contribution Plan:

Contributions to defined contributions schemes as employees' state insurance, labour welfare fund, etc are charged as expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contributions is made to a Government administered fund and charged as expense to the Statement of Profit and Loss. The contributions payable to these plans are at the rates specified in the rules of the schemes.

The Company recognized ₹ 1.94 Crores (Previous year ₹ 1.70 Crores) towards provident and pension fund contributions, ₹ 0.22 Crores (previous year ₹ 0.18 Crores) towards ESI in the Statement of Profit and Loss. (refer Note-28 & 40)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

(ii) Defined Benefit Plan:

a. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes contributions to Life Insurance Corporation of India (LIC). The Company accounts for the liability for gratuity benefits payable in the future based on actuarial valuation

b. Compensated Absences

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows.

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Longevity risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
a. Change in Defined Benefit Obligation during the period				
Present Value of Obligation at the beginning of the year	4.14	3.38	1.30	1.19
Current service cost	0.86	0.89	0.10	0.09
Interest cost	0.32	0.25	0.09	0.04
Remeasurement Gains/(Losses):				
- Due to finance assumption	0.04	(0.14)	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
- Due to experience assumption	0.04	(0.07)	-	-
Actuarial Gains/(Losses)	-	-	0.88	0.49
Benefits paid	(0.35)	(0.17)	(0.65)	(0.51)
Present Value of Obligation at the End of the year	5.05	4.14	1.72	1.30
b. Change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	3.39	2.22	0.85	1.21
Actuarial Gains/(Losses)	0.24	(0.11)	0.12	(0.06)
Interest Income	0.25	0.15	0.06	0.08
Contribution by the employer	1.36	1.30	1.20	-
Benefits paid	(0.35)	(0.17)	(0.47)	(0.38)
Fair Value of the plan assets at the end of the year	4.89	3.39	1.76	0.85

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
a. Amount recognised in Balance Sheet				
Projected benefit obligation at the end of the year	(5.05)	(4.14)	(1.72)	(1.30)
Fair value of plan assets at end of the year	4.89	3.39	1.76	0.85
Funded status of the plans - Liability recognised in the balance sheet	(0.17)	(0.75)	0.04	(0.45)
b. Components of defined benefit cost recognised in Statement of Profit and Loss				
Current service cost	0.86	0.89	0.10	0.09
Net Interest Expense	0.07	0.10	0.03	(0.04)
Remeasurements	-	-	0.76	0.55
Total Defined Benefit Cost recognised in Statement of Profit and Loss	0.93	0.99	0.89	0.60

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
b. Components of defined benefit cost recognised in Other Comprehensive Income				
Remeasurement due to:				
– Change in finance assumption	0.04	(0.14)	-	-
– Change in experience adjustment	0.04	(0.07)	-	-
– Return of Plan Assets	(0.24)	0.11	-	-
Total Defined Benefit Cost recognised in Other Comprehensive Income	(0.15)	(0.10)	-	-

Actuarial Assumptions used for Valuation of Gratuity and Compensated Absences

Assumptions	As at March 31, 2023	As at March 31, 2022
Economic Assumptions		
Discount Rate	7.33%	7.44%
Salary Escalation Rate	7.00%	7.00%
Expected Rate of Return on Assets	7.33%	7.44%
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, 2023
(All amounts are in ₹ Crores unless otherwise stated)

Sensitivity Analysis	As at March 31, 2023	As at March 31, 2022
Discount Rate		
- 1% increase (+100 Basis Points)	(0.38)	(0.32)
- 1% decrease (-100 Basis Points)	0.44	0.36
Salary Escalation Rate		
- 1% increase (+100 Basis Points)	0.35	0.30
- 1% decrease (-100 Basis Points)	(0.33)	(0.28)
Withdrawal Rate		
- 1% increase (+100 Basis Points)	0.02	0.01
- 1% decrease (-100 Basis Points)	(0.03)	(0.02)

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, 2023	As at March 31, 2022
Year-1	0.71	0.52
Year-2	0.35	0.31
Year-3	0.34	0.31
Year-4	0.36	0.30
Year-5	0.48	0.31
Beyond 5 years	2.09	1.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 38: INCOME TAXES:

- a. Tax expenses recognised in profit and loss:

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Current Tax Expense for the year	66.58	61.62
Deferred income tax liability/ (asset), net	(7.65)	0.82
Tax expense for the year	58.93	62.44

- b. Reconciliation of effective tax rate:

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Profit before Tax	293.15	250.31
Tax using the Company's domestic tax rate @ 25.168%	73.78	63.00
Tax effect of :		
Tax impact on Donation & CSR expenses disallowance	1.25	1.15
Tax on Foreign dividend income received by the company is exempt on redistribution of the same as dividend by the company	(11.62)	(5.80)
Tax incentive on additional employment	(0.19)	(0.08)
Tax impact on Actual Gain on Mutual fund & shares	-	(0.10)
Tax impact on fair value of Mutual fund & shares (Disallowance)	0.14	0.04
Tax impact - Timing difference on R&D capital asset, book and tax depreciation and others	(4.43)	4.23
Current and Deferred Tax expenses as per note (a) above	58.93	62.44

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)

c. Movement in deferred tax balances

Deferred Tax Liability	As at March 31, 2022	For the Year ended March 31, 2023	As at March 31, 2023
Property, plant and equipment	21.79	(7.65)	14.14
Total	21.79	(7.65)	14.14

NOTE 39: REMUNERATION TO MANAGING DIRECTOR/WHOLE-TIME DIRECTORS

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries	0.83	0.52
Contribution to provident and other funds	0.04	0.04
Total*	0.87	0.56

* Refer note 44 (C)

NOTE 40: RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Capital expenditure included in Fixed Assets	2.04	1.09
Revenue expenditures incurred during the Financial Year - Refer Note 40(i) below	28.45	23.87
Total	30.49	24.96

i. Revenue expenditure includes

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cost of Consumables	6.73	5.32
Employee Benefit Expenses	15.64	13.43
- Includes Contribution to Provident and Other funds for the year ended March 31, 2023 ₹ 0.72 Crores (March 31, 2022: ₹ 0.63 Crores)		
- Includes Gratuity Expenses for the year ended March 31, 2023 ₹ 0.36 Crores (March 31, 2022: ₹ 0.31 Crores)		
Other Expenses	6.08	5.12
Total	28.45	23.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 41: AUDITORS' REMUNERATION COMPRISES OF FEES: (EXCLUDING APPLICABLE TAX)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
For Statutory Audit	0.16	0.13
For Tax Audit*	0.04	0.04
For Others	0.01	0.01
Total	0.20	0.17

*Tax Audit fee of ₹ 3,50,000

NOTE 42: EARNINGS PER SHARE IS CALCULATED AS UNDER

Basic

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Net Profit attributable to Equity Shareholders (₹ in Crores)	234.26	187.87
Weighted average number of equity shares of ₹ 2/- each outstanding during the year (in Nos.)	7,58,28,864	7,56,97,306
Earnings per share (in ₹)	30.89	24.82

Diluted

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Net Profit attributable to Equity Shareholders (₹ in Crores)	234.26	187.87
Weighted average number of equity shares of ₹ 2/- each outstanding during the year (in Nos.)	7,65,07,964	7,63,66,422
Earnings per share (in ₹)	30.62	24.60

NOTE 43: AMOUNT DUE TO INVESTOR EDUCATION AND PROTECTION FUND

The due amount of ₹ 0.50 Crores (PY : ₹ 0.29 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 44: RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW.

(a) Related parties and nature of relationship

Name of the Related parties	Nature of Relationship	Percentage of Shares held by Caplin point laboratories limited as at March 31, 2023	Percentage of Shares held by Caplin point laboratories limited as at March 31, 2022
Caplin Point Meenakshi CSR Trust	Trust in which Promoter/ Promoter Group are Board of Trustees.	NA [^]	NA [^]
Mr. Vivek Siddharth,	Relative of Chairman	NA	NA
Caplin Point Far East Limited, (Hong Kong)	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin Point (S) PTE Ltd	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin Onco Ltd	Wholly owned Subsidiary Company	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%
Caplin Point Laboratories Colombia SAS, (Colombia)*	Subsidiary Company	-	87.69%
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%
Sunsole solar Private limited	Associate of Caplin Steriles Limited	28.01%	28.01%

[^]Trust formed by the Company for undertaking its CSR activities.

*The Shares of Company's Subsidiary entity in Colombia namely Caplin Point laboratories Colombia, SAS, (Colombia) has been transferred to the Company's wholly owned subsidiary Caplin Point Far East Limited on 28th March 2023.

**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 FY22-23.

(b) Key Managerial Personnel

Dr. Sridhar Ganesan	- Managing Director
Mr. D Muralidharan	- Chief Financial Officer
Mr. G Venkatram	- Company Secretary from 05-08-2022
Mr. Dinesh R G	- Company Secretary upto 24-06-2022

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

(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, 2023	For the Financial Year ended March 31, 2022
Remuneration*		
Mr.Vivek Siddharth-Chief Operating officer (Related Party)	0.19	0.19
Dr. Sridhar Ganesan**	0.87	0.56
Mr. D Muralidharan***	0.96	0.80
Mr. G Venkatram -For the period from 05.08.2022 to 31.03.2023	0.23	-
Mr. R G Dinesh - upto 24.06.2022	0.03	0.11

* Remuneration includes Basic salary, House Rent Allowance, Special Allowance, Leave Travel Assistance, Medical Reimbursement, contribution to Provident Fund and such other perquisites, payable to Key Management Personnel, as per Company Policy except Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis.

** Remuneration to Dr. Sridhar Ganesan includes Perquisites value of stock option amounting to ₹ 0.30 Cr (PY:Nil) pertaining to allotment of 4,000 (PY:Nil) equity shares under ESOP scheme during the year.

*** Remuneration to Mr. D Muralidharan includes Perquisites value of stock option amounting to ₹ 0.61 Cr (PY: ₹ 0.39 Cr) pertaining to allotment of 9,000 (PY: 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, 2023	For the Financial Year ended March 31, 2022
Share of Profit (Loss) in Argus Salud Pharma LLP	0.06	0.05
Investment in Caplin Onco Ltd	31.74	34.26
Investment in Caplin Point Laboratories Colombia SAS	0.38	0.38
Disinvestment in Caplin Point Laboratories Colombia SAS	2.32	-
Sale of MEIS Licence/ RODTEP Scrip to Caplin Steriles Limited	0.11	1.47
Corporate Office common expenses from Caplin Steriles limited	0.55	0.58
Recovery of Software and system related expenses from Caplin Steriles Ltd	0.93	0.18
Sale of Assets and Materials to Caplin Steriles Limited	0.03	1.16

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the Financial Year ended March 31, 2023	For the Financial Year ended March 31, 2022
Purchase of Assets and Materials from Caplin Steriles Limited	0.76	1.15
Rent received from Caplin Steriles limited	0.05	0.05
Capex Loan given to Caplin Steriles Limited	116.25	39.75
Interest on Capex Loan received from Caplin Steriles Limited	7.36	1.48
Sale of goods to DROGUERIA SAIMED DE HONDURAS - HS	26.82	43.25
Sale of goods to Nuevos Eticos Neoethicals, S A - GT	116.07	124.36
Sale of goods to Neo Ethicals S.A Nicaragua	60.96	36.34
Sale of goods to Neo Ethicals CIA.LTDA-Ecuador	58.74	30.93
Purchase of Asset from Caplin Onco Ltd	0.62	-
Sale of Assets to Caplin Onco Ltd	0.17	-
Rent received from Caplin Onco Ltd	0.26	0.07
Reimbursement of expenses from Caplin Onco Ltd (i)	0.00	-
SAP License charges recovered from Caplin onco Ltd (ii)	-	0.00
Rent & Consultancy charges paid to Ashvich Infotek Private Limited	0.80	1.14
Amount contributed to Caplin Point Meenakshi CSR Trust	0.50	-
Dividend income received from Caplin point Far East Limited	46.18	23.05

(i) Reimbursement of expenses from Caplin Onco Ltd amounts to ₹ 7,956

(ii) SAP License charges amounts to ₹ 39,574 in FY22

(e) Outstanding Balances

Particulars	As at March 31, 2023	As at March 31, 2022
Amount receivable/ (Payable) from Argus Salud Pharma LLP	0.06	0.05
Amount receivable/ (Payable) from Nuevos Eticos Neo Ethicals S.A - Guatemala	27.31	10.85
Amount receivable/ (Payable) from DROGUERIA SAIMED DE HONDURAS - HS	(18.59)	(1.48)
Amount receivable/ (Payable) from Neo Ethicals S.A Nicaragua	(4.84)	(14.84)
Amount receivable/ (Payable) from Neo Ethicals CIA.LTDA-Ecuador	24.00	0.30
Balance outstanding w.r.t Loan given to Caplin Steriles Ltd	156.00	39.75
Amount receivable/(Payable) to Ashvich Infotek Private Ltd.	(0.04)	(0.04)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

FINANCIAL INSTRUMENTS:

NOTE 45: 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 2023			As at 31 March 2022		
	Carrying Amount			Carrying Amount		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial Assets						
Non - Current Investments -equity	0.74	-	0.74	0.60	-	0.60
Investment in Corporate Bonds	-	68.30	68.30	-	35.01	35.01
Non - Current Loans						
-Loan to Subsidiary	-	156.00	156.00	-	39.75	39.75
Other Non Current Financial Assets	-	2.20	2.20	-	26.10	26.10
Other Current Financial Assets	-	71.07	71.07	-	130.02	130.02
Current Investments	20.27	138.90	159.17	51.97	-	51.97
Trade Receivable	-	88.24	88.24	-	53.73	53.73
Cash and Cash Equivalents	-	122.02	122.02	-	81.01	81.01
Other Bank Balances other than Cash and Cash Equivalents	-	149.36	149.36	-	235.07	235.07
Total	21.01	796.08	817.10	52.57	600.69	653.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Carrying Amount			Carrying Amount		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial Liabilities						
Non - Current Borrowings	-	-	-	-	-	-
Non - Current Lease Liability	-	0.48	0.48		0.16	0.16
Trade Payables	-	81.42	81.42	-	65.02	65.02
Current -Lease Liability	-	0.86	0.86		0.46	0.46
Current Borrowings	-	-	-		-	-
Other Current financial Liabilities	-	20.32	20.32	-	11.74	11.74
Total		103.07	103.07	-	77.38	77.38

(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

C. Financial risk management:

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

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 2023	As at 31.03 2022
Neither past due nor impaired	88.24	53.73
Total	88.24	53.73

Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g timeliness of payments, available information, etc) and applying experienced credit judgement.

