

29.09.2018

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

By BSE Listing

National Stock Exchange of India Ltd.,
Department of Corporate Services
Exchange Plaza, 5th Floor,
C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Scrip Code : CAPLIPOINT.

By NEAPS

Dear Sirs,

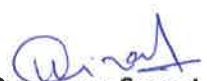
SUB: ANNUAL REPORT - 2017-18

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith enclose the Annual Report for the financial year 2017-18 which was duly approved and adopted by the members of the Company at their 27th Annual General Meeting held on September 28, 2018.

Kindly take the same on your records.

Thanking You,

Yours Faithfully,
For Caplin Point Laboratories Limited



Company Secretary
Enclosure : As above



CAPLIN POINT 2.0

How Caplin Point has
embarked on the second round
of its global growth story

Caplin Point
Laboratories Limited
Annual Report 2017-18

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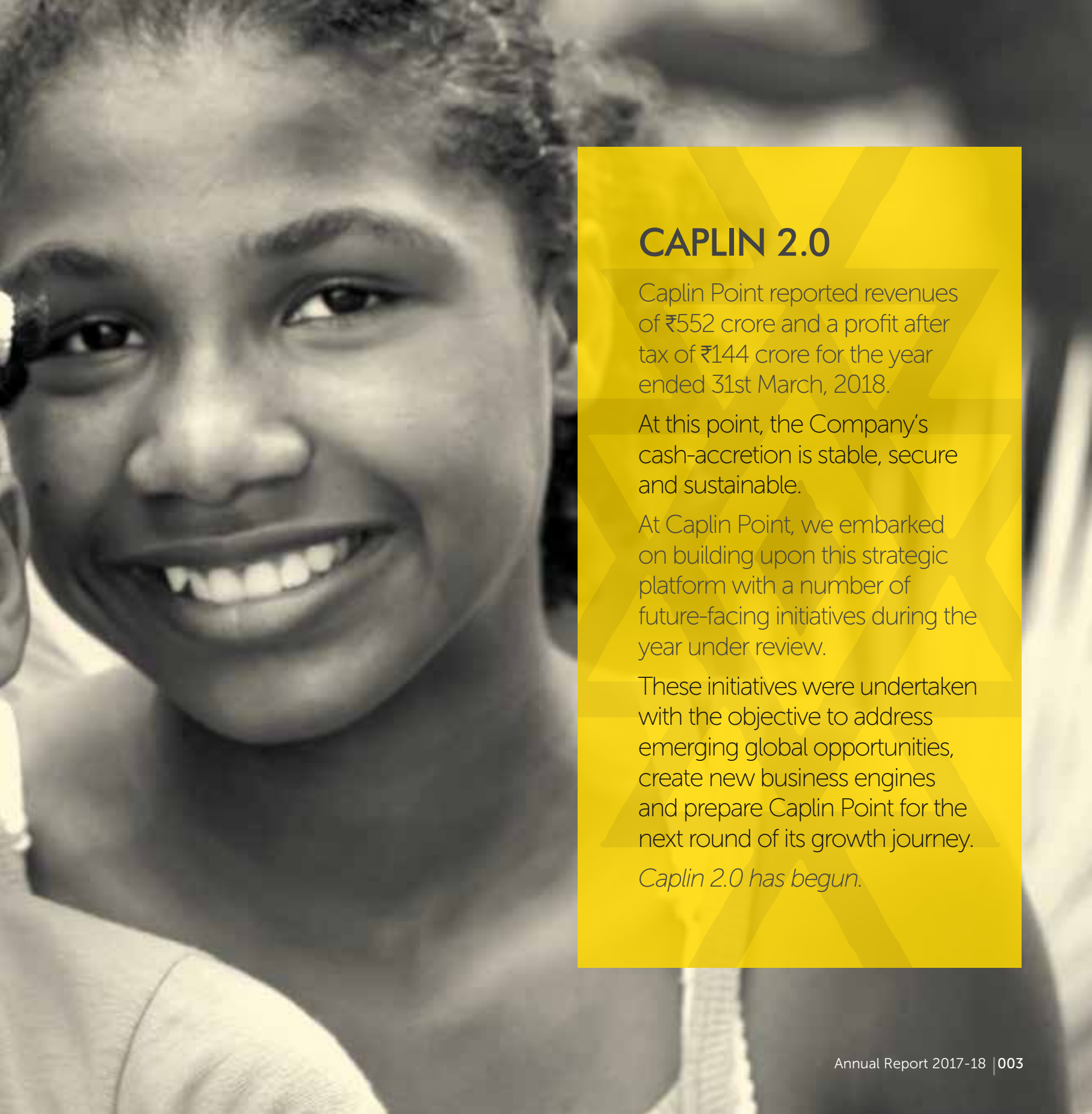
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The Company has transitioned the basis of accounting from Indian Generally Accepted Accounting Principles ("IGAAP") to Indian Accounting Standards (IND AS) from April 01, 2017. Hence, the numbers reported for 2017-18 are not strictly comparable with those of previous years.



CAPLIN 2.0

Caplin Point reported revenues of ₹552 crore and a profit after tax of ₹144 crore for the year ended 31st March, 2018.

At this point, the Company's cash-accretion is stable, secure and sustainable.

At Caplin Point, we embarked on building upon this strategic platform with a number of future-facing initiatives during the year under review.

These initiatives were undertaken with the objective to address emerging global opportunities, create new business engines and prepare Caplin Point for the next round of its growth journey.

Caplin 2.0 has begun.

CAPLIN POINT. TOUCHING PEOPLES LIVES

1 Giselle in Lobito, Angola, needed to buy cardio-vascular medicines that would be high in purity and integrity.	2 Martina in Valparaiso, Chile, needed to buy tablets that would have no side-effects.	3 Mia in Quito, Ecuador, needed to buy ophthalmic medicines that would come with the assurance of branded products.
4 Benjamin in Mixco, Guatemala, needed to buy an inhaler that would be completely ethical, manufactured around the highest regulatory standards.	5 Catalina in Caracas, Venezuela, needed to buy lyophilized injections that would be affordable for her modest savings.	6 Thiago in Santa Ana, El Salvador, needed capsules that would be available – in stock as and when she wanted.
7 Arianna in Choluteca, Honduras, needed to buy a syrup that would be accessible – without her needing to commute far.	8 Jean in Bamako, Mali, needed ovules that would be safe to use and could be available easily.	9 Rachel in Bogota, Colombia needed injection that would cost less and was of a good quality.

CAPLIN POINT. ONE-STOP SOLUTION PROVIDER

3000	485	36	23
Retail Points	Products	Therapeutic Segments	Countries







THINGS THAT YOU NEED TO KNOW ABOUT CAPLIN POINT LABORATORIES

01 Vision

Caplin Point aims to create new niches in the markets of our presence to ensure our current foothold remains strong and our product portfolio innovative. Looking ahead, we envisage implementing our unique business model across the globe to ensure everyone has access to quality medicines at affordable prices.

02 Mission

Innovate constantly to change the rules of the game and not merely compete in the game because it is innovation that distinguishes a leader from a follower.

03 History

Caplin Point was established in 1990 to manufacture a range of ointments, creams and other external applications. The Company got listed in 1994; its IPO proceeds were deployed in a manufacturing facility in Pondicherry. The Company ventured into the emerging markets of Africa, Latin America and The Caribbean.

PRODUCT LAUNCHES

2011-12

67

2012-13

28

2013-14

22

2014-15

50

2015-16

69

2016-17

77

2017-18

83

04 Management

Caplin Point is headed by Mr. C. C. Paarthipan (Chairman), Dr. Sridhar Ganesan (Managing Director) and Dr. Philip Ashok Karunakaran (Whole-time Director), who, in turn, are supported by a competent managerial team.

05 Presence

The Company's products enjoy a strong presence in the Latin American and Caribbean nations of Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua and Venezuela.

The Company is also consolidating and expanding its presence in the African nations of Angola, Benin, Democratic Republic of Congo, Burkina Faso, Guinea, Ivory Coast Mali, Senegal and Togo.

06 Dosage forms

The Company caters to the entire spectrum of

pharmaceutical formulations, covering the following dosage forms:

- Tablets
- Capsules
- Injections – Powder, Liquid and Lyophilized
- Soft Gel Capsules
- Ophthalmic
- Inhalers
- Suppositories and ovules
- Liquid and Dry syrups
- Topicals

07 Major accreditations

US-FDA: Caplin Point was approved by US FDA in 2017 for its sterile liquid injectables factory in Gummidipoondi, Tamil Nadu, which provides access to the largest market in the world – US.

EU-GMP: Caplin Point received the EU-GMP approval for its sterile liquid injectables factory in Gummidipoondi, Tamil Nadu in July 2015, which provides the

Company with the opportunity to cater to the large EU market.

ANVISA: Caplin Point received ANVISA approval for its sterile injectables factory in Gummidipoondi, Tamil Nadu in August 2015 which allows it to enter the Brazilian pharmaceutical market.

INVIMA: Caplin Point received approval from Colombia through a mutual recognition policy with EU, for the injectables plant.

08 Awards

- ET NOW "Family Business Award-2018" under emerging Companies Category
 - Listed among Forbes Asia's '200 Best under a Billion' in 2014
 - Listed among Forbes Asia's '200 Best under a Billion' in 2015
 - Listed among Forbes Asia's '200 Best under a Billion' in 2016
- Caplin Point is the only Indian company to be listed for all three years on this list*

09 Facilities

CP-I

Location: Suthukeny, Pondicherry

Function: A state-of-the-art facility rolling out batches of tablets, capsules, liquid orals, dry powder, soft gels, liquid Injectables and suppositories

CP-II (R&D)

Location: Gummidipoondi, Tamil Nadu

Function: A dedicated pharmaceutical R&D facility engaged in the development of safe and effective formulations for emerging markets. This facility is approved by DSIR.

CP-IV

Location: Gummidipoondi, Tamil Nadu

Manufacturing: Specialises in the manufacture of pharmaceutical formulations in injectable dosage and ophthalmic drops. CP-IV also has a DSIR-approved in-house R&D facility dedicated to the development of injectables and ophthalmics for the fully regulated markets of US and EU, among others.

CP V

Location: Perungudi, Chennai, Tamil Nadu

Function: Additional R & D facility dedicated to the development of injectables and ophthalmics for fully regulated markets of US and EU among others.

CAPACITIES (IN-HOUSE)

1000

Tablets (million)

400

Capsules
(million)

55

Vials of liquid
injections (million)

30

Ampoules of liquid
injections (million)

12

Ophthalmic units of
liquid injections (million)

170

Soft gels
(million)

30

Suppositories
(million)

6

Bottles of liquids
(million)

12

Prefilled syringes
(million)

PRODUCT REGISTRATIONS

2012

69

2013

132

2014

156

2015

164

2016

276

2017

227

2018

79*

*From January
to June, 2018







CAPLIN 2.0 WILL LEVERAGE A LONGSTANDING 'DO THE OPPOSITE' BUSINESS APPROACH. Spreading geographically wider, extending strategically deeper and emerging financially robust – the basis of stronger business sustainability.

Caplin Point Laboratories has been a contrarian success story in the Indian pharmaceutical sector.



The Company grew revenues 33% and profit after tax 54% compounded in the five years ended 2017-18.

During the financial year under review, the Company reported profitable growth for the 15 year running: while revenues grew 85 times, profit after tax strengthened 645 times in the last 15 years.

What gives me pleasure is that our EBIDTA margin strengthened every single year in the last seven years – from 18% in 2012-13 to 38% in 2017-18. The same holds true for Return on Capital Employed, which stood at 64% during the year under review.

It would be simplistic to believe that this improvement in revenues, surpluses and margins were achieved on account of a linear growth in the market corresponded by a higher production at Caplin Point. The growth was essentially the result of our holistic value-creation focus: that whatever we did needed to benefit customers, community and company. We believe that this collaborative

model translated into profitable and sustainable growth for the Company.

The fact that Caplin Point was guided more by courage than commerce was reflected in its decision to enter Africa and thereafter Latin America. These markets were extensively under-penetrated from a formulations perspective; the general assumption was that these markets were at a primary stage of growth marked by low volumes, were slow in receptivity to therapeutic development and that it would take intending participants years to recover their investments.

At Caplin Point, we took a differentiated perspective. We decided to deliver life essentials first, hence believed that commerce was secondary; if the markets needed therapeutic intervention, we would provide relevant products; if the markets required affordable low-priced products, we would focus on providing just what consumers needed and focus thereafter in widening our presence.

There was something else that we did in these markets that was completely contrarian. The Balance Sheet demanded that we address the apex of the pyramid within these relatively smaller markets as that appeared to be the only business strategy that would have helped us recoup our business building costs. Here, the social conscience of the Company was visibly demonstrated. The Company selected to address the broad sweep of the population in these markets, marked by a relatively low purchasing power. We did so because we believed that it was in the bottom of the economic pyramid in those countries where our presence would be most effectively addressed.

Caplin Point's conviction that 'empathy for the poor' is the best business strategy to follow was validated in the next few years. Caplin Point emerged as a first-moving Indian pharmaceutical company in South and Central America. Even as the Indian pharmaceutical sector generated less than 5% of its revenues

from South and Central America, Caplin Point generated 82% of its revenues from this geography. We not only entered a market where price-based competition was low; we widened our moat within this market to grow attractively and emerge as a leading player.

This extensive and intensive presence strengthened our cash flows. We generated ₹163.63 crore in cash profit from this supposedly challenging market during the year under review.

The cash flows generated from this market – once dismissed as unattractive – made it possible for Caplin Point to explore the other end of the strategic spectrum. The Company had grown its presence, competitiveness and cash resources in relatively low income and low regulated markets. Caplin Point is currently selling its generic and branded generic products through channel partners in most countries in Latin America. Caplin Point's strategy is to establish better control over the supply chain and increase the share

of branded generics in revenues and reach the consumer directly. Instead of reinvesting exclusively within those and contiguous markets, Caplin Point is investing in the form of equity and debt in a step-down subsidiary in El Salvador upto a limit of USD 7 million through its wholly-owned subsidiary - Caplin Point Far East Limited with the objective to acquire the inventory and licenses from its current channel partners. The Company selected to invest in a state-of-the-art USFDA-approved plant to provide a product range presently in shortage (injectables) to address the growing needs of the largest pharmaceutical market in the world. This complement – stitching together our presence in relatively under-developed markets and investing in a business that will progressively address the most developed market – is a unique coming together of how our synergic business model addresses the collective interests of customer, community and company.

Caplin Point 2.0: The China strategy

At Caplin Point, we believe that China represents an attractive pharmaceutical formulations opportunity for a number of reasons: the country is the most populous, making it the largest in the world by consumer size from day one. Besides, this market is relatively young when compared with European standards. China is strong in the manufacture of APIs without corresponding competencies in the area of formulations, an opportunity we intend to address. China is graduating to a scenario where it is encouraging the manufacture of value-added formulations driven by high process compliances. These realities indicate not only a growing progression towards superior lifestyles, an increase in lifestyle-induced ailments as well as a growing propensity to spend higher in medical interventions; they also indicate a national movement from a low cost cum low compliance environment to value-added productisation.

Caplin Point will address niche and growing spaces within China. It will consciously address the growing opportunities coming out of the cancer, stroke and diabetes segments, which are growing faster than the rest of the market. Besides, the Company intends to address this larger institutional market where the ability to get bidding capabilities right could translate into attractive growth in compressed time.

A Chinese movie named "Dying to Survive" is a true life story of a cancer patient, depicting a socially relevant, conscience-stirring theme – Big Pharma vs Small Citizens. It elicited an unusually strong response as few screenings ended to standing ovation, with the message spreading widely by word-of-mouth. This is food for thought for companies entering China catering to the bottom of the pyramid, which has been Caplin Point's strategy in Latin America and can now be repeated in China.

