INDEPENDENT AUDITOR'S REPORT

To the Members of Caplin Steriles Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Caplin Steriles Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements)..

In our opinion and to the best of our information and according to the explanations given to us the aforesaid 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 Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit, other 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 (SAs) 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 Director's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the

Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (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 Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were 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.

iv.

1. The Management has represented that, to the best of its knowledge and belief as disclosed in note 47 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2. The Management has represented, that, to the best of its knowledge and belief as disclosed in note 47 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 01, 2023, and accordingly, reporting under this clause is not applicable.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its director is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-

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Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 23029409BGTMSL6564

Place: Chennai
Date: May 12, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF CAPLIN STERILES LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, 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 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 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.

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.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 23029409BGTMSL6564

Place: Chennai
Date: May 12, 2023

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CAPLIN STERILES LIMITED FOR THE YEAR ENDED MARCH 31, 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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) All the Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular program of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceedings has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) The Company has not been sanctioned any working capital limits during the year. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues relating to Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise, cess or other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there were no transactions which have been surrendered or disclosed as income during the year in Tax Assessments under the Income Tax Act, 1961 (43 of 1961) of the Company. Also, there were no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

(d) According to the information and explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information explanation given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate company. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.

x.

(a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3(x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

(a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are 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 Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the 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 internal audit reports of the Company issued till date, 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 Act are not applicable to Company.

xvi.

(a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) (b) and (c) of the Order are not applicable to the Company.

(b) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph 3 (xvi)(d) of the Order are not applicable to the Company.

xvii. Based on the overall review of financial statements, Company has incurred cash losses amounting to Rs. 876.84 lakhs during the immediately preceding financial year but has not incurred any cash losses during the current financial year.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, 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 management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are not applicable to the Company. Hence, reporting under paragraph (xx)(a) to (b) of the Order is not applicable to the Company.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 23029409BGTMSL6564

Place: Chennai
Date: May 12, 2023

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CAPLIN STERILES LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Caplin Steriles Limited on the Financial Statements for the year ended March 31, 2023]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of Caplin Steriles Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls With reference to Financial Statements

A Company's internal financial control with reference to 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 control with reference to 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 authorizations 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 financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-

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Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 23029409BGTMSL6564

Place: Chennai
Date: May 12, 2023

CAPLIN STERILES LIMITED
BALANCE SHEET AS AT MARCH 31, 2023
(All amounts are in Rs. Lakhs 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	10,512.73	10,909.78
(b) Capital work-in-progress	2B	13,913.48	1,264.29
(c) Other intangible assets	2C	410.47	387.45
(d) Intangible assets under development	2D	23.39	142.42
(e) Financial assets			
(i) Investments in Associate	3	140.00	140.00
(ii) Other Financial Assets	4	484.04	224.95
(f) Deferred Tax Assets (net)	5	2,778.49	2,800.23
(g) Income Tax Assets	6	62.90	147.63
(h) Other non-current assets	7	2,467.84	2,916.31
Sub-total-Non current assets		**30,793.34**	**18,933.06**
(2) Current Assets			
(a) Inventories	8	5,573.78	4,997.80
(b) Financial Assets			
(i) Trade Receivables	9	3,925.37	2,439.38
(ii) Cash and Cash Equivalents	10A	2,316.08	1,809.67
(iii) Bank Balances other than (ii) above	10B	20.43	1,412.94
(iv) Other Financial Assets	11	16.17	75.48
(c) Other Current Assets	12	4,712.26	3,492.42
Sub-total-Current assets		**16,564.09**	**14,227.69**
Total		**47,357.43**	**33,160.75**
EQUITY AND LAIBILITIES			
(1)Equity			
(a) Equity share capital	13	10,537.42	10,537.42
(b) Other equity	14	16,702.93	16,461.52
Sub-total-Equity		**27,240.35**	**26,998.94**
(2) Liabilities			
(A) Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15	15,600.00	3,975.00
(b) Provisions	16	-	22.83
(c) Other Non Current Liabilities	17	272.18	343.60
Sub-total-Non current liabilities		**15,872.18**	**4,341.43**
(B) Current Liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro and small enterprises	18	0.74	40.84
(b) total outstanding dues other than (i) (a) above		1,732.11	1,097.59
(ii) Other financial liabilities	19	1,944.47	76.16
(b) Other current liabilities	20	565.02	584.14
(c) Provisions	21	2.56	21.65
Sub-total-Current liabilities		**4,244.90**	**1,820.38**
Total Equity And Liabilities		**47,357.43**	**33,160.75**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for MSKA & Associates
Chartered Accountants
Firm Registration No : 105047W

For and on behalf of
Caplin Steriles Limited

Sd/-
Geetha Jeyakumar
Partner
ICAI Membership No. 029409

Sd/-
C.C. Paarthipan
Chairman
DIN: 01218784

Sd/-
Dr. Sridhar Ganesan
Whole Time Director
DIN: 06819026

Sd/-
M Sathya Narayanan
Chief Financial Officer

Sd/-
S Rukmani
Company Secretary
M No: F11307

Place : Chennai
Date : May 12, 2023

Place : Chennai
Date : May 12, 2023

CAPLIN STERILES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Lakhs 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	22	20,728.85	12,214.42
(b)	Other income	23	611.79	565.76
	Total Income		**21,340.64**	**12,780.18**
II . EXPENSES				
(a)	Cost of Materials Consumed	24	5,964.60	3,549.27
(b)	Changes in inventories of Finised Goods and Work-in-progress	25	36.05	(489.13)
(c)	Employee benefits expense	26	4,552.29	3,958.35
(d)	Finance costs	27	212.31	47.63
(e)	Depreciation and Amortisation Expenses	28	1,729.66	1,925.93
(f)	Research and Development Expenses	29	3,474.02	3,537.13
(g)	Other expenses	30	5,285.33	3,503.80
	Total Expenses		**21,254.26**	**16,032.98**
III . Profit/(Loss) before Exceptional items and tax			86.38	(3,252.80)
IV. Exceptional Items			-	-
V . Profit/(Loss) Before Tax			86.38	(3,252.80)
VI . Tax Expense (Net)				
	- Current Tax		-	-
	- Deferred tax Charge/(Benefit)	31	12.26	(819.11)
VII . Profit/(Loss) After Tax for the Year			**74.12**	**(2,433.69)**
VIII. Other Comprehensive Income				
Items that will not be reclassified to profit or loss:				
	(i) Remeasurement of Defined Benefit Plans		37.69	1.43
	(ii) Income tax relating to these items	31	(9.49)	(0.36)
	Other Comprehensive Income for the year		28.20	1.07
IX.Total Comprehensive Income for the Year			**102.32**	**(2,432.62)**
Earning Per Equity Share (Nominal value per share Rs.2/-)				
Basic		33	**0.07**	**(2.31)**
Diluted			**0.05**	**(2.31)**

