

CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES

(Incorporated in Hong Kong with limited liability)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED

MARCH 31, 2023

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CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES

(Incorporated in Hong Kong with limited liability)

REPORT OF THE DIRECTORS

The Directors hereby presents their report together with the audited financial statements of the Group for the year ended 31st March 2023.

Principal Activity

The principal activity of the Company is dealing in Pharmaceutical Products.

Financial Statements

The results for the year ended 31st March 2023 are set out in the statement of comprehensive income on page 6. The statement of financial position of the Company as at March 31, 2023 is set out in the Balance Sheet on page 7.

Directors

The directors who held office during the period beginning with the end of the financial year and ending on the date of this report are as follows:

Mr. Luis Francisco Valldares Barrientos
Mr. Senthil Kumar Tati Balasubramanian
Mr. Surendar Nandakumar
Mr. R Viswanathan

Directors' Interest

No contract of significance to which the Company, was a party and in which the Directors had a material interest subsisted at the end of the year or at any time during the year.

At no time during the year was the Company, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of acquisition of shares in or debenture of the Company or any other body corporate.

Business Review

The Company is a wholly owned subsidiary of another body corporate. Accordingly, the Company is exempt from preparing a business review.

Permitted indemnity provisions

Article 137 of Part I of Table A of the Predecessor Companies Ordinance, which forms part of the Company's Articles, provides that every director for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in relation to the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 358 of the Predecessor Companies Ordinance (equivalent to sections 902 to 904 of the Hong Kong Companies Ordinance) in which relief is granted to him by the Court. This permitted indemnity provision is in force during the financial year and at the time of approval of this report.

CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES

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Charitable Donations

During the financial year, the Company made no charitable donations (2022: Nil).

Arrangement to purchase shares or debentures

There did not subsist at the end of the year arrangements to which the company was a party which enabled the directors of the company to acquire benefits by means of acquisition of shares in or debentures of the company or any other body corporate.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Equity-linked arrangements

During the financial year, the Company entered into no equity-linked agreement. At the end of the financial year, the Company subsisted of no equity-linked agreement.

Auditors

The Company's auditors, C&N Certified Public Accountants, now retire and, being eligible, offer themselves for re-appointment.

For and on behalf of the Board

Sd/-

Senthil Kumar Tati Balasubramanian

Chairman

Hong Kong

15th May 2023

15th May 2023

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF CAPLIN POINT FAR EAST LIMITED

(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of CAPLIN POINT FAR EAST LIMITED, (the "Holding Company") and its Subsidiaries (collectively hereinafter referred to as 'Group'), set out on pages 6 to 19 which comprise the consolidated statement of financial position as at March 31, 2023, the consolidated statement of comprehensive income, consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at March 31, 2023, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. 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 HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Director and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (Continued)

In preparing the financial statements, the director 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 HKSA's 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 HKSA's, we exercise professional judgment and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

INDEPENDENT AUDITOR'S REPORT (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

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.

**Sd/-
C&N Certified Public Accountants
Hong Kong**

CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2023

	NOTE	2023 US\$	2022 US\$
Turnover	4	129,249,218	113,995,551
Cost of Sales		<u>(86,346,594)</u>	<u>(72,611,829)</u>
Gross Profit		42,902,624	41,383,722
Other Income		557,757	126,885
Administrative and other Expenses		(14,706,472)	(13,579,090)
Depreciation and Impairment of intangible assets		(246,928)	(351,626)
Finance Charges		<u>(81,946)</u>	<u>(82,349)</u>
Profit before taxation	5	28,425,035	27,497,542
Tax Expense	7	<u>(1,899,825)</u>	<u>(3,097,472)</u>
Profit after taxation		26,525,210	24,400,070
Less: Profit attributable to Non-Controlling Interest		(90,401)	(1,157,865)
Foreign Currency Translation		(259,986)	(33,667)
Dividend Paid		<u>(5,897,217)</u>	<u>(3,128,294)</u>
Comprehensive Income for the year		20,277,606	20,080,245
Retained Profits brought forward		63,072,735	43,079,590
Profit transferred to Capital Reserve		-	(87,100)
Retained Profits carried forward		<u>83,350,341</u>	<u>63,072,735</u>