Exposures to the customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses, if any. Historical trends of impairment of trade receivables reflects no credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of "no credit loss" to continue.

No allowance for impairment in respect 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 ₹ 122.02 Crores (31.03.2022 ₹ 81.01 Crores). The cash and cash equivalents are held with banks with good credit rating.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Other Bank balances

As at the year end, the Company held other Bank balance of ₹ 149.36 Crores (31.03.2022 ₹ 235.07 Crores). The balances are held with banks with good credit rating.

Investment in mutual funds & Corporate Bonds

As at the year end, the Company held Investment in Mutual Fund & Corporate Bonds of ₹ 227.47 Crores (31.03.2022 ₹ 86.98 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 ₹ 51.01 Crores (31.03.2022 ₹ 142.50 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 was sanctioned working capital limits to the extent of ₹ 57.6 crores on the basis of security of Land and Factory building and Current Assets by various Banks. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds which carry no/low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintain financial flexibility.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted. ₹ in Crores

As at 31 March 2023	Carrying amount	Contractual cash flow					
		Total	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years
Non - derivative financial liabilities							
Borrowing	-	-	-	-	-	-	-
Interest Payable on non-current borrowing	-	-	-	-	-	-	-
Lease Liability	1.34	1.34	0.86	0.31	0.16	-	-
Trade payables	81.42	81.42	81.42	-	-	-	-
Other current Financial Liabilities	20.32	20.32	20.32	-	-	-	-
Total	103.07	103.07	102.60	0.31	0.16	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(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	65.02	65.02	65.02	-	-	-	-
Other current Financial Liabilities	11.74	11.74	11.74	-	-	-	-
Total	77.38	77.38	77.22	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 available in the form of foreign currency realised from exports are paid against imports.

Currency risk

The Company is exposed to currency risk on account of its export and import of pharmaceuticals and import of raw material, capital goods, etc. The functional currency of the Company is Indian Rupee, where as majority of its export and imports are settled through USD(\$).

Exposure to Currency risk

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	USD in Crores	₹ in Crores	USD in Crores	₹ in Crores
Export Debtors	1.07	87.78	0.69	52.50
Cash and cash equivalents	0.20	16.44	0.08	6.09
Total	1.27	104.22	0.77	58.59
Creditors	0.04	3.62	0.03	2.17
Total	0.04	3.62	0.03	2.17
Net statement of financial position exposure	1.23	100.59	0.74	56.42

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Sensitivity analysis

A reasonable strengthening (weakening) of the Indian Rupee against US dollars as at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

1% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in increase / decrease in the profit before taxes by approximately ₹ 1.01 Crore for the year ended March 31, 2023 (₹ 0.56 Crores for the year ended March 31, 2022)

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 2023 and 31 March 2022, 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 2023, 31 March 2022, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

NOTE 46: THE RATIOS FOR THE YEARS ENDED MARCH 31, 2023 AND MARCH 31, 2022 ARE AS FOLLOWS :

Ratio	Definition of ratios	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Variance	Reason (If variation is more than 25%)
Current Ratio (Number of times)	Ratio that indicates company's capacity to repay short-term loans or those due within one year	Current Assets	Current Liabilities	4.52	6.13	(26.18)%	Increase in other Current liabilities (Advance received from customers) in the current year

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Ratio	Definition of ratios	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Variance	Reason (If variation is more than 25%)
Debt - Equity Ratio	Debt Equity ratio is a measure of the degree to which a company is financing its operations through debt versus wholly owned funds.	Total Debt	Shareholder's Equity	NA	NA		
Debt Service Coverage Ratio	This ratio is used to analyse the firm's ability to pay-off current interest and instalments	Earnings available for debt service	Debt Service	NA	NA		
Return on Equity Ratio	Ratio that measures company/proficiency to generate profits from its shareholders investment.	Net Profits after taxes	Average Shareholder's Equity	22.63%	22.24%	1.73%	
Inventory Turnover ratio (Number of times)	Inventory Turnover measures the efficiency with which a company utilises or manages its inventory. It establishes the relationship between Cost of Goods Sold and average inventory held during the period	Cost of goods sold	Average Inventory	4.20	6.05	(30.57)%	Higher closing Inventory considering safety stock
Trade receivables turnover ratio (Number of times)	Ratio that measures how efficiently a firm manages its receivables.	Net Sales	Avg. Accounts Receivable	7.45	6.94	7.31%	
Trade Payables turnover ratio (Number of times)	Ratio that depicts the efficiency with which the business makes payment to the creditors.	Net Purchases	Average Trade Payables	2.82	3.29	(14.28)%	
Net Capital turnover ratio	Ratio that indicates a company's effectiveness in using its working capital	Net Sales	Working Capital	1.02	1.04	(1.90)%	
Net Profit ratio	The Net Profit Margin is equal to how much net profit is generated as a percentage of revenue	Net Profit	Total Income	37.33%	32.14%	16.15%	
Return on Capital employed	Return on Capital Employed indicates the ability of a company's management to generate returns for both the debt holders and the equity holders.	Earning before interest and taxes	Capital Employed	25.73%	26.91%	(4.38)%	
Return on Investment	Return on investment (ROI) is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments	Income during the year	"Time weighted average of investment"				
(a)	Return on Mutual Funds			7.01%	6.72%	4.32%	
(b)	Return on Fixed Deposit			6.45%	5.90%	9.37%	
(c')	Return on Bonds			7.39%	7.24%	2.07%	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 47: CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on the capital as well as the level of dividends to ordinary shareholders.

As on date the Company has no borrowings.

NOTE 48: SEGMENT REPORTING

The company is engaged in manufacture of pharmaceuticals formulations which is the only business segment determined in accordance with the IndAS 108, "Operating segment". Hence there are no reportable business segments to be disclosed as required by the said standard.

NOTE 49: CSR

Particulars	For the year Ending March 2023	For the year Ending March 2022
(i) Amount required to be spent by the company during the year,	4.84	4.47
(ii) Amount required to be set off for the financial year ,if any	-	(0.10)
(iii) Amount of expenditure incurred,	0.34	1.21
(iv) Shortfall at the end of the year,	4.50	3.15
(v) Total of previous years shortfall*,	6.79	3.99
(vi) Reason for shortfall,	The company has identified some long term projects where the CSR funds shall be utilised during next few years.	The company has identified some long term projects where the CSR funds shall be utilised during next few years.
(vii) Nature of CSR activities,	Sanitation,Healthcare facilities,Educational Infrastructure	Sanitation,Healthcare facilities,Educational Infrastructure,setting up care homes for orphans and women
(viii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	0.50**	-
(ix) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

*Unspent balance lying in Caplin point Meenakshi CSR Trust bank account is included in the above balance.

**During the year Company has transferred ₹ 0.50 Cr to Caplin Point Meenakshi CSR Trust and out of which, the Trust has spent ₹ 0.35 Cr during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 50: ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

- (i) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- (ii) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (iii) The Company does not have any borrowings from banks or financial institutions against security of its current assets.
- (iv) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (v) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (vi) No Scheme of Arrangements has been approved by the competent Authority in terms of sections 230 to 237 of the Companies Act 2013, during the year
- (vii) Utilisation of borrowed funds and share premium
 - I The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
 - II The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (viii) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (ix) The Company has not traded or invested in crypto currency or virtual currency during the year.
- (x) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 51: DISCLOSURE AS PER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company has given Loan to Caplin Steriles Ltd (Subsidiary Company) amounting to ₹ 156 Crs as at 31st March 2023. (The maximum amount of loan outstanding during the year is ₹ 156 Crs) for its Capex purposes. The terms of such transaction have been recorded in writing.

NOTE 52: NOTE ON SOCIAL SECURITY CODE 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE 53: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;
CIN: L24231TN1990PLC019053

K.Parthasarathy
Partner
ICAI Membership No. 018394

C.C. Paarthipan
Chairman
DIN:01218784

Dr.Sridhar Ganesan
Managing Director
DIN:06819026

Muralidharan D
Chief Financial Officer

Venkatram G
General Counsel & Company Secretary

Place : Chennai
Date : 27th May, 2023

Place : Chennai
Date : 27th May, 2023

**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 2023, 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 auditors 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 2023, 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 Boards 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 ₹ 1,826.43 Crores as at 31 March 2023, total revenue (before consolidation adjustments) of ₹ 1,396.06 Crores and total net profit after tax (before consolidation adjustments) of ₹ 210.83 Crores and Total Comprehensive Income of ₹ 253.70 Crores and the Group's share of net profit after tax (before consolidation adjustments) of ₹ 0.08 crore 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 2023 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 2023 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 2023.
- 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 explanation given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statement 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.
- j) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group with effect from April 1, 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **M/s CNGSN & ASSOCIATES LLP**

CHARTERED ACCOUNTANTS

Firm Registration No: 004915S/S200036

K.Parthasarathy

Partner

Place: Chennai

Date: 27th May 2023

Membership No: 018394

UDIN: 23018394BGWVDI3061

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 2023

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 2023, 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 unauthorized 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 2023, 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

K.Parthasarathy

Partner

Membership No: 018394

UDIN: 23018394BGWVDI3061

Place: Chennai

Date: 27th May 2023

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2A	267.01	276.66
(b) Capital work-in-progress	2B	220.48	15.41
(c) Intangible assets	2C	10.94	8.53
(d) Right of Use Assets	2D	1.86	1.38
(e) Intangible Assets under development	2E	0.23	2.32
(f) Financial Assets			
(i) Investments	3	70.52	37.01
(ii) Other Financial Assets	4	4.19	28.71
(g) Income tax assets (Net)		3.49	-
(h) Deferred Tax Assets (Net)	5	13.83	6.21
(i) Other Non-Current assets	6	44.39	62.27
Sub-total-Non current assets		636.94	438.50
(2) Current Assets			
(a) Inventories	7	288.22	227.31
(b) Financial Assets			
(i) Investments	8	159.17	51.97
(ii) Trade Receivables	9	394.06	317.05
(iii) Cash and Cash equivalents	10	177.56	150.76
(iv) Bank balances other than (iii) above	11	315.92	312.23
(v) Other Financial Assets	12	71.93	130.84
(c) Other Current Assets	13	147.60	107.66
Sub-total-Current assets		1,554.46	1,297.82
Total		2,191.40	1,736.32
EQUITY AND LIABILITIES			
(1) Equity			
Equity Share capital	14	15.18	15.16
Instruments entirely equity in nature	15	74.58	74.58
Other Equity	16	1,790.72	1,394.19
Equity attributable to shareholders of the company		1,880.48	1,483.93
Non controlling interest		26.79	25.95
Sub-total-Equity		1,907.27	1,509.88
(2) Liabilities			
(A) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	17	0.93	1.17
(b) Provisions	18	7.78	6.06
(c) Income tax Liabilities (Net)		-	2.42
(d) Other non current liabilities	19	7.42	9.11
Sub-total-Non current liabilities		16.13	18.76
(B) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	3.41	0.50
(ii) Trade Payables			
(a) total outstanding dues of micro and small enterprises	21	0.12	1.57
(b) total outstanding dues other than (ii) (a) above	21	164.25	154.37
(iii) Lease Liabilities	22	1.14	0.46
(iv) Other financial Liabilities	23	71.63	38.29
(b) Provisions	24	0.28	2.56
(c) Other Current Liabilities	25	27.17	9.93
Sub-total-Current liabilities		268.00	207.68
Total Equity and Liabilities		2,191.40	1,736.32