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

As per our report of even date attached

for MSKA & Associates
Chartered Accountants
Firm Registration No : 105047W

For and on behalf of the Board of Directors of Caplin Steriles Limited

Sd/-
Geetha Jeyakumar
Partner
ICAI Membership No. 029409

Sd/-
C.C. Paarthipan
Chairman
DIN: 01218784

Sd/-
Dr. Sridhar Ganesan
Whole Time Director
DIN: 06819026

Sd/-
M Sathya Narayanan
Chief Financial Officer

Sd/-
S Rukmani
Company Secretary
M No: F11307

Place : Chennai
Date : May 12, 2023

Place : Chennai
Date : May 12, 2023

CAPLIN STERILES LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2023

(All amounts are in Rs. Lakhs 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 / (Loss) before tax	**86.38**	**(3,252.80)**
Adjustments for:		
Depreciation and Amortisation	1,729.66	1,925.93
Government Grant	(71.42)	(72.34)
Employee Stock option Scheme Expense	139.09	450.03
Unrealized Foreign Exchange Fluctuation Loss (Gain)	(32.95)	(4.29)
Finance Cost	212.31	47.63
Loss on write-off of Property, Plant & Equipment	-	128.90
Interest income	(62.43)	(197.03)
Operating Profit / (Loss) before Working Capital changes	**2,000.64**	**(973.97)**
Adjustments for (Increase)/Decrease in		
Inventories	(575.98)	(1,311.67)
Trade Receivables	(1,453.05)	123.70
Other Financial Assets	(8.09)	(28.26)
Other Current Assets	(1,219.84)	(207.20)
Adjustments for Increase/(Decrease) in		
Trade Payables	594.42	83.44
Other Non Current Liabilities	0.00	(8.08)
Other Current Liabilities	18.57	(29.84)
Provisions	(41.92)	29.67
CASH USED IN OPERATIONS	**(685.25)**	**(2,322.21)**
Income tax Paid (TDS)	84.73	39.04
Net Cash Used in Operating activities	**(600.52)**	**(2,283.17)**
B. Cash Flow from Investing Activities		
Interest received	121.74	145.69
Bank Deposits with remaining Maturity of greater than 3 Months	1,141.51	(1,393.80)
Investment in Equity Shares of SunSole Solar Private Limited	-	(140.00)
Sale of property, plant and equipment	8.00	139.62
(Purchase) of property, plant and equipment (including CWIP and Capital advances)	(11,577.01)	(4,918.58)
Net Cash used in Investing activities	**(10,305.76)**	**(6,167.07)**
C. Cash Flow from Financing Activities		
Proceeds from Non-Current Borrowings	11,625.00	3,975.00
Interest Paid	(212.31)	(147.86)
Net Cash generated from Financing activities	**11,412.69**	**3,827.14**
Effect of exchange rate changes on cash and cash equivalents **(D)**	-	4.29
Net (Decrease)/Increase in cash and cash equivalents during the year (E= A+B+C+D)	506.41	(4,618.81)
Cash and Cash Equivalents as at the beginning of the year (F)	**1,809.67**	**6,428.48**
Cash and Cash Equivalents as at the end of the year (G=E +F) Refer Note 10A	**2,316.08**	**1,809.67**

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flow".

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for MSKA & Associates
Chartered Accountants
Firm Registration No : 105047W

For and on behalf of the Board of Directors of Caplin Steriles Limited

Sd/-
Geetha Jeyakumar
Partner
ICAI Membership No. 029409

Sd/-
C.C. Paarthipan
Chairman
DIN: 01218784

Sd/-
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Whole Time Director
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Sd/-
M Sathya Narayanan
Chief Financial Officer

Sd/-
S Rukmani
Company Secretary
M No: F11307

Place : Chennai
Date : May 12, 2023

Place : Chennai
Date : May 12, 2023

CAPLIN STERILES LIMITED

STATEMENT OF CHNAGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Rs. Lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL (Refer Note 13)

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of Equity Shares	Amount	No of Equity Shares	Amount
Balance as at the beginning of the year	10,53,74,213	10,537.42	10,53,74,213	10,537.42
Changes during the year	-	-	-	-
Balance as at the end of the year	10,53,74,213	10,537.42	10,53,74,213	10,537.42

B. OTHER EQUITY (Refer Note 14)

Particulars	Compulsorily Convertible Preference Shares	Reserves and Surplus				Items of other comprehensive income	Total Other Equity
		Securities Premium Reserve	Capital Contribution from Parent	Retained Earnings	Other Reserve	Remeasurement of Defined benefit plan	
Balance as at April 01, 2021	**7,458.29**	**16,644.27**	**419.07**	**(5,891.28)**	**(143.45)**	**(42.79)**	**18,444.11**
Loss for the year				(2,433.69)			(2,433.69)
Other Comprehensive Income for the year						1.07	1.07
Movement in Securities Premium		(143.45)			143.45		-
Share- based payment expenses			450.03				450.03
Balance as at March 31, 2022	**7,458.29**	**16,500.82**	**869.10**	**(8,324.97)**	**-**	**(41.72)**	**16,461.52**
Profit for the year				74.12			74.12
Other Comprehensive Income for the year						28.20	28.20
Share- based payment expenses			139.09				139.09
Balance as at March 31, 2023	**7,458.29**	**16,500.82**	**1,008.19**	**(8,250.85)**	**-**	**(13.52)**	**16,702.93**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for MSKA & Associates

Chartered Accountants

Firm Registration No : 105047W

Sd/-

Geetha Jeyakumar

Partner

ICAI Membership No. 029409

Place : Chennai

Date : May 12, 2023

For and on behalf of the Board of Directors of

Caplin Steriles Limited

Sd/-

C. C. Paarthipan

Chairman

DIN: 01218784

Sd/-

Dr. Sridhar Ganesan

Whole Time Director

DIN: 06819026

Sd/-

M Sathya Narayanan

Chief Financial Officer

Sd/-

S Rukmani

Company Secretary

M No: F11307

Place : Chennai

Date : May 12, 2023

Notes to the Financial Statements for the year ended March 31, 2023
(All amounts are in lakhs unless otherwise stated)

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

1A. Company Overview:

Caplin Steriles Limited (“Caplin Steriles” or “the Company”) incorporated in 2018, headquartered and having its registered office in Chennai, Tamil Nadu, India. The Company is into the business of pharmaceuticals - producing, developing and marketing wide range of generic formulations and branded products and exporting to overseas market. The Company’s principal research and development facilities are located in Tamil Nadu, India; its principal manufacturing facilities are located in Tamil Nadu, 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 lakhs.

These financial statements were authorized for issue by the Company’s Board of Directors on May 12, 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 lakhs, except otherwise indicated.

iv) Use of Estimates and Judgments

The preparation of the Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies, given as under:

- Measurement of defined benefit obligations
- Measurement and likelihood of occurrence of provisions and contingencies
- Recognition of deferred tax assets
- Useful lives of property, plant, equipment and Intangibles
- Impairment of Assets
- Impairment of financial assets

b) Property, Plant and Equipment:

i) Recognition and Measurement

Property, plant and equipment are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold land which is carried at cost less impairment losses. Subsequent expenditures are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provisions are met.

Spares which meet the definition of property, plant and equipment are capitalized as on the date of acquisition. The corresponding old spares are decapitalized on such date with consequent impact in the statement of profit and loss.

Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets".

An item of property, plant and equipment and any significant part thereof is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in "other income / (expenses)" when the asset is derecognized.

ii) *Depreciation*

Depreciation is provided as per the useful life of assets which are determined based on technical parameters / assessment. Depreciation on tangible assets is provided on a straight line method over the useful lives of the assets.

Estimated useful lives of the assets, are as follows:

Asset Category	Estimated useful life (Years)
Factory Building	30
Building other than factory building	60
Plant & Machinery	5-15
Furniture & Fixtures	10
Office Equipment	5
Computers	3
Electrical Fittings and installation	10
Motor Vehicles	6
Motor Cycle	10

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed during each financial year and adjusted prospectively, if appropriate.
Depreciation on additions is provided pro-rata basis for the number of days available for use. Depreciation on sale / disposal of assets is provided pro-rata basis up to the date of sale / disposal.

An asset purchased where the actual cost does not exceed Rs 5,000 is depreciated at the rate of 100%.

c) Intangible Assets:

i) Recognition and Measurement

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

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

ii) Amortization

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

Asset Category	Estimated useful life
Computer Software	6 Years or use full life whichever is lower

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

d) Leases

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

i) Company as Lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset and the average lease terms. The Right-of-use assets is also subject to impairment. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The Company uses the incremental borrowing rate as the discount rate.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low value assets recognition exemption to leases that are considered of low value (range different for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

ii) Company as Lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

e) Impairment of Assets:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

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

f) Research and Development:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year it is incurred. Fixed assets utilised for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

Expenditure on in house development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset.

g) Inventories

Inventories are valued at lower of cost or net realizable value. Cost is determined as follows;

i) Raw materials, Stores and Spares and Packing materials

Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. Cost is determined on Weighted Average basis.

ii) Work-in-progress and Finished goods

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

Net realizable 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 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 way 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 amortized 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 in the fair value. The Company has not designated investments in any equity instruments as FVTOCI.

❖ **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

i) The rights to receive cash flows from the asset have expired, or

ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

❖ **Impairment of financial assets**

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

i) Trade Receivables

ii) Other financial assets that are measured at amortized cost.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance

II. Financial Liabilities and Equity Instruments

i) Financial Liabilities

The Company's Financial Liabilities mainly comprise of;

- Current financial liabilities mainly consist of trade payables and liability for capital expenditure.
- Non-current financial liabilities mainly consist of Borrowings.

❖ **Initial Recognition and measurement of Financial Liabilities**

The Company recognizes a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are initially recognized and measured at amortized cost

❖ **Subsequent Measurement of Financial Liabilities at Amortized Cost**

The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method. Interest expense that is not capitalized as part of cost of an asset is included in the 'Finance costs' line item. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

❖ **Derecognition of Financial Liability**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

l) Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the statement of profit and loss.

m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

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.

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 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 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 Fee

Revenue from services rendered is recognized in the profit or loss as and when the underlying services are performed. Upfront non-refundable 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).

o) Export Incentive

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

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

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

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

ii) Post-*Employment* Benefits:

- ***Defined contribution plans***

Employee benefits in the form of contribution to Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labor Welfare Fund are considered as defined contribution plans and the same are charged to the statement of profit and loss for the year in which the employee renders the related service.