The accompanying accounting policies and Explanatory notes form an integral part of and should be read in conjunction with these financial statements

Approved by the Board of Directors on 15th May 2023

Sd/-
Senthil Kumar Tati Balasubramanian
Director

Sd/-
Surendar Nandakumar
Director

CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH 2023

	NOTE	2023 US\$	2022 US\$
ASSETS			
NON-CURRENT ASSETS			
Property Plant and Equipment	8A	1,296,518	1,419,062
Intangible Assets	8B	348,336	21,539
		1,644,854	1,440,601
CURRENT ASSETS			
Trade Receivables		40,320,230	36,192,022
Deposits and other advances		8,751,628	8,462,679
Tax Paid in Advance		491,233	-
Advance to Supplier (Holding Company)		2,856,173	-
Stock in Trade		31,047,111	24,926,829
Cash and Bank Balances	11	23,154,685	14,534,905
		106,621,060	84,116,435
CURRENT LIABILITIES			
Borrowings		470,382	30,348
Trade and other Payable		20,504,072	18,227,216
Provision for Tax Expense		262,202	638,221
		21,236,656	18,895,785
NET CURRENT ASSETS		85,384,404	65,220,650
TOTAL NET ASSETS		87,029,258	66,661,251
EQUITY			
Share Capital	9	11,544	11,544
Capital Reserve		87,100	87,100
Retained Profits		83,350,341	63,072,735
Equity attributable to owners of the company		83,448,985	63,171,379
Non-Controlling Interest	10	3,580,273	3,489,872
		87,029,258	66,661,251

The accompanying accounting policies and Explanatory notes form an integral part of and should be read in conjunction with these financial statements

Approved by the Board of Directors on 15th May 2023

Sd/-

Senthil Kumar Tati Balasubramanian

Director

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Sd/-

Surendar Nandakumar

Director

CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2023

	Note	2023 US\$	2022 US\$
<u>OPERATING ACTIVITIES</u>			
Cash flows from operating activities			
Profit Before tax		28,425,035	27,497,542
Foreign Currency Translation Reserve		(259,986)	(33,667)
Adjustment for:			
Depreciation		246,928	351,626
Loss on Sale of Assets		5,597	-
Interest from Banks		(204,771)	(5,485)
Finance Charges		81,946	82,349
Operating Profit Before Taxes		28,294,749	27,892,365
(Increase)/decrease in Accounts Receivables		(4,128,208)	(11,719,034)
(Increase)/decrease in Deposits and Other Receivables		(288,949)	(2,552,367)
Advance to Supplier (Holding Company)		(2,856,173)	
(Increase)/decrease in Stock in Trade		(6,120,282)	(2,967,944)
Increase/(decrease) in Trade and other payables		2,276,856	9,263,167
Net cash from operating activities		17,177,993	19,916,187
Tax paid		(2,767,077)	(2,958,161)
Net cash inflow from operating activities		14,410,916	16,958,026
<u>INVESTING ACTIVITIES</u>			
Acquisition / (Disposal) of Property, Plant, and Equipment		(126,655)	(303,864)
Interest Received		204,771	5,485
Purchase of Intangible Assets		(330,123)	(1,161)
		(252,007)	(299,540)
<u>FINANCING ACTIVITIES</u>			
Receipts /(Repayment) of Loan		440,034	(2,290,069)
Dividend Paid During the year		(5,897,217)	(3,128,294)
Finance Charges		(81,946)	(82,349)
Net cash (used in)/from financing activities		(5,539,129)	(5,500,712)