The accompanying notes are 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

K.Parthasarathy

Partner

ICAI Membership No. 018394

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

CIN: L24231TN1990PLC019053

C.C. Paarthipan

Chairman

DIN:01218784

Muralidharan D

Chief Financial Officer

Place : Chennai

Date : 27th May, 2023

Dr.Sridhar Ganesan

Managing Director

DIN:06819026

Venkatram G

General Counsel & Company Secretary

Place : Chennai

Date : 27th May, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I. INCOME			
(a) Revenue from Operations	26	1,466.73	1,269.41
(b) Other income	27	55.98	38.75
Total Income -(a+b)		1,522.71	1,308.16
II. EXPENSES			
(a) Cost of Materials Consumed	28	206.28	192.31
(b) Purchases of Stock-in-Trade		503.87	397.12
(c) Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade	29	(46.94)	(31.92)
(d) Employee benefits expense	30	136.99	115.30
(e) Finance costs	31	0.78	0.70
(f) Depreciation and Amortisation Expenses	32	44.99	46.90
(g) Research and Development Expenses	33	63.19	59.27
(h) Other expenses	34	162.28	142.66
Total Expenses		1,071.44	922.34
III. Profit before share of profit in Associate, Exceptional Items and tax (I-II)		451.27	385.82
IV. Share of Profit in Associate		0.08	-
V. Exceptional Items		-	-
VI. Profit Before Tax (III-IV-V)		451.35	385.82
VII. Tax Expense (Net)			
- Current Tax		82.09	83.91
- Deferred tax (Benefits)/Charge		(7.73)	(6.54)
Total tax expense		74.36	77.37
VIII. Profit for the Year (VI-VII)		376.99	308.45
IX. Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
(i) Remeasurement of Defined Benefit Plans		0.43	0.09
(ii) Income tax relating to these items		(0.11)	-
		0.32	0.09
Items that will be reclassified to Profit or Loss			
(i) Exchange difference in translating the financial statements of foreign operations		42.43	14.17
		42.43	14.17
Other Comprehensive Income/(loss), net of tax		42.75	14.26
X. Total Comprehensive Income for the Year (VIII-IX)		419.74	322.71
XI. Profit attributable to:			
Owners of the Company		376.26	299.84
Non - Controlling Interests		0.73	8.61
		376.99	308.45
XII. Total Comprehensive Income for the Period attributable to :			
Owners of the Company		419.01	314.10
Non - Controlling Interests		0.73	8.61
		419.74	322.71
Earning Per Equity Share (Nominal value per share ₹ 2/-)	44		
Basic EPS		49.62	39.61
Diluted EPS		49.18	39.26

The accompanying notes are 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

K.Parthasarathy
Partner
ICAI Membership No. 018394

Place : Chennai
Date : 27th May, 2023

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;
CIN: L24231TN1990PLC019053

C.C. Paarthipan
Chairman
DIN:01218784

Muralidharan D
Chief Financial Officer

Place : Chennai
Date : 27th May, 2023

Dr.Sridhar Ganesan
Managing Director
DIN:06819026

Venkatram G
General Counsel & Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash Flow from Operating Activities		
Profit before tax	451.35	385.82
<u>Adjustments for:</u>		
Depreciation and Amortisation expense	44.99	46.90
Finance costs	0.78	0.70
Government grant	(1.59)	(1.54)
(Profit)/Loss on sale/disposal of property, plant and equipment	0.36	1.17
Expenses for Increasing the Authorised share capital of a Subsidiary	0.00	0.76
Employee Stock option Scheme Expense	5.19	6.67
Net Unrealised Foreign Exchange Fluctuation Loss (Gain)	(1.18)	0.04
Fair value (gain)/loss on financial instruments through profit or loss	0.54	0.14
Realised gain on Financial Assets	(1.83)	(0.90)
Share of Profit in Associate	(0.08)	0.00
Interest income	(35.41)	(23.50)
Operating Profit before Working Capital changes	463.12	416.27
<u>Adjustments for :</u>		
(Increase) / Decrease in inventories	(60.90)	(48.31)
(Increase) / Decrease in Trade receivables	(77.01)	(40.70)
(Increase) / Decrease in Other Financial assets	(0.17)	(1.18)
(Increase) / Decrease in Other assets	(39.93)	(5.76)
Increase/(Decrease) in Trade payables ,Other Liabilities & Provisions	31.83	83.74
Impact of Foreign currency translation	42.43	14.17
CASH GENERATED FROM OPERATIONS	359.37	418.23
Income tax Paid (Net)	(88.00)	(81.50)
Net Cash inflow / (outflow) from Operating activities (A)	271.37	336.73
B. Cash Flow from Investing Activities		
Sale / (Purchase) of investments	(141.25)	(76.53)
Investment/(Redemption) in Bank Deposits & Inter corporate Debenture	92.18	(122.33)
Proceeds from sale of Equity shares/(Investment in Equity shares)	0.00	(1.40)
Increase/(Decrease) in Other Bank Balances	(3.69)	(105.83)
Sale / (Purchase) of property, plant and equipment (Including CWIP)	(193.47)	(91.18)
Interest received	26.82	19.60
Realised gain on Financial Assets	1.83	0.90
Net Cash inflow / (outflow) from Investing activities (B)	(217.58)	(376.77)
C. Cash Flow from Financing Activities		
Proceeds from exercise of employee stock options*	0.02	0.03
Expenses for Increasing the Authorised share capital of a subsidiary	0.00	(0.76)
Increase/(Decrease) in Long and Short term Borrowings	2.91	(16.56)
Interest paid (Including interest on Lease liability)	(0.78)	(0.70)
Dividend paid	(30.32)	(22.69)
Net Cash inflow / (outflow) from Financing activities (C)	(28.17)	(40.68)
Net increase / (decrease) in cash and cash equivalents during the year (D=A+B+C)	25.62	(80.72)
Cash and Cash Equivalents as at the beginning of the year (E')	150.76	231.57
Effect of exchange rate changes on cash and cash equivalents (F)	1.18	(0.09)
Cash and Cash Equivalents as at the end of the year (G=D+E+F)	177.56	150.76
Less: Bank Balance in Unspent CSR Account	6.64	3.99
Net Cash and Cash Equivalents as at the end of the year (I=G-H)	170.92	146.77

(All amounts are in ₹ Crores unless otherwise stated)

Notes:

*Proceeds from exercise of employee stock options amounting to ₹ 2,27,740 (PY:₹ 2,92,252) for 1,13,870 Shares (PY:1,46,126 Shares) under ESOP exercised during the year ended March 2023.

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, 2023	For the year ended March 31, 2022
Cash And Cash Equivalents As Per Balance Sheet	177.56	150.76
Total Cash And Cash Equivalents As Per Balance Sheet	177.56	150.76
Less: Bank Balance in Unspent CSR Account	6.64	3.99
Total Cash And Cash Equivalents As Per The Statement Of Cash Flows	170.92	146.77

b) **Cash & Cash Equivalent does not include following:**

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Investment in mutual fund	20.27	51.97
Investment in Corporate Bonds-Non Current Investment	68.30	35.01
Bank Deposit with more than 1 year Maturity(Other Financial Asset- Non Current)	0.39	1.08
Investment in Corporate Bonds-Current Investment	138.90	-
Inter Corporate Deposits- Other Financial Assets (Current & Non Current)	51.01	142.50
Other Bank balances	315.92	312.23
Total:	594.78	542.78

The accompanying notes are 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

K.Parthasarathy
Partner
ICAI Membership No. 018394

Place : Chennai
Date : 27th May, 2023

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;
CIN: L24231TN1990PLC019053

C.C. Paarthipan
Chairman
DIN:01218784

Muralidharan G
Chief Financial Officer

Place : Chennai
Date : 27th May, 2023

Dr.Sridhar Ganesan
Managing Director
DIN:06819026

Venkatram G
General Counsel & Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

A. EQUITY SHARE CAPITAL (Refer Note 14)

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at 31 March 2023		As at 31 March 2022	
	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT
Balance at the beginning of the reporting period	7,57,88,876	15.16	7,56,42,750	15.13
Changes in equity share capital due to prior period errors	-	-	-	-
Issue of equity shares during the year	1,13,870	0.02	1,46,126	0.03
Balance at the end of the reporting period	7,59,02,746	15.18	7,57,88,876	15.16

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

(i) Compulsorily Convertible Preference Shares (CCPS)

(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of CCPS	Amount	No of CCPS	Amount
Balance as at the beginning of the year	7,45,82,875	74.58	7,45,82,875	74.58
Changes during the year	-	-	-	-
Balance as at the end of the year	7,45,82,875	74.58	7,45,82,875	74.58

C. OTHER EQUITY (Ref Note 16)

(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	Other Comprehensive Income	Retained Earnings	Total Other Equity
Balance as at 31 March 2021	2.86	2.12	143.42	11.29	14.80	-	8.95	(1.43)	(0.30)	914.41	1,096.12
Changes due to prior period errors	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	14.17	-	0.09	308.45	322.71
Additions/ (deductions) during the year :											
Issue of Bonus Shares by a Subsidiary	0.35	-	-	-	-	-	-	-	-	(0.35)	-
Final Dividend on equity shares for FY 20-21	-	-	-	-	-	-	-	-	-	(11.35)	(11.35)
Interim Dividend on equity shares for FY 20-21	-	-	-	-	-	-	-	-	-	(11.35)	(11.35)

(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	Other Comprehensive Income	Retained Earnings	Total Other Equity
Movement in security premium	-	6.02	(1.43)	-	-	-	-	1.43	-	-	6.02
Exercise of Employee stock option	-	-	-	-	(6.02)	-	-	-	-	-	(6.02)
Share- based payment expenses (Net)	-	-	-	-	6.67	-	-	-	-	-	6.67
Share Application Money pending Allotment	-	-	-	-	-	0.00	-	-	-	-	0.00
Add/ (Transfer) to non-controlling interest	-	-	-	-	-	-	-	-	-	(8.61)	(8.61)
Balance as at 31 March 2022	3.21	8.14	141.99	11.29	15.45	0.00	23.12	-	(0.21)	1,191.20	1,394.19
Changes due to prior period errors	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	42.43	-	0.32	376.99	419.74
Additions/ (deductions) during the year :											
Reversal on liquidation of Associate	-	-	-	-	-	-	-	-	-	0.15	0.15
Reversal on Subsidiary disinvestment	-	-	-	-	-	-	-	-	-	2.50	2.50
Final Dividend on equity shares for FY 21-22	-	-	-	-	-	-	-	-	-	(15.16)	(15.16)
Interim Dividend on equity shares for FY 21-22	-	-	-	-	-	-	-	-	-	(15.16)	(15.16)
Share Application Pending Allotment*	-	-	-	-	-	(0.00)	-	-	-	-	(0.00)
Movement in security premium	-	5.27	-	-	-	-	-	-	-	-	5.27
Exercise of Employee stock option	-	-	-	-	(5.27)	-	-	-	-	-	(5.27)
Share- based payment expenses (Net)	-	-	-	-	5.19	-	-	-	-	-	5.19
Add/ (Transfer) to non-controlling interest	-	-	-	-	-	-	-	-	-	(0.73)	(0.73)
Balance as at 31 March 2023	3.21	13.41	141.99	11.29	15.37	-	65.55	-	0.11	1,539.79	1,790.72

* Share Application Money Pending Allotment is ₹ Nil as on 31/03/2023 (₹ 13,332 as on 31/03/2022)

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

K.Parthasarathy
Partner
ICAI Membership No. 018394

Place : Chennai
Date : 27th May, 2023

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;
CIN: L24231TN1990PLC019053

C.C. Paarthipan
Chairman
DIN:01218784

Muralidharan D
Chief Financial Officer

Place : Chennai
Date : 27th May, 2023

Dr.Sridhar Ganesan
Managing Director
DIN:06819026

Venkatram G
General Counsel & Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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 27, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(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, 2023

(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, 2023*(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	20-60
Plant & Machinery	5-15
Furniture & Fixtures	5-10
Office Equipment	5
Computers	2-5
Electrical Fittings and installation	10
Motor Vehicles	5-6
Motor Cycle	10

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 provided on Pro-rata basis for the number of days available for use. Depreciation on sale / disposal of assets is provided on Pro-rata basis up to the date of sale / disposal.

An asset purchased where the actual cost individually does not exceed ₹ 10,000 is depreciated at the rate of 100%.

f) Intangible Assets:**i) Recognition and Measurement**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Expenditure on

research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

ii) Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii) Amortization

Intangible assets are amortized over their estimated useful life on Straight Line Method as follows:

Asset Category	Estimated useful life
Computer Software & licenses	6 Years or useful life whichever is lower

The estimated useful lives of intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern, if any.

g) Leases

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

i) Group as Lessee

At the date of commencement of the lease, the Group recognizes a right-of-use asset and a corresponding lease

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. The Right-of-use assets is also subject to impairment. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The 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 an 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 Cash Generating unit(CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

i) Research and Development:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year it is incurred. Fixed assets utilized for research and development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)*

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, are capitalized, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

j) Inventories

Inventories are valued at lower of cost or net realizable value. Cost is determined as follows;

i) Raw materials, Stores and Spares and Packing materials

Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. Cost is determined on Weighted Average basis.

ii) Work-in-progress and Finished goods

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Government Grants and Assistance

Grants from the Government are recognized when the Group will comply with all the conditions attached to them and there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants relating to an asset are initially recognized as deferred income and subsequently recognized in the Statement of Profit and Loss as other income on a systematic basis over the

useful life of the asset.

l) Borrowing Costs

Borrowing cost directly attributable to acquisition and construction of assets that necessarily take substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m) Fair Value Measurement

The Group measures some of its financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

n) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(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.

1. 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. However, trade receivables that do not contain a significant financing component are measured at transaction price. All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e. the date 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, 2023

(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, 2023

(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, 2023*(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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation, received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, value added tax etc., Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates.

In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Group estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

ii) Profit Sharing Revenues

The company has entered into arrangements with its business partners for sale of products in certain markets whereby the

company is eligible for a share of profit over and above the base selling price. The share of profits is dependent on the ultimate sales made by the business partner and subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement. The profit share component is recognized as revenue only to the extent that it is highly probable that a significant reversal will not occur.

iii) Service Income

Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront payments received under these arrangements are recognized as revenue upon satisfaction of performance obligations.

iv) Interest and Dividend Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognized when right to receive is established (provided that it is probable that the economic benefits will flow to the Parent company and the amount of income can be measured reliably).

r) Export Incentive

Export incentives comprise of Duty draw back and RODTEP (Remission of Duties or Taxes on Export Products) Scheme scrips.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Duty drawback and RODTEP is recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

RODTEP scrips are freely transferable and can be utilised for the payment of customs duty.

s) Employee Benefits

i) Short term employee benefits

Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid is as a result of the unused entitlement as at the year end.

ii) Post-Employment Benefits:

▶ **Defined contribution plans**

Employee benefits in the form of contribution to Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labor Welfare Fund are considered as defined contribution plans and the same are charged to the statement of profit and loss for the year in which the employee renders the related service.