- ***Defined benefit plans***

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

❖ ***Gratuity***

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

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

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

❖ ***Compensated absences:***

Accumulated compensated absences, which are expected to be availed or en-cashed beyond 12 months from the end of the year end 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 holding Company of the Company operates various equity-settled performance share plans. Senior executive of the Company received remuneration in the form of share-based payments, whereby employee render service as consideration for equity instruments (equity settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost of equity settled transactions is recognized in the Statement of Profit and Loss, together with a corresponding increase in equity, representing contribution received from the holding company, over the period in which the performance and/or service conditions are fulfilled. 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 stock option, which is not vested, amortized portion is reversed by credit to employee compensation expense.

r) Taxation

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

i) Current Tax

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

ii) Deferred Tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be released simultaneously.

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.

Caplin Steriles Limited
Notes to the financial statements for the year ended March 31, 2023
(All amounts are in Rs. Lakhs unless otherwise stated)

NOTE 2A: Property, Plant & Equipment
As at March 31, 2023

Particulars	Gross block				Depreciation				Net Block	
	As at April 01, 2022	Additions during the year	Deletions during the year	As at March 31, 2023	As at April 01, 2022	Additions during the year	Deletions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
<u>Cost or Deemed Cost</u>										
Land	203.26	10.72	-	213.98	-	-	-	-	213.98	203.26
Factory Buildings	4,058.84	8.68	0.11	4,067.41	484.39	135.55	0.01	619.93	3,447.47	3,574.45
Plant & Machinery Refer Note (i)	7,090.98	969.15	7.26	8,052.87	2,071.41	953.10	2.94	3,021.57	5,031.30	5,019.57
Air Conditioner	148.73	14.70	0.05	163.38	35.83	10.97	0.01	46.79	116.59	112.90
Furniture & Fixtures	339.43	6.00	2.48	342.95	142.93	33.33	1.64	174.62	168.33	196.50
Office Equipment	146.16	12.02	-	158.18	85.84	26.29	-	112.13	46.05	60.32
Computers	143.97	14.33	-	158.30	100.99	29.38	-	130.37	27.93	42.98
Electrical Fittings	452.45	27.34	-	479.79	198.83	47.62	-	246.45	233.34	253.62
Motor Vehicles	157.27	28.86	5.97	180.16	42.15	28.71	4.87	65.99	114.17	115.12
Lab Equipment	2,505.16	146.97	2.24	2,649.89	1,174.10	362.85	0.63	1,536.32	1,113.57	1,331.06
Total:	**15,246.25**	**1,238.77**	**18.11**	**16,466.91**	**4,336.47**	**1,627.81**	**10.10**	**5,954.17**	**10,512.73**	**10,909.78**

Note:
(i) Gross Block as at March 31, 2023 includes Rs. 492.65 Lacs (March 31, 2022: Rs. 492.65 Lacs) 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 March 31, 2023 includes Rs. 220.47 Lacs (March 31, 2022: Rs. 149.05 Lacs) on such government grant. **Refer Note 17**
(ii) Gross block (incl CWIP) includes borrowing cost capitalised during the year amounts to Rs. 523.99 lakhs (March 31, 2022: 100.22 Lakhs)
(iii) Refer Note 32 in respect of addition of assets made during the year in relation to assets used for Research and Development.
(iv) The title deeds of all the immovable properties are held in the name of the company
(v) The Company has not revalued its property, plant and equipment during the current year and previous year.
(vi) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

As at March 31, 2022

Particulars	Gross block				Depreciation				Net Block	
	As at April 01, 2021	Additions during the year	Deletions during the year	As at March 31, 2022	As at April 01, 2021	Additions during the year	Deletions	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
<u>Cost or Deemed Cost</u>										
Land	110.51	92.75	-	203.26	-	-	-	-	203.26	110.51
Factory Buildings	4,009.77	61.20	12.13	4,058.84	331.16	154.64	1.41	484.39	3,574.45	3,678.61
Plant & Machinery Refer Note (i)	5,963.08	1,333.54	205.64	7,090.98	1,066.68	1,084.24	79.51	2,071.41	5,019.57	4,896.40
Air Conditioner	148.73	-	-	148.73	24.45	11.38	-	35.83	112.90	124.28
Furniture & Fixtures	340.92	6.90	8.39	339.43	100.87	47.68	5.62	142.93	196.50	240.05
Office Equipment	135.87	10.29	-	146.16	58.99	26.85	-	85.84	60.32	76.88
Computers	112.67	31.30	-	143.97	69.03	31.96	-	100.99	42.98	43.64
Electrical Fittings	445.45	7.00	-	452.45	132.50	66.33	-	198.83	253.62	312.95
Motor Vehicles	111.33	45.94	-	157.27	22.21	19.94	-	42.15	115.12	89.12
Lab Equipment	2,088.82	421.92	5.58	2,505.16	767.39	412.29	5.58	1,174.10	1,331.06	1,321.43
Total:	**13,467.15**	**2,010.84**	**231.74**	**15,246.25**	**2,573.28**	**1,855.31**	**92.12**	**4,336.47**	**10,909.78**	**10,893.87**

Caplin Steriles Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts are in Rs. Lakhs unless otherwise stated)

Note 2B: Capital Work-in-Progress

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,264.29	1,241.85
Additions	13,887.95	2,033.28
Less: Capitalization	1,238.77	2,010.84
Closing Balance	**13,913.48**	**1,264.29**

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	13,887.95	25.52	-	-	13,913.48
Projects temporarily suspended	-	-	-	-	-

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	841.68	414.61	8.00	-	1,264.29
Projects temporarily suspended	-	-	-	-	-

(i) There are no projects under capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022.

NOTE 2C: Other Intangible Assets

As at March 31, 2023

Particulars	Gross block				Amortisation				Net Block	
	As at April 01, 2022	Additions during the year	Deletions during the year	As at March 31, 2023	As at April 01, 2022	Additions during the year	Deletions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Other Intangible Assets										
Computer Software	518.42	124.86	-	643.28	130.97	101.85	-	232.82	410.47	387.45
Total Other Intangible Assets	**518.42**	**124.86**	**-**	**643.28**	**130.97**	**101.85**	**-**	**232.82**	**410.47**	**387.45**

-

As at March 31, 2022

Particulars	Gross block				Amortisation				Net Block	
	As at April 01, 2021	Additions during the year	Deletions during the year	As at March 31, 2022	As at April 01, 2021	Additions during the year	Deletions	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Other Intangible Assets										
Computer Software	343.31	175.11	-	518.42	60.36	70.61	-	130.97	387.45	282.95
Total Other Intangible Assets	**343.31**	**175.11**	**-**	**518.42**	**60.36**	**70.61**	**-**	**130.97**	**387.45**	**282.95**

(i) The Company has not revalued its Other Intangibles Assets during the current year and previous year.

Caplin Steriles Limited

Notes to the financial statements for the year ended March 31, 2023

(All amounts are in Rs. Lakhs unless otherwise stated)

Note 2D: Intangibles under Development

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	142.42	4.54
Additions	5.83	312.99
Less: Capitalization	124.86	175.11
Closing Balance	**23.39**	**142.42**

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	5.83	17.56			23.39
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	137.88	4.54			142.42
Projects temporarily suspended	-	-	-	-	-

(i) There are no projects under Intangibles under development whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022.

CAPLIN STERILES LIMITED

Notes to the financial statements for the year ended March 31, 2023

(All amounts are in Rs. Lakhs unless otherwise stated)

NOTE 3	As at March 31, 2023	As at March 31, 2022
INVESTMENT IN ASSOCIATES		
-Carried at cost		
Unquoted, In fully Paid Equity Shares		
1,75,000 Equity Shares of Rs.10/- each in Sunsole Solar Private Limited (March 2022: 1,75,000 Equity Shares)	140.00	140.00
Total	**140.00**	**140.00**

The company had subscribed 175,000 equity shares in Sunsole Solar Private Limited representing 28.01% for a total consideration of Rs. 140 lakhs. The Sunsole Solar Private Limited has set up a Solar power plant in the state of Tamil Nadu (Operations commenced in Nov'2022) of which the company is the Captive consumer. The investee Company has reported a profit of Rs. 28.32 Lakhs for the FY 22-23 and the share of profit amounting to Rs. 7.93 Lakhs has been considered for consolidation at the parent Company (Caplin Point Laboratories Limited) and not in the financial statements of Caplin Steriles Limited as stated in the provisions of Sec 129(3) of the Companies Act, 2013 read with Rule 6 of Companies (Accounts) Rules,2014.