In line with this, Caplin Point signed a co-operation agreement with Jointown Pharmaceuticals Group, a US\$11 billion publicly-traded distribution company in China. Jointown was started by a village doctor who also addressed the bottom of the pyramid, with medicines supplied to far-flung mountainous villages on horseback. Jointown is today the fourth largest Pharmaceutical distribution company in China catering to over 90% of the hospitals and drugstores through strategic partnerships with over 2000 local pharmaceutical companies.

Caplin Point has had a differentiated presence in China since 2006 - when most companies were sourcing APIs from China, the Company sourced formulations, specifically Cephalosporin and Penicillins, through exclusive partnerships with large local manufacturers. By the virtue of engaging with Jointown, Caplin Point will capitalise on extensive insight into opportunities in

China. The JV will focus on trading and manufacturing various Pharmaceutical products between China, India and South America, for sustainable growth in the short, medium and long-term.	2 Million. The entire business arising out of this entity will be routed through Caplin Point and/or its subsidiary.	quality formulation supplies sourced from the largest formulations manufacturing company in China. Two, by virtue of engaging with this company, we possess an extensive insight into opportunities. Three, exporting products to China from our USFDA-approved facility in Chennai can accelerate approvals, shrinking our time-to-market.
Caplin Point will hold 39% stake in the JV which will comprise an initial Equity of USD	Given this reality, the big question would be related to the suitability of our credentials in addressing this large market. One, we built our South American business model around	

Caplin Point 2.0: The CRO strategy

At Caplin Point, we believe that as countries become increasingly stringent in enforcing higher standards related to therapies, there will be a growing priority in insisting on bio-equivalence studies for formulation providers.	At Caplin Point, we are taking the proactive initiative in extending our business to clinical research. The Company will commence biostudies for Chile, Costa Rica and Colombia, demonstrating the integrity of our	products in matching the innovator's product. Besides, we believe that the space is not crowded and opens up institutional business opportunities in larger geographies that are more voluminous than the private segment.
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Caplin Point 2.0: The US business

Over the years, the Company invested its resources in the CP4 unit dedicated to the manufacture of injectables for the regulated US market. The Company invested ~₹350 crore in opex and capex through accruals to enter the US market, which could strengthen the Company's sectoral respect and Competitiveness.	Caplin Point is addressing the US opportunity with an attractive pipeline of proprietary ANDAs while attracting CMO opportunities from MNCs. The Company filed two ANDAs in its own name and Target Action Dates were received. The Company intends to file seven more ANDAs in 2018-19 and an estimated pipeline of 10 to 12 ANDAs for 2019-20, comprising a mix of simple and complex injectables and ophthalmics.	on Phase 2, involving significantly higher Lyophilization capacity and differentiated fills comprising premix bags and pre-filled syringes by 2020-21.
The Company believes that its positioning in the injectables segment is prudent; the price erosion in the US is less pronounced in this segment on account of a continuing shortage and there is indication of price stabilization in Oral Solid Dosages. Besides, the consolidation of GPOs and other purchasing organizations presents opportunities to work directly with US distribution companies, ensuring that margins and longer contracts remain intact.	In line with this research-led growth, the Company invested in corresponding capacity expansion. The Company expects to enhance production capacity to 48 million vials and 12 million ophthalmic units (Phase 1) by June 2019 from the present capacity of 18 million vials and 9 million ophthalmic units. The Company intends to commission work	To sustain the pipeline of new product introduction, the Company completed its R&D expansion in a new space that was treble the erstwhile size coupled with a 30% increase in R&D manpower team to 180 professionals. These professionals directed their knowledge at new product developments for US and China, the two largest markets, both holding out attractive prospective opportunities.
		The Company continues to seek strategic investors for this space to achieve its desired goal.

Caplin Point 2.0: The South American portal strategy

At Caplin Point, we believe that the future belongs to companies that possess superior market data leading to informed decision-making. This access is likely to enhance their responsiveness to dynamic market realities, strengthening their overall business.	presence across South America. This footprint enhanced the Company's interface with a variety of consumers buying a range of products. A number of transactions across retail stores were manual in nature. Over the years, the Company recognised the potential of transforming the sales record across these medical stores from the manual to	the automated; it also recognised the latent power of drawing on the automated data to analyse the nature, speed and location of offtake.
Over the years, the Company deepened its		The provision of this service free to an addressable 6000 pharmacies across Central America would help strengthen their

accounting, MIS and business understanding over a period of time and make it possible for Caplin Point to mine aggregate data to enhance its understanding of prescription trends, lifestyle disease trends in vulnerable geographies, inspiring proactive marketing.

We believe that this data analytics engagement is integral to our next round of business growth: deepening a customer relationship, strengthening market understanding, superior trend analysis, effective merchandising advice and superior product indenting leading to effective sales

fulfillment. This deeper engagement is expected to evolve Caplin Point from mere product marketing to enhancing systemic value.

Caplin Point also believes that just as pharmacies need to be automated and connected, the same reality applies to medical practitioners. We believe that doctors need to digitize their health records, making it possible to access patient records with the click of a button, resulting in efficient working and informed treatment approaches.

At our company, we believe that the portal's

utility will be derived through its interactive engagement: not only mine data but also place orders through the portal and provide trade incentives, enhancing trade stickiness – an effective hedge in a space where we wish to widen our retail presence and deepen stocking.

The result is that we expect to leverage cutting-edge technologies, address systemic inefficiencies, enhance product availability, accessibility and affordability and, in doing so, strengthen our competitiveness.

Caplin Point 2.0: Extending into new South American markets

At Caplin Point, we have been growing our presence in Latin America in a cautious and contiguous manner. This approach has helped us protect our risks during expansion mode and enhanced our logistical economies through available supply lines ready to replenish ongoing sales with product

sourcing.

During the last decade, the Company increased its Latin American footprint from two countries to 10 countries. The proportion of revenues derived from the complement of these countries has also increased.

At Caplin Point, we believe that growth would be derived through a progressively deeper vertical mining of these markets that makes it possible to reach the last mile. The other strategy will lie in a horizontal extension into the larger and more mature markets of Latin America.

Caplin Point 2.0: The 10x educational academy

At Caplin Point, we believe we are in business not just to profit from societies but to enrich them as well. In line with this commitment, the Company, through its technology partners, embarked on the creation of 10x Academy, which is positioned as an institution of higher learning (Diploma) in Basic Pharmacy and customer service in Gautemala. This initiative, directed at creating a new generation of pharmaceutical marketing professionals, will focus on four competencies:

Pharma Product Basics: To empower medical representatives with knowledge on what they sell

Pharmacy Administration: To educate in pharmacy administration, sales, inventory and reporting

Customer Service: To strengthen customer relationship management

Technology: To train individuals in computer fundamentals, MS Word, MS Excel, Windows Operating System and internet competence
The Company is engaged with the following alliance partners: Galileo University, Farmacenter and 10x Farmacia. It will train through a multi-modal format: through computers and mobile phones through the employment of audio / visual methodologies,

facilitate self-paced learning and make it possible to practice and submit tests online.

A small proportion of the fees will be sponsored by Caplin Point as scholarship, based on the individual's eligibility. The Company will provide a national database of resources, supporting resource placements. The course will be designed to address freshers and experienced individuals. Across the long-term, the engagement will encourage a larger and informed use of Caplin Point products besides attracting talent for marketing products in those territories.

Summing up

At Caplin Point, we are focused on creating multiple business engines that broadbase our business model and reinforce our business sustainability. By making low-cost investments with enduring revenue potential, we have

created a platform for the second phase of our growth.

We believe that the result of this proactive investment will be a larger, progressively

de-risked and more profitable company, enhancing value for all those who are associated with it.

C. C. Paarthipan, *Chairman*

2017-18 PERFORMANCE REVIEW BY THE MANAGING DIRECTOR



This was the 15th successive year that the Company reported profitable growth, marked by a percentage-wise increase in profits higher than the percentage growth in the topline.

Dr Sridhar Ganesan
Managing Director

Q How would the management rate the Company's performance in 2017-18?

The performance during 2017-18 was creditable by its own standard and better than peers. The Company achieved a five-year CAGR revenues of 33%, EBIDTA growth of 54% and PAT growth of 51%, indicating profitable growth across the medium-term.

This growth was extended into the year under review: revenues grew 34%, EBIDTA strengthened 54% and PAT strengthened 51%. This was the 15th successive year that the Company reported profitable growth, marked by a percentage-wise increase in profits higher than the percentage growth in the topline. The Company reported EPS growth of 52% - from ₹12.65 to ₹19.26, the second successive year of 50% EPS growth.

The Indian pharmaceutical sector grew 15% during the year under review, while the Company's revenues strengthened 34%.

Q What was the highlight of the Company's working during the year under review?

The Company achieved a milestone when it crossed ₹500 crore in revenues. The Company is pleased to communicate that even as it continued to report aggressive revenue growth, it continued to remain debt-free. Besides, there was a 14% increase in Cash & Cash Equivalents to a year-end ₹125.62 crore after completely expensing about ₹60 crore towards the liquid

injectables unit directed at the US market and funding a capex of ₹48 cr.

The other highlight was a 40% increase in contribution margins in Rupee terms, which was higher than the 34% revenue growth reported by the Company during the last financial year.

Q Did the Company strengthen its overall profitability during the year under review?

As a controls-driven organization, we reported a reduction in cash expenses as a proportion of revenues from 22% to 19%.

This helped to strengthen our EBIDTA margins to 38% in 2017-18 from 34% in 2016-17. We believe this improvement to be significant for some good reasons. In the competitive pharmaceuticals industry only the most profitable companies generate EBIDTA margins in excess of 25-30%. The fact that the Company succeeded in reporting EBIDTA margins in excess of 20% for more than seven years ending 2017-18 represents a validation of its competitiveness.

The Company reported a 64% return on capital employed during the year under review, which is creditable when one takes into account the Company's ₹125 crore investment and average annual operating expenses of ₹60 crore in a state-of-the-art USFDA approved facility. The fact that the Company reported an attractive return is a creditable validation of the Company's and competence.



What were some of the other key business developments during the year under review?

The Company invested in its business with the objective of strengthening its prospective products pipeline. The Company filed two ANDAs in its name. The Company commenced commercial deliveries to the US market through partners. It was required to provide credit to new customers. It made commercial entries into Chile, Paraguay, Panama and Costa Rica. It launched products in niche segments (soft gels, suppositories and branded/OTC range), strengthening revenues.



What was your exports to Latin America vis-à-vis Indian exports ?

In a recent market report released by International Trade Centre, Geneva, for the period January to December 2017, export of Indian formulations to Latin America vis-à-vis our company's share was as under:

(in US\$ Million)

Country	Caplin's Exports	India's Exports*	% Share of Caplin
Guatemala	25.33	40	63.33
Nicaragua	8.44	23	36.70
El Salvador	9.27	12	77.25
Honduras	6.25	32	19.53
Dominican Republic	5.77	43	13.42
Ecuador	7.95	38	20.92

*Source: Report of International Trade Centre, Geneva

From this, you will appreciate that the Company is in an enviable position in these markets and its move towards branded generics would only increase market share and contributions.



What is the company's blueprint for 2018-19?

The Company will be driven by its objective to achieve above-industry average growth in revenues, setting the pace for sustained outperformance.

The Company will continued to focus on increased R&D spending – both at the operating expenditure and capital expenditure levels. The Company has relocated into a larger space for accelerated development initiatives (CP V).



What are the other initiatives that the Company intends to embark on?

The Company will continue to sustain the filing of 10 to 12 ANDAs annually with the objective to create a robust product pipeline across the next few years.

The liquid injectables plant at CP1 is proposed to be completed within the coming months and directed at the emerging markets. This facility is capable of manufacturing injectables in vials, ampoules, pre-filled syringes and lyophilized vials.

The Company's long-acting niche injectables are under development, including emulsion and liposomal formulations.

The Company is setting up an in-house CRO to authenticate / validate product bio-equivalence with innovator products and extend wider and deeper into unaddressed markets.



How did the Company strengthen its financial controls?

At Caplin Point, we will continue to be focused on cost moderation. We believe that at a time when revenue growth will be targeted to be higher than cost growth, the result could be years of profitable growth.

We believe that the success of any enterprise revolves around effective working capital management. Going ahead, the Company expects to maintain trade receivables at around 90 days, the right balance of the credit it can comfortably bear and what the trade channels would need to keep buying from us. We believe that this extended credit tenure serves as a buffer against competition, strengthening our business. Towards this, setting up of subsidiaries in Latin America to offer end-to-end solutions could improve efficiency besides increasing revenue, contributions and inventory control.

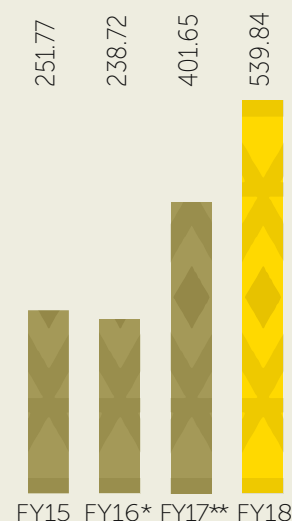
During the current year, we also expect to sustain our debt-free status, helping us protect the integrity of our Balance Sheet.

HOW CAPLIN POINT ENHANCED VALUE ACROSS THE FOUR YEARS



Higher revenues
+138.19 cr

Operating Revenues (₹/cr)



*For 9 months period and year ended 31 March 2016
** Restated as per IND AS

Definition

Sales growth without deducting excise duties.

Why we measure

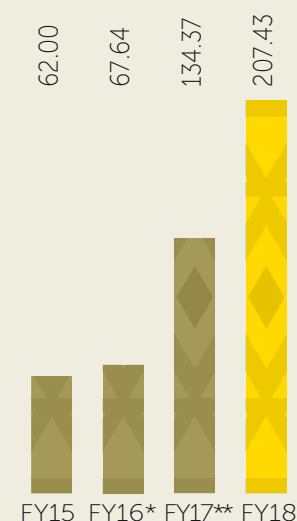
This measure reflects the result of our ability to understand market trends and service customers with corresponding products, superior technologies and competent supply chain management.

Performance

Our operating revenue increased 34% by ₹138.19 crore in FY 18, which compared favourably with the growth of the sector.

Growing profits
+73.06 cr

EBIDTA (₹/cr)



*For 9 months period and year ended 31 March 2016
** Restated as per IND AS

Definition

Earning before the deduction of interest, depreciation, extraordinary items and tax.

Why we measure

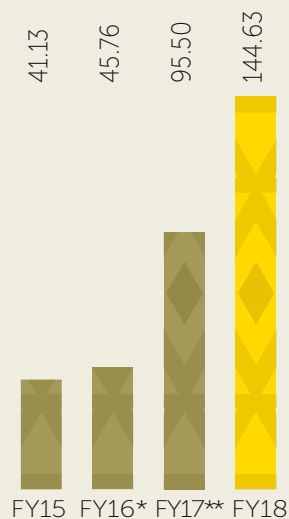
It is an index that showcases the Company's ability to optimize business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

Performance

The Company's EBIDTA grew every single year through the last 7 years. The Company reported a 54% increase in its EBIDTA in FY 18 – an outcome of team efforts in improving operational efficiency.

Net profit
+49.13 cr

Net Profit (₹/cr)



*For 9 months period and year ended 31 March 2016

** Restated as per Ind As

Definition

Profit earned during the year after deducting all expenses and provisions.

Why we measure

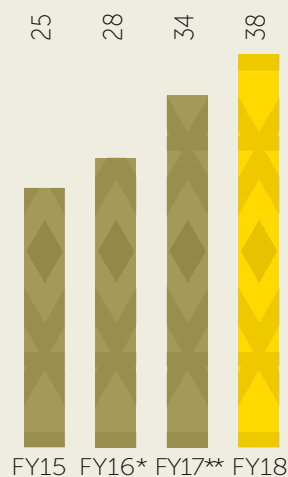
It highlights the strength in the business model in generating value for its shareholders.