Net increase in cash and cash equivalents		8,619,780	11,157,774
Cash & cash equivalents at beginning of financial year		14,534,905	3,377,131
Cash & cash equivalents at end of financial year	11	23,154,685	14,534,905

The accompanying accounting policies and Explanatory notes form an integral part of and should be read in conjunction with these financial statements

Approved by the Board of Directors on 15th May 2023

Sd/-
Senthil Kumar Tati Balasubramanian
Director

Sd/-
Surendar Nandakumar
Director

CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

GROUP

	Issued capital	Retained Profits	Total
	US\$	US\$	US\$
At 1st April 2021	11,544	43,079,590	43,091,134
Profit for the year 2021-22	-	23,242,206	23,242,206
Foreign Currency Translation	-	(33,667)	(33,667)
Transfer to Capital Reserve	-	(87,100)	(87,100)
Dividend paid during the year	-	(3,128,294)	(3,128,294)
At 31st March 2022	11,544	63,072,735	63,084,279
Profit for the year 2022-23	-	26,434,809	26,434,809
Foreign Currency Translation	-	(259,986)	(259,986)
Dividend paid during the year	-	(5,897,217)	(5,897,217)
At 31st March 2023	11,544	83,350,341	83,361,885

The accompanying accounting policies and Explanatory notes form an integral part of and should be read in conjunction with these financial statements

Approved by the Board of Directors on 15th May 2023

Sd/-
Senthil Kumar Tati Balasubramanian
Director

Sd/-
Surendar Nandakumar
Director

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CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES

(Incorporated in Hong Kong with limited liability)

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

1. GENERAL

(A) Reporting Entity

CAPLIN POINT FAR EAST LIMITED (the ‘Company’) is incorporated in Hong Kong with limited liability. Its holding company is Caplin Point Laboratories Limited, a public limited company incorporated in India, and its shares are listed on the National Stock Exchange of India and Bombay Stock Exchange of India. The registered office of the Company is located at 20F, 20th Floor, Champion Building, 287-291, Des Voeux Road, Central, Hong Kong.

The principal activity of the Holding Company and its subsidiaries are dealing in Pharmaceutical Products.

(B) Reporting currency

Unless stated otherwise, all currency figures in these financial statements are presented in United States Dollars (US\$) rounded to the nearest one dollar.

2. Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards for Private Entities (“HKFRSPE”) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. A summary of significant accounting policies is set out in Note 3.

These financial statements have been prepared under the accrual basis of accounting and the measurement basis used in the preparation of the financial statements is historical cost modified by stating certain financial instruments, if any, at their fair value as explained in the accounting policies set out below.

3. Summary of Significant Accounting Policies

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements.

(a) Group Accounting

A. Subsidiaries

(i) Consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Holding Company (Caplin Point Far East Limited, Hong Kong) and its Subsidiaries [Caplin Point El Salvador, S.A. De C.V., Neoethicals CIA, LTDA, Ecuador, Neoethicals SA, Nicaragua, Drogueria Saimed De Honduras, S.A. Honduras, Nuevos Eticos Neoethicals S.A. Guatemala, and Caplin Point Laboratories Colombia SAS, Colombia (acquired on 28th March 2023)] for the year ended March 31, 2023. Subsidiaries are entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights.

CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES
(Incorporated in Hong Kong with limited liability)

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

Summary of Significant Accounting Policies (Cont'd)

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealized gains on transactions between group entities are eliminated. Unrealized losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest are that part of the net results of operations and of net assets of subsidiaries attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and Statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in subsidiaries, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combination by the Group. The consideration transferred for the acquisition of subsidiaries or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiaries. Acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. In case the consideration transferred is lower than the fair value of the net identifiable assets acquired, the same is recorded as surplus on acquisition of subsidiary arising as a result of bargain purchase and recognized in Other Comprehensive Income.

CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES
(Incorporated in Hong Kong with limited liability)

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

Summary of Significant Accounting Policies (Cont'd)

(iii) Disposals

When a change in the Group ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognized. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard. Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

B. Transactions with non-controlling interests

Changes in the Group's ownership interest in subsidiaries that do not result in a loss of control of over the subsidiaries are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognized within equity attributable to the equity holders of the Company.

(b) Revenue

Revenue is recognised provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably. Interest income from bank deposits/balances is accrued on a time-apportioned basis taking into account the principal outstanding and the rate applicable.

(c) Foreign Exchange Translation

Foreign currency transactions in currencies other than the functional currency (foreign currencies) are recorded in the functional currency at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences arising on the settlement and retranslation of monetary items and non-monetary items are recognised as profit or loss in the period in which they arise.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES
(Incorporated in Hong Kong with limited liability)

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

Summary of Significant Accounting Policies (Cont'd)

(e) Trade receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

(f) Borrowings

Borrowings are recognised initially at the transaction price and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

(g) Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(h) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(i) Impairment of non-financial assets

The investment in subsidiaries is considered as a non-financial asset. At each reporting date, investment in subsidiaries is reviewed to determine whether there is any objective evidence of impairment as result of any event that occurred after the initial recognition of the investment (a 'loss event') and that loss event has an impact on the net assets value of the subsidiaries and that can be reliably estimated. The recoverable amount of the net assets value of the subsidiaries is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the Statement of Comprehensive Income.

If an impairment loss subsequently reverses, the carrying amount is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Comprehensive Income.

CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023

Summary of Significant Accounting Policies (Cont'd)

(j) Related parties

For the purposes of these financial statements, a party is considered to be related to the Company if:

- i) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the Company;
 - has an interest in the Company that gives it significant influence over the Company; or
 - has joint control over the Company;
- ii) the party is an associate of the Company;
- iii) the party is a joint venture in which the Company is a venture;
- iv) the party is a member of key management personnel of the Company or its parent;
- v) the party is a close member of the family of any individual referred to in (i) or (iv);
- vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or any entity that is a related party of the Company.

4. Revenue

An analysis of the Company's revenue is as follows:

	2023	2022
	US\$	US\$
Turnover	129,249,218	113,995,551
Other Income	557,757	126,885
Total Revenue	<u>129,806,975</u>	<u>114,122,436</u>

5. Profit before taxation

This is stated after charging:

	2023	2022
	US\$	US\$

Auditor's remuneration	<u>33,136</u>	<u>31,671</u>
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CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES

(Incorporated in Hong Kong with limited liability)

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

6. Director's Remuneration

The Directors received no remuneration for their services to the Company during the year (2022: Nil). There are no loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Company and its holding company. This is disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulations.

7. Income Tax Expense

Hong Kong Profits Tax has not been provided for the company as the entire activities are off-shore and the Profits will be exempt. Tax expenses of the group is the tax expense of the subsidiaries.

8. A. Property, Plant and Equipment

	Land	Building	Rights to use	Office Equipments	Computers	Furniture	Motor Vehicles	Total
Cost as on 1st April 2022	299,375	634,051	129,014	263,004	208,295	417,669	458,201	2,409,609
Additions during 2022-23	-	-	3,358	2,657	57,139	32,561	147,741	243,456
Deductions during 2022-23	-	-	-	-	69	3,080	186,672	189,821
Translation Effect	(5,403)	(9,807)	-	(4,015)	(2,755)	(5,760)	(2,870)	(30,610)
Cost as on 31st March 2023	293,972	624,244	132,372	261,646	262,610	441,390	416,400	2,432,634
Depreciation								
Upto 1st April 2022	-	117,698	9,483	169,763	151,422	280,339	261,843	990,548
For the year 2022-23	-	25,331	44,276	28,922	25,468	52,016	65,556	241,570
Depreciation on Deductions	-	-	-	-	-	288	82,696	82,985
Translation Effect	-	(1,961)	-	(2,890)	(2,235)	(4,215)	(1,717)	(13,016)
Upto 31st March 2023	-	141,069	53,759	195,796	174,656	327,852	242,986	1,136,116
Carrying amount								
As on 31st March 2023	293,972	483,175	78,613	65,850	87,954	113,538	173,414	1,296,518
As on 31st March 2022	299,375	516,353	119,531	93,241	56,873	137,330	196,358	1,419,062

CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES
(Incorporated in Hong Kong with limited liability)

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

B. Intangible Assets

PARTICULARS	US\$
Cost as on 1st April 2022	272,666
Additions during 2022-23	330,123
Deductions during 2022-23	3,782
Translation Effect	2,282
Cost as on 31 st March 2023	<u>601,889</u>
Depreciation upto 1st April 2022	251,127
Depreciation for 2022-23	5,358
Depreciation on Deductions	(1,481)
Translation Effect	(4,413)
Depreciation upto 31st March 2023	<u>253,553</u>
Carrying amount as on 31st March 2023	<u>348,336</u>
Carrying amount as on 31st March 2022	<u>21,539</u>

9. Changes in Equity

GROUP

	Issued capital	Retained Profits	Total
	US\$	US\$	US\$
At 1st April 2021	11,544	43,079,590	43,091,134
Profit for the year 2021-22	-	23,242,206	23,242,206
Foreign Currency Translation	-	(33,667)	(33,667)
Transfer to Capital Reserve	-	(87,100)	(87,100)
Dividend paid during the year	-	(3,128,294)	(3,128,294)
At 31st March 2022	11,544	63,072,735	63,084,279
Profit for the year 2022-23	-	26,434,809	26,434,809
Foreign Currency Translation	-	(259,986)	(259,986)
Dividend paid during the year	-	(5,897,217)	(5,897,217)
At 31st March 2023	11,544	83,350,341	83,361,885

CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES
(Incorporated in Hong Kong with limited liability)

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

<u>10. Non-Controlling Interest</u>	2023	2022
	US\$	US\$
Non-Controlling Interest		
Equity	1,089,177	2,332,007
Share of Reserves	2,491,096	1,157,865
Balance at the end of the year	<u>3,580,273</u>	<u>3,489,872</u>

11. Cash and Cash Equivalents

Cash and cash equivalents included in the statement of financial position comprise the following amounts:

	Group	
	2023	2022
	US\$	US\$
Cash and Cash equivalents:		
Cash at Bank	3,467,802	6,397,232
Cash on hand	136,883	69,534
Fixed Deposits	<u>19,550,000</u>	<u>8,068,139</u>
Total	<u>23,154,685</u>	<u>14,534,905</u>

12. TRANSACTIONS WITH RELATED PARTIES

Purchases from Ultimate Holding Company for the year ended 31st March 2023

Purchases from Holding Company	\$ 33,551,459
Due from Holding Company	\$ 2,856,173
Due to Holding Company	\$ 6,241,637

CAPLIN POINT FAR EAST LIMITED AND ITS SUBSIDIARIES
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2023

13. Holding Company

As at March 31, 2023, the Company's Holding Company is "Caplin Point Laboratories Limited", a public limited company incorporated in India and its shares are listed on National Stock Exchange of India (NSE) and in the Bombay Stock Exchange (BSE).

14. Capital Risk Management

The Company management manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of cash and cash equivalents, debt and equity attributable to equity holders of the Company, comprising issued share capital, share premium and accumulated profit.

The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital.

15. Liquidity Risk Management

In the management of the liquidity risk, the Company monitor and maintain a level of cash and cash equivalents considered adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The contractual maturity of the Company's trade and other payables are all due within one year and the amounts due to related parties are all repayable on demand.

16. Approval of Financial Statements

These financial statements were authorised for issue by the Company's Board of Directors on 15th May 2023

Sd/-
Senthil Kumar Tati Balasubramanian
Director

Sd/-
Surendar Nandakumar
Director