NOTE 4	As at March 31, 2023	As at March 31, 2022
OTHER NON CURRENT FINANCIAL ASSETS		
- (Carried at amortised cost, except otherwise stated)		
Rental Deposits	10.23	2.14
Security Deposits	115.23	115.23
Bank Deposits with remaining Maturity of greater than 12 Months	358.58	107.58
Total	**484.04**	**224.95**

NOTE 5	As at March 31, 2023	As at March 31, 2022
DEFERRED TAX ASSETS (Net)		
Deferred Tax Asset (Net) - Refer Note 31	2,778.49	2,800.23
Total	**2,778.49**	**2,800.23**

NOTE 6	As at March 31, 2023	As at March 31, 2022
INCOME TAX ASSETS		
Tax deducted at source	62.90	147.63
Total	**62.90**	**147.63**

NOTE 7	As at March 31, 2023	As at March 31, 2022
OTHER NON-CURRENT ASSETS		
Unsecured, considered good		
Capital Advance - Refer Note (i) below	2,467.84	2,916.31
Total	**2,467.84**	**2,916.31**

(i) Refer Note 37 for value of contracts in capital account remaining to be executed

CAPLIN STERILES LIMITED
Notes to the financial statements for the year ended March 31, 2023
(All amounts are in Rs. Lakhs unless otherwise stated)

NOTE 8	As at March 31, 2023	As at March 31, 2022
INVENTORIES (Lower of cost or Net realizable value)		
Raw Materials	2,015.67	1,815.03
Packing Materials	1,831.30	1,498.22
Work-in-Progress	493.93	383.45
Finished Goods	132.14	278.68
Stores and Spares	1,100.73	1,022.42
Total	**5,573.78**	**4,997.80**

NOTE 9	As at March 31, 2023	As at March 31, 2022
TRADE RECEIVABLES		
- (Carried at amortised cost, except otherwise stated)		
Trade Receivables - Unsecured considered good	3,925.37	2,439.38
Less: Provision for expected credit loss	-	-
Total	**3,925.37**	**2,439.38**

(i) The Company's trade receivables do not carry a significant financial element
(ii) The credit period ranges from 30 to 90 days and are non interest bearing

(ii) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. There are no trade or other receivables which are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivables Ageing As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3,595.72	329.65	-	-	-		3,925.37
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-		-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-		-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-		-
Total	**3,595.72**	329.65	-	-	-		**3,925.37**

Trade Receivables Ageing As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,088.51	350.87	-	-	-		2,439.38
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-		-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-		-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-		-
Total	**2,088.51**	350.87	-	-	-		2,439.38

CAPLIN STERILES LIMITED

Notes to the financial statements for the year ended March 31, 2023

(All amounts are in Rs. Lakhs unless otherwise stated)

NOTE 10A	As at March 31, 2023	As at March 31, 2022
CASH AND CASH EQUIVALENTS		
Cash on Hand	4.77	1.17
Balances with Banks		
- Current accounts	2,306.63	573.18
- Bank Deposit accounts less than 3 months maturity	4.69	1,235.32
Total	**2,316.08**	**1,809.67**

For the purposes of the Statement of Cash Flows, Cash and Cash Equivalents include Cash on Hand and in Banks, Cheques on hand. Cash and Cash Equivalents at the end of reporting year as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet.

NOTE 10B	As at March 31, 2023	As at March 31, 2022
BANK BALANCES OTHER THAN ABOVE		
Deposit Accounts		
- Bank Deposit accounts maturity (more than 3 months but less than 12 months)	20.43	1,412.94
Total	**20.43**	**1,412.94**

NOTE 11	As at March 31, 2023	As at March 31, 2022
OTHER CURRENT FINANCIAL ASSETS		
(Carried at amortised cost,except otherwise stated)		
Interest Accrued on Deposits	16.17	75.48
Total	**16.17**	**75.48**

NOTE 12	As at March 31, 2023	As at March 31, 2022
OTHER CURRENT ASSETS		
Balance with Statutory Authorities	3,798.94	2,657.44
Advance to suppliers	243.06	262.84
Prepaid Expenses	155.83	119.61
Advance to Employees	7.66	3.92
Export Incentives Receivable	46.90	82.05
Unbilled Revenue	459.87	366.56
Total	**4,712.26**	**3,492.42**

CAPLIN STERILES LIMITED

Notes to the financial statements for the year ended March 31, 2023

(All amounts are in Rs. Lakhs unless otherwise stated)

NOTE 13	As at March 31, 2023	As at March 31, 2022
SHARE CAPITAL		
AUTHORISED		
11,00,00,000 (31st March 2022: 11,00,00,000) Equity Shares of ₹ 10/- each	11,000.00	11,000.00
8,00,00,000 (31st March 2022: 8,00,00,000) Series A Compulsorily Convertible Preference Shares of ₹ 10/- each	8,000.00	8,000.00
ISSUED, SUBSCRIBED AND PAID UP		
Equity Share Capital		
1,20,74,431 (March 31, 2022: 1,20,74,431) equity shares of ₹ 10/- each fully paid up issued for cash & 9,32,99,782 (March 31, 2022: 9,32,99,782) equity shares of ₹ 10/- each fully paid up issued for consideration other than cash,	10,537.42	10,537.42
Total	**10,537.42**	**10,537.42**
Compolsorily Convertible Preference Shares		
7,45,82,875 (March 31, 2022: 7,45,82,875) Series A Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up	7,458.29	7,458.29
Total	**7,458.29**	**7,458.29**

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

(i) Equity Shares	As at March 31, 2023	As at March 31, 2022
Equity shares outstanding at the beginning of the Year	10,53,74,213	10,53,74,213
Add: Equity shares allotted during the year	-	-
Less Equity shares bought back during the Year	-	-
Equity shares outstanding at the end of the Year	**10,53,74,213**	**10,53,74,213**

(ii) Compulsorily Convertible Preference Shares	As at March 31, 2023	As at March 31, 2022
Shares Outstanding at the beginning of the Year	7,45,82,875	7,45,82,875
Add: Shares allotted during the year	-	-
Less: Shares bought back during the Year	-	-
Shares outstanding at the end of the Year	**7,45,82,875**	**7,45,82,875**

b) Rights, preference & restrictions attached to shares

(i) Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- 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 approval of the Shareholders in the ensuring 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.

(ii) Preference Shares

0.001% Compulsory Convertible Preference Shares ('CCPS') having a par value of Rs. 10 is convertible in the ratio of 1:0.49. The conversion shall happen at the option of the preference shareholders. The CCPS if not converted by the preference shareholders shall be compulsorily converted into equity shares upon any of the following events:

(i) the filing of the DRHP with the SEBI in connection with the QIPO, and

(ii) The date which is 19 (nineteen) years from the date of issuance and allotment of CCPS.

Till conversion, the holders of CCPS shall be entitled to a dividend of 0.001% p.a. In the event of dividend declaration by the Board, the holders of CCPS are are also entitled for additional dividend payable on outstanding CCPS which shall be equal to the dividend declared and calculated based on number of equity shares to be issued on conversion of Outstanding CCPS.

c) Equity Shares held by Holding Company	As at March 31, 2023	As at March 31, 2022
Caplin Point Laboratories Limited and its nominees 10,53,74,113 (March 31, 2022: 10,53,74,113) Equity Shares of Rs. 10 each	10,537.42	10,537.42

CAPLIN STERILES LIMITED
Notes to the financial statements for the year ended March 31, 2023
(All amounts are in Rs. Lakhs unless otherwise stated)

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

(i) Equity Shares Name of the Share Holder	**As at March 31, 2023**		**As at March 31, 2022**	
	No. of Shares	**% of Holding**	**No. of Shares**	**% of Holding**
Caplin Point Laboratories Limited and its nominees (Holding company)	10,53,74,113	99.999%	10,53,74,113	99.999%

(ii) Compulsorily Convertible Preference Shares Name of the Share Holder	**As at March 31, 2023**		**As at March 31, 2022**	
	No. of Shares	**% of Holding**	**No. of Shares**	**% of Holding**
M/s Eight Road Ventures India IILP	5,22,08,013	70%	5,22,08,013	70%
M/s. F-Prime Capital Partners Life Sciences Fund VI LP	2,23,74,862	30%	2,23,74,862	30%

e) Details of shares in the company held by Promoters of the Company

Name of Shareholder	**As at March 31, 2023**		**As at March 31, 2022**	
	No. of Shares	**% of Holding**	**No. of Shares**	**% of Holding**
Caplin Point Laboratories Limited and its nominees (Holding company)	10,53,74,113	99.999%	10,53,74,113	99.999%

f) Aggregate number of Shares issued for a consideration other than cash during the period of five years immediately preceding the reporting date

Pursuant to the Business Transfer Agreement executed with Caplin Point Laboratories Limited in January 2019, equity shares of 9,32,99,782 were alloted as fully paid up shares to Caplin Point Laborartories Limited, without payment being received in cash.