Performance

The Company's net profit grew every single year through the last 15 years. The Company reported a 51.44% increase in its Net Profit in FY18 – reflecting the robustness of the business model in growing shareholder value.

EBIDTA margin
+400 bps

EBIDTA margin (%)



*For 9 months period and year ended 31 March 2016

** Restated as per Ind As

Definition

EBIDTA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency. Higher the operating margin, better for the Company.

Why we measure

The EBIDTA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

Performance

The Company reported a 400 bps increase in EBIDTA margin in FY 18. This was the result of an enriched product basket and improved operating efficiency.



THE BUSINESS MODEL OF CAPLIN 2.0

Our business landscape.

► **Affordability:** There is a growing pressure on governments to make medicines and health care more affordable, making them source a larger proportion of generics through the tender system and exercise pricing control

► **Logistics:** Since a large number of pharmaceutical products are not manufactured in regions where they are consumed, there is a premium on the need to invest in distribution and logistics – the right product for the right market delivered at the right time.

► **Genericisation:** As patented pharmaceutical products lose their protection, they become generics, marked by a decline in price, enhancing affordability and increased use

► **Quality focus:** There is a growing focus on public health and, hence, pharmaceutical product quality

► **Regulatory focus:** A number of global regulatory agencies (regulated and semi-regulated) are strengthening their market-entry benchmarks

How we are responding to opportunities

► **Addressing market gaps:** Caplin Point was among the first Indian pharmaceutical companies to extend to West Africa, Latin America and The Caribbean, underlining its contrarian approach. These geographies are considered small for large pharmaceutical players and difficult for smaller players.

► **Purposeful:** Caplin Point is engaged in providing medicines that alleviate human suffering in the quickest, cheapest and in the most convenient manner – enhancing affordability and accessibility.

► **Long-term:** Caplin Point is a long-term player, reflected in its decision to invest in CP4 to address US markets.

► **Quality:** In the generics space, Caplin Point has selected to provide generics benchmarked with multinational quality but provided at a fraction of the cost, making it possible to strengthen the brand and widen market share

► **Governance:** Caplin Point strengthened its governance through a credible Board of Directors comprising individuals of professional standing. The Managing Director is a professional with no connection to the promoter's family. The Company instituted Board committees that addressed specific functions.

► **Product basket:** Caplin Point selected to market products on the WHO essential drugs list. Caplin Point has been a focused player with ~90% of the revenues derived from simple generics to complex life-saving

products. Caplin Point has also focused on complex downstream spaces like soft gels, penems, dermo-cosmetics and suppositories.

► **Integrated:** Caplin Point's business integration comprises manufacture / outsourcing, export, imports as well as a proposed extension to distribution.

► **Ecosystem:** In keeping with the marketing focus, Caplin Point entered into enduring marketing alliances with agents, channel partners and distributors, making it possible for products to reach the last mile with speed and efficiency

► **Contiguous markets:** Caplin Point leveraged the cluster approach when building market presence. Despite having been present in Central and South America for 15 years, the Company is present in only 10 countries in that region, the result of focusing deep in one market, before entering a contiguous market. This approach has helped the Company leverage management efficiencies better

► **Focus:** In the generics space, Caplin Point has selected to focus largely on marketing, which comprises the ability to identify markets with long-term potential coupled with the selection of suitable manufacturing partners

► **Data mining:** Caplin Point entered into an agreement with a technology partner to transform the manual operations of most of its retail partners with the objective to

map retail trends in real-time, enhancing the Company's responsiveness in evolving its product mix

Resource-lightness: Caplin Point is a resource-light company, the cash-positive proceeds from one business being deployed in another long-gestation niche within the pharmaceutical industry.

Direct engagement: Caplin Point increased the proportion of revenues from direct supply (that circumvented trade intermediaries), building a direct engagement with a large number of retailers that translated into a growing share of pharmacist retail shelves

Tender focus: Caplin Point will increasingly address opportunities arising out of the tender-driven market (10% of revenues, 2017-18) in the larger geographies of Latin America. A deeper relationship with government agencies will provide a better understanding of local policies. The Company leverages its ability to source generic medicines in large volumes at the lowest cost, while addressing this opportunity.

Future-focused: Caplin Point selected to embark on the CP4 investment (addressing the US liquid injectables segment). No other company of Caplin Point's size possesses a similar liquid injectable facility in India (audited and cleared by US FDA, EU-GMP and ANVISA).

Incentivised: Caplin Point incentivized the recruitment of specialized talent by offering ESOPs (at par value of ₹2 when the market price was ₹573 as on 31 March 2018) in addition to attractive compensation.

BENEFICIARIES OF OUR VALUE CREATION



Business model

- **Structure:** Caplin Point markets a large volume of products (OTC and wellness) manufactured out of China but exported through its HK subsidiary, leveraging China's Free Trade Agreements with several Latin American countries.
- **US market:** Caplin Point seeks co-development and profit-sharing partnerships as opposed to pure contract manufacturing agreements, convinced that the former enhances organisational value. The Company will accelerate ANDA filing, file ANDAs under its name and out-license dossiers for a share of profits especially with 'late stage injectables'
- **Investments:** Caplin Point is building capacities to handle pre-filled syringes and cartridges. In Phase 2 of CP-IV, it will handle a large capacity of Lyophilized products and complex injectables (2020).
- **Brand:** Caplin Point's brand is considered ethical (fairness and compliances), dependable (delivery commitment), accessible (client issues) and trustable (quality and affordability), catalyzing repeat primary and secondary customer engagement.
- **Direct servicing:** Caplin Point is increasing the proportion of revenues from the direct servicing of pharmacists. This is helping reduce the intermediation of intermediaries, moderating costs.
- **Global certifications:** Caplin Point's liquid injectables facility off Chennai (CP4) received regulatory clearances from USFDA, ANVISA and EU-GMP
- **Registrations:** Caplin Point enjoys more than 2600 product registrations / licenses across countries.
- **Efficiency:** Caplin Point generated an inventory turn of 9x, nearly twice the prevailing sectoral average.
- **Value creation:** At Caplin Point, we focus on growing our annual topline by 15-20% and our net margin by 15-20%, leaving adequate value on the table for all our stakeholders – vendors, customers, employees, exchequer and shareholders.

Our performance ambition

- **Financial ambition:** We intend to match what we generated in revenues in 2015-16 with the PAT we achieved in 2021-22.
- **Intellectual ambition:** Transform employees into shareholders, undertake cutting-edge R&D; file more proprietary and collaborative ANDAs.
- **Geographic ambition:** Consolidate our presence in North and South America, China among others; earn a sizeable share of revenues from regulated markets.
- **Therapeutic ambition:** Focus on niche injectables in the US by extending to the manufacture of specialty suspensions and PFS products.
- **Logistical ambition:** Evolve from being a distributor-led player to one directly engaged with retailers across Latin America.

Probable goal contributors

- Emerge as a two-business company; one expanding into Latin America (Chile, Brazil, Colombia and Uruguay) and the other to the manufacture simple and complex injectable formulations for US and China
- Automate and virtualise the retail chain in Latin America; engage with 3,000 pharmacies that address bottom-of-the-pyramid customers; engage with medical practitioners who prescribe the Company's products.
- Strengthen ANDA alliances with large multinational companies for a share in profits (as opposed to contract manufacture).

Measuring our progress

► Steady profitable growth

EBITDA grew (₹ Cr)

73.06

In 2017-18

PAT grew (₹ Cr)

49.13

In 2017-18

Free cash (₹ Cr)

125.62

As at 31 March, 2018

EBITDA margins growth (bps)

400

In 2017-18

THE PROCESS OF DRUG DEVELOPMENT

Discovery and
development

Preclinical
Research

Clinical
Research

FDA Review

FDA post-
market safety
monitoring

MANAGEMENT DISCUSSION AND ANALYSIS



Global economic overview

In 2017, a decade after the global economy encountered a meltdown, a revival in the global economy became visible. Consider the realities, every major economy expanded and a growth wave created jobs. This reality was marked by ongoing growth in the eurozone, modest growth in Japan, a late revival in China and improving conditions in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, 60 bps higher than the previous year. Crude oil prices increased in 2017, with a price of US\$54.13 per barrel at the beginning of the year, declining to a low of US\$46.78 per barrel in June 2017 and closing the year at US\$61.02 per barrel, the highest since 2013.

The US: The world’s largest economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016) catalysed by the spillover arising out of government spending by the previous administration coupled with

\$1.5 trillion worth of tax cuts stimulating investments. Private consumption continued to grow at a robust pace despite modest real income gains and moderate wage growth, as the personal savings rate fell further.

China: China’s growth estimated at 6.8% in 2017 up from a 26-year (6.7%) low in 2016, and beating the government’s target of 6.5%. China witnessed the fourth quarter growth rate of 6.8%, which remain unchanged from the third quarter. China’s exports rose 6.9 % from the previous year to \$188.98 billion in October 2017. In 2018, China’s growth was projected at 6.6%. (Source: WEO, NBS)

Emerging Asia: The region continued to deliver strong growth, in the face of widespread concerns about growing protectionism, a rapidly ageing society, and slow productivity growth. Emerging Asia witnessed a GDP growth of 6.4% in 2017 following a rebound in trade and domestic consumption volumes.

Brazil: In 2017, Brazil grew by 0.9% and this is expected to

increase to 2% in 2018. The economy has stabilized and is back on the path of growth, thanks to the larger agricultural production and higher exports and commodity prices. However the political uncertainty continues.

Outlook

The outlook for advanced economies improved, notably for the eurozone, but in many countries inflation remained weak, indicating that prospects of GDP growth were being held back by weak productivity levels and rising dependency ratios. Prospects of emerging market and developing economies in sub-Saharan Africa, the Middle East, and Latin America remained lacklustre with several countries experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustments to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting an improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF)

Global economic growth for six years

Year	2014	2015	2016	2017	2018 (f)	2019 (f)
Real GDP growth (%)	3.5	3.2	3.1	3.8	3.9	3.0

[Source: World Economic Outlook, January 2018] f: forecasted}

Indian economic overview

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated to be 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies. This was achieved on the back of lower inflation, an improved current account balance and a reduction in fiscal deficit-to-GDP ratio .

The year under review was marked by various structural reforms being undertaken by the Central Government. In addition to GST introduction, the year witnessed significant steps towards resolution of problems associated with NPA levels, FDI liberalisation, bank recapitalisation and privatisation of coal mines. (Source: CSO, Economic Survey 2017-18)

Outlook

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and a growth in the services sector are expected to continue supporting economic activity. Private investments are expected to revive as the corporate sector adjusts to the GST. Over the medium-term, the introduction of the GST is

expected to catalyse economic activity and fiscal sustainability by reducing the cost of tax compliance drawing informal activity into the formal sector and expanding the tax base. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector balance sheets, enhance credit to the private sector and spur investment inflows. (Source: IMF, World Bank)

Latin American economic overview

Latin America recovered from GDP contractions in 2015 and 2016 and returned to a growth of 1.3% in 2017. The growth rate projected for 2018 is 2.2%. The favourable global economic environment, higher commodity prices and the increase in exports as well as in domestic demand have driven the growth.

While Brazilian GDP growth was 0.9% in 2017, Mexican growth was 2.2%, Argentine 2.9% and Colombia 1.8%. The highest growth rate in the region was in Panama at 5.3%, followed by Dominican Republic 4.9%, Nicaragua 4.9% and Paraguay 4%, while Guatemala grew by 3.2%. Imports and exports of the region reported increase in 2017 and 2018.

The foreign exchange reserves and the ratio of external debt

to GDP were comfortable range for the region except for Venezuela and Argentina. IMF has extended a 50 billion dollars standby credit to Argentina in 2018. The Venezuelan political and economic situation has been deteriorating with no solution in the near term.

India's trade with Latin America grew by 24% in 2017 to 36.3 billion dollars, after a decline in 2015 and 2016. The exports increased by 15% to US\$12.9 billion and imports by 28 %to 23.4 bn in 2017.

Latin America has been exporting more to India than to their old trade partners such as Germany, France, Italy, Spain, UK or Japan. In 2017, India was the fourth largest market for Latin American exports after US, China and Canada. India ranked as the 7th largest supplier of goods to Latin America in 2017.

Global pharmaceutical sector overview

The global prescription drug market grew by 0.8% in 2017 vis-à-vis 2016 due to the depreciation of the US\$ against other currencies, especially Asian ones. The US is the largest pharmaceutical market in the world, valued at US\$339,694 million followed by Japan (US\$94,025 million) and China (US\$86,774 million). Although other regions like China and

India have seen substantial growth in the life science markets due to an expanding demand for products and devices. North America, Europe and Japan jointly account for 82% of audited and unaudited drug sales. Annual growth in the European Union slowed to 5.8%, 2.1% in Japan and 1.4% in North America. Impending policy changes and promoting the use of generics in these key markets are expected to further dent the topline and bottomlines of global pharmaceutical majors. (Source: PwC, World Atlas, Investing News)

Demand drivers

- **Pace, cost, and risk of innovation:** Increased pressure to bring products and services to the market has led to a push towards patient-centric care models.

- **Impact of globalisation:** Competition is global and emerging markets all over the world are disrupting the industry. Meanwhile, adhering to governmental regulations around taxation, trade, approvals, market access, and pricing continues to be a struggle.

- **Changing definitions of value and price:** Increasing pressure to lower drug prices and non-traditional ways of serving patients, such as education, support, and self-administration, means pricing is more value-



based. In such a scenario, players need to strengthen their analytics to evaluate data, predict revenue and services, and make comparisons on a national level.

• **Rise in consumer accountability and power:**

Patients will control most of the power due to the growing impact of omni-channel communication between consumers and organisations.

(Source: Appian, Gartner)

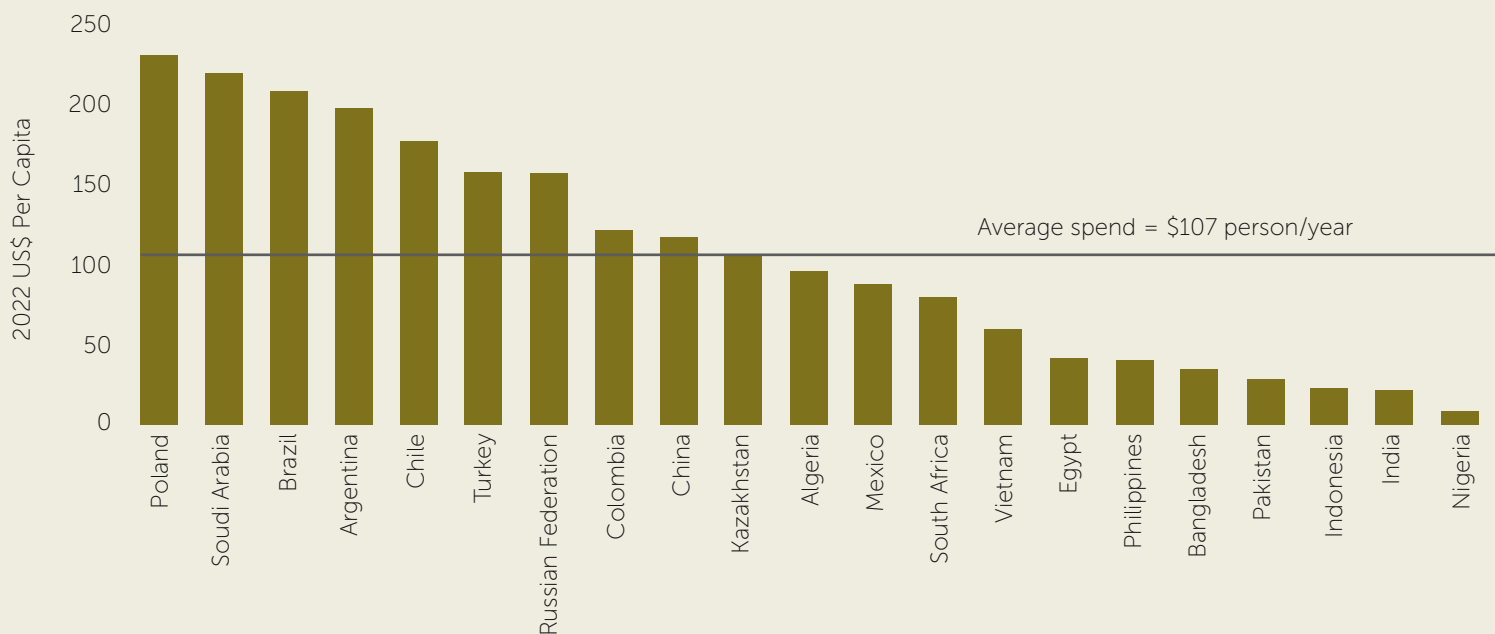
Outlook

Prescription drug sales are forecast to grow at an impressive

CAGR of 6.5%, eventually hitting US\$1.06 trillion worldwide by 2022. 32% of the increase in sales will come from orphan drugs (>US\$ 95 billion). Oncology therapies are expected to grow at a CAGR of 13% to reach US\$192 billion by 2022. At sales worth US\$194 billion, potentially signals a second patent cliff era with the advent of biosimilars. The global pharmaceuticals market could reach US\$1.12 trillion in 2022 growing at CAGR of 6.3% till 2022. Prescription sales excluding generics will reach US\$1.006 trillion by 2022. This growth will come

mainly from market expansion in pharmerging countries and ageing populations in developed countries. Global brand spending is forecast to increase to ~US\$ 832 billion by 2021 while global generic spending is expected to increase to ~US\$ 505 billion by 2021. All drug makers need to cope with tightening cost controls over drug price-fixing as it is the only way of keeping new medicines affordable for patients. (Source: Evaluate Group, Pharmaceutical Commerce, Quintiles-IMS Institute, IFPMA, Euler Hermes)

Pharmerging Per Capita Spending by Country, 2022



Source: IQVIA Market Prognosis, Sep 2017; IQVIA Institute, Oct 2017

Notes: Spending per capita, per capita growth and overall spending growth in Constant US\$.