▶ **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

❖ **Gratuity**

The Group's gratuity benefit scheme for its parent and its Indian subsidiaries is a defined benefit plan for which the net obligation is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. Obligation under the gratuity scheme is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the statement of profit or loss. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

For the Company's Non –Indian subsidiaries, the respective entities comply with their social security obligations in line with their local regulations.

❖ **Compensated absences:**

For the Group's parent entity and its Indian subsidiaries, the accumulated compensated absences, which are expected to be availed or en-cashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

For the Company's Non –Indian subsidiaries, the respective entities comply with their social security obligations in line with their local regulations.

t) Share based Payments

The Company operates Employee Stock Option Plans (ESOP's) for its employees and for the employees of its Subsidiaries.

ESOP's for Parent Company Employees: The grant date fair value of options using Black Scholes model granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding Reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

"ESOPs" for Subsidiary Company Employees : The cost of equity settled transactions is recognized in the Statement of Profit and Loss of the Subsidiary Company, together with a corresponding increase in equity, representing contribution received from the parent company, over the period in which the performance and/

or service conditions are fulfilled. The same is recognized under "Investment in Subsidiary" for the value of shares of Grant after reducing Exercise price, in the Standalone financials of the Parent (which is subject to appropriate consolidation adjustments in the presentation of the Consolidated financials of the Group) .

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Company's best estimate of the number of equity instruments that will ultimately vest. In case of forfeiture/lapse of stock option, which is not vested/not exercised, the amortized portion is reversed by credit to employee compensation expense

u) Taxation

Tax expense comprises of 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

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.

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 standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***NOTE: 2A PROPERTY, PLANT AND EQUIPMENT**

Particulars	Gross block				Depreciation Reserve					Net Block		
	As at 01-04-2022	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2023	As at 01-04-2022	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Tangible Assets												
Land (i)	19.83	0.15	3.73	-	23.71	-	-	-	-	-	23.71	19.83
Leasehold Land	14.04	-	-	-	14.04	0.26	-	0.14	-	0.40	13.64	13.79
Factory Buildings(i)	98.07	-	4.65	0.09	102.64	14.52	-	3.30	0.09	17.73	84.90	83.55
Buildings - Others	9.26	0.33	1.42	-	11.00	2.00	0.06	0.30	-	2.36	8.64	7.26
Plant & Machinery (ii)	141.99	-	10.82	0.79	152.02	57.59	-	17.78	0.68	74.69	77.33	84.40
Air Conditioner	4.99	-	0.15	0.09	5.05	1.54	-	0.45	0.05	1.94	3.11	3.45
Furniture & Fixtures	23.27	0.22	0.34	0.28	23.56	11.29	0.20	2.22	0.17	13.53	10.03	11.98
Office Equipment	9.25	0.14	1.54	0.15	10.79	6.81	0.09	1.16	0.13	7.92	2.86	2.44
Computers	9.57	0.11	1.17	0.22	10.64	7.68	0.08	1.31	0.02	9.05	1.59	1.89
Electrical Fittings	18.02	-	0.27	0.39	17.90	8.06	-	1.73	0.27	9.51	8.39	9.96
Motor Vehicles	10.03	0.27	4.75	1.74	13.31	6.46	0.15	1.18	0.87	6.93	6.39	3.57
Tools & Spares	0.51	-	-	0.01	0.50	0.50	0.01	-	0.01	0.50	-	0.01
Lab Equipment (ii)	69.70	-	4.14	0.92	72.92	35.20	-	12.01	0.68	46.53	26.39	34.50
Motor Cycle	0.02	-	0.01	-	0.03	-	-	-	-	0.01	0.03	0.02
Total Tangible Assets	428.58	1.21	32.99	4.68	458.11	151.92	0.58	41.58	2.98	191.10	267.01	276.66

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 2023 includes ₹ 9.79 Crs (PY: ₹ 9.79 Crs) of government grant in the nature of waiver of duty on purchase of plant and machinery & lab equipment. Accumulated Depreciation for Plant & Machinery as at 31st March 2023 includes ₹ 5.22 Crs (PY: ₹ 3.68 Crs) on such government grant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)

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	-	-	0.02	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	-	-	-	-	-	0.02	0.01
Total Tangible Assets	409.39	0.44	26.46	7.70	428.58	112.44	0.18	44.23	4.95	151.92	276.66	296.96

- (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 Parent 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 Crs (PY: ₹ 9.14 Crs) of government grant in the nature of waiver of duty on purchase of plant and machinery & lab equipment. Accumulated Depreciation for Plant & Machinery as at 31st March 2022 includes ₹ 3.68 Crs (PY: ₹ 2.14 Crs) on such government grant.

NOTE : 2B - CAPITAL WORK IN PROGRESS
Ageing for capital work-in-progress as at March 31, 2023

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	218.18	2.30	-	-	220.48

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE : 2C INTANGIBLE ASSETS

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2022	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2023	As at 01-04-2022	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Computer Software	13.85	0.19	2.14	0.40	15.79	5.37	0.09	2.35	0.19	7.62	8.17	8.48
Goodwill (Acquisition)	0.05	0.00	2.71	-	2.77	-	-	-	-	-	2.77	0.05
Total Intangible Assets	13.90	0.20	4.85	0.40	18.56	5.37	0.09	2.35	0.19	7.62	10.94	8.53

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

NOTE : 2D RIGHT OF USE (ROU) ASSETS

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2022	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2023	As at 01-04-2022	Translation Difference	Additions during the year	Deletions during the year	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
ROU Assets	3.26	0.08	1.45	1.15	3.65	1.88	0.01	1.06	1.15	1.79	1.86	1.38
Total ROU Assets	3.26	0.08	1.45	1.15	3.65	1.88	0.01	1.06	1.15	1.79	1.86	1.38

Note: In respect of immovable properties taken on lease and disclosed as property, ROU Assets in the financial statements, the lease agreements are in the name of the Company.

Particulars	Gross block					Depreciation Reserve					Net Block	
	As at 01-04-2021	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	(0.18)	0.96	-	1.88	1.38	1.15
Total ROU Assets	2.25	-	1.01	-	3.26	1.10	(0.18)	0.96	-	1.88	1.38	1.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)
NOTE : 2E INTANGIBLE ASSETS UNDER DEVELOPMENT
Ageing for Intangibles under Development as at March 31, 2023

Particulars	Amount in Intangibles under Development for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	0.06	0.17	-	-	0.23

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

NOTE 3 NON CURRENT INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
A. Fully paid Ordinary / Equity shares (unquoted)		
(i) Others		
1,75,000 (1,75,000) equity shares of ₹ 10/- each at a premium of ₹ 70/- each in Sunsole Solar Pvt Ltd (Note-1)	1.48	1.40
B. Fully paid Ordinary / Equity shares - Quoted		
26,800 (26,800) shares of The Catholic Syrian Bank Ltd of ₹ 10/- each fully paid up	0.66	0.57
4,400 (4,400) shares of Karnataka Bank Ltd of ₹ 10/- each fully paid up	0.06	0.02
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)	0.01	0.00
C. Investments in Security Bonds - carried at amortised cost		
- Investment in Corporate Bonds - Refer Note 8(ii)	68.30	35.01
Total	70.52	37.01

Note-1 In FY 2021-22, Equity shares subscribed for ₹ 1.40 Crs. In FY 2022-23, our share of profit from the Associate of ₹ 0.08 Cr has been included in the above.

Note-2 Investment in Bank of India as on 31/03/2023 is ₹ 52,255 (₹ 32,095 as on 31/03/2022)

NOTE 4 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Electricity Deposit - Unsecured & considered good	2.13	2.13
Security Deposit - Unsecured & considered good	1.67	1.50
Bank Deposits with more than 12 months maturity	0.39	1.08
Inter Corporate Deposits with more than 12 months maturity	-	24.00
Total	4.19	28.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***NOTE 5 DEFERRED TAX LIABILITIES/(ASSETS) (NET)**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Deferred Tax Liabilities on account of timing differences	14.14	21.79
b) Deferred Tax Asset on account of timing differences	(27.97)	(28.00)
Total:	(13.83)	(6.21)

NOTE 6 OTHER NON CURRENT ASSET

Particulars	As at March 31, 2023	As at March 31, 2022
Advance for Capital expenditure	44.39	62.27
Total	44.39	62.27

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

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials	38.87	32.03
Packing Materials	27.67	21.34
Work-in-Progress	8.88	6.67
Stock In Trade	185.66	136.86
Finished Goods	13.84	17.91
Stores and Spares	13.30	12.50
Total	288.22	227.31

NOTE 8 CURRENT INVESTMENT

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Mutual Fund - fair value through Profit or Loss (i)	20.27	51.97
Investment in Corporate Bonds -Current(ii)	138.90	0.00
Total	159.17	51.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(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, 2023		As at March 31, 2022	
	Units	Amount ₹ in Crores	Units	Amount ₹ in Crores
Aditya Birla Sun Life Liquid Fund	1,97,224	7.10	2,93,819	10.01
Franklin India Fixed Maturity Plan B Series - 5 - Plan B1244 days	-	-	20,00,000	2.62
UTI Money Market Fund	-	-	40,884	10.12
Aditya Birla Sun Life Money Manager Fund	-	-	9,80,392	29.22
ICICI Prudential Liquid Fund Direct Growth	3,95,447.00	13.17	-	-
Total		20.27		51.97

(ii) Investment in Corporate Bonds - as on 31st Mar 2023

Name	No. of Bonds/ Debentures	Current Investments (₹ In Crores)	Non-Current Investments (₹ in Crs)	TOTAL
Aditya Birla Finance Limited	50	5.05	5.00	10.05
Axis Finance Limited	50	0.00	5.22	5.22
Cholamandalam Investment & Finance Co. Limited	410	30.91	10.03	40.94
Godrej Properties Limited	50	5.01	0.00	5.01
HDB Financial Services Limited	150	5.01	10.21	15.22
HDFC Limited	150	15.13	0.00	15.13
L&T Group	410	33.73	10.24	43.97
Mahindra & Mahindra Financial services Limited	220	9.98	10.29	20.27
ONGC PETRO Additions Limited	100	10.06	0.00	10.06
PFC Ltd	40	4.02	0.00	4.02
REC Ltd	100	10.00	0.00	10.00
SBI	2	0.00	2.01	2.01
Shriram Finance Limited	250	9.99	15.30	25.29
Grand Total		138.90	68.30	207.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)*

Investment in Corporate Bonds - as on 31st Mar 2022

Name	No. of Bonds/ Debentures	Current Investments (₹ In Crores)	Non-Current Investments (₹ in Crs)	TOTAL
Shriram Transport Finance Company Ltd	100.00	-	10.36	10.36
State Bank of India - Perpetual	2.00	-	2.01	2.01
Mahindra & Mahindra Financials Services Ltd 2031	20.00	-	2.02	2.02
L&T Infra Debt Fund Ltd 2023	60.00	-	6.20	6.20
Axis Finance Limited 2026	50.00	-	5.27	5.27
Shriram City Union Finance Limited 2022	50.00	-	5.05	5.05
Power Finance Corporation Limited 2023	40.00	-	4.10	4.10
Total			35.01	35.01

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate book value of quoted investments	20.33	51.35
Aggregate Market value of quoted investments	21.00	52.57
Aggregate value of un-quoted investments	259.68	36.41
Aggregate amount of impairment in value of investment	-	-

NOTE 9 TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
(Carried at amortised cost unless otherwise stated)		
Trade Receivables - Unsecured considered good	394.06	317.05
Receivables from related parties	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Less: Provision for expected credit loss	-	-
Total	394.06	317.05

- (i) The Company's trade receivables do not carry a significant financial element
- (ii) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. There are no trade or other receivables which are due from firms or private companies respectively in which any director is a partner, a director or a member.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)
As on 31 March 2023:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	251.62	138.66	3.78	-	-	-	394.06
(ii) Undisputed Trade receivables – which have a significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-

As on 31 March 2022:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	164.26	152.79	-	-	-	-	317.05
(ii) Undisputed Trade receivables – which have a significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – Credit Impaired	-	-	-	-	-	-	-

NOTE 10 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on Hand	1.49	2.54
Balance with Banks		
- Current accounts	87.38	75.22
- Earmarked balances for CSR*	6.64	3.99
In Bank Deposit Accounts		
- Bank Deposit accounts less than 3 months maturity	82.05	69.01
Total	177.56	150.76

* Unspent CSR amount had been deposited in a separate bank account before the due date

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***NOTE 11 OTHER BANK BALANCES**

Particulars	As at March 31, 2023	As at March 31, 2022
- Unpaid Dividend account	2.37	2.26
In Bank Deposit Accounts		
- Bank Deposit accounts maturity (more than 3 months but less than 12 months)	313.55	309.97
Total	315.92	312.23

NOTE 12 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Accrued on Deposits	20.92	12.34
Inter Corporate Deposits having less than 1 year maturity	51.01	118.50
Total	71.93	130.84