NOTE 14	**As at March 31, 2023**	**As at March 31, 2022**
Other Equity		
A. Summary of Other Equity		
Compolsorily Convertible Preference Shares - Refer Note 13 for disclosures relating to Compolsorily Convertible Preference Shares	7,458.29	7,458.29
Securities Premium	16,500.82	16,500.82
Retained Earnings	(8,250.85)	(8,324.97)
Other Comprehensive Income	(13.52)	(41.72)
Capital Contribution from Parent	1,008.19	869.10
Total	**16,702.93**	**16,461.52**

B. Nature and purpose of Reserves

a) Securities Premium

Securities Premium Reserve represents the amount received in excess of the face value of shares. The utilisation of securities premium reserve is governed by Section 52 of the Companies Act, 2013

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year	16,500.82	16,644.27
Add/(less): Movements during the year *	-	(143.45)
Balance at the end of the Year	**16,500.82**	**16,500.82**

* Utilised against expenses incurred for the purpose of securities issued previously in accordance with Section 52 of the Companies Act, 2013

CAPLIN STERILES LIMITED
Notes to the financial statements for the year ended March 31, 2023
(All amounts are in Rs. Lakhs unless otherwise stated)

b) Retained Earnings

Retained earnings are the profits that the company has earned till date less any transfers to general reserve, dividends and other distributions paid to shareholders

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	(8,324.97)	(5,891.28)
Add :Profit / (Loss) during the year	74.12	(2,433.69)
Balance at the end of the Year	**(8,250.85)**	**(8,324.97)**

c) Other Comprehensive Income

Other Comprehensive income comprises of cummulative acturial gain/loss on account of remeasurement of net defined benefit plans

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	(41.72)	(42.79)
Add: Gain/(Loss) on remeasurement of net defined benefit plans	28.20	1.07
Balance at the end of the Year	**(13.52)**	**(41.72)**

d) Capital Contribution from Parent

Capital contribution from parent represents the fair value of the employees stock option plan. These shares are granted by the Parent Company "Caplin Point Laboratories Limited" to the employees of the company.

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance as per last balance sheet	869.10	419.07
Add/(Less); Additions during the year	139.09	450.03
Balance at the end of the Year	**1,008.19**	**869.10**

NOTE 15	As at March 31, 2023	As at March 31, 2022
BORROWINGS		
Unsecured - at amortised cost		
Loan from Caplin Point Laboratories Ltd. (Holding Company) - Refer Note 36	15,600.00	3,975.00
Total	**15,600.00**	**3,975.00**

Terms of Borrowings
(i) Unsecured loan from Related party consists of Loan from Holding Company amounting to Rs. 15,600 Lakhs (March 31, 2022: 3,975 lakhs) towards Capex purposes which was appoved by the board on 12th July 2021. The above loan is within the limits prescribed under section 180(1)(c) of the Companies Act, 2013.
(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 the moratorium period.

Note 16	As at March 31, 2023	As at March 31, 2022
PROVISIONS		
Provision for Compensated absences - Refer Note 34	-	22.83
Total	**-**	**22.83**

CAPLIN STERILES LIMITED
Notes to the financial statements for the year ended March 31, 2023
(All amounts are in Rs. Lakhs unless otherwise stated)

NOTE 17	As at March 31, 2023	As at March 31, 2022
OTHER NON CURRENT LIABILITIES		
Government Grant - Refer Note (a) below	272.18	343.60
Total	**272.18**	**343.60**

(a) Systematic recognition of Government grant, in the nature of waiver of duty on depreciable tangible assets, over the useful life of the such assets. Refer Note 2A

Note 18	As at March 31, 2023	As at March 31, 2022
TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	0.74	40.84
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,732.11	1,097.59
Total	**1,732.85**	**1,138.43**

* Includes Rs: 23.78 Lakhs (March 31, 2022: Rs. 11.23 lakhs) payable to related parties - Refer Note 36

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 - Undisputed	0.74		-	-	-	0.74
(ii) Others - Undisputed	712.96	1,019.15	-	-	-	1,732.11
(iii) MSME - Disputed	-	-	-	-		-
(iv) Others - Disputed	-	-	-	-		-
Total	**713.70**	**1,019.15**	**-**	**-**	**-**	**1,732.85**

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 - Undisputed	40.84		-	-		40.84
(ii) Others - Undisputed	378.41	679.96	12.39	7.47	19.36	1,097.59
(iii) MSME - Disputed		-	-	-		-
(iv) Others - Disputed		-	-	-		-
Total	**419.25**	**679.96**	**12.39**	**7.47**	**19.36**	**1,138.43**

a) DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

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		
(a) Principal amount due to micro and small enterprise	0.74	40.84
(b) Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Note: Identification of MSME is based on the intimation received from vendors as at March 31, 2023 and the same has been relied upon by the auditors

Note 19	As at March 31, 2023	As at March 31, 2022
OTHER FINANCIAL LIABILITIES		
Payable for purchase of Property Plant & Equipment	1,944.47	76.16
Total	**1,944.47**	**76.16**

(All amounts are in Rs. Lakhs unless otherwise stated)

Note 20	As at March 31, 2023	As at March 31, 2022
OTHER CURRENT LIABILITIES		
Statutory Dues payable	114.72	87.67
Salary and bonus payable	122.55	106.38
Gratuity Payable - Refer Note 34	13.20	90.09
Others - Advance from Customer	314.55	300.00
Total	**565.02**	**584.14**

Note 21	As at March 31, 2023	As at March 31, 2022
PROVISIONS		
Provision for Compensated absences - Refer Note: 34	2.56	21.65
Total	**2.56**	**21.65**

CAPLIN STERILES LIMITED

Notes to the financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs unless otherwise stated)

NOTE 22	For the year Ended March 31, 2023	For the year ended March 31, 2022
REVENUE FROM OPERATIONS		
Revenue From Operations	**20,565.09**	**12,142.30**
Sale of products	13,960.30	7,492.59
Service income	6,604.78	4,649.71
Other operating revenues		
Export Incentives	163.76	72.12
Total	**20,728.85**	**12,214.42**

a) Reconciliation of revenue from sale of products with the contracted price:		
Revenue as per contracted price	**13,960.30**	**7,492.59**
Adjusted for:		
Sales Returns	-	-
Sale price adjustments	-	-
Total revenue from contracts with customers	**13,960.30**	**7,492.59**

b) Disaggregation of revenue from sale of products:		
United States	13,617.31	7,189.51
Mexico	150.37	128.69
United Arab Emirates	149.78	36.44
India	42.85	137.95
	13,960.30	**7,492.59**

NOTE 23	For the year Ended March 31, 2023	For the year ended March 31, 2022
OTHER INCOME		
Interest Income	62.43	197.03
Realised Gain on sale of financial instruments	-	1.89
Gain on Foreign exchange (net)	457.55	261.08
Government Grant	71.42	72.34
Miscellaneous Income	20.39	33.42
Total	**611.79**	**565.76**

NOTE 24	For the year Ended March 31, 2023	For the year ended March 31, 2022
COST OF MATERIALS CONSUMED		
Opening Stock	3,313.25	2,861.36
Add : Purchases (Net)	7,599.04	4,001.16
Less Closing Stock	4,947.70	3,313.25
Total	**5,964.60**	**3,549.27**

CAPLIN STERILES LIMITED

Notes to the financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs unless otherwise stated)

NOTE 25	For the year Ended March 31, 2023	For the year ended March 31, 2022
CHANGES IN INVENTORIES OF FINISHED GOODS INCLUDING STOCK -IN-TRADE AND WORK-IN-PROGRESS		
Inventories at the end of the year		
Work in Progress	493.93	383.45
Finished Goods	132.14	278.68
Stock-in-Trade	-	-
(A)	626.08	662.13
Inventories at the beginning of the year		
Work in Progress	383.45	150.99
Finished Goods	278.68	22.01
Stock-in-Trade	-	-
(B)	662.13	173.00
Net (Increase) / Decrease in Inventories (B- A)	36.05	(489.13)

NOTE 26	For the year Ended March 31, 2023	For the year ended March 31, 2022
EMPLOYEE BENEFITS EXPENSE		
Salaries,wages, bonus and allowances	3,838.31	3,055.51
Contribution to Provident and Other funds	172.26	143.40
Gratuity expense - Refer Note 34(ii)(a)	81.22	63.20
Employee share based expense - Refer Note 35	139.09	450.03
Staff Welfare Expenses	321.42	246.21
Total	**4,552.29**	**3,958.35**