Latin American pharmaceutical sector

The Latin American pharmaceutical market is pegged at US\$80 billion. The Brazilian pharmaceutical market accounts for a 35.1% share of the Latin American pharmaceutical market. In terms of market share, generic drugs in Latin America have grown from 65% to 80% in volume and 45% to 65% in value between 2006 and 2016. Mexico is one of the leading generic drug markets in Latin America and it has been growing at a rate of 11% per annum over the past five years. The growth of the pharmaceutical market is being driven by increasing population, decreasing poverty levels, rising healthcare expenditures, expansion of hospitals and health insurance and increased access to healthcare facilities and generic drugs being available at prices 75-90% lower than branded equivalents.

(Source: IQVIA, Global Health Intelligence)

Outlook

The Latin American pharmaceutical market is poised to grow at a CAGR of 9.3% between 2018 and 2028. The OTC pharmaceutical market in Latin America is estimated to grow at a CAGR of 8.64% between 2016 and 2022. The Brazilian pharmaceuticals market is poised to grow from US\$25.3 billion in 2016 to US\$29.9 billion in 2021. Argentina’s pharmaceutical industry is expected to gain 1% in 2018. (Source: Global Health Intelligence)

Chinese pharmaceutical market overview

China is the second-largest healthcare market globally with total healthcare expenditures reaching US\$594 billion in 2015, a number projected to reach US\$1.1 trillion by 2020.

China is the fastest-growing major healthcare market in the world with a five-year CAGR of 17%, compared to 4% in the US and -2% in Japan. There is still opportunity for considerable growth in China’s healthcare market with per capita healthcare spending standing at US\$420, compared to an average of >US\$5,800 in the world’s top-eight healthcare markets.

China’s ageing population, rising incomes and increasing urbanisation may act as catalysts for growth. Over the past 20 years, the number of people aged 65+ has ~2x reaching 150 million (10.8% of the total population) and this ageing population is expected to increase the burden of chronic diseases by 40% by 2030.

Pharmaceutical sales reached US\$116.7 billion in 2016 and are projected to grow to US\$167 billion by 2020. In 2011, China has emerged as a key pharma destination as R&D costs are significantly lower here. On an average, drug development costs in the US amount to ~US\$4 billion compared to ~US\$40 million in china. The CFDA allows license-holders to sub-contract manufacturing so that R&D institutions can focus solely on high quality R&D innovations

rather than investing in their own manufacturing plants. Generics companies are now required to conduct new bioequivalence tests, and therefore there is a significant rise in BE trials (423 completed, 13 terminated, 249 ongoing, and 135 planned). (Source: International Trade Association, Trialtrove)

Outlook

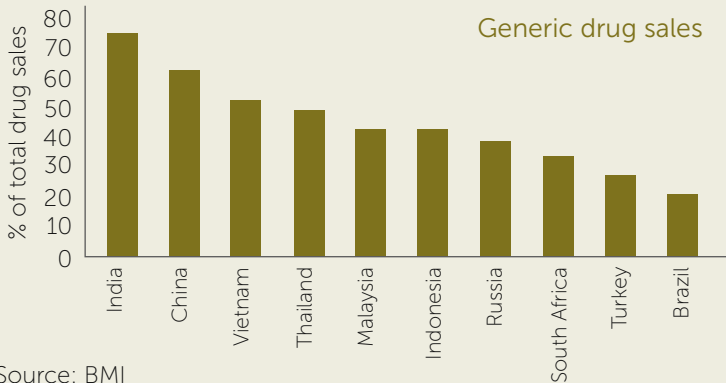
China’s 13th Five Year Plan (2016–20) will move the country into the centre of the international stage of drug development, where it will be a global innovator in the industry and more competitive than ever. The country is focused on developing innovative drugs within China and is actively discussing ways to reduce clinical trial durations and address quality concerns.

China has opened its market for generic medicines and has relaxed the conditions for registration. This widens opportunities for India to export more to China in the coming years.



CHINA IS THE FASTEST-GROWING MAJOR HEALTHCARE MARKET IN THE WORLD WITH A FIVE-YEAR CAGR OF 17%, COMPARED TO 4% IN THE US AND -2% IN JAPAN.

Reliance on generic drugs is high in China despite low preference by healthcare practitioners



Source: BMI

Indian pharmaceutical exports to Latin America

India accounts for 20% of global exports in generics. India's pharmaceutical exports stood at US\$16.84 billion in 2016-17. Between April and September 2017, India exported pharmaceutical products worth US\$6.4 billion. Between April and October 2017, India exported pharmaceutical products worth US\$ 7.4 billion. India's

exports to the Latin American and Caribbean countries was pegged at US\$1,135.09 million in 2017-18 compared to US\$992.82 million in 2016-17 registering a y-o-y growth of 14.33%. India's cost of production of drugs is 33% lower than that of US owing to the lower labour cost and the cost of setting up a production plant than Western countries. (Source: IBEF, IPHEX)

Key performance metrics

Country	Total Pharma market \$ mn (BMI)		Total Generic market \$ mn (BMI)		Global imports formulations \$ Mn (US COMTRADE)		Imports from India \$ mn (US COMTRADE)	
	2016	2017	2016	2017	2015	2016	2015	2016
Brazil	21,540	20,870	4,583	3,253	6,446	6,371	247.15	218.45
Colombia	2,980	3,410	1,300	1,500	2,327	2,104	63.19	54.42
Guatemala	1,074	1,222	N/A	N/A	677	633	37.64	40.78
Honduras	467	456	N/A	N/A	N/A	457	N/A	32.48

(Source: IBEF, http://iphex-india.com/bsm/uploads/bsm_circular_010618.pdf)



HEALTHCARE COSTS HAVE RISEN CONSISTENTLY AS A SHARE OF GDP IN ALL DEVELOPED COUNTRIES AND ARE EXPECTED TO KEEP RISING. IN THE US, HEALTHCARE EXPENDITURE INCREASED TO ~US\$ 3 TRILLION IN 2015 AND IS FORECAST TO REACH 20% OF THE GDP BY 2025.

Outlook

Indian exports of generic drugs in terms of value should reach US\$20 billion by 2020. Improving global scenario and rising opportunities in countries like China could boost the export of generics from the country.

Global generics market

Generic drugs are low-priced copies of off-patent medicines. They serve a critical purpose in healthcare provision: allowing cheap competition to older medicines frees up resources to pay for newer, innovative treatments. Generics drugs have made it possible to reduce the total cost of care as they cost 75-90% less than their branded equivalents. The global generic drugs market reached ~US\$ 245 billion in 2017. The use of generics saved the US healthcare system an amount of US\$253 billion during 2016 and US\$1.67 trillion over the last decade. Generic drugs make up >80% of the volume of drugs

dispensed around the world, and the volume is expected to grow as more drugs lose patent protection. The global generic drugs market was pegged at US\$185 billion in 2016, 17% of the global pharmaceutical market. Generic drugs accounted for 28% of the total pharmaceutical sales worldwide in 2017. Additionally, there were 847 generics approved in 2017, up by 37% from the previous record (633) in 2016 as well as 73 unique ANDAs approved during the same period. (Source: Association for Accessible Medicines)

Demand drivers

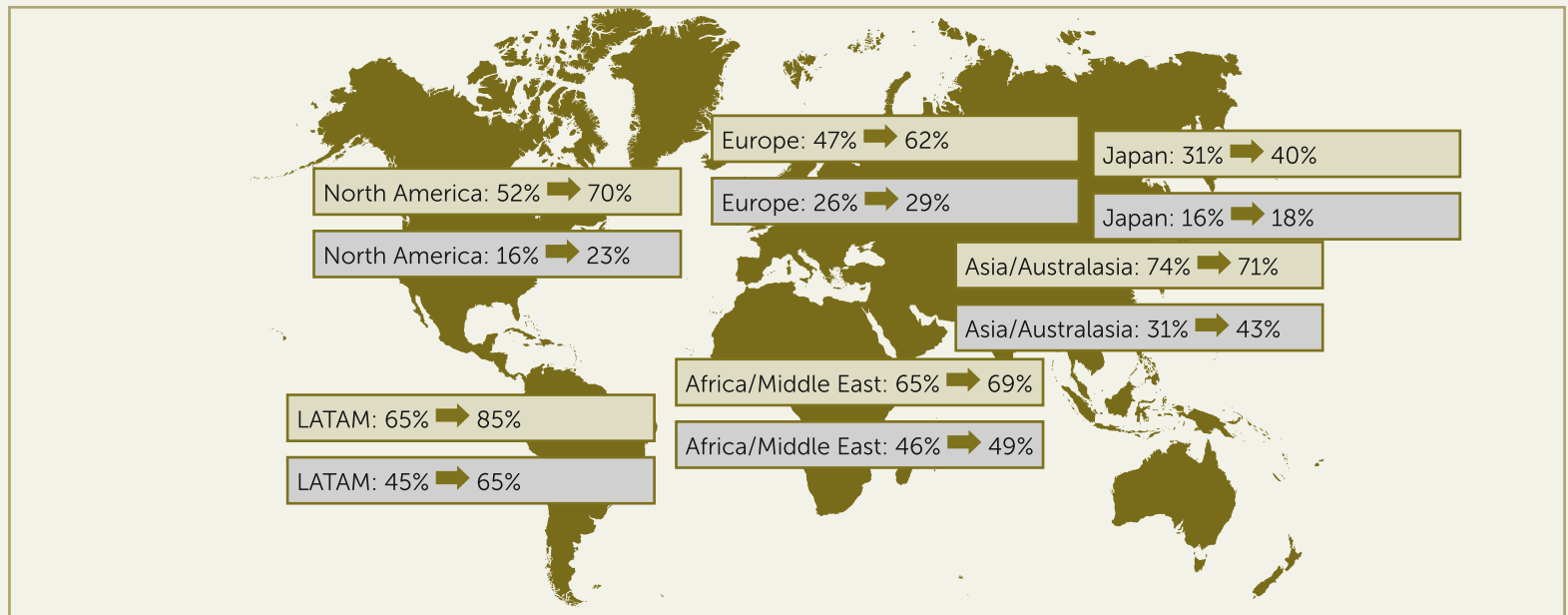
- **Ageing population:** As the elderly population rises around the world, the need for multiple drugs increase. This could cause volumes to rise faster than the population growth as well as put a greater pressure on costs.

- **Healthcare budgets:** Healthcare costs have risen consistently as a share of GDP

in all developed countries and are expected to keep rising. In the US, healthcare expenditure increased to ~US\$ 3 trillion in 2015 and is forecast to reach 20% of the GDP by 2025. As expenditure in developing countries catches up with the developed world, a greater share of these expenses is being borne by governments, pressuring budgets. While a number of factors drive rising healthcare costs and drugs account for only 10-15% of healthcare spending in most countries, pressure on healthcare budgets is unlikely to ease. The increasing focus on value in healthcare provision and greater price sensitivity from patients, could support generics demand. (Source: CMS)

Generics are taking an increased share of the value market

Generics Market Share (US\$, Units) 2006 VS. 2016



Source: IQVIA MIDAS MAT Q4 2016, Rx bound; Europe includes Turkey; Generics include Non-Original branded products and unbranded products

Volume, Un Value, US\$

CRO segment overview

The CRO segment emerged in the late 1970s, with a few small players initially providing niche services such as research models and chemistry capabilities, serving simply as a resource for extra capacity to biopharmaceutical companies on a given project. Over time, CROs added to their capabilities and service offerings across the drug development lifecycle, including preclinical research and development, clinical trials monitoring and management, data management and analysis, study design, bio-statistical analysis, post marketing surveillance, consulting, regulatory and safety assessment, central laboratories, resourcing and functional services,

communications, outcomes, and other commercialisation services. Today, most of the largest players now offer full-service, global platforms, which can be a key competitive advantage over small and mid-sized players in the space. The CRO services market was valued at US\$ 36.27 billion in 2017 and projected to reach to US\$ 56.34 billion by 2023, at a CAGR of 7.6%. Growing R&D expenditures, increased outsourcing of R&D activities, and increasing number of clinical trials are the major factors driving the growth of the CRO services market. North America accounted for the largest share of the CRO services market in 2017, followed by Europe and the Asia Pacific. High quality standards in the pharmaceutical

industry, rising demand among pharmaceutical and biopharmaceutical companies for outsourcing services, and increase in clinical trial activities in the region are the major factors responsible for the large share of North America in the CRO services market. CROs derive their revenues primarily from the R&D budgets of pharmaceutical, biotechnology, and medical device companies, as well as governments and other medical research entities. Consequently, future revenue growth for the CROs will be driven by a combination of an increase in overall R&D spending, as well as increased outsourcing. Biopharmaceutical companies are recognising the increasing importance of scale

and therapeutic expertise to accelerate the time-to-market for new drugs, as well as the need to lower continuously rising costs, particularly in an environment of moderating sales, rising rebates, and decreasing margins. In most instances, outsourcing R&D functions allows for the optimisation of internal cost structures by capitalising on the capacity, scale, and expertise of CROs, though there remains a tendency among biopharmaceutical companies to keep certain functions, such as early stage research, in-house. Looking ahead, we expect CROs to play an integral role in supporting drug development, with clinical outsourcing expected to increase by 50% till 2020. (Source: Credit Suisse)

Threats to the global pharmaceutical market

Increased competition from generic drugs

In 2017, the FDA began a push to get lower-cost generic drugs out to market faster. Once a new brand name drug is approved, it is granted a 180-day period of exclusivity, during which time generic versions cannot go to market. But, a backlog of generic applications has stretched those 180 days much longer. The FDA's renewed effort to clear that backlog and get generic applications through the approval process faster could flood the market with cheaper versions of high-cost drugs.

Accelerated research; lower costs

Beyond promoting competition from generic drugs, the FDA is also urging pharmaceutical companies to cut down the cost of new drugs by streamlining and speeding up the research and development process, which should eliminate some overhead expenses. While this makes drugs more affordable for consumers, it also means medications spend less time in testing, increasing patient safety risk and regulatory risk. Policy makers will weigh access to medicines with the desire to encourage biopharmaceutical R&D, which relies on regulatory efforts to streamline clinical research, ensure product quality, and achieve more efficient oversight.