NOTE 13 OTHER CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Advances recoverable in cash or kind for the value to be received	70.19	58.80
Export Incentives Receivable	1.80	1.27
Balance with Statutory Authorities	71.01	43.92
Unbilled Revenue	4.60	3.67
Total	147.60	107.66

NOTE 14 SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
AUTHORISED		
8,50,00,000 (31st March, 2022: 8,50,00,000) equity shares of ₹ 2/- each	17.00	17.00
ISSUED, SUBSCRIBED AND PAID UP		
7,59,02,746 (31st March, 2022: 7,57,88,876) equity shares of ₹ 2/- each fully paid up	15.18	15.16
Total	15.18	15.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)
a) Reconciliation of equity shares outstanding at the beginning and at the end of the Year

Particulars	As at March 31, 2023		As at March 31, 2022	
	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	7,57,88,876	15.16	7,56,42,750	15.13
Add: Equity shares allotted pursuant to employee stock option plan*	1,13,870	0.02	1,46,126	0.03
Equity shares outstanding at the end of the Year	7,59,02,746	15.18	7,57,88,876	15.16

*During the financial year 2022-23 (2021-22), 1,13,870 (1,46,126) equity shares under ESOP Scheme vested were exercised

b) Rights, preference & restrictions attached to shares
Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one Vote per Share.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shareholding of Promoter

The details of shares held by promoters as at 31st March 2023 are as follows:

Promoter Name	No. of shares	% of total shares	% change during the year
C.C. Paarthipan	1,41,67,192	18.66%	0.00%
Promoter Group			
P. Vijayalakshmi	1,87,78,790	24.74%	5.03%
P. Ashok Gorkey	90,50,000	11.92%	0.00%
P. Vivek Siddarth	90,00,000	11.86%	0.00%
May India Property Private Limited	21,17,000	2.79%	0.00%
First Dimension Holdings Private Limited*	3,70,000	0.49%	100.00%
Kiraviz Properties And Consultancy LLP**	1,50,000	0.20%	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)*

*First Dimension Holdings Private Limited has been classified as promoter Group due to acquisition of controlling stake during the year by Mr C C Paarthipan, the sole Promoter of the Company

** Kiraviz Properties And Consultancy LLP has been classified as promoter Group due to acquisition of controlling stake during the year by Ms. P.Vijayalakshmi who is the immediate relative of Mr C C Paarthipan, the sole Promoter of the Company.

The details of shares held by promoters as at 31st March 2022 are as follows:

Promoter Name	No. of shares	% of total shares	% change during the year
C.C. Paarthipan	1,41,67,192	18.69%	0.00%
Promoter Group			
P. Vijayalakshmi	1,78,80,000	23.59%	0.00%
P. Ashok Gorkey	90,50,000	11.94%	0.00%
P. Vivek Siddarth	90,00,000	11.88%	0.00%
May India Property Private Limited	21,17,000	2.79%	0.00%

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

Name of Shareholder	As at March 31, 2023 (of ₹ 2/- each)		As at March 31, 2022 (of ₹ 2/- each)	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
P. Vijayalakshmi	1,87,78,790	24.74%	1,78,80,000	23.59%
C.C. Paarthipan	1,41,67,192	18.66%	1,41,67,192	18.69%
P. Ashok Gorkey	90,50,000	11.92%	90,50,000	11.94%
P. Vivek Siddarth	90,00,000	11.86%	90,00,000	11.88%

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares of ₹ 2/- each	Amount	No. of Shares of ₹ 2/- each	Amount
Caplin Point Employee Stock Option Plan 2015	77,291	0.02	3,03,116	0.06
Caplin Point Employee Stock Option Plan 2017	2,86,855	0.06	3,26,000	0.07
Caplin Point Employee Stock Option Plan 2021	97,500	0.02	40,000	0.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(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
Issued in FY 2022-23	1,13,870
Total	3,52,746

g) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

NOTE 15 INVESTMENTS ENTIRELY EQUITY IN NATURE

Particulars	As at March 31, 2023	As at March 31, 2022
Instruments entirely equity in nature	74.58	74.58
Series A Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up (Issued by subsidiary Caplin Steriles Ltd)		
Total	74.58	74.58

NOTE 16 OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
a) Capital Reserve		
Opening balance as per last balance sheet	3.21	2.86
Add: Additions during the year (Issue of Bonus Shares by a Subsidiary)		0.35
Balance as at year end	3.21	3.21
b) Securities Premium		
Opening balance as per last balance sheet	8.14	2.12
Add: Additions during the year	5.27	6.02
Balance as at year end	13.41	8.14
c) General Reserve		
Opening and closing balance as per last balance sheet	11.29	11.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
d) Employee Stock Options Outstanding		
- Employee Stock options outstanding		
Opening balance as per last balance sheet	37.13	28.80
Add: Options granted during the year (Net)	(4.75)	14.35
Less: Exercised during the year	(5.27)	(6.02)
Less: Lapsed during the year	-	-
<i>Balance as at year end (A)</i>	27.11	37.13
- Deferred Employees Stock Options Cost		
Opening balance as per last balance sheet	21.68	14.00
Add: Options granted during the year (Net)	(4.75)	14.35
Less: Amortised during the year	(5.19)	(6.67)
<i>Balance as the year end (B)</i>	11.74	21.68
(A-B)	15.37	15.45
e) Retained Earnings / Surplus in the Statement of Profit & Loss		
Balance at the beginning of the Year	1,191.20	914.41
Add : Profit during the Year	376.26	299.84
Reversal on liquidation of Associate	0.15	-
Reversal on Subsidiary Disinvestment	2.50	-
Final Dividend paid for FY 21-22	(15.16)	(11.35)
Interim Dividend Paid for FY 21-22	(15.16)	(11.35)
Issue of Bonus Shares by a Subsidiary	-	(0.35)
Balance at the end of the year	1,539.79	1,191.20
f) Share Application Money pending Allotment*	-	0.00
g) Other Comprehensive Income		
i) Foreign currency Translation Reserve		
Balance at the beginning of the Year	23.12	8.95
Reversal of FCTR on Liquidation of Associate	(0.24)	-
Profit/ (Loss) on foreign currency translation	42.67	14.17
Balance at the end of the year	65.55	23.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
ii) Actuarial Gain/ (Loss) on employee benefit obligation		
Opening balance as per last balance sheet	(0.21)	(0.30)
Add/(Less); Additions during the year	0.32	0.09
Balance as at the end of the year	0.11	(0.21)
Securities Premium-Preference Share	141.99	141.99
Closing Balance	1,790.72	1,394.19

* Share Application Money Pending Allotment is ₹ Nil as on 31/03/2023 (₹ 13,332 as on 31/03/2022)

NOTE 17 LEASE LIABILITY (NON CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	0.93	1.17
Total	0.93	1.17

NOTE 18 PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Social Security	7.78	6.06
Total	7.78	6.06

NOTE 19 OTHER NON CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Government Grant -Refer Note (a) below	4.52	6.11
Others	2.90	3.00
Total	7.42	9.11

(a) Systematic recognition of Government grant, in the nature of waiver of duty on depreciable tangible assets, over the useful life of the such assets.
Refer Note 2A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***NOTE 20 CURRENT BORROWINGS**

Particulars	As at March 31, 2023	As at March 31, 2022
Current Borrowings	3.41	0.50
Total	3.41	0.50

NOTE 21 TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer Note-37)	0.12	1.57
Total outstanding dues of creditors other than micro enterprises and small enterprises	164.25	154.37
Total	164.37	155.94

Trade Payables Ageing As at March 31, 2023

Particulars	Outstanding from the due date of payment/transaction					Total
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME	0.12	-	-	-	-	0.12
(ii) Others	84.05	80.20	-	-	-	164.25
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-

Trade Payables Ageing As at March 31, 2022

Particulars	Outstanding from the due date of payment/transaction					Total
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME	1.57	-	-	-	-	1.57
(ii) Others	87.16	67.21	-	-	-	154.37
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-

NOTE 22 LEASE LIABILITY (CURRENT)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	1.14	0.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 23 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Payable for purchase of Property Plant & Equipment	29.90	3.04
Unclaimed Dividend (Ref Note :45)	2.37	2.26
Salary and bonus payable	8.19	7.24
Provision for CSR	11.24	7.24
Amount payable towards investment in subsidiary	-	0.01
Amount Payable towards acquisition of subsidiary	19.93	18.50
Total:	71.63	38.29

NOTE 24 PROVISIONS-CURRENT

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity(Net)	0.26	1.66
Provision for Compensated absences	0.02	0.90
Total	0.28	2.56

NOTE 25 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues payable	4.65	4.44
Advance received from Customers	22.53	5.49
Total	27.17	9.93

NOTE 26 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	1,453.82	1,263.01
Sale of products	1,389.70	1,210.49
Service income	64.12	52.52
Other operating revenues		
Export Incentives	12.91	6.40
Total	1,466.73	1,269.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***NOTE 27 OTHER INCOME**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income	35.41	23.50
Dividend Income*	0.00	0.00
Realised Gain on sale of financial instruments	1.83	0.90
Fair value gain on financial instruments through profit or loss	(0.54)	(0.14)
Gain on Foreign exchange, net	13.82	10.98
Govt Grant	1.59	1.54
Profit on sale of Assets	0.34	0.43
Miscellaneous Income	3.53	1.54
Total	55.98	38.75

*Dividend Income amounts to ₹ 14,080 in FY23 (PY: ₹ 7,920)

NOTE 28 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock	65.87	49.49
Add : Purchases (Net)	220.24	208.69
Less Closing Stock	79.83	65.87
Total	206.28	192.31

NOTE 29 CHANGES IN INVENTORIES OF FINISHED GOODS INCLUDING STOCK -IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Work in Progress	8.88	6.67
Finished Goods	13.84	17.91
Stock-in-Trade	185.66	136.86
(A)	208.38	161.44
Inventories at the beginning of the year		
Work in Progress	6.67	3.09
Finished Goods	17.91	4.73
Stock-in-Trade	136.86	121.70
(B)	161.44	129.52
Net (Increase) / Decrease in Inventories (B- A)	(46.94)	(31.92)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 30 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages, bonus and allowances	114.13	92.87
Contribution to Provident and Other funds	8.22	7.31
Gratuity expense - Refer Note 39	1.37	1.31
Employee Compensation Expense -ESOP	5.19	6.67
Staff Welfare Expenses	8.08	7.14
Total	136.99	115.30

NOTE 31: FINANCE COSTS

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expense	0.59	0.58
Interest Expense on Lease	0.19	0.12
Total	0.78	0.70

NOTE 32: DEPRECIATION AND AMORTISATION

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (Refer note: 2A)	41.58	44.23
Amortisation of Intangible Assets (Refer note: 2C)	2.35	1.71
Depreciation on ROU Asset (Refer note: 2D)	1.06	0.96
Total	44.99	46.90

NOTE 33: RESEARCH AND DEVELOPMENT EXPENSES

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
R & D Expenses -Refer note 42	63.19	59.27
Total	63.19	59.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***NOTE 34: OTHER EXPENSES**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power and Fuel	25.53	21.40
Contract Labour charges	5.76	4.92
Other Manufacturing Expenses	6.06	2.94
Communication Expenses	1.88	1.79
Donations	0.12	0.10
Corporate Social Responsibility	4.84	4.47
Professional and Consultancy charges	14.94	18.42
Rates & taxes including ANDA Application fees	25.38	13.25
Travelling Expenses	4.94	3.58
Auditors' Remuneration (Refer Note-43)	0.76	0.68
Insurance	2.33	2.00
Repairs and Maintenance		
a) Plant and Machinery	10.28	9.99
b) Building	2.70	2.23
c) Others	3.00	2.66
Rent & Amenities	7.90	6.89
Freight outwards	10.35	17.09
Other Selling Expenses	8.43	10.43
Software maintenance charges	3.98	1.99
Loss on Sale of Asset	0.70	0.31
Sundry Expenses	22.39	17.53
Total	162.28	142.66

NOTE 35: COMMITMENT (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account	116.21	86.01
Other Commitments (Raw material, Packing Material, Finished Goods, Other services)	141.09	92.63
Interim dividend of ₹ 2.00 (100%) per equity share of ₹ 2 each for the Financial Year 2022-23 payable after 9th June' 2023, not recognized as a liability in the financial statements for the year ended 31st March' 2023	15.18	15.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 36: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

Disputed statutory dues:

Name of the statute	Nature of dues	2022-2023 (₹ In Crores)	2021-2022 (₹ In Crores)	Forum where dispute is pending
Income Tax Act, 1961	Income tax	0.64	0.71	DCIT, Chennai

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 2022-23, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE “SUPPLIERS” REGARDING THEIR STATUS UNDER THE ACT

Particulars	As at March 31, 2023	As at March 31, 2022
(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	0.12	1.57
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 ₹ 8.39 Crores (as at 31.03.2022 ₹ 4.24 Crores) earmarked as lien towards Margin for Letters of Credit and Bank Guarantees

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***NOTE 39: EMPLOYEE BENEFITS****(i) Defined Contribution Plan:**

Contributions to defined contributions schemes as employees' state insurance, labour welfare fund, etc are charged as expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contributions is made to a Government administered fund and charged as expense to the Statement of Profit and Loss. The contributions payable to these plans are at the rates specified in the rules of the schemes.