NOTE 27	For the year Ended March 31, 2023	For the year ended March 31, 2022
FINANCE COSTS		
Interest Expense on Loan from Holding Company	736.29	147.86
Less: Capitalised during the year - Refer Note 2A	(523.99)	(100.22)
Interest Expense charged to Statement of Profit and Loss	212.31	47.63

NOTE 28	For the year Ended March 31, 2023	For the year ended March 31, 2022
DEPRECIATION AND AMORTISATION		
Depreciation on property, plant and equipment (Refer note: 2A)	1,627.81	1,855.32
Amortisation of Intangible Assets (Refer note: 2C)	101.85	70.61
Total	**1,729.66**	**1,925.93**

CAPLIN STERILES LIMITED

Notes to the financial statements for the year ended March 31, 2023

(All amounts are in ₹ Lakhs unless otherwise stated)

NOTE 29	For the year Ended March 31, 2023	For the year ended March 31, 2022
RESEARCH AND DEVELOPMENT EXPENSES		
R & D Expenses - Refer Note 32	3,474.02	3,537.13
Total	**3,474.02**	**3,537.13**

NOTE 30	For the year Ended March 31, 2023	For the year ended March 31, 2022
OTHER EXPENSES		
Power and Fuel	1,335.45	1,021.17
Consumables	272.62	468.75
Communication Expenses	19.36	18.50
Donations	0.25	-
Professional and Consultancy charges	130.43	133.59
Rates & taxes	82.71	39.95
Registration,filing & regulatory charges	2,066.60	873.88
Travelling Expenses	46.00	16.63
Auditors' Remuneration -(Refer note:30(i))	9.45	8.83
Insurance	77.81	42.88
Repairs and Maintenance		
a) Plant and Machinery	818.13	387.39
b) Building	55.04	41.05
c) Others	15.06	77.98
Rent & Amenities	71.75	34.56
Freight outwards	26.28	15.21
Bank charges	1.94	2.70
Asset Write Off	-	128.90
Software maintenance charges	141.97	94.82
Miscellaneous Expenses	114.47	97.02
Total	**5,285.33**	**3,503.80**

NOTE 30(i)	**For the Year ended March 31, 2022**	**For the Year ended March 31, 2022**
Payment to Statutory Auditors (Excluding GST)		
a. For Statutory Audit	6.50	6.50
b. For Limited Reviews	1.50	1.50
c. For Tax Audit	0.75	0.75
d. For Reimbursement of expenses	0.70	0.08
Total	**9.45**	**8.83**

31 INCOME TAXES

a. Components of Income Tax Expense

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Tax Expense recognised in Profit and Loss section		
Current Tax	-	-
Deferred Tax	12.26	(819.11)
Tax Expense recognised in Other Comprehensive Income section		
Income Tax relating to remeasurement gain on defined benefit plan	9.49	0.36
Total Tax expense recognised in Statement of Profit and Loss	**21.74**	**(818.75)**

b. Reconciliation of Effective Tax Rate

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Profit/(Loss) before Tax	**86.38**	**(3,252.80)**
Income Tax expense calculated at 25.168%	21.74	(818.66)
Others	-	0.08
Tax Expenses Recognised in Statement of Profit and Loss	**21.74**	**(818.75)**

The tax rate used for the reconciliation of above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction

c. Movement in Deferred Tax
Significant components of Deferred Tax Assets/Liabilities recognised in the balance Sheet are as follows;

2022-23	As at April 01, 2022	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2023
Deferred Tax Liabilities, on account of				
Property Plant and Equipment and Intangible Assets	(221.47)	37.52	-	(183.95)
Deferred Tax Assets, on account of				
Provision for Employee Benefits	33.87	(20.42)	(9.49)	3.97
Unabsorbed Business and Depreciation Loss	2,987.83	(29.36)	-	2,958.47
Deferred Tax Assets (Net)	2,800.23	(12.26)	(9.49)	2,778.49

2021-22	As at April 01, 2021	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2022
Deferred Tax Liabilities, on account of				
Property Plant and Equipment and Intangible Assets	(307.85)	86.38	-	(221.47)
Deferred Tax Assets, on account of				
Provision for Employee Benefits	33.61	0.62	(0.36)	33.87
Unabsorbed Business and Depreciation Loss	2,255.72	732.11	-	2,987.83
Deferred Tax Assets (Net)	1,981.48	819.11	(0.36)	2,800.23

The Company has recognized DTA on total losses amounting to Rs. 11,760.89 Lakhs (March 31, 2022: Rs. 11,869.97) which includes business losses that are available for offsetting for a maximum period of eight years against future taxable profits of the Company. The Company has recognised deferred tax assets on the basis that sufficient future taxable profits will be available against those unused business loss.

32 **RESEARCH AND DEVELOPMENT EXPENDITURE**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Capital expenditure included in Property, Plant & Equipment	21.25	250.00
Revenue expenditures incurred during the Financial Year - Refer Note 32 (i)	3,474.02	3,537.13
Total	**3,495.27**	**3,787.13**

32 (i) **Revenue expenditure includes**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cost of Consumables	1,580.78	1,657.55
Employee Benefit Expenses	1,306.05	1,272.32
- Includes Contribution to Provident and Other funds for the year ended March 31, 2023 Rs. 51.25 Lakhs (March 31, 2022: Rs. 54.05 Lakhs)		
- Includes Gratuity Expenses for the year ended March 31, 2023 Rs. 30.57 (March 31, 2022: Rs. 30.20 Lakhs)		
Other Expenses	587.19	607.26
Total	**3,474.02**	**3,537.13**

33 **EARNINGS PER SHARE**

Earnings Per Share has been computed as under

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
a. Profit / (Loss) for the year	74.12	(2,433.69)
b. Weighted average number of equity shares outstanding during the year	10,53,74,213	10,53,74,213
c. Earnings Per Share (Rs.) - Basic (Face value of Rs. 10 per share) (a/b)	**0.07**	**(2.31)**
d. Add: Weighted average number of potential equity on account of Compulsorily Convertible Preference Shares*	3,64,80,722	-
e. Weighted average number of equity shares (Including Dilutive Shares) outstanding during the year ((b+d)	14,18,54,935	10,53,74,213
f. Earnings Per Share (Rs.) - Diluted (Face value of Rs. 10 per share) (a/e)	**0.05**	**(2.31)**

* During the previous year, Potential equity consists of 3,64,80,722 Compulsorily Convertible Preference Shares not considered in determining Dilutive Earnings per Share as they are Anti Dilutive for the period presented.

34 **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 ₹204.28 lakhs (previous year ₹181.10 lakhs) towards provident and pension fund contributions, Rs. 19.23 Lakhs (previous year Rs. 16.35 Lakhs) towards ESI in the Statement of Profit and Loss. Refer Note 26 & Note 32

(ii) Defined Benefit Plan:

a. Gratuity

The Company has an obligation towrads gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to Life Insurance Corporation of India (LIC). The Company accounts for the liability for gratuity benefits payable in the future based on acturial 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.

(All amounts are in Rs. Lakhs unless otherwise stated)

The following table sets out the status and reconciliation of opening and closing balances of the present value of defined benefit obligation.

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	**340.44**	**284.91**	**149.15**	**133.04**
Current service cost	101.95	82.36	10.45	9.58
Interest cost	28.47	22.43	10.68	9.28
Remeasurement Gains/(Losses):				
-' Due to finance assumption	-	(13.42)	-	-
-' Due to experience assumption	-	1.31	-	-
Actuarial Gains/(Losses)	(18.84)	-	78.33	69.02
Benefits paid	(49.83)	(37.13)	(70.43)	(71.77)
Present Value of Obligation at the beginning of the year	**402.19**	**340.44**	**178.19**	**149.15**
b. Change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	**250.35**	**161.79**	**104.68**	**123.20**
Actuarial Gains/(Losses)	18.85	(10.69)	11.66	(6.23)
Interest Income	18.62	11.37	7.79	8.66
Contribution by the employer	151.00	125.00	90.00	11.00
Benefits paid	(49.83)	(37.13)	(38.50)	(31.95)
Fair Value of the plan assets at the end of the year	**388.99**	**250.35**	**175.63**	**104.68**