Keeping up with technologies

The study of human genomics is paving the way for personalized medicine, in which drugs are built to work with an individual's unique set of genes, increasing their effectiveness and safety. 3D printers could emerge as top competitors for manufacturers; the first printed drug was approved by the FDA in 2015. The explosion of personal data collected by wearable devices could enhance the quality of clinical studies and help researchers synthesize results more efficiently. Nanotechnology could take data collection a step further than wristwatches. Clothing made from nanoparticles could detect more health parameters like internal body temperature, sweat rate, blood pressure, hydration status and more. Medication delivered directly to the cells via nanoparticles in the bloodstream could also revolutionize the way medications are designed. Failure to keep up with these technology advancements could open the door for non-traditional players to enter the market and infringe on pharmaceutical companies' market share.

Counterfeit drugs and global quality control

The flow of foreign counterfeit drugs into the American market continues to be a problem, especially as manufacturers move operations overseas. Multinational pharma companies have to ensure they meet U.S. quality standards while adhering to all local regulations abroad, and are also responsible for blocking illegal trafficking of counterfeit medications. This requires stringent standards for all vendors and third parties involved in the manufacture and transportation processes. Brexit will make this more difficult for companies operating out of or distributing drugs in the UK.

Patent Cliffs

A Patent Cliff refers to the expiration of drug patents and the sudden drop-off of sales of products that previously constituted a large percentage of the market. Essentially, patent cliffs put these dollars up for grabs for competitors to produce and patent a comparable brand name drug. In 2022, the industry is expected to have almost \$50 billion in prescription drug sales worldwide at risk due to patent expiration, according to market research firm Statista.



Finance review

Basis of preparation

The 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. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in the previous year.

Key performance metrics (Consolidated)

Parameters	FY2016-17	FY2017-18	Growth (%)
Revenue from operations (₹ crore)	401.65	539.84	34
EBIDTA (₹ crore)	134.25	207.43	54
PBT (₹ crore)	120.95	188.38	56
PAT (₹ crore)	95.50	144.63	51
Earnings per share (₹)	12.65	19.26	52

Analysis of the profit and loss statement

Revenues: The revenues from operations of the Company reported a 34 % growth from ₹401.65 crore in 2016-17 to ₹539.84 crore in 2017-18. The growth was primarily driven by a widening of the product range and catering to new customers. Other Income accounted for only 2.29% of the Company's total revenue, reflecting a dependence on core business operations.

Expenses: Total expenses of the Company increased by 25.28% from ₹290.66 crore in 2016-17 to ₹364.13 crore, largely on account of increase in material costs in line with an increase in volumes, higher R&D spend. Cost of

Material consumed, comprising 44.12% of the Company's revenues in 2017-18 (46.04 % in 2016-17), increased by 28.79% from ₹184.93 crore in 2016-17 to ₹238.18 crores in 2017-18. This increase of 28.79 % was lower than the increase in revenue of 34% due to a better product mix. Employee expenses, comprising 7.25% of the total revenues, increased by 27.04% from ₹30.81 crore in 2016-17 to ₹39.14 crore in 2017-18 contributed by increase in employee count, amortisation of ESOP cost and annual revision offered.

Balance Sheet analysis Sources of funds

Capital employed: The capital employed by the Company increased by 59.90% from

₹245.02 crore as on 31st March 2017 to ₹391.78 crore as on 31st March 2018 owing to increases in net worth and Current Assets.

Net worth: The net worth of the Company increased by 61.87% from ₹224.76 crores as on 31st March 2017 to ₹363.83 crores as on 31st March 2018. The Company's equity share capital increased due to the allotment of shares under ESOP.

Long-term debt: The Company does not have any borrowings except a nominal vehicle loan of ₹0.32 cr.

Applications of funds

Fixed assets (gross including Capital Work in progress) of the Company increased by 24.40% from ₹198.48 crores as on 31st

March 2017 to ₹246.92 crores as on 31st March 2018, largely owing to an increase in plant and machinery and addition of R&D equipment. Depreciation on tangible assets increased 42.57% from ₹13.06 crores in 2016-17 to ₹18.62 crores in 2017-18 owing to an increase in fixed assets during the year under review.

Investments

Non-current investments of the Company increased from ₹13.24 crores as on 31st March 2017 to ₹41.45 crores as on 31st March 2018.

Working capital management

- Current assets of the Company increased by 46.74% from ₹179.22 crores as on 31st March 2017 to ₹262.99 crores as on 31st March 2018 as a result of an increase in receivables attributable to the Company's strategy to penetrate new markets and change in the

sales model to increase the customer base by extending a credit period of 90 days. Current Ratio and Quick Ratio of the Company stood at 2.42 and 2.16 respectively in 2017-18 against 1.58 and 1.38 in 2016-17.

- Inventories including raw materials, work in progress and finished goods among others increased by 27.64% from ₹22.29 crores as on 31st March 2017 to ₹28.45 crores as on 31st March 2018 in line with increased operations. Inventory turnover remained at the same level of 40 days in 2017-18.

- Growing business volumes, coupled with catering to new markets, resulted in an increase in trade receivables from ₹33.02 crores as on 31st March 2017 to ₹125.88 crores as on 31st March 2018. The entire Trade Receivables are good and have since been realized.

- Cash, bank balances and investments in mutual funds increased by 14% from ₹110.18 crores as on 31st March 2017 to ₹125.62 crores as on 31st March 2018.

- Loans and advances made by the Company increased nominally from ₹34.66 Crores as on 31st March 2017 to ₹35.07 crores.

Margins

Better product mix, increased volume with less than a linear increase in expenses helped the Company report better margins during the year under review. The EBIDTA margin of the Company improved by 497 basis points from 33.46% in 2016-17 to 38.43% while the net profit margin of the Company improved 30 basis points.



THE CAPITAL EMPLOYED OF THE COMPANY INCREASED BY 59.90% FROM ₹245.02 CRORE AS ON 31ST MARCH 2017 TO ₹396.11 CRORE AS ON 31ST MARCH 2018 OWING TO INCREASES IN NET WORTH, AND CURRENT ASSETS.

Key performance indicators

	FY2016-17	FY2017-18
EBIDTA(%)	34	38
Profit after tax (₹ in Cr)	95.50	144.63
Inventory turnover cycle (days)	40	40
Return on Gross Block (%)	51	68

Risk management

Geographical risk The Company's dependence on a particular region could hamper its growth.	Mitigation strategy: Caplin Point enjoys a strong presence in the Latin American countries. The Company is expanding its presence to Colombia, Brazil, Uruguay and Chile. The	Company has also received approvals from ANVISA to enter the Brazilian pharmaceutical market. The Company invested in Capex and Opex through accruals which could strengthen	the Company's sectoral respect and competitiveness. The Company also aims to enter the Chinese market to make the most of incipient opportunities.
Currency fluctuation risk The Company's international presence exposes it to the risk of currency fluctuations that could impact its earnings.	Mitigation strategy: The Company passes on any increase in costs due to currency fluctuations as a part of its product cost.	Liquidity risk A slowdown in the economy might affect the Company's ability to fund operations.	Mitigation strategy: The Cash and cash equivalents and investment in mutual funds of the Company stood at ₹ 125.62 crore for FY2017-18.
Quality risk Declining product quality could impact the Company's revenues and its image.	Mitigation strategy: The Company's liquid injectables facility is US FDA, EU-GMP, ANVISA approved and the rest WHO-GMP approved. The quality assurance team of the Company ensures qualitative excellence across its manufacturing facilities. The Company regularly undertakes external and internal audits to comply with established norms.	Policy risk Changing policies regarding generic medicines might impact the business of the Company.	Mitigation strategy: With the growing population and changing everyday habits of people, medical needs have increased faster. Also the rising cost of branded drugs has resulted in governments around the world promote generics. The Company has carved a niche for itself in this critical space, ensuring steady offtake.
Competition risk Increasing competition might impact the market share of the Company.	Mitigation strategy: The Company has entrenched itself in the markets of its presence. Moreover, its products are competitively priced because of its ability to effectively optimise costs, resulting in the creation of a protective moat.		

Human resources Caplin Point believes that its competitive advantage lies within its people. The Company's people bring to the stage a multi-sectoral experience, technological experience and domain knowledge. The Company's HR culture is rooted in its ability to subvert age-old norms in a bid to enhance competitiveness. The Company always takes decisions which are in alignment with the professional and personal goals

of employees, The Company has put in place an attractive ESOP scheme to attract, reward and retain talents thereby achieving an ideal work-life balance and enhancing pride association. The employee count stood at 980 as on March 31, 2018.

Internal control systems and their adequacy

The internal control and risk management system

is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the

Managing/Whole-time Directors and management, monitoring and support committees. There is a constant review by Board of Directors, Managing Director, COO, CFO and a few others, which ensures any discrepancies are immediately noted and suitable action can be taken in case of any lapses.



DIRECTORS REPORT

To the members

The Directors present their 27th Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31, 2018

Financial Highlights

Rs. in Lakhs

Particulars	Standalone for the year ended		Consolidated for the year ended	
	March 31 2018	March 31 2017	March 31 2018	March 31 2017
Revenue from Operations	42,657.39	34,154.93	53,984.20	40,164.85
Other Income	2,331.33	1,251.25	1,266.52	995.53
Total Income	44,988.72	35,406.18	55,250.72	41,160.38
Profit Before Interest, Depreciation and Tax	16,510.20	10,596.57	20,743.45	13,437.29
Less: Finance cost	6.12	12.75	6.12	12.75
Less : Depreciation and amortisation expenses	1,898.78	1,325.99	1,899.50	1,329.84
Profit Before Tax	14,605.30	9,257.83	18,837.83	12,094.70
Less: Tax Expenses	4,374.21	2,226.13	4,374.33	2,544.41
Net Profit	10,231.09	7,031.70	14,463.50	9,550.29
Less : Non-controlling Interest	-	-	(15.27)	(10.95)
Net profit attributable to the shareholders of the Company	10,231.09	7,031.70	14,478.77	9,561.24

PERFORMANCE/OPERATIONS REVIEW

The Company has on standalone basis registered total revenue from operations of Rs. 42,657.39 Lakhs (Total Income Rs. 44,988.72 Lakhs) during the year under review as against Rs. 34,154.93 Lakhs (Total Income Rs.35,406.18) in the previous financial year. The Profit after tax was Rs.10,231.09 Lakhs during the year under review as against Rs. 7,031.70 Lakhs in the previous financial year.

The Company has on consolidated basis registered total revenue from operations of Rs.53,984.20 Lakhs (Total Income Rs.55,250.72 Lakhs)during the current financial year as against Rs. 40,164.85 Lakhs (Total Income Rs.41,160.38 Lakhs)in the previous financial year .

As required under Section 134(3)(i) of the Companies Act,2013 the State of Affairs of the Company and outlook has been discussed in Management Discussions and Analysis Report which is appended in this annual report pursuant to Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

DIVIDEND

The Board of Directors at their meeting held on May 28,2018 have recommended a dividend of Rs. 2.00 per equity share (100%) of Rs .2 /- each . The said dividend if approved by the members at the 27th Annual General Meeting which is to be held on September 28,2018 would absorb a total cash out flow of Rs. 15,12,07,000/- excluding Dividend Distribution Tax.

TRANSFER TO RESERVES

The Company has made no transfers to reserves during the financial year 2017-18

SUBSIDIARIES

As on March 31,2018, the Company has three subsidiaries :

- (i) Argus Salud Pharma LLP,
- (ii) Caplin Point Far East Limited – Hongkong
- (iii) Caplin Point Laboratories Colombia SAS- Colombia.

The consolidated financial results/ performance incorporating the financial statements of the above subsidiaries are attached to the annual report as required under the IND AS and SEBI Regulations.

Further, a statement containing the salient features of the financial statements of our subsidiary pursuant to Section 129(3) of the Companies Act, 2013, in the prescribed Form AOC-1 is appended as Annexure I to the Board's report.

DEPOSITS

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

SHARE CAPITAL

The paid up share capital as on March 31,2018 stood at Rs.15,12,07,000/- consisting of 7,56,03,500 equity shares at the face value of Rs.2/- each. During the year, Company has allotted 26,750 equity shares of Rs.2/- each under Employee Stock Option Plan -2015.

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

Particulars of loans, guarantees and investments as on March 31,2018 are given in the Note No. 3 & 4 to the standalone financial statements.

INDIAN ACCOUNTING STANDARDS (IND AS) -IFRS CONVERGED STANDARDS

As notified by the Ministry of Corporate Affairs, the Company adopted Indian Account Standards (IND AS) w.e.f April 01,2017. Accordingly, financial statement of the Company and its subsidiaries were prepared with comparative data for the year ended March 31,2018 in compliance with IND AS.

NUMBER OF MEETINGS OF THE BOARD

The Board met five times during the year ended March 31, 2018 which were held on 10.05.2017, 07.08.2017, 09.11.2017, 07.02.2018 and 12.03.2018.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board consist of a Non- executive Chairman, two executive Directors, six Independent Directors and a Non-executive - Non- Independent Director .

INDEPENDENT DIRECTORS

MR V THIRUMALAI (DIN:03015619)

The members of the Company at their twenty third Annual General Meeting appointed Mr V Thirumalai as a Non- Executive Independent Director for a period of three years from December 18,2014 to December 17,2017. As per the provisions of Section 149(10) of the Companies Act,2013 an Independent Director can be re-appointed for a second term of Five years by passing Special Resolution. The Board of Directors of the Company at their meeting held on November 09,2017 re-appointed Mr V Thirumalai for a Second term of five consecutive years effective from December 18,2017 and shall not be liable to retire by rotation. Board of Directors recommends the re-appointment of Mr V Thirumalai to hold office as an Independent Director upto December 17,2022

DR K NIRMALA PRASAD (DIN:07088120)

The members of the Company at their Twenty Fourth Annual General Meeting appointed Dr K Nirmala Prasad as a Non-executive Independent Director for a period of three years from February 04,2015 to February 03,2018. The Board of Directors at their meeting held on February 07,2018 re-appointed Dr K Nirmala Prasad for a second term of five consecutive years without break of office effective from February 04,2018 and shall not be liable to retire by rotation . Board of Directors recommends the re-appointment of Dr K Nirmala Prasad to hold office as an Independent Director upto February 03,2023

MR R VISWANATHAN (DIN:07173713)

The members of the Company at their Twenty Fourth Annual General Meeting appointed Mr R Viswanathan as a Non-executive Independent Director for a period of three years from May 12,2015 to May 11,2018. The Board of Directors re-appointed him

for a second term of five consecutive years effective from May 12,2018 and shall not be liable to retire by rotation. Board of Directors recommends the re-appointment of Mr R Viswanathan to hold office as an Independent Director upto May 11,2023

In the opinion of the Board of Directors Mr V Thirumalai, Dr K Nirmala Prasad and Mr R Viswanathan are eligible to be re-appointed as Independent Directors and they are Independent of the management.

The above re-appointments have been recommended by the Nomination and Remuneration Committee and are subject to the approval of the members of the Company by way of special resolution at their 27th Annual General Meeting .

Profile of these Directors, pursuant to regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 and Secretarial Standard -2 on General Meetings, are given in the notice of 27th Annual General Meeting.

RETIREMENT BY ROTATION

In terms of Section 152 (6) of the Companies Act, 2013, Mr D P Mishra (DIN :02032818) retires by rotation and being eligible offers himself for re-appointment.

RETIREMENT

Mr M Jayapal, Whole-time Director on attaining super annuation retired from the Board with effect from March 28,2018 as per the terms of his re- appointment. The Board of Directors placed on record their appreciation for the valuable services rendered by Mr M Jayapal during his tenure as the whole- time Director.