The Company recognized ₹ 3.99 Crores (previous year ₹ 3.67 Crores) towards provident fund, ₹ 5.46 Crores (previous year ₹ 4.82 Crores) towards other social security obligations in the Statement of Profit and Loss. (Refer Note- 30 & 42)

(ii) Defined Benefit Plan:**a. Gratuity**

The Parent Company, its Indian subsidiaries and some of its foreign subsidiaries has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The parent Company and its Indian Subsidiaries contribution is paid to Life Insurance Corporation of India towards meeting the Gratuity obligations

For the Company's Non -Indian subsidiaries, the respective entities comply with their social security obligations in line with their local regulations.

b. Compensated Absences

For the Group's parent entity and its Indian subsidiaries, the accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

For the Company's Non -Indian subsidiaries, the respective entities comply with their social security obligations in line with their local regulations.

The Group is exposed to various risks in providing the above gratuity benefit which are as follows.

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Longevity risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
a. Change in Defined Benefit Obligation during the period				
Present Value of Obligation at the beginning of the year	7.55	6.23	2.79	2.52
Current service cost	1.93	1.71	0.24	0.19
Interest cost	0.61	0.48	0.20	0.13
Remeasurement Gains/(Losses):				
- Due to finance assumption	0.09	(0.28)	-	-
- Due to experience assumption	(0.19)	(0.05)	-	-
- Actuarial Gains/(Losses)	-	-	1.66	1.18
Benefits paid	(0.85)	(0.54)	(1.36)	(1.23)
Present Value of Obligation at the end of the year	9.14	7.55	3.53	2.79
b. Change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	5.89	3.84	1.89	2.43
Actuarial Gains/(Losses)	0.43	(0.22)	0.23	(0.12)
Interest Income	0.44	0.26	0.14	0.17
Contribution by the employer	2.98	2.55	2.11	0.11
Benefits paid	(0.85)	(0.54)	(0.86)	(0.70)
Fair Value of the plan assets at the end of the year	8.89	5.89	3.51	1.89

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
a. Amount recognised in Balance Sheet				
Projected benefit obligation at the end of the year	(9.14)	(7.55)	(3.53)	(2.79)
Fair value of plan assets at end of the year	8.89	5.89	3.51	1.89
Funded status of the plans – Liability recognised in the balance sheet	(0.25)	(1.66)	(0.02)	(0.90)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)*

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
b. Components of defined benefit cost recognised in Statement of Profit and Loss				
Current service cost	1.93	1.71	0.20	0.19
Net Interest Expense	0.17	0.21	0.07	(0.04)
Remeasurements	-	-	1.43	1.30
Total Defined Benefit Cost recognised in Statement of Profit and Loss	2.10	1.92	1.70	1.45
c. Components of defined benefit cost recognised in Other Comprehensive Income				
Remeasurement due to;				
- Change in finance assumption	0.09	(0.28)	-	-
- Change in experience adjustment	(0.19)	(0.05)	-	-
Return of Plan Assets	(0.43)	0.22	-	-
Total Defined Benefit Cost recognised in Other Comprehensive Income	(0.53)	(0.11)	-	-

Actuarial Assumptions used for Valuation of Gratuity and Compensated Absences

Assumptions	As at March 31, 2023	As at March 31, 2022
Economic Assumptions		
Discount Rate	7.33%	7.44%
Salary Escalation Rate	7.00%	7.00%
Expected Rate of Return on Assets	7.33%	7.44%
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, 2023
(All amounts are in ₹ Crores unless otherwise stated)

Sensitivity Analysis	As at March 31, 2023	As at March 31, 2022
Discount Rate		
- 1% increase (+100 Basis Points)	(0.73)	(0.61)
- 1% decrease (-100 Basis Points)	0.84	0.71
Salary Escalation Rate		
- 1% increase (+100 Basis Points)	0.64	0.56
- 1% decrease (-100 Basis Points)	(0.63)	(0.53)
Withdrawal Rate		
- 1% increase (+100 Basis Points)	0.04	0.02
- 1% decrease (-100 Basis Points)	(0.05)	(0.04)

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, 2023	As at March 31, 2022
Year-1	1.75	0.71
Year-2	0.83	0.55
Year-3	0.84	0.55
Year-4	0.94	0.56
Year-5	1.35	0.60
Beyond 5 years	6.75	3.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***NOTE 40: INCOME TAXES:**

- a. Tax expenses recognised in profit and loss:

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Current Tax Expense for the year	82.09	83.91
Deferred income tax liability/ (asset), net	(7.62)	(6.54)
Tax expense for the year	74.46	77.37

- b. Reconciliation of effective tax rate:

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Profit before Tax	451.27	385.82
Tax using the Company's domestic tax rate @ 25.168%	113.58	97.10
Tax effect of :		
Tax impact on Donation & CSR expenses disallowance	1.25	1.15
Differences in tax rates of subsidiary companies	(35.93)	(17.62)
Tax incentive on additional employment	(0.19)	(0.08)
Tax impact on Actual Gain on Mutual fund & shares	0.00	(0.10)
Tax impact on fair value of Mutual fund & shares (Disallowance)	0.14	0.04
Tax impact - timing difference on R&D capital asset, book and tax depreciation and other	(4.39)	(3.12)
Current and Deferred Tax expenses as per note (a) above	74.46	77.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)

c. Movement in deferred tax balances

Deferred Tax Liability / (Asset)	As at March 31, 2022	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2023
Property, plant and equipment	24.00	(8.20)	-	15.80
Provision for Employee Benefits	(0.34)	0.19	0.11	(0.04)
Business Loss	(29.87)	0.28	-	(29.59)
Total	(6.21)	(7.73)	0.11	(13.83)

NOTE 41: REMUNERATION TO MANAGING DIRECTOR/WHOLE-TIME DIRECTORS OF THE PARENT COMPANY

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries	0.83	0.52
Contribution to provident and other funds	0.04	0.04
Total *	0.87	0.56

* Refer note 46 (c)

NOTE 42: RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Capital expenditure included in Fixed Assets	2.25	3.20
Revenue expenditures incurred during the Financial Year (Refer Note 42(i) below)	63.19	59.27
Total	65.44	62.47

NOTE 42 (i): REVENUE EXPENDITURE INCLUDES

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cost of Consumables	22.54	21.89
Employee Benefit Expenses	28.71	26.15
- Includes Contribution to Provident and Other funds for the year ended March 31, 2023 ₹ 1.23 Crores (March 31, 2022: ₹ 1.17 Crores)		
- Includes Gratuity Expenses for the year ended March 31, 2023 ₹ 0.67 Crores (March 31, 2022: ₹ 0.61 Crores)		
Other Expenses	11.95	11.22
Total	63.19	59.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***NOTE 43: AUDITORS' REMUNERATION COMPRISES OF FEES: (EXCLUDING APPLICABLE TAX)**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
For Statutory Audit	0.53	0.47
For Tax Audit	0.22	0.20
For Others	0.01	0.01
Total	0.76	0.68

NOTE 44: EARNINGS PER SHARE IS CALCULATED AS UNDER**Basic**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Net Profit after minority interest attributable to equity shareholders (₹ in Crores)	376.26	299.84
Weighted average number of equity shares of ₹ 2/- each outstanding during the year (in Nos.)	7,58,28,864	7,56,97,306
Earnings per share (in ₹)	49.62	39.61

Diluted

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Net Profit after minority interest attributable to equity shareholders (₹ in Crores)	376.26	299.84
Weighted average number of equity shares of ₹ 2/- each outstanding during the year (in Nos.)	7,65,07,964	7,63,21,000
Earnings per share (in ₹)	49.18	39.26

NOTE 45: AMOUNT DUE TO INVESTOR EDUCATION AND PROTECTION FUND

The due amount of ₹ 0.50 Crores (PY : ₹ 0.29 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 46: RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW.

(a) Related parties and nature of relationship

Name of the Related parties	Nature of Relationship	Percentage of Shares held by Caplin point laboratories limited as at March 31, 2023	Percentage of Shares held by Caplin point laboratories limited as at March 31, 2022
Caplin Point Meenakshi CSR Trust	Trust in which Promoter/Promoter Group are the Board of Trustees.	NA [^]	NA [^]
Mr. Vivek Siddharth,	Relative of Chairman	NA	NA
Argus Salud Pharma LLP, (India)	Subsidiary LLP	99.90%	99.90%
Caplin Point Far East Limited, (Hong Kong)	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin Point Laboratories Colombia SAS, (Colombia)*	Step down wholly owned subsidiary Company	100.00%	87.69%
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%
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%
Caplin Point (S) PTE Ltd	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin Onco Ltd	Wholly owned Subsidiary Company	100.00%	100.00%
Caplin Steriles Limited, (India)	Subsidiary Company	99.999%	99.999%
Ashvich Infotek Private Limited	Director's relatives are interested	Not Applicable	Not Applicable
Hainan Jointown Caplin point Pharmaceutical Company Limited, (China) **	Associate	Nil	39.00%
Sunsole Solar Pvt Ltd	Associate of Caplin Steriles Limited	28.01%	28.01%

[^]Trust formed by the Company for undertaking its CSR activities.

* The Shares of Company's Subsidiary entity in Colombia namely Caplin Point laboratories Colombia, SAS, (Colombia) has been transferred to the Company's wholly owned subsidiary Caplin Point Far East Limited on 28th March 2023.

** 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 FY22-23

(b) Key Managerial Personnel

Dr. Sridhar Ganesan	- Managing Director
Mr. D Muralidharan	- Chief Financial Officer
Mr. G Venkatram	- Company Secretary from 05.08.2022
Mr. Dinesh R G	- Company Secretary upto 24-06-2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***(c) Details of Transactions that have taken place during the Financial Year with Key Management Personnel:**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Remuneration*		
Mr.Vivek Siddharth-Chief Operating officer (Related Party)	0.19	0.19
Dr. Sridhar Ganesan**	0.87	0.56
Mr. D Muralidharan***	0.96	0.80
Mr. G Venkatram -For the period from 05.08.2022 to 31.03.2023	0.23	-
Mr. R G Dinesh - upto 24.06.2022	0.03	0.11

* Remuneration includes Basic Salary, House Rent Allowance, Special Allowance, Leave Travel Assistance, Medical Reimbursement, contribution to Provident Fund and such other perquisites, payable to Key Management Personnel, as per Company Policy except Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis.

** Remuneration to Dr. Sridhar Ganesan includes Perquisites value of stock option amounting to ₹ 0.30 Cr (PY:Nil) pertaining to allotment of 4,000 (PY:Nil) equity shares under ESOP scheme during the year

*** Remuneration to Mr. D Muralidharan includes Perquisites value of stock option amounting to ₹ 0.61 Cr (PY: ₹ 0.39 Crs) pertaining to allotment of 9,000 (PY: 5,000) equity shares under ESOP scheme during the year

(d) Details of related party transactions during the year ended 31st March, 2023 (after consolidation adjustments):

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Rent paid to Ashvich Infotek Private Limited by Caplin Steriles Ltd	1.37	1.24
Purchase of Solar power by Caplin Steriles Ltd	0.60	-
Rent & Consultancy charges paid to Ashvich Infotek Private Limited by Caplin Point Laboratories Ltd	0.80	1.14
Amount contributed to Caplin Point Meenakshi CSR Trust	0.50	-

Note: Transactions & Balances with companies own subsidiaries are eliminated on consolidation.

(e) Outstanding Balances

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Amount receivable/(Payable) to Ashvich Infotech Private Ltd by Caplin Steriles Ltd	(0.24)	(0.11)
Amount receivable/(Payable) to Ashvich Infotech Private Ltd by Caplin Point Laboratories Ltd	(0.04)	(0.04)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)
NOTE 47: FINANCIAL INSTRUMENTS

Financial Instruments - Fair value and risk management

A. Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Particulars	As at 31 March 2023			As at 31 March 2022		
	Carrying Amount			Carrying Amount		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial Assets						
Non - Current Investments - Quoted & unquoted equity	0.73	1.48	2.21	0.60	1.40	2.00
Investment in Corporate Bonds	-	68.30	68.30	-	35.01	35.01
Other Non Current Financial Assets	-	4.19	4.19	-	28.71	28.71
Other Current Financial Assets	-	71.93	71.93	-	130.84	130.84
Current Investments-Investment in Mutual Fund	-	159.17	159.17	-	51.97	51.97
Trade Receivable	-	394.06	394.06	-	317.05	317.05
Cash and Cash Equivalents	-	177.56	177.56	-	150.76	150.76
Other Bank Balances other than Cash and Cash Equivalents	-	315.92	315.92	-	312.23	312.23
Total	0.73	1,192.61	1,193.34	0.60	1,027.97	1,028.57
Financial Liabilities						
Non - Current Lease Liability	-	0.93	0.93	-	1.17	1.17
Trade Payables	-	164.37	164.37	-	155.94	155.94
Current -Lease Liability	-	1.14	1.14	-	0.46	0.46
Current Borrowings	-	3.41	3.41	-	0.50	0.50
Other Current financial Liabilities	-	71.63	71.63	-	38.29	38.29
Total	-	241.48	241.48	-	196.36	196.36

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***B. Measurement of fair values:**

Valuation techniques and significant unobservable inputs:

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

Type	Valuation Technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Non - Current Financial Assets and 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

C. Financial risk management:

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management framework. The Company's risk management policies are established to set appropriate risk limits and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market condition and the Company's activities. The Company through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. Credit Risk:

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants the credit terms in the normal course of business.

Summary of the Company's exposure to credit	As at 31.03 2023	As at 31.03 2022
Neither past due nor impaired	394.06	317.05
Total	394.06	317.05

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 ₹ 177.56 Crores (31.03.2022 ₹ 150.76 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 ₹ 315.92 Crores (31.03.2022 ₹ 312.23 Crores). The balances are held with banks with good credit rating.