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	(402.19)	(340.44)	(178.19)	(149.15)
Fair value of plan assets at end of the year	388.99	250.35	175.63	104.68
Funded status of the plans – Liability recognised in the balance sheet	**(13.20)**	**(90.09)**	**(2.56)**	**(44.47)**
b. Components of defined benefit cost recognised in Statement of Profit and Loss				
Current service cost	101.95	82.36	10.45	9.58
Net Interest Expense	9.85	11.05	2.89	0.62
Remeasurements	-	-	66.67	75.25
Total Defined Benefit Cost recognised in Statement of Profit and Loss. Refer Note 26 & Note 32	**111.80**	**93.41**	**80.01**	**85.45**
b. Components of defined benefit cost recognised in Other Comprehensive Income				
Remeasurement due to;				
-' Change in finance assumption	4.04	(13.42)	-	-
-' Change in experience adjustment	(22.88)	1.31	-	-
Return of Plan Assets	(18.85)	10.69	-	-
Total Defined Benefit Cost recognised in Other Comprehensive Income	**(37.69)**	**(1.43)**	**-**	**-**

Acturial 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

Sensitivity Analysis	As at March 31, 2023	As at March 31, 2022
Discount Rate		
- 1% increase (+100 Basis Points)	(34.40)	(29.46)
- 1% decrease (-100 Basis Points)	40.02	34.30
Salary Escalation Rate		
- 1% increase (+100 Basis Points)	29.18	26.61
- 1% decrease (-100 Basis Points)	(29.50)	(25.20)
Withdrawal Rate		
- 1% increase (+100 Basis Points)	2.01	1.08
- 1% decrease (-100 Basis Points)	(2.82)	(1.73)

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
Year - 2024	28.63
Year - 2025	26.33
Year - 2026	28.07
Year - 2027	31.73
Year - 2028	32.58
Year - 2029 to 2033	181.85

The company's best estimate of the contribution expected to be paid to the Plan during the next year is Rs. 50 lakhs (March 31, 2022: Rs. 151 Lakhs)

(All amounts are in Rs. Lakhs unless otherwise stated)

35 SHARE BASED PAYMENTS

(i) Description of the Plan

Caplin Point Laboratories Limited, the Holding Company, had set up a performance share plan. Performance shares are granted to executives and senior management for their contribution to the continuing success of the business. These shares will be delivered after the vesting period following the grant date and are subject to internal performance conditions.

(ii) Information relating to shares granted during the year are as follows (in numbers)

Particulars	As at March 31, 2023	As at March 31, 2022
	No. of Shares	No. of Shares
Opening Balance	3,97,041	4,16,000
Add: Shares Granted during the year (Net)	(1,15,792)	75,500
Less: Shares Alloted during the year	67,707	94,459
Closing Balance	**2,13,542**	**3,97,041**

(All amounts are in Rs. Lakhs unless otherwise stated)

36 RELATED PARTY DISCLOSURES

a. Name of the related party and description of relationship with the

Name of the Related parties	Nature of Relationship
Caplin Point Laboratories Limited	Holding Company
Caplin Onco Limited	Fellow Subsidiary
Argus Salud Pharma LLP	Subsidiary LLP of Holding Company
Ashvich Infotek Private Limited	Other entities in which Promoters of holding company are interested
Sunsole Solar Private Limited	Associate Company

Key Management Personnel	Designation
Dr. Sridhar Ganesan	Whole Time Director from 13.06.2022
Mr. Subramanian Narayanaswamy	Whole Time Director upto 31.05.2022
Mr. M Sathya Narayanan	Chief Financial Officer
Mr. Dinesh R G	Company Secretary upto 24-06-2022
Mrs. S Rukmani	Company Secretary from 23-09-2022

b. Disclosure of transaction between the Company and Related parties

Particulars	For the Year ended March 31, 2023				
	Caplin Point Laboratories Limited	Argus Salud Pharma LLP	Caplin Onco Limited	Ashvich Infotek Private Limited	Sunsole Solar Private Limited
Sale of Assets & Materials	76.31	-	-	-	-
Purchase of Assets & Materials	3.19	-	240.18	-	-
Rent Paid	4.80	-	-	136.62	-
Reimbursement of Software and system related expenses	93.34	-	-	-	-
Corporate office common expenses	55.44	-	-	-	-
Purchase of Solar power	-	-	-	-	59.65
Loan for Expansion purposes	11,625.00	-	-	-	-
Interest on Loan (Incl. interest Capitalized)	736.29	-	-	-	-
MEIS Licence/ RODTEP Scrip Purchase	11.42	-	-	-	-

Particulars	For the Year ended March 31, 2022				
	Caplin Point Laboratories Limited	Argus Salud Pharma LLP	Caplin Onco Limited	Ashvich Infotek Private Limited	Sunsole Solar Private Limited
Sale of Assets & Materials	114.67	-	-	-	-
Purchase of Assets & Materials	116.23	-	-	-	-
Rent Paid	4.80	-	-	123.80	-
Reimbursement of Software and system related expenses	17.67				
Corporate office common expenses	57.64	-	-	-	-
Loan for Expansion purposes	3,975.00	-	-	-	-
Interest on Loan (Incl. interest Capitalized)	147.86	-	-	-	-
MEIS Licence Purchase	147.19	0.76	-	-	-

(All amounts are in Rs. Lakhs unless otherwise stated)

c. Disclosure of Balance Outstanding as at Year end

Particulars	As at March 31, 2023		
	Caplin Point Laboratories Limited	Argus Salud Pharma LLP	Ashvich Infotek Private Limited
Trade Payables	-	-	(23.78)
Borrowings	(15,600.00)	-	-

Particulars	As at March 31, 2022		
	Caplin Point Laboratories Limited	Argus Salud Pharma LLP	Ashvich Infotek Private Limited
Trade Payable	-	-	(11.23)
Borrowings	(3,975.00)	-	-

d. Disclosure of transaction with Key Management Personnel

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Mr. Subramanian Narayanaswamy *	**20.97**	**136.59**
Salaries and Wages	19.76	88.07
Contribution to provident and other funds	1.22	7.30
Perquisite Value of Stock Options Exercised	-	41.23
***Resigned from CSL on 31st May 2022**		
Mr. M Sathya Narayanan	**92.97**	**103.97**
Salaries and Wages	59.09	57.98
Contribution to provident and other funds	4.86	4.77
Perquisite Value of Stock Options Exercised	29.02	41.23
Dr. Sridhar Ganesan*	-	-
Mr. Dinesh R G*	-	-
Mrs. S. Rukmani*	-	-
Total		

i. 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 acturial valuation on an overall Company basis.
ii. * Paid remuneration in Caplin Point Laboratories Ltd (Holding Company) & no separate remuneration is paid in Caplin Steriles Limited.

37 **CONTINGENT LIABILITIES AND COMMITMENTS**

a. Contingent Liabilities (to the extent not provided for): Nil

b. Committments (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 (Net of Capital Advances)	6,315.75	3,862.28
Other Commitments (Raw material, Packing Material, Finished Goods, Other services (Net of Advances)	4,226.44	1,253.45

(All amounts are in Rs. Lakhs unless otherwise stated)

38 CAPITAL MANAGEMENT

a. The Company's objectives when managing capital are to maximise shareholders value through an efficient allocation of capital towards expansion of business optimisation of working capital requirements and deployment of balance surplus funds on the back of an effective portfolio management of funds within a well defined risk management framework. The management of the Company reviews the capital structure of the Company on regular basis to optimise cost of capital. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

b. The capital structure of the Company consists of net debt (borrowings as detailed in note 15 offset by cash and bank balances) and total equity of the Company. Total Equity includes all capital and reserves of the Company that are managed as capital.

c. The following table summarises the capital of the Company

Particulars	As at March 31, 2023	As at March 31, 2022
Debt	15,600.00	3,975.00
Cash and Bank Balances	2,336.51	3,222.61
Net Debt	**13,263.49**	**752.39**
Total Equity	**27,240.35**	**26,998.94**
Net Debt to Equity Ratio	**49%**	**3%**

39 FINANCIAL INSTRUMENTS

39.1 Classification of Financial Instruments

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A. Financial Assets			
i. Measured at Amortised Cost			
Investment in Associate	3	140.00	140.00
Trade Receivables	**9**	3,925.37	2,439.38
Cash and Cash Equivalents	10A	2,316.08	1,809.67
Other Bank Balances	10B	20.43	1,412.94
Other Non Current Financial Assets	4	484.04	224.95
Other Current Financial Assets	11	16.17	75.48
B. Financial Liabilities			
i. Measured at Amortised Cost			
Borrowings	15	15,600.00	3,975.00
Trade Payables	18	1,732.85	1,138.43
Other Financial Liabilities	19	1,944.47	76.16

39.2 Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

• Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
• Level 2 - Inputs are 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 are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(All amounts are in Rs. Lakhs unless otherwise stated)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in fair value hierarchy