KEY MANAGERIAL PERSONNEL

Pursuant to section 2 (51) and Section 203 of the Companies Act,2013, Dr Sridhar Ganesan, Managing Director, Dr Philip Ashok Karunakaran, Whole-time Director ,Mr D Muralidharan , Chief Financial Officer and Mr

Vinod Kumar S, Company Secretary are the Key Managerial personnel of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have submitted their declaration as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

As required pursuant to Section 134 (3) (a) of the Companies Act, 2013, an extract of Annual Return in the prescribed Form MGT 9 is given as Annexure II to this Directors' Report.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31,2018 and of the Profit of the Company for that period;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual

accounts on a going concern basis;

- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NOMINATION AND REMUNERATION COMMITTEE (NRC) AND ITS POLICY

The Nomination and Remuneration Committee is empowered to authorize and exercise the power as specified in section 178 of the Companies Act, 2013. The Company has a policy on Directors appointment and remuneration including the criteria for determining the qualification, positive attributes and independence of a Director and other matters as provided under section 178(3) of the Companies Act,2013. The Nomination and Remuneration Committee policy is annexed in Annexure III of the Director's report.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

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

2014 particulars of conservation of energy, technology absorption, foreign exchange earnings and outgo, as are given as Annexure IV to this Directors' Report.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of Section 134(3) (p) the Companies Act, 2013 the Board had carried out performance evaluation of its own of the Board Committees and of the Independent Directors. Independent Directors at their separate meeting held on February 07, 2018 evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board. The outcome of the evaluation process were satisfactory, which resulted in the active engagement of the Board and committees in the Company.

Further the Directors are regularly informed and familiarized during the Board Meetings about the activities of the Company and its operations, products and its development and latest trends in the pharmaceutical industry and issues faced by the industry.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of section 135 of the Act, read with CSR Rules, the Company has constituted Corporate Social Responsibility Committee and based upon the recommendation of the CSR committee the Board of Directors have approved CSR Policy.

Disclosure under Companies (Corporate social responsibility policy) rules, 2014 is annexed as an Annexure V to this report.

AUDIT COMMITTEE

The Composition of the Audit Committee, meetings of the Audit Committee and their terms of reference of the Audit Committee have been disclosed separately

in the Corporate Governance Report which is annexed and forms part of this annual report.

INTERNAL FINANCIAL CONTROLS

The Company has designed and implemented adequate financial control systems with respect to the financial statements. During the year under review, no serious / adverse observation have been received from the Internal Auditors of the Company with respect to ineffectiveness or inadequacy of such controls.

VIGIL MECHANISM

The Company has established a vigil mechanism, through a Whistle Blower Policy, where Directors and employees can voice their genuine concerns or grievances about any unethical or unacceptable business practice. A whistle-blowing mechanism not only helps the Company in detection of fraud, but is also used as a corporate governance tool leading to prevention and deterrence of misconduct. It provides direct access to the employees of the Company to approach the Compliance Officer or the Chairman of the Audit Committee, where necessary. The Company ensures that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment or victimization. The Vigil mechanism policy is disclosed on the website of the Company (i.e) [www.caplinpoint.net/investor/Company policies & code of conduct/Whistle Blower Policy\(Vigil Mechanism\)](http://www.caplinpoint.net/investor/Company_policies_&_code_of_conduct/Whistle_Blower_Policy(Vigil_Mechanism))

AUDITORS

STATUTORY AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, Statutory Auditors of the Company shall hold office till the conclusion of 31st Annual General Meeting of the Company.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board of Directors of the Company appointed M/s. G Ramachandran & Associates, Company Secretaries, Chennai to conduct the secretarial audit of the Company. The Secretarial Audit Report (Form MR – 3) is given as Annexure VI to this Directors' Report.

CORPORATE GOVERNANCE

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance is given separately which forms a part of this Annual report.

RISK MANAGEMENT

The Board has designed and framed risk management approach through which it identifies and manages the risk parameters. The senior level management periodically reviews the risks parameters through which key business risk are identified and addressed. A brief report on the Risk Management are referred in the Management Discussion and Analysis Report which forms a part of the Annual Report.

EMPLOYEE STOCK OPTION PLAN

The Company has two stock options in force (i.e) Caplin Point Employee Stock Option Plan -2015 and Caplin Point Employee Stock Option Plan – 2017. During the year under review, the Company has granted 2,94,000 options under Caplin Point Employee Stock Option Plan -2015 and 76,500 options under Caplin Point Employee Stock Option Plan-2017. The Company has also allotted 26,750 shares under Caplin Point Employee Stock Option Plan – 2015. The details required under Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014 and as required to be provided under the SEBI Guidelines as

on March 31, 2018 are set out in Annexure VII to this Report.

The Board of Directors of the Company have decided to cover the employees of the subsidiaries in Caplin Point Employee Stock option Plan -2017 which is recommended for members approval by way of special resolution at the 27th Annual General Meeting.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed in the Annexure VIII to this Directors report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company did not enter into any related party transactions during the year under review. Particulars of transactions with related parties, in prescribed form AOC 2 is enclosed as Annexure IX.

The related party transaction policy has been uploaded on the website of the Company www.caplinpoint.net/investor/company Policies & code of Conduct/Related Party Transactions Policy

DIVIDEND DISTRIBUTION POLICY

Securities and Exchange Board of India, by its notification dated 8th July, 2016, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, introducing new Regulation 43A mandating the top 500 listed entities, based on market capitalization calculated as on 31st March of every financial year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Reports and on their websites.

Accordingly, the Board of Directors of the Company has adopted a Dividend Distribution Policy, which is attached as Annexure X. The Policy is also available on the website of the Company [www.caplinpoint.net/investor/Companies policy & Code of conduct/Dividend Distribution policy](http://www.caplinpoint.net/investor/Companies%20policy%20&%20Code%20of%20conduct/Dividend%20Distribution%20policy)

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report, as required pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure XI of this Annual Report.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 124 and 125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, unpaid or unclaimed dividend in respect of the financial year 2009-10 have been transferred to the IEPF.

During the year under review, the Company has credited 14,60,631 unclaimed Equity Shares of Rs. 2/- each to Investor Education and Protection Fund of those shareholders who have not encashed/claimed the their dividends for a period of seven consecutive years from the year 2009 -10.

Pursuant to Section 124 and 125 of the Companies Act, 2013, the unpaid or unclaimed dividend for the financial year 2010-11 has to be transferred to IEPF. Members, who have not yet en-cashed or claimed the dividends that are yet to be transferred to the IEPF, are requested to contact the Company's Registrar and Share Transfer Agent, at the earliest.

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

MANDATORY TRANSFER OF SHARES IN DEMATERIALISED MODE

SEBI vide its notification no. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 had amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and had mandated transfer of shares in dematerialised mode alone. This comes into effect from December 05, 2018, hence the shareholders are requested to take note of it and take necessary steps to dematerialise your shares that are held in physical form and on or after December 05, 2018 transfer of shares in physical mode will not be entertained.

DISCLOSURES

1. There has been no change in the nature of business of the Company during the year under review.
2. During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
3. There were no Complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
4. Pursuant to Section 197 (14) of the Companies Act, 2013, neither the Managing Director nor the Whole-time Directors of the Company receive any

remuneration or commission from any of its subsidiaries

5. The Report of the Statutory Auditors (which forms a part of this Annual Report) and the Report of the Secretarial Auditor (which is Annexed to this Directors Report) are self explanatory having no adverse remarks/comments or disclaimer.
6. The Company maintains cost records as per Companies (Cost Records and Audit) Rules, 2014.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record their sincere appreciation to the customers, suppliers, business partners and Subsidiaries and shareholders for their support. The Directors would like to thank the Bankers and financial Institutions as well. The Directors would take this opportunity to express their appreciation for the dedicated efforts of the employees and their contribution which is deeply acknowledged

For and on Behalf of the Board of Directors

C C Paarthipan
Chairman

Place : Chennai

Date : August 06, 2018

Annexure No	Details of Annexure	Page No.
Annexure I	Details of Subsidiary – Form AOC 1	42
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ANNEXURE I

DETAILS OF SUBSIDIARIES

FORM AOC I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

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

PART "A": Subsidiaries

Amount In INR

Name of the Subsidiary	Argus Salud Pharma LLP	Caplin Point Far East Ltd - Hong Kong	Caplin Point Laboratories Colombia SAS -Colombia
Reporting Period of the Subsidiary Concerned , if different from the Holding Company reporting period	March 31,2018	March 31,2018	March 31,2018
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	1 USD=65.074	1 USD =65.074
Share Capital	99,10,000	7,68,223	76,92,725
Partners share of Profit/(Loss)	(27,97,058)	NA	NA
Total Assets	80,23,554	89,90,61,597	21,01,584
Total Liabilities	80,23,554	89,90,61,597	21,01,584
Investments	-	-	-
Turnover	-	113,26,80,890	-
Profit before taxation	(27,99,858)	54,12,23,300	(40,77,863)
Provision for taxation	NIL	NIL	46,592
Profit after taxation	(27,99,858)	54,12,23,300	(40,31,271)
Dividend	NA	11,39,50,420	NIL
% of Share holding	99.9%	100%	62.11%

Notes:

- Names of subsidiaries which are yet to commence operations: Caplin Point Laboratories Colombia SAS
- Names of subsidiaries which have been liquidated or sold during the year: NA

PART "B": Associates and Joint Ventures

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES:
NOT APPLICABLE

For and on behalf of the Board of Directors

C C Paarthipan
Chairman

Place : Chennai

Date : August 06, 2018

ANNEXURE II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Sl.No	Particulars	Details
1.	CIN	L24231TN1990PLC019053
2.	Registration Date	16.04.1990
3.	Name of the Company	CAPLIN POINT LABORATORIES LIMITED
4.	Category / Sub-Category of the Company	Category - Company limited by shares Sub-Category - Indian Non Government Company
5.	Address of the Registered office and contact details	"Narbavi", No. 3, Lakshmanan Street, T. Nagar, Chennai – 600 017. Phone: 28156653, 24968000 E-mail: info@caplinpoint.net
6.	Whether listed company - Yes / No	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Integrated Registry Management Services Private Limited UNIT: Caplin Point Laboratories Limited, 2nd Floor, " KENCES Towers" No.1, Ramakrishna Street, North Usman Raod, T Nagar, Chennai – 600 017 Phone # +91 044 28140801-03; Fax # +91 044 28142479 E-mail: corpserve@integratedindia.in www.integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl.No	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1	Pharmaceutical Products	21002	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Argus Salud Pharma LLP "NARBHAVI" No.3, Lakshmanan Street. T Nagar, Chennai-600 017	AAA-1115	Subsidiary	99.9%	2 (87)
2.	Caplin Point Far East limited Room 609, 6th Floor, Hong Kong Plaza,188 Connaught Road West, Hong Kong	2096323	Subsidiary Company	100%	2 (87)
3.	Caplin Point Laboratories Colombia SAS CR 15 No. 93-75 Oficine 408 Colombia	02650370	Subsidiary Company	62.11%	2 (87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(I) Category-wise Share Holding:-

Category of Shareholder	No. of shares held at the beginning of the year (as on 01.04.2017)				No. of shares held at the end of the year (as on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
SHAREHOLDING OF PROMOTER AND PROMOTER GROUP	-	-	-	-	-	-	-	-	-
Indian	-	-	-	-	-	-	-	-	-
Individual/Hindu Undivided Family	5,00,76,765	-	5,00,76,765	66.260	5,00,76,765	-	5,00,76,765	66.240	-
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Bodies Corporate	21,17,000	-	21,17,000	2.800	21,17,000	-	21,17,000	2.800	-
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
Any other(specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL A(1)	5,21,93,765	-	5,21,93,765	69.060	5,21,93,765	-	5,21,93,765	69.040	-0.020
Foreign	-	-	-	-	-	-	-	-	-
Individual(Non resident/foreign)	-	-	-	-	-	-	-	-	-
Bodies corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any other(specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL A(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of promoter and Promoter Group(A)=A(1)+A(2)	5,21,93,765	-	5,21,93,765	69.060	5,21,93,765	-	5,21,93,765	69.040	-0.020
PUBLIC SHAREHOLDING	-	-	-	-	-	-	-	-	-

Category of Shareholder	No. of shares held at the beginning of the year (as on 01.04.2017)				No. of shares held at the end of the year (as on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Institutions	-	-	-	-	-	-	-	-	-
Mutual funds/UTI	23,857	56,500	80,357	0.110	44,950	-	44,950	0.060	- 0.05
Financial Institutions/Banks	40,957	-	40,957	0.050	27,361	-	27,361	0.040	- 0.05
Central Government	-	-	-	-	-	-	-	-	-
State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investor	39,23,750	-	39,23,750	5.190	47,02,048	-	47,02,048	6.220	1.03
SUB TOTAL B(1)	39,88,564	56,500	40,45,064	5.350	47,74,359	-	47,74,359	6.320	0.970
Non-Institutions	-	-	-	-	-	-	-	-	-
Bodies Corporate - Indian	14,28,245	3,76,500	18,04,745	2.390	11,60,661	1,72,000	13,32,661	1.760	- 0.63
Bodies Corporate - Overseas	-	2,27,500	2,27,500	0.300	-	2,27,500	2,27,500	0.300	-
Individuals(Resident/NRI/ Foreign National)	-	-	-	-	-	-	-	-	-
Individual shareholders holding Nominal share Capital upto Rs.2 Lakh	71,85,366	54,21,690	1,26,07,056	16.680	75,17,186	32,63,650	1,07,80,836	14.260	- 2.42
Individual shareholders holding Nominal share Capital above Rs.2 Lakh	36,65,170	-	36,65,170	4.850	34,08,720	-	34,08,720	4.510	0.034
Any other(specify)	-	-	-	-	-	-	-	-	-
CLEARING MEMBER	24,437	-	24,437	0.320	45,353	-	45,353	0.060	-
CORPORATE BODY-NBFC	39,805	-	39,805	0.050	24,332	-	24,332	0.030	-
IEPF	-	-	-	-	14,60,631	-	14,60,631	1.930	-
LIMITED LIABILITY PARTNERSHIP	-	-	-	-	3,66,417	-	3,66,417	0.480	-
NRI	8,63,108	1,06,000	9,69,108	1.280	9,10,326	78,500	9,88,826	1.310	-
TRUST	100	-	100	-	100	-	100	-	-
SUB TOTAL B(2)	1,32,06,231	61,31,690	1,93,37,921	25.590	1,48,93,726	37,41,650	1,86,35,376	24.650	-0.940
TOTAL PUBLIC SHARE HOLDING (B)=B(1)+B(2)	1,71,94,795	61,88,190	2,33,82,985	30.940	1,96,68,085	37,41,650	2,34,09,735	30.960	0.020
TOTAL (A)+(B)	-	-	-	-	-	-	-	-	-
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	6,93,88,560	61,88,190	7,55,76,750	100.000	7,18,61,850	37,41,650	7,56,03,500	100.000	-

(II) Shareholding of Promoters:-

Sl No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Share holding at the end of the year (31.03.2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	P Vijayalakshmi	1,78,80,000	23.66	-	1,78,80,000	23.65*	-	-
2	Ashok Gorkey Partheeban	90,50,000	11.97	-	90,50,000	11.97	-	-
3	Partheeban Vivek Siddarth	90,00,000	11.91	-	90,00,000	11.90*	-	-
4	Paarthipan C C	1,41,46,765	18.72	-	1,41,46,765	18.72	-	-
5	May India Property Private Limited	21,17,000	2.80	-	21,17,000	2.80	-	-
	Total	5,21,93,765	69.06	-	5,21,93,765	69.04	-	-

* The difference in percentage is due to the allotment 26,750 equity shares under ESOP and consequent increase in the shares of the Company.