Investment in mutual funds & Corporate Bonds

As at the year end, the Company held Investment in Mutual Fund of ₹ 227.47 Crores (31.03.2022 ₹ 86.98 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 ₹ 51.40 Crores (31.03.2022 ₹ 143.58 Crores) under other financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***ii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Parent company was sanctioned working capital limits to the extent of ₹ 57.6 crores on the basis of security of Land and Factory building and Current Assets by various Banks. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds which carry no/low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintain financial flexibility.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2023	Carrying amount	Contractual cash flow					
		Total	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years
Non - derivative financial liabilities	-	-	-	-	-	-	-
Borrowing	3.41	3.41	3.41	-	-	-	-
Interest Payable on non-current borrowing	-	-	-	-	-	-	-
Lease Liability	2.07	2.07	1.14	0.77	0.16	-	-
Trade payables	164.37	164.37	164.37	-	-	-	-
Other current Financial Liabilities	71.63	71.63	71.63	-	-	-	-
Total	241.48	241.48	240.55	0.77	0.16	-	-

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	155.94	155.94	155.94	-	-	-	-
Other current Financial Liabilities	38.29	38.29	38.29	-	-	-	-
Total	196.36	196.36	195.19	1.17	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

iii) Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivable and payable. We are exposed to market risk primarily related to foreign exchange rate risk as the Company's product is exported to various countries and a certain portion of its export is sourced through import. Thus our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Company does not use any derivative to manage market risk since certain degree of a natural hedge available in the form of foreign currency realised from exports are paid against imports.

Currency risk

The Company is exposed to currency risk on account of its export and import of pharmaceuticals and import of raw material, capital goods, etc. The functional currency of the Company is Indian Rupee, where as majority of its export and imports are settled through USD(\$).

Exposure to Currency risk

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	USD in Crores	₹ in Crores	USD in Crores	₹ in Crores
Export Debtors	4.79	393.47	4.19	317.88
Cash and cash equivalents	2.54	208.91	1.55	117.70
Total	7.33	602.39	5.75	435.58
Creditors Payable in Foreign Currency	0.88	72.71	1.12	85.11
Total	0.88	72.71	1.12	85.11
Net statement of financial position exposure	6.44	529.68	4.62	350.47

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 ₹ 5.30 Crores for the year ended March 31, 2023 (₹ 3.50 Crores for the year ended March 31, 2022)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/ borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

As on 31 March 2023 and 31 March 2022, the Company has not availed any long term borrowings except for loans on certain vehicles on fixed rate basis. Further, the Company has not availed any fund based working capital lines.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect profit or loss.

Commodity rate risk

The Company's operating activity involve purchase of Active Pharmaceutical Ingredients (API) and other direct materials, whose prices are exposed to the risk of fluctuation over short period of time. The commodity price risk exposure is evaluated and managed through procurement and other related operating policies. As on 31 March 2023 and 31 March 2022, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

NOTE 48: THE RATIOS FOR THE YEARS ENDED MARCH 31, 2023 AND MARCH 31, 2022 ARE AS FOLLOWS :

Ratio	Definition of ratios	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Variance	Reason (If variation is more than 25%)
Current Ratio	Ratio that indicates company's capacity to repay short-term loans or those due within one year	Current Assets	Current Liabilities	5.80	6.25	(7.18%)	Nil
Debt - Equity Ratio	Debt Equity ratio is a measure of the degree to which a company is financing its operations through debt versus wholly owned funds.	Total Debt	Shareholder's Equity	NA	NA	-	Nil
Debt Service Coverage Ratio	This ratio is used to analyse the firm's ability to pay-off current interest and instalments	Earnings available for debt service	Debt Service	NA	NA	-	Nil
Return on Equity Ratio	Ratio that measures company's proficiency to generate profits from its shareholders investment.	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	22.06%	22.74%	(2.96)%	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)

Ratio	Definition of ratios	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Variance	Reason (If variation is more than 25%)
Inventory Turnover ratio	Inventory Turnover measures the efficiency with which a company utilises or manages its inventory. It establishes the relationship between Cost of Goods Sold and average inventory held during the period	Cost of goods sold OR sales	Average Inventory	2.57	2.74	(6.24)%	Nil
Trade receivables turnover ratio	Ratio that measures how efficiently a firm manages its receivables.	Net Sales	Avg. Accounts Receivable	4.13	4.26	(3.09)%	Nil
Trade Payables turnover ratio	Ratio that depicts the efficiency with which the business makes payment to the creditors.	Net Purchases	Average Trade Payables	4.52	4.49	0.68%	Nil
Net Capital turnover ratio	Ratio that indicates a company's effectiveness in using its working capital	Net Sales	Working Capital	1.14	1.16	(2.09)%	Nil
Net Profit ratio	The Net Profit Margin is equal to how much net profit is generated as a percentage of revenue	Net Profit	Total Income	24.76%	23.58%	5.00%	Nil
Return on Capital employed	Return on Capital Employed indicates the ability of a company's management to generate returns for both the debt holders and the equity holders.	Earning before interest and taxes	Capital Employed	26.46%	28.49%	(7.14)%	Nil
Return on Investment	Return on investment (ROI) is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments	Income during the year	"Time weighted average of investment"				
(a)	Return on Mutual Funds			7.01%	6.72%	4.32%	
(b)	Return on Fixed Deposit			6.45%	5.90%	9.37%	
(c)	Return on Bonds			7.39%	7.24%	2.07%	

NOTE 49: CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on the capital as well as the level of dividends to ordinary shareholders.

As on date the Group has certain Cash Credit facilities with banks and vehicle loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023*(All amounts are in ₹ Crores unless otherwise stated)***NOTE 50: CSR**

Particulars	For the year Ending March 2023	For the year Ending March 2022
(i) Amount required to be spent by the company during the year,	4.84	4.47
(ii) Amount required to be set off for the financial year ,if any	-	(0.10)
(iii) Amount of expenditure incurred,	0.34	1.21
(iv) Shortfall at the end of the year,	4.50	3.15
(v) Total of previous years shortfall*,	6.79	3.99
(vi) Reason for shortfall,	The company has identified some long term projects where the CSR funds shall be utilised during next few years.	The company has identified some long term projects where the CSR funds shall be utilised during next few years.
(vii) Nature of CSR activities,	Sanitation, Healthcare facilities, Educational Infrastructure	Sanitation, Healthcare facilities, Educational Infrastructure, setting up care homes for orphans and women
(viii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	0.50**	-
(ix) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

*Unspent balance lying in Caplin point Meenakshi CSR Trust bank account is included in the above balance

** During the year Company has transferred ₹ 0.50 Cr to Caplin Point Meenakshi CSR Trust and out of which, the Trust has spent ₹ 0.35 Cr during the year.

NOTE 51: ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the Entity	Net Assets, i.e., total assets minus total liabilities				Share in Profit / (Loss)			
	As % of consolidated net assets		Amount ₹ Crores		As % of consolidated profit/ Loss		Amount ₹ Crores	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Parent								
Caplin Point Laboratories Limited	59.77	61.64	1139.91	930.65	62.14	60.91	234.26	187.87
Subsidiaries								
Indian								
1. Argus Salud Pharma LLP	0.06	0.07	1.05	1.04	0.02	0.02	0.06	0.05
2. Caplin Steriles Limited	14.21	17.79	271.00	268.59	0.20	(7.89)	0.74	(24.34)
3. Caplin Onco Ltd	3.39	2.21	64.56	33.39	(0.15)	(0.28)	(0.57)	(0.87)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(All amounts are in ₹ Crores unless otherwise stated)

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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Foreign subsidiaries								
1. Caplin Point Far East Limited (Refer Note)	35.97	31.72	686.12	478.99	56.45	56.00	212.83	172.73
2. Caplin Point (S) PTE. LTD	0.01	0.01	0.23	0.22	(0.00)	(0.02)	(0.01)	(0.05)
Indian Associate								
1. Sunsole Solar Pvt Ltd	0.08	0.09	1.48	1.40	0.00	0.00	0.08	0.00
Foreign Associate								
1. Hainan Jointown Caplin point Pharmaceuticals Co Ltd	0.00	0.11	0.00	1.74	0.00	0.00	0.00	0.00
Minority interest in subsidiary	1.40	1.72	26.79	25.95	0.19	2.80	0.73	8.63
Total Eliminations / Consolidation Adjustments	(14.89)	(15.37)	(283.87)	(232.08)	(18.85)	(11.54)	(71.13)	(35.57)
	100.00	100.00	1907.27	1509.88	100.00	100.00	376.99	308.45

Note: Represents details as per consolidated financial statements of Caplin Point Far East Limited which includes the financial statements of its subsidiaries Caplin Point El Salvador, S.A. De C.V., Drogueria Saimed de Honduras S.A , Neoethicals CIA.LTDA - Ecuador, Neo Ethicals S.A - Nicaragua and Nuevos Eticos Neo Ethicals S.A - Guatemala ,Caplin Point Laboratories Colombia, SAS (Became Subsidiary of Caplin Point Far East Limited, Hong Kong w.e.f 28th March 2023,prior to which it was a subsidiary of Caplin Point Laboratories Ltd, India)

NOTE 52: SEGMENT REPORTING

The company is engaged in manufacture of pharmaceuticals formulations which is the only business segment determined in accordance with the IndAS 108, "Operating segment". Hence there are no reportable business segments to be disclosed as required by the said standard.

NOTE 53: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

NOTE 54: DISCLOSURE OF TRANSACTION WITH STRUCK OFF COMPANIES

The Group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 55: ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

- (i) The Parent and Indian subsidiaries do not have any benami property held in its name. No proceedings have been initiated on or are pending against the Parent and Indian subsidiaries for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) The Parent and Indian subsidiaries have not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) The Parent and Indian subsidiaries have complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (iv) Utilisation of borrowed funds and share premium
 - I The Parent and Indian subsidiaries have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
 - II The Parent and Indian subsidiaries have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (v) The Parent and Indian subsidiaries do 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 does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores unless otherwise stated)

NOTE 56: NOTE ON SOCIAL SECURITY CODE 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE 57: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

For and on behalf of the Board of Directors of Caplin Point Laboratories Limited;
CIN: L24231TN1990PLC019053

K.Parthasarathy
Partner
ICAI Membership No. 018394

C.C. Paarthipan
Chairman
DIN:01218784

Dr.Sridhar Ganesan
Managing Director
DIN:06819026

Muralidharan D
Chief Financial Officer

Venkatram G
General Counsel & Company Secretary

Place : Chennai
Date : 27th May, 2023

Place : Chennai
Date : 27th May, 2023

AGM NOTICE

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting (“AGM”) of the members of Caplin Point Laboratories Limited (“The Company”) will be held on Thursday, September 21, 2023 at 10.00 A.M through Video Conferencing (“VC”) or other Audio Visual Means (“OAVM”) to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2023 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 ₹2.5/- (125%) per equity share of ₹2/- as recommended by the Board of Directors of the Company and to ratify the Interim Dividend of ₹2/- (100 %) per equity share of ₹2/-, aggregating to ₹4.5 (225%) for the year ended March 31, 2023.

3. Retirement by rotation of Mr C C Paarthipan and consideration of his re-appointment

To re-appoint Mr C C Paarthipan (DIN: 01218784) who retires by rotation, and being eligible, offers himself for re-appointment.

4. Appointment of M/s Brahmayya & Co, Chartered Accountants 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Brahmayya & Co, Chartered Accountants, (Firm Registration No. 000511S) who have

confirmed their eligibility for appointment as Statutory Auditors in terms of Section 141 of the Companies Act, 2013 and applicable Rules be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of the thirty second Annual General Meeting (AGM) till the conclusion of the thirty seventh Annual General Meeting, at a remuneration as disclosed in the explanatory statement.

SPECIAL BUSINESS

5. Material Modification to earlier approved Material Related Party Transaction(s) / contract(s)/ arrangement(s)

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** in modification of the resolution passed by the shareholders at their meeting held on September 29, 2022, and pursuant to section 188 of the Companies Act, 2013 read with the provisions of Regulation 23 read with Regulation 2(1) (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, and based on the recommendations of the Audit Committee and Board of the Company, consent of the Members be and is hereby accorded for material modification to the earlier approved material related party transaction(s) / contract(s)/ arrangement(s) by the Company and/or its subsidiaries with Nuevos Eticos Neo Ethicals S.A – Guatemala (which is a step down subsidiary of the Company) for each of the financial years from FY 2023-24 to FY 2027-28 up to an extent of 40% of the respective previous financial years consolidated turnover of the Company and 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 Nuevos Eticos Neo Ethicals S.A – Guatemala and the Company and/or its subsidiaries.”

6. Re-appointment of Dr C K Gariyali as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment & Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act and Regulation 25 (2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and other applicable Statutory Provisions if any, Dr C K Gariyali (DIN: 08711546), who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and applicable provisions of the SEBI Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, to hold office as such for a second term of

three years, with effect from March 04, 2023 to March 03, 2026 not liable to retire by rotation.