As at March 31, 2023	Note No.	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
A. Financial Assets						
i. Measured at Amortised Cost						
Investment in Associate	3	140.00	-	140.00	-	140.00
Trade Receivables	**9**	3,925.37	-	3,925.37	-	3,925.37
Cash and Cash Equivalents	10A	2,316.08	-	2,316.08	-	2,316.08
Other Bank Balances	10B	20.43	-	20.43	-	20.43
Other Non Current Financial Assets	4	484.04	-	484.04	-	484.04
Other Current Financial Assets	11	16.17	-	16.17	-	16.17
B. Financial Liabilities						
i. Measured at Amortised Cost						
Borrowings	15	15,600.00	-	15,600.00	-	15,600.00
Trade Payables	18	1,732.85	-	1,732.85	-	1,732.85
Other Financial Liabilities	19	1,944.47	-	1,944.47	-	1,944.47

As at March 31, 2022	Note No.	Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
A. Financial Assets						
i. Measured at Amortised Cost						
Investment in Associate	3	140.00	-	140.00		140.00
Trade Receivables	**9**	2,439.38	-	2,439.38	-	2,439.38
Cash and Cash Equivalents	10A	1,809.67	-	1,809.67	-	1,809.67
Other Bank Balances	10B	1,412.94	-	1,412.94	-	1,412.94
Other Non Current Financial Assets	4	224.95	-	224.95	-	224.95
Other Current Financial Assets	11	75.48	-	75.48	-	75.48
B. Financial Liabilities						
i. Measured at Amortised Cost						
Borrowings	15	3,975.00	-	3,975.00	-	3,975.00
Trade Payables	18	1,138.43	-	1,138.43	-	1,138.43
Other Financial Liabilities	19	76.16	-	76.16	-	76.16

39.3 **Financial Risk and Management Objectives**

The Company's activities expose it to a variety of financial risks viz; 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.

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 the customers to which the Company grants credit terms in the normal course of business.

(All amounts are in Rs. Lakhs unless otherwise stated)

Expected Credit Loss Assessment: The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timelines of payments, available information, etc.) and applying experienced credit judgment.

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 and Other Bank Balances: Credit risks on cash and cash equivalents and other bank balances is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by International and Domestic Credit Rating Agencies.Credit risk from balances with banks, borrowings from related parties and financial institutions is managed by the Company’s treasury department in accordance with the guidelines framed by the board of directors of the Company.

ii. Liquidity Risk: Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has not availed any fund based working capital facilities from banks and financial institutions. The Company has obtained non-fund based working capital lines from banks. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds which carry no/low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintain financial flexibility.

The table below provides the details regarding the contractual maturities of significant financial liabilities;

As at March 31, 2023	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years	Total
Borrowings				1,625	13,975	15,600.00
Trade payables	1,732.85	-	-			1,732.85
Other Financial Liabilities	1,944.47	-	-			1,944.47
Total	3,677.32	-	-	1,625.00	13,975.00	19,277.32

As at March 31, 2022	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years	Total
Borrowings	-	570.00	795.00	1,590.00	1,020.00	3,975.00
Trade payables	1,138.42	-	-	-	-	1,138.43
Other Financial Liabilities	76.16	-	-	-	-	76.16
Total	1,214.57	570.00	795.00	1,590.00	1,020.00	5,189.59

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 thorough 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 realized from exports are paid against imports.

Foreign Currency Risks: 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($). Following is the currency profile of financial assets and financial liabilities of the Company;

Particulars	As at March 31, 2023		As at March 31, 2022	
	USD in Lakhs	₹ in Lakhs	USD in Lakhs	₹ in Lakhs
A. Financial Assets				
Trade Receivables	47.31	3,890.09	34.34	2,603.26
Cash and Cash Equivalents	2.54	208.94	1.88	142.58
Total	**49.85**	**4,099.02**	**36.22**	**2,745.83**
B. Financial Liabilities				
Trade Payables	5.45	447.86	2.72	205.94
Total	**5.45**	**447.86**	**2.72**	**205.94**
Net Exposure	**44.41**	**3,651.16**	**33.50**	**2,539.89**

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 loss before taxes by approximately ₹ 36.51 Lakhs for the year ended March 31, 2023 (₹ 25.40 Lakhs 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: During the year, the Company has availed a long term capex loan from its holding Company. The Interest Rate on long term loan is SBI's one year MCLR rate + 2% risk factor.

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.

CAPLIN STERILES LIMITED
Notes to the financial statements for the year ended March 31, 2023
(All amounts are in Rs. Lakhs unless otherwise stated)

40 FINANCIAL RATIOS

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 (in times)	Ratio that indicates company's capacity to repay short-term loans or those due within one year	Current Assets	Current Liabilities	3.90	7.82	-50%	Increase in other financial liabilities (capex payables) in the current year on account of ongoing expansion project
Debt - Equity Ratio (in times)	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	0.57	0.15	289%	Increase in capex borrowing by Rs. 112.65 Cr in the CY on account of ongoing expansion project
Debt Service Coverage Ratio (in times)	This ratio is used to analyse the firm's ability to pay-off current interest and instalments	Earnings available for debt service	Debt Service	2.75	(0.00)	NA	
Return on Equity Ratio (in %)	Ratio that measures company'proficiency to generate profits from its shareholders investment.	Net Profits after taxes – Preference Dividend (if any)	Shareholder's Equity	0.27%	-9%	NA	
Inventory Turnover ratio (in 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	1.14	0.70	61%	Increase in product sales by 86% in CY
Trade receivables turnover ratio (in times)	Ratio that measures how efficiently a firm manages its receivables.	Net Sales	Avg. Accounts Receivable	6.51	4.88	33%	Increase in sales by 69% in CY
Trade Payables turnover ratio (in times)	Ratio that depicts the efficiency with which the business makes payment to the creditors.	Net Purchases	Average Trade Payables	5.29	7.59	-30%	Due to increased purchases by 90%
Net Capital turnover ratio (in times)	Ratio that indicates a company's effectiveness in using its working capital	Net Sales	Working Capital	1.68	0.98	71%	Increase in sales by 69% in CY
Net Profit ratio (in %)	The Net Profit Margin is equal to how much net profit is generated as a percentage of revenue	Net Profit	Net Sales	0.36%	-19.92%	NA	
Return on Capital employed (in %)	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 in the opeartions	1.10%	-11.87%	NA	

41 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.

42 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

43 DISCLOSURE OF TRANSACTION WITH STRUCK OFF COMPANIES

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

44 SCHEME OF ARRANGEMENT

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year

45 DISCLOSURE RELATING TO WILFUL DEFAULTER

The Company has not been declared as wilful defaulter by any bank or any Government or any Government authority

46 DISCLOSURE RELATING TO BORROWED FUNDS

(i) The company is not declared as a willful defaulter by Reserve Bank of India, Banks, Financial Institutions or any other Lender
(ii) The company does not have any current assets that were provided as security on borrowings.
(iii) The company has utilised the loans borrowed during the year for the purpose for which it is obtained as mentioned in the borrowing agreements

47 UTILISATION OF BORROWED FUNDS AND SECURITIES 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 received funds from Caplin Point Laboratories Limited amounting to Rs.156,00 Lakhs as borrowings. The terms of such transaction have been recorded in writing . The Company has not
(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) (
(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

48 UNDISCLOSED INCOME

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).

49 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

50 CORPORATE SOCIAL RESPONSIBILITY

In view of absence of Profit as per the computation of Section 198 of the Companies Act 2013, Company is not required to spend towards CSR Activity as per Section 135 of Companies Act, 2013.

(All amounts are in Rs. Lakhs unless otherwise stated)

51 **DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

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.

53 **GOING CONCERN**

The management on the basis of evaluation of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities and other information accompanying the financial statements believes that no material uncertainty exists as on the date of the audit report that company will be able to meet its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

54 **EVENTS AFTER REPORTING DATE: Nil**

55 The figures for the previous year have been regrouped wherever necessary to conform to current year's classification.

56 The Board of Directors has reviewed the realizable value of all current assets of the Company and has confirmed that all the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. Further, the board, duly taking into account all relevant disclosures made, has approved these financial statement for the year ended 31 March 2023 in its meeting held on May 12, 2023.

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors of Caplin Steriles Limited

As per our report of even date attached
for MSKA & Associates
Chartered Accountants
Firm Registration No : 105047W

Sd/-	Sd/-	Sd/-
Geetha Jeyakumar	**C.C. Paarthipan**	**Dr. Sridhar Ganesan**
Partner	Chairman	Whole Time Director
ICAI Membership No. 029409	**DIN: 01218784**	**DIN: 06819026**
	Sd/-	Sd/-
	M Sathya Narayanan	**S Rukmani**
	Chief Financial Officer	Company Secretary
		M No: F11307
Place : Chennai	**Place : Chennai**	
Date : May 12, 2023	**Date : May 12, 2023**	