(iii) Change in Promoters' Shareholding (please specify, if there is no change):-

There is no change in Promoters shareholding during the financial year 2017-18

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):-

Sl. no	Shareholder's Name	No. of shares held at the beginning of the year as on 01.04.2017		Increase/decrease in shareholding		Cumulative shareholding during end of the year as on 31.03.2018	
		No.of shares	% to shares	Date	No. of shares	No.of shares	% to shares
1	MATTHEWS INDIA FUND						
	At the beginning of the year	30,17,871	3.99				
	Purchase			07/04/2017	5,824	30,23,695	4.00
	Purchase			14/04/2017	1,201	30,24,896	4.00
	Purchase			21/04/2017	3,791	30,28,687	4.01
	Purchase			23/02/2018	2,552	30,31,239	4.01
	Purchase			02/03/2018	12,612	30,43,851	4.03
	Purchase			09/03/2018	13,042	30,56,893	4.04
	Purchase			16/03/2018	38,200	30,95,093	4.09
	Purchase			23/03/2018	58,536	31,53,629	4.17
	Purchase			30/03/2018	19,772	31,73,401	4.20
	At the end of the year					31,73,401	4.20
2	VISALATCHI PERUMAL						
	At the beginning of the year	8,00,375	1.12	-	-	-	-
	At the end of the year	-	-	-	-	8,00,375	1.12
3	GEETHA						
	At the beginning of the year	6,00,000	0.79	-	-	-	-
	At the end of the year	-	-	-	-	6,00,000	0.79
4	MAHESWARI						
	At the beginning of the year	6,00,000	0.79	--	--	--	--
	At the end of the year	--	--	--	--	6,00,000	0.79

Sl. no	Shareholder's Name	No. of shares held at the beginning of the year as on 01.04.2017		Increase/decrease in shareholding		Cumulative shareholding during end of the year as on 31.03.2018	
		No.of shares	% to shares	Date	No. of shares	No.of shares	% to shares
5	MATTHEWS EMERGING ASIA FUND						
	At the beginning of the year	4,89,805	0.65	--	--	--	--
	At the end of the year	--	--	--	--	4,89,805	0.65
6	FIRST DIMENSION HOLDINGS PRIVATE LIMITED						
	At the beginning of the year	3,70,000	0.49	--	--	--	--
	At the end of the year	--	--	--	--	3,70,000	0.49
7	T B SIVAKUMAR						
	At the beginning of the year	2,50,000	0.33	--	--	--	--
	At the end of the year	--	--	--	--	2,50,000	0.33
8	MATTHEWS ASIA FUNDS-INDIA FUND						
	At the beginning of the year	2,29,585	0.30	--	--	--	--
	Sale			30/09/2017	43,544	1,86,041	0.25
	Sale			06/10/2017	12,154	1,73,887	0.23
	Sale			10/11/2017	25,129	1,48,758	0.20
	Sale			17/11/2017	4,871	1,43,887	0.19
	Purchase			16/02/2018	61239	2,05,126	0.27
	Purchase			23/02/2018	21670	2,26,796	0.30
	At the end of the year					2,26,796	0.30
9	IMAGE SECURITIES LTD						
	At the beginning of the year	2,27,500	0.30	--	--	---	--
	At the end of the year	--	--	--	--	2,27,500	0.30
10	NAVSHITAL CONSULTANTS LLP						
	At the beginning of the year	2,25,000	0.30				
	Sale			21/07/2017	25,000	2,00,000	0.26
	Sale			22/09/2017	30,000	1,70,000	0.22
	Sale			10/11/2017	9,000	1,61,000	0.21
	Sale			17/11/2017	18,100	1,42,900	0.19
	Sale			24/11/2017	25,400	1,17,500	0.16
	Sale			01/12/2017	2,500	1,15,000	0.15
	Sale			16/03/2018	16,500	98,500	0.13
	Sale			23/03/2018	1,503	96,997	0.13
	At the end of the year					96,997	0.13

(v) Shareholding of Directors and Key Managerial Personnel:-

Sl. no		Shareholding at the beginning of the year as on 01.04.2017		Increase/ decrease in the shareholding		Cumulative share holding during end of the year as on 31.03.2018	
		No. of Shares	% of total shares of the Company	Date	No. of shares	No. of Shares	% of total shares of the Company
01	Mr. C C PAARTHIPAN –CHAIRMAN						
	At the beginning of the Year	1,41,46,765	18.72	-	-	-	-
	At the end of the year	-	-	-	-	1,41,46,765	18.72
02	Dr. SRIDHAR GANESAN-MANAGING DIRECTOR						
	At the beginning of the year	26,750	-	-	-	-	-
	Allotment of shares through stock options			15.02.2018	26,750		
	At the end of the year	-	-	-	-	53,500	0.070
03	Dr. PHILIP ASHOK KARUNAKARAN-WHOLE TIME DIRECTOR						
	At the beginning of the year	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-
04	Mr. D P MISHRA- DIRECTOR						
	At the beginning of the year	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-
05	Mr. V THIRUMALAI-DIRECTOR						
	At the beginning of the year	2,44,135	0.32	-	-	-	-
	Sale	--	--	06.04.2017	500	2,43,635	0.32
	Sale	--	--	16.05.2017	1,500	2,42,135	0.32
	Sale	--	--	04.07.2017	500	2,41,635	0.32
	At the end of the year	-	-	-	-	2,41,635	0.32
06	Dr. R RAVICHANDRAN-DIRECTOR						
	At the beginning of the year	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-
07	Dr. K C JOHN-DIRECTOR						
	At the beginning of the year	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-
08	Dr. K NIRMALA PRASAD-DIRECTOR						
	At the beginning of the year	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-
09	Mr. R VISWANATHAN –DIRECTOR						
	At the beginning of the year	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-
10.	Mr. D SATHYANARAYANAN - DIRECTOR						
	At the beginning of the year	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-

Sl. no		Shareholding at the beginning of the year as on 01.04.2017		Increase/ decrease in the shareholding		Cumulative share holding during end of the year as on 31.03.2018	
		No. of Shares	% of total shares of the Company	Date	No. of shares	No. of Shares	% of total shares of the Company
11	Mr. D MURALIDHARAN – CFO						
	At the beginning of the year	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-
12	Mr. VINOD KUMAR S - COMPANY SECRETARY						
	At the beginning of the year	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	-

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:-

Amount in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	72.36	--	--	72.36
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	72.36	--	--	72.36
Change in Indebtedness during the financial year				
1) Addition	--	--	--	--
2) Reduction	18.70	--	--	18.70
Net Change	(18.70)	--	--	(18.70)
Indebtedness at the end of the financial year				
i) Principal Amount	53.65	--	--	53.65
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	53.65			53.65

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:-

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Amount in Lakhs
		Dr. Sridhar Ganesan- Managing Director	Mr. M Jayapal Whole-time Director	Dr. Philip Ashok Karunakaran- Whole-time Director	Total Amount
1.	Gross salary	56.89	8.32	34.03	99.24
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option*	54.25	-	-	54.25
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	111.14	8.32	34.03	153.49
	Ceiling as per the Act**				1443.21

* The value of perquisites computed under Section 17(vi) of the Income Tax Act, 1961 is Rs.160.83 lakhs

**Being 10% of Net profit of the Company calculated as per section 198 of the Companies Act, 2013

B. REMUNERATION TO OTHER DIRECTORS:-

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. V. Thirumalai	Dr. R Ravichandran	Dr. K C John	Dr. K Nirmala Prasad	Mr. R Viswanathan	Mr D Sathyanarayanan	(Amt in Rs.)
1.	Independent Directors							
	a) Fee for attending board / committee meetings	1.80	2.60	1.80	1.80	0.60	1.20	9.80
	b) Commission							
	c) Others, please specify							
	Total (1)							
	Amount In Rs.	1.80	2.60	1.80	1.80	0.60	1.20	9.80

Sl. no.	Particulars of Remuneration	Name of Directors						Amount in Lakhs
		Mr. V. Thirumalai	Dr. R Ravichandran	Dr .K C John	Dr. K Nirmala Prasad	Mr. R Viswanathan	Mr D P Mishra	Total Amount (Amt in Rs.)
2.	Other Non-Executive Directors a) Fee for attending board / committee meetings b) Commission c) Others, please specify	NIL						0.60
	Total (2)	-	-	-	-	-	0.60	0.60
	Total (B)=(1+2)	1.80	2.60	1.80	1.80	0.60	1.80	10.40
	Total Managerial Remuneration(A+B)							163.89
	Overall Ceiling as per the Act**							1587.53

**Being 11% of Net profit of the Company calculated as per section 198 of the Companies Act, 2013

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sl. no.	Particulars of Remuneration	Amount in Lakhs			
		CEO	Company Secretary (Mr. Vinod Kumar S)	CFO (Mr. D Muralidharan)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	7.16	20.00	27.16
2.	Stock Option	-			
3.	Sweat Equity	-			
4.	Commission - as % of profit - others, specify	-			
5.	Others, please specify	-			
	Total	-	7.16	20.00	27.16

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty			NIL		
Punishment					
Compounding					
B. Directors					
Penalty			NIL		
Punishment					
Compounding					
C. Other Officers In Default					
Penalty			NIL		
Punishment					
Compounding					

ANNEXURE III

NOMINATION AND REMUNERATION POLICY

The Nomination & Remuneration Policy of the Company is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company’s objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Nomination & Remuneration Policy applies to the Company’s senior management, including its Key Managerial Person and Board of Directors.

The policy is pursuant to Section 178(4) of the Companies Act, 2013 and. A brief summary of the policy in relation to the objective, appointment criteria, remuneration etc are reproduced herewith –

GUIDING PRINCIPLES

SELECTION CRITERIA FOR DIRECTORS

The Company shall consider the following aspects while appointing a person as a Director on the Board of the Company:

SKILLS AND EXPERIENCE:

The candidate shall have appropriate skills and experience in one or more fields of finance, law, management, sales, marketing, administration, public administrative services, research, corporate governance, technical operations or any other discipline related to the Company’s business.

AGE LIMIT:

The candidate should have completed the age of twenty-one (21) years and should not have attained the age of seventy five (75) years at the time of appointment. However, the Nomination and remuneration committee of the Board of Directors may relax the upper age limit on case to case basis depending on the merits of the candidate.

DIRECTORSHIP:

The number of companies in which the candidate holds Directorship should not exceed the number prescribed under the Act

or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 requirements.

SELECTION CRITERIA FOR SENIOR MANAGEMENT

As per the policy, Senior Management for the purpose of this policy shall mean employees hired at the level of Divisional Heads and Corporate Functional Heads or equivalent positions.

The policy provides that the candidate should have appropriate qualifications, skills and experience for discharging the role. The qualifications, skills and experience of each such position shall be defined in the job description, which will be maintained by the HR function.

REMUNERATION FOR DIRECTORS, KMP AND OTHER EMPLOYEES

The guiding principle is that the remuneration and the other terms of employment shall

be competitive in order to ensure that the Company can attract and retain competent Executives.

- The remuneration policy for executives reflects the overriding remuneration philosophy and principles of the Company. When determining the remuneration policy and arrangements for Executive Directors/ KMP's, the Nomination & Remuneration Committee considers pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.
- The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.
- The Nomination & Remuneration Committee while considering a remuneration package must ensure a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.
- The Nomination and Remuneration Committee of the Company, constituted for the purpose of administering the Employee Stock Option Plan/ scheme,

shall determine the stock options and other share based payments to be made to Directors (other than Independent and Promoter Directors), KMPs and Employees of the Company.

The criteria for making payments to the Executive Directors are:

1. Salary, as recommended by the Nomination and Remuneration Committee and approved by the Board and the shareholders of the Company. Perquisites, retirement benefits and performance pay are also paid/provided in accordance with the Company's compensation policies, as applicable to all employees and the relevant legal provisions.
2. Remuneration paid to the Executive Directors is determined keeping in view industry benchmarks and Caplin Policies.

The criteria for making payments to Independent Directors are:

1. The Independent Directors are paid sitting fees for attending the meetings of the Board and Committees.
2. The Independent Directors do not receive any commission on the net profits of the Company.
3. The remuneration paid to the Directors during the year is given in detail in the Corporate Governance Report.

PERFORMANCE EVALUATION

The process approved by the Nomination and Remuneration Committee requires the Chairman to initiate the performance evaluation process in the month of April every year. The performance evaluation is conducted based on approved criteria in the evaluation forms. The process highlights are as under:

a) Board:

Each Board member completes the self-evaluation form. Independent Directors discuss the self-evaluation forms in a separate meeting and share their feedback with the Chairman. The Chairman discusses the evaluation form analysis with the Managing Director and later with the entire Board at the Board Meeting.

b) Committees:

Each Committee member completes the self-evaluation form and shares feedback with the Chairman. The Chairman discusses the evaluation form analysis with the Managing Director and later with the entire Board at the Board Meeting.

c) Chairman and Executive Directors:

Each Board member completes the peer evaluation form. Independent Directors discuss the peer evaluation forms in a separate meeting and share their feedback with the Chairman. The Chairman conveys feedback individually to the concerned Directors.

d) Independent Directors:

Each Board member completes the peer evaluation and shares feedback with the Chairman. The Chairman conveys feedback individually to the concerned Directors.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTOR

1. QUALIFICATIONS OF INDEPENDENT DIRECTOR

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research,

corporate governance, operations or other disciplines related to the company's business.

2. POSITIVE ATTRIBUTES OF INDEPENDENT DIRECTOR

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity, act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company, devote sufficient time and attention to

his professional obligations for informed and balanced decision making and assist the company in implementing the best corporate governance practices.

3. INDEPENDENCE:

The candidate proposed to be appointed as an Independent Director, should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements imposed under the Act or under the Listing Agreement requirements.

POLICY REVIEW

This policy is framed based on the provisions of the Companies Act, 2013, and rules there under and requirements of SEBI Listing Obligations.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when changes needs to be incorporated in the policy due to changes in regulations or as may be felt appropriate by the Committee.

ANNEXURE IV

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

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

(A) CONSERVATION OF ENERGY

Power & Fuel Consumption	Year Ended March 31, 2018	Year Ended March 31, 2017
Electricity		
Purchased units	65,74,416	55,38,796
Total Amount Paid	5,19,83,065	4,27,72,384
Rate per unit	7.91	7.72
Own Generation By		
Diesel Generator (Units)	4,89,087	4,99,864
Amount Paid	86,80,363	81,04,296
Rate per unit	17.75	16.21
Third Party (units)	37,64,906	41,02,266
Amount Paid	1,81,39,468	2,15,00,624
Rate per unit	4.82	5.24
Others		
Furance Oil Consumed (in Ltrs)	4,88,190	1,39,699
Total Amount Paid	3,08,24,375	76,00,007
Rate Per KG	63.14	54.40

(B) TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption

- New products developments, Developments NSAIDs , Anti-Depressants, Anti-emetic, Anti- Coagulants, etc
- Quality Improvements in Projects for around 15 products
- FR & D efforts in conducting trials, stabilization of process and optimization of process
- Company's R & D Incentives lay emphasis on innovation and continues products improvements to widen the range of products / applications
- Formulation development and analytical development of injectable and ophthalmic
- Support to QC in transferring the analytical methods
- Support to regulatory department in compiling documents required for dossier submission
- The Company also emphasis on technology and innovation in its method of functioning and operations.

ii) Benefits derived as a result of R& D

Provides Company an opportunity to widen the range and application of products.

Continuous process improvements resulting in optimization of products and cost reduction

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

- Details of technology imported : NIL
- The year of import : NA
- Whether the technology been fully absorbed : NA
- If not fully absorbed , areas where absorption has not taken place and the reasons thereof : NA

iv) EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT.