By Order of the Board of Directors

For **Caplin Point Laboratories Limited**

Venkatram G

(General Counsel & Company Secretary)

Membership No A23989

PLACE: Chennai

DATE: August 7, 2023

REGISTERED OFFICE:

Caplin Point Laboratories Limited

CIN: L24231TN1990PLC019053

Ashvich Towers, 3rd Floor,

No.3, Developed Plots, Industrial Estates,

Perungudi, Chennai – 600096

Website: <https://www.caplinpoint.net/>

E-mail: compliance.officer@caplinpoint.net

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”) and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) setting out the material facts regarding the items of special businesses specified above and details of appointment of Statutory Auditor, brief resume, details of Director shareholding and Directors inter-se relationship of Director seeking re-appointment is annexed hereto.
 2. In compliance with the General Circular No. 10/2022 dated December 28, 22 read with General Circular No. 02/2022 dated May 05, 2022 and General Circular No. 20/2020 dated May 5, 2020 and Securities and Exchange Board of India (“SEBI”) Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 (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 32nd AGM shall be the Registered Office of the Company.
 3. Since this AGM will be held through Video Conferencing (‘VC’) / Other Audio Visual Means (‘OAVM’), (a) Members will not be able to appoint proxies for the meeting, and (b) Attendance Slip & Route Map are not annexed to this Notice. However, Body Corporates / Institutional shareholders (i.e. Other than Individuals, HUF, NRI etc.) are entitled to appoint authorised representatives for the purpose of voting through remote e-voting and participation in the AGM through VC/OAVM and cast their votes through e-voting during the AGM. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to alagar@geniconsolutions.com with a copy marked to evoting@nsdl.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. Members may note that the Board has recommended a Final Dividend of ₹ 2.5/- per equity share. The Register of Members and Share Transfer Books of the Company will be closed from September 15, 2023 to September 21, 2023 (both days inclusive) for the purpose of AGM
 6. The final dividend as recommended by the Board of Directors, if approved at the AGM, will be paid as per the Statutory timelines to those members, whose names appear in the Register of Members on September 14, 2023 and in respect of shares held in dematerialized form, dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
 7. Members holding shares in physical forms are requested to notify any change in their address to the Company / Share Transfer Agents quoting Registered Folio number. Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their respective Depository Participants. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividend. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent to their registered addresses in the mode permitted for the purpose.
 8. Members may note that the Income-tax Act, 1961, (“the IT Act”) as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (“TDS”) at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Registrar & Share Transfer Agents (RTA) by sending email corpserv@integratedindia.in.
- However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during financial year 2023-24 does not exceed ₹5,000, and also in cases where members provide Form 15G / Form 15H

(Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding of tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

9. Pursuant to the circulars dated November 3, 2021, January 25, 2022 read with March 16, 2023, the RTA has obtained documents / is in the process of obtaining the details of PAN, KYC details and nomination (wherever, the same is not available in the folio), while processing any service requests or complaint from the holder(s) / claimant(s). As indicated in the SEBI Circular dated March 16, 2023, the physical folios of those shareholders who have not submitted the abovementioned documents / details on or after October 1, 2023 will be frozen by the RTA.

The securities in the frozen folios shall be:-

- a) eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid;
- b) eligible for any payment including dividend, interest or redemption payment only through electronic mode;
- c) referred by the RTA / listed company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

The shareholders shall be eligible to lodge any grievance or avail service request and receive dividend from the Company only after furnishing the above said complete documents. In this regard, the members who have not yet submitted the above-mentioned documents are requested to furnish the above-mentioned details in Forms ISR-1, ISR-2, SH-13 etc., so that the Company / RTA shall revert the frozen folio to normal status upon receiving the above-mentioned documents. The forms are available on the Company's website. Alternatively, the members may also dematerialize all the shares held by them

10. Members who have not yet registered their e-mail addresses and mobile numbers are requested to update the said details in the records of the relevant depositories (National Securities Depository Limited / Central Depository Services (India) Limited) through their depository participants or may contact the Registrar and Share Transfer Agent, Integrated Registry Management Services Private Limited, Kences Towers, 2nd Floor, No 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, Telephone: 91-44-28140801-803, E-mail: corpserv@integratedindia.in for receiving any documents / communication from the Company.
11. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary at the Company's Registered Office or the RTA. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124(5) of the Act, 2013 be transferred to the Investor Education and Protection Fund.
12. In compliance with the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and pursuant to Regulation 44 of the LODR Regulations and in terms of SEBI circular the Company is pleased to offer e-voting facility to its Members to exercise their right to vote at the 32nd AGM by electronic means in respect of the businesses to be transacted at the AGM through the remote e-Voting platform provided by National Securities Depository Limited (NSDL).
13. The Board has appointed M/s. M Alagar & Associates, (FCS 7488; CoP 8196) Practicing Company Secretaries as the scrutinizers for conducting the e-voting in a fair and transparent manner. The scrutinizers will submit the report to the Chairman of the Company or to any person authorized by the Chairman after completing the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), 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, Depositories and RTA and also be displayed on the Company's website www.caplinpoint.net.

14. In compliance with the MCA and SEBI Circulars the Annual Report for financial Year 2022-23 along with the Notice of the 32nd AGM is being sent to the members through e-mail. Further, the Members holding shares in physical form or other Members who have not registered their email address with the Company can get the same registered by approaching the RTA.
15. Members holding shares in demat form are requested to update their email address with their Depository Participants. The Annual Report for the financial year 2022-23 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 respectively.
16. 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.
17. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the AGM by following the procedure mentioned in this Notice.
18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.

VOTING THROUGH ELECTRONIC MEANS

1. 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 SEBI Listing Regulations the Company is pleased to provide members facility to exercise their right to vote at the 32nd AGM of the Company by electronic means and the business may be transacted through e-Voting Services to Members holding shares as on September 14, 2023 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.

2. The remote e-voting period commences on Monday, September 18, 2023 at 9.30 am (IST) and ends on Wednesday, September 20, 2023 at 5.00 pm (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.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.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. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center; margin-top: 10px;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

Type of shareholders	Login Method
	<p>2. After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing

IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to

you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

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 company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail 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.: 022 - 4886 7000 and 022 - 2499 7000 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. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the

Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- 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:

- Member 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” 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.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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 connections to mitigate any kind of aforesaid glitches.
- 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 15, 2023

to September 18, 2023. The same will be replied by the company suitably. They may also register themselves as speakers

- 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. 4

M/s. CNGSN & Associates LLP, Chartered Accountants, (Firm Registration No. 004915S) term of office as Statutory Auditors ends at this Annual General Meeting (“AGM”).

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 and based on the recommendations of the Audit Committee, the Board of Directors, at its meeting held on August 07, 2023, recommended the appointment of M/s. Brahmayya & Co. Chartered Accountants, (Firm Registration No. 000511S) as the statutory auditors of the Company to hold office from the conclusion of the ensuing AGM until the conclusion of the 37th AGM.

The proposed remuneration to be paid to Brahmayya & Co., for their audit services for the Financial Year ending March 31, 2024 is INR 22.5 Lakhs excluding applicable taxes and out-of-pocket expenses. The remuneration for the rest of the tenure of the Statutory Auditors shall be as mutually agreed. 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.

Brahmayya & Co. was founded in 1932 by Mr. Parvataneni Brahmayya, one of the pioneers of the Chartered Accountancy profession in India. For over 9 decades, the firm has been rendering Audit & Assurance, Taxation, Consultancy, Corporate Advisory, Risk Mitigation and Business Intelligence

services. Considering this, it is proposed to appoint Brahmayya & Co., as the Statutory Auditor of the Company based on the recommendation of the Audit Committee and Board.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

ITEM NO. 5

Pursuant to the provisions of Regulation 23(2), 23(4) 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 and subsequent material modifications 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 transaction(s)/ contract(s)/ arrangement(s) of the Company and/ or its Subsidiaries with Nuevos Eticos Neo Ethicals S.A – Guatemala shall be material requiring the approval of the shareholders by way of an ordinary resolution. The Company had taken the approval of shareholders for transactions between the Company & Caplin Point Far East Limited – Hong Kong on one hand and Nuevos Eticos Neo Ethicals S.A – Guatemala on the other at the previous AGM. However, since other Subsidiaries of the Company also transact/ expected to transact with Nuevos Eticos Neo Ethicals S.A – Guatemala approval of the shareholders for the material modification is sought by way of an ordinary resolution. The Related Party Transactions placed for Members' approval are specific in nature and have been approved by the Audit Committee and Board of Directors of the Company. The Company will seek separate approval on an Annual Basis from the shareholders, in future, in case any omnibus approvals are needed for Material Related Party Transactions.

Details of the transactions, in addition to what has been provided as part of the resolution is given in the table below:

S. No	Description	Details
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 subsidiary of Caplin Point Far East Limited (Hong Kong) (CPFEL) and a step-down subsidiary of CPL. CPFEL holds 69% of the share capital of Nuevos Eticos Neo Ethicals S.A – Guatemala. Apart from the above, there are no other concern or interest.
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 ● The type of transaction shall be supply/ purchase of pharmaceutical products and raw materials for pharmaceutical products ● 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 2023-24.
4.	Value of the proposed RPT	The collective value of transaction between CPL, and/or its subsidiaries on the one hand and Nuevos Eticos Neo Ethicals S.A – Guatemala on the other shall not exceed 40% of the respective previous financial year's audited consolidated turnover.
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 has helped in achieving direct presence in those markets, through its Subsidiaries/Step-Down Subsidiaries, thereby negating the requirement for intermediaries, which is critical for the continued and enhanced financial performance of the Company.

S. No	Description	Details
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.

The transactions shall be carried out at an arm's length basis, 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 August 7, 2023. The management of the Company had provided the Audit Committee with relevant details of the Related Party Transactions, including details of modification, material terms and conditions, tenure and basis of pricing as summarised in the table above. In view of the same, the material modification to the previously approved 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 shareholding. 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 6

The Board of Directors of the Company, approved the appointment of Dr C K Gariyali, as a Non-Executive (Additional) Independent Director of the Company for a period of three consecutive years, with effect from March 04, 2020 to March 03, 2023 and the same was approved by the shareholders at their meeting held on September 28, 2020.

Dr C K Gariyali (DIN :08711546), had crossed seventy-five years of age on 1st May, 2023. The shareholders while granting approval for her appointment on September 28, 2020 had also considered the fact that she will be crossing 75 years of age during the tenure of her appointment.

The Nomination and Remuneration Committee and the Board feels that Dr C K Gariyali needs to be retained on the Board due to the diversity of skill sets she brings to the Board deliberations due to her rich experience in Indian Administration Service. She was also effective and efficient in discharging her roles and responsibilities as an Independent Director of the Company. Hence, both the Nomination and Remuneration Committee and the Board felt it justified to recommend her re-appointment as an Independent Director for a further second term of three years w.e.f March 04, 2023 subject to the shareholders' approval. Since her appointment for the second term needs to be approved by way of Special Resolution, the resolution contained in Item No. 6 is recommended by the Board for approval of the shareholders. In the opinion of the Board she fulfils the condition specified in the Act for such re-appointment and such appointment is independent of the management. Her detailed profile is given in the annexure to the notice.

Except for Dr C K Gariyali and/or her 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 reappointment.

The Board recommends the Special Resolution for the appointment of Dr C K Gariyali as in Item No. 6 for approval by the Shareholders.

ANNEXURE TO NOTICE
**ADDITIONAL INFORMATION ON DIRECTORS AS REQUIRED UNDER REGULATION 36 OF THE SEBI LISTING REGULATIONS
 AND APPLICABLE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

Name of the director	Mr. C C Paarthipan	Dr. C K Gariyali
Age	71 years	75 years
Qualifications	B.A	IAS
Experience (Including a brief resume and expertise in specific functional areas)	<ul style="list-style-type: none"> ● Mr. C C Paarthipan is the Chairman of Caplin Point Laboratories Limited and has been in the Board since 1993. ● He has more than three decades of rich experience in the Pharmaceutical Industry. ● A good business acumen with exceptional abilities in identifying and exploring business opportunities both in domestic and global markets. ● He has been the guiding force of the Company in achieving business targets/ goals. 	Dr C K Gariyali has served 28 years as an Indian Administrative Officer under Government of India. During, her service as an IAS officer, she has held various positions including the District Collector of Madras and South Arcot , secretary to Honorable Chief Minister of Tamil Nadu, Principal Secretary to His Excellency the Governor of Tamil Nadu. She has a very rich experience in the field of Administration
Terms and conditions of appointment/ re-appointment	Since he retires by rotation, being eligible, he offers himself for re-appointment.	Re-appointment for the second term as an Independent Director
Remuneration last drawn	NIL	NA
Remuneration sought to be paid	NIL	NA
Date of first appointment on the board	October 01, 1993	March 04, 2020
Shareholding (Including beneficial ownership), if any, in the company	1,41,67,192 shares	NIL
Relationship with other directors/ Key Managerial Person	NIL	NIL
Number of meetings of the Board attended during the year	Five (5)	Five (5)
Listed entities in which the person holds the directorship	1 (Including Caplin Point Laboratories)	1 (Including Caplin Point Laboratories)

Name of the director	Mr. C C Paarthipan	Dr. C K Gariyali
Memberships/ Chairmanship of committees of the board (Audit & Stakeholders Relationship Committee)*	NIL	Member of Audit Committee of Caplin Steriles Limited
Listed entities from which the director has resigned in the past three years	NIL	NIL

*Other than Caplin Point Laboratories Limited

By Order of the Board of Directors

For **Caplin Point Laboratories Limited**

Venkatram G

(General Counsel & Company Secretary)

Membership No A23989

PLACE: Chennai

DATE: August 07, 2023

REGISTERED OFFICE:

Caplin Point Laboratories Limited

CIN: L24231TN1990PLC019053

Ashvich Towers, 3rd Floor,

No.3, Developed Plots, Industrial Estates,

Perungudi, Chennai – 600096

Website: <https://www.caplinpoint.net/>

compliance.officer@caplinpoint.net