The Company has incurred as expenditure of Rs.3369.14 Lakhs towards research and development (Rs.2368.14 Lakhs Revenue expenditure and Rs.1001.00 Lakhs Capital Expenditure)

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	Amount in Lakhs
Foreign Exchange Earned(Rs. Lakhs)	40,990.23
Foreign exchange used (Rs. Lakhs)	6,976.53

ANNEXURE V

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:
CSR Policy of the Company is available in our website under the following link:
[www.caplinpoint.net/aboutus/Company policies/CSR](http://www.caplinpoint.net/aboutus/Company%20policies/CSR)
2. The Composition of the CSR Committee
Mr C C Paarthipan, Chairman
Dr Sridhar Ganesan
Mr V Thirumalai
3. Average net profit of the company for last three years: Rs. 5,219.27 Lakhs
4. Prescribed CSR Expenditure (two % of the amount in item 3 above): Rs. 104.39 Lakhs
5. Details of CSR Spent during the financial year:
 - a. Total amount to be spent for the financial year: 104.39 Lakhs
 - b. Amount unspent, if any: 98.54 Lakhs
 - c. Manner in which the amount spent during the financial year is detailed below:

						Amount in ₹
CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount Spent on the projects or programs	Cumulative expenditure upto to the reporting period	Amount Spent: Direct or through implementing agency
To Carter health to the Poor	Health	Chennai, Tamil Nadu	10,00,000	2,35,000	2,35,000	All the contributions were made through implementing Agency
Contribution towards education	Education	Chennai, Tamil Nadu	10,00,000	1,25,000	3,60,000	
Contributions towards the Welfare Development of Children	Reducing Child Morality and improving health	Chennai, Tamil Nadu	10,00,000	1,25,500	4,85,500	
Contribution towards sports	Promoting sports and rural sports	Chennai, Tamil Nadu	10,00,000	1,00,000	5,85,000	

6. in case the Company has failed to spend the two per cent. of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report :

During the year, the Company was not able to spend on CSR activities as against amount to be spent as per CSR policy due to the reason that the Company is planning to identify a sustainable model for the CSR activities to ensure maximum benefit to the public. The Company will enhance the contribution of CSR Spending in a short span and measures are taken to achieve the same at highest/optimal level.

RESPONSIBILITY STATEMENT:

We hereby declare that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and Policy of the Company.

FOR AND ON BEHALF OF THE CSR COMMITTEE

C C PAARTHIPAN
CHAIRMAN
DIN : 01218784

DR SRIDHAR GANESAN
MANAGING DIRECTOR
DIN :06819026

Place : Chennai

Date : August 06,2018

ANNEXURE VI

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9
of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Caplin Point Laboratories Limited
CIN# L24231TN1990PLC019053
NARBAVI,
No. 3, Lakshmanan Street,
T. Nagar,
Chennai – 600017

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Caplin Point Laboratories Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Customs Act, 1962; and rules thereunder
- (vii) Central Excise Act, 1944; and rules thereunder up to June 2017 and GST thereafter
- (viii) Central Sales Tax Act, 1956; upto June 2017 and GST thereafter
- (ix) The Trade Marks Act, 1999;
- (x) Apprentices Act, 1961;

- (xi) Contract Labour (Regulation & Abolition) Act, 1970;
- (xii) Employer's Liability Act, 1938
- (xiii) Employees Provident Fund Act, 1952;
- (xiv) The Employees State Insurance Act, 1948;
- (xv) Industrial Dispute Act, 1947;
- (xvi) Minimum Wages Act, 1948;
- (xvii) Payment of Bonus Act, 1965;
- (xviii) Payment of Wages Act, 1936;
- (xix) Payment of Gratuity Act, 1972;
- (xx) Workman's Compensation Act, 1923;
- (xxi) Maternity Benefits Act, 1961;
- (xxii) Local Shops & Establishment Acts of States;
- (xxiii) Factories Act, 1948;
- (xxiv) Trade Union Act, 1926;
- (xxv) Air (Prevention & Control of Pollution) Act, 1981;
- (xxvi) Water (Prevention & Control of Pollution) Act, 1974;
- (xxvii) Environment Protection Act, 1986 and
- (xxviii) Drugs and Cosmetics Act, 1940
- (xxix) Income Tax Act, 1961
- (xxx) Finance Act, 1994 (Service Tax) and rules thereunder up to June 2017 and GST thereafter

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and

Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period the company has:

1. The Company allotted 26,750 equity shares of Rs.2/- each on 15.02.2018 under Employees Stock Option Plan.
2. The Company credited Investor Education and Protection Fund with 14,60,631 unclaimed Equity Shares of Rs. 2/- each pertaining to the Financial Year 2009-10 on 21st March, 2018.
3. The Company has received Letter No. NSE/LIST/35008 dated 30th January, 2018 and Letter No. NSE/LIST/37445 dated 5th March, 2018 from National Stock Exchange of India Ltd regarding non-disclosure of Business Responsibility Report and Dividend Distribution Policy in the Annual Report for the Year 2016-17. The Company complied with the directions and submitted the confirmation of the same to the National Stock Exchange of India Limited.

For **G RAMACHANDRAN & ASSOCIATES**
Company Secretaries

G. RAMACHANDRAN
Proprietor
ACS No.9865 CoP No.3056

Date: August 06, 2018

Place: Chennai.

ANNEXURE-A SECRETARIAL AUDIT REPORT OF EVEN DATE

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,
The Members,
Caplin Point Laboratories Limited
CIN# L24231TN1990PLC019053
NARBAVI,
No. 3, Lakshmanan Street,
T. Nagar,
Chennai – 600017

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company not of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

For **G RAMACHANDRAN & ASSOCIATES**
Company Secretaries

G. RAMACHANDRAN
Proprietor
ACS No.9865 CoP. No.3056

Date:06.08.2018
Place: Chennai

ANNEXURE VII

DETAILS OF EMPLOYEE STOCK OPTION PLAN AS ON 31.03.2018

Disclosures as required Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 read with SEBI Regulations

S. No	Particulars	ESOP 2015	ESOP 2017
01	Options Granted	3,74,250	76,500
02	Options Vested	53,500	--
03	Options Exercised	53,500	--
04	The Total number of shares arising as a Result of Exercise of options	53,500	--
05	Options lapsed	NIL	NIL
06	the Exercise Price or Pricing Formula	An Exercise price, Which shall be the Discounted market price as may be determined by the Board. However the exercise price shall not be less than the par value of the Equity Shares of the Company	An Exercise price, Which shall be the Discounted market price as may be determined by the Board. However the exercise price shall not be less than the par value of the Equity Shares of the Company
07	Variation of terms of options	No variations	No variations
08	Money realized by exercise of options upto 31.03.2018	Rs. 1,07,000	NA
09	Total No. of options in force	3,20,750	5,00,000
10	Employee wise details of options granted to		
	A	Key Managerial personnel's	80,250 options was granted to Dr Sridhar Ganesan, Managing Director out of which 53,500 options were vested and exercised by him
	B	Any other Employee who receives a Grant of Options in any one year of Option amounting to Five percent or More options granted during that year	None
	c	Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital outstanding (excluding outstanding warrants & conversions) of the Company at the time of grant	Two employees were granted 45,000 options in aggregate
			None
11	Diluted earnings per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with the Accounting Standard (AS 20)		
		NA	NA

For and on behalf of the Board of Directors

C C Paarthipan
Chairman

Place : Chennai

Date : August 06, 2018

ANNEXURE VIII

PARTICULARS OF EMPLOYEE RELATED DISCLOSURES

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

S. No	Name of the Director/KMP & Designation	Ratio of remuneration of each Director to median remuneration of employees for FY 2017-18(times)	% Of increase in Remuneration
01	Mr C C Paarthipan* , <i>Chairman</i>		NIL
02	Dr Sridhar Ganesan , <i>Managing Director</i> \$	40.81	There was no increase in Remuneration during the FY 2017-18
03	Mr M Jayapal , <i>Whole-time Director</i> #	3.65	There was no increase in Remuneration during the FY 2017-18
04	Dr Philip Ashok Karunakaran , <i>Whole-time Director</i> @	12.49	
05	Mr D P Mishra , <i>Director</i> **	0.22	
06	Mr V Thirumalai , <i>Non-Executive – Independent Director</i> **	0.66	
07	Dr K C John , <i>Non-Executive – Independent Director</i> **	0.66	
08	Dr R Ravichandran , <i>Non-Executive – Independent Director</i> **	0.95	
09	Dr K Nirmala Prasad , <i>Non-Executive – Independent Director</i> **	0.66	There was no Increase in sitting fees for the Financial Year 2017-18
10	Mr R Viswanathan <i>Non-Executive – Independent Director</i> **	0.22	
11	Mr D Sathyanarayanan <i>Non-Executive – Independent Director</i> **	0.44	
12	Mr D Muralidharan , <i>Chief Financial Officer</i>	7.3	There was no Increase in remuneration for the Financial Year 2017-18
13	Mr Vinod Kumar S , <i>Company Secretary</i>	2.7	There was an increase in 15% of the remuneration

*Mr C C Paarthipan is not receiving any remuneration from the Company

** Sitting fees were paid to Independent Directors for attending Board / Committee Meetings.

@Dr Philip Ashok Karunakaran was appointed as whole-time Director w.e.f 07.08.2017

#Retired from the Board w.e.f 28.03.2018

\$ Computed by taking into account Rs.54.25 lakhs, being the value of stock options.

- ii. In the Financial year 2017-18, there was an increase of 18% in the median remuneration to employees.
- iii. Number of Permanent employees in the rolls of the Company as on March 31,2018 is 980
- iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 18%. There were no decrease in the remuneration of employees.

The statement containing the top ten employees in terms of remuneration drawn and particulars of employees as required under section 197(12) of the Companies Act,2013 read with with rule 5(2) of the Companies(Appointment and Remuneration of Managerial Personnel) Rules,2014, is provided in the a separate forming part of this report. Further, the report and the accounts are being sent to the members excluding the said annexure. Pursuant section 136 of the Section 136 of the Companies Act,2013 the said annexure is open for inspection at the registered office of the Company during business hours on any working days of the Company upto the date of AGM and has been uploaded in the website of the Company www.caplinpoint.net. Any shareholder willing to obtain the copy of the same may write to the Company Secretary and the copy of the same will be provided free of cost.

ANNEXURE IX

FORM AOC – 2

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

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

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

There were no contracts or arrangements or transactions entered in to by the Company during the year ended March 31, 2018, pursuant to Section 188 of the Companies Act, 2013.

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

Not Applicable. Since, there are no transactions with the related parties

For and on behalf of the Board of Directors

C C Paarthipan

Chairman

Place : Chennai

Date : August 06, 2018

ANNEXURE X

DIVIDEND DISTRIBUTION POLICY

BACKGROUND

This Policy is formulated in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

Pursuant to the above said regulation, top 500 Listed Companies based on market capitalisation (calculated as on March 31 of every financial year) should formulate Dividend Distribution Policy. Caplin Point Laboratories Limited being one amongst the top 500 Listed Companies based on the market capitalisation has formulated this policy.

The objective of this Policy is to provide the policy framework for declaration and payment of dividend in the best interests of the shareholders and the Company.

This policy will be applicable to interim and final dividend payouts by the Company.

CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED:

The shareholders of the Company may not expect Dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- Whenever it proposes to utilise surplus cash for buy-back of securities;
- In the event of inadequacy of profits or whenever the Company has incurred loss

FINANCIAL PARAMETERS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND

The Board of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

- Consolidated net operating profit after tax;
- Operating cash flow
- Net sales
- Return on invested capital
- Post dividend Earnings Per Share
- Any other factor as deemed fit by the Board

INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

INTERNAL FACTORS

- Business expansion and growth
- Company's liquidity position and future cash flow requirements
- Additional investments in subsidiaries and or in other strategic investment of the Company
- Current year's profits and future outlook in light of the development of internal and external environment
- Operating cash flows and treasury position keeping in view the total debt to equity ratio Possibilities of alternate usage of cash, e.g. capital expenditure etc., with potential to create greater value for shareholders

EXTERNAL FACTORS

- Product/Market expansion plan;
- Macroeconomic conditions; and
- Expectations of major stakeholders including small shareholders
- Foreign Exchange Fluctuations

UTILISATION OF RETAINED EARNINGS

The Company would utilize the retained earnings in a manner which is beneficial to the interest of the Company & its stakeholders, including, but not limited to meeting the Company's future business growth/ expansion and strategic plans or such other purpose the Board may deem fit from time to time.

PARAMETERS FOR VARIOUS CLASSES OF SHARES:

Presently, the issued and paid-up share capital of the Company comprises of equity shares only. In case, the Company issues other kind of shares, the Board may suitably amend this policy.

DISCLOSURE OF POLICY

The Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and is placed on the Company's website, [www.caplinpoint.net/investor/Company policies & Code of conduct/ Dividend Distribution policy](http://www.caplinpoint.net/investor/Company_policies_&_Code_of_conduct/Dividend_Distribution_policy)

APPROVAL

The Board has approved this Dividend Distribution Policy at its meeting held on February 07,2018.

ANNEXURE XI

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No	Particulars	
01	Corporate Identity Number (CIN) of the Company	L24231TN1990PLC019053
02	Name of the Company	CAPLIN POINT LABORATORIES LTD
03	Registered address	"NARBAVI" No.3, Lakshmanan Street, T Nagar, Chennai -600017
04	Website	www.caplinpoint.net
05	E-mail id	info@caplinpoint.net
06	Financial Year reported	2017-18
07	Sector(s) that the Company is engaged in (industrial activity code-wise)	21002
08	List three key products/services that the	Pharmaceutical Formulations such as: 1. Omeprazole Delayed Release capsules. 2. Diclofenae Potassium tablets 50mg. 3. IBUWIN 600 (ibuprofen 600MG Soft Geletin Capsules)
D09	Total number of locations where business activity is undertaken by the Company 1. Number of International Locations 2. Number of National Locations	Number of International Locations: The Company has a branch in China to source its raw materials and finished goods for import/export. Number of National Locations The Company has its registered office located at T Nagar, Chennai – 600 017 Manufacturing units are situated at: UNIT I: No.85/3, Suthkeny Village, Mannadipet commune Puducherry- 605 502 UNIT IV: Guruvarajakandigai, Sirupuzhalpettai Gummidipoondi Taluk, Tamil Nadu – 601 201

		CP II No.19, Chinnapuliur Village Sirupuzhalpettai (Post) Gummidipoondi Taluk, Tamil Nadu – 601 201 CP IV Guruvarajakandigai, Sirupuzhalpettai Gummidipoondi Taluk, Tamil Nadu – 601 201
		CP V No.3, Developed Plots Industrial Estates, Perungudi, Chennai- 600 096 Tamil Nadu.
10	Markets served by the Company	International –Predominantly Latin America and West Africa

SECTION B: FINANCIAL DETAILS OF THE COMPANY

S. No	Particulars	
01	Paid up Capital (INR) :	Rs. 15,12,07,000
S02	Total Turnover (INR):	Rs.42,657.39 Lakhs
03	Total profit after taxes (INR)	Rs. 10,231.09 Lakhs
04	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	(0.05%)
05	List of activities in which expenditure in 4 above has been incurred	Please refer Annexure V of the Directors report

SECTION C: OTHER DETAILS

S. No	Particulars	
01	Does the Company have any Subsidiary Company/ Companies?	YES. The Company has three Subsidiaries as on 31.03.2018
02	Do the Subsidiary Company/Companies participate in the BR(Business Responsibility) Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The participation by subsidiaries in BR is not necessitated considering the size of the Company.
03	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

DIN	06819026
Name	Dr Sridhar Ganesan
Designation	Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	06819026
2	Name	Dr Sridhar Ganesan
3	Designation	Managing Director
4	Telephone number	044 28156653
5	e-mail id	info@caplinpoint.net

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

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

No.	Questions	P1 Business Ethics	P 2 Product responsibility	P3 Well being of Employees	P 4 Stakeholder engagement	P5 Human Rights	P 6 Environment Responsibility	P7 Public policy	P8 CSR	P9 Customer relation
1	Do you have a policy/ policies for....	YES	NO	YES	NO	YES	YES	NO	YES	NO
2	Has the policy being formulated in consultation with the relevant stakeholders?	YES	--	YES	--	YES	YES	--	YES	--
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	YES	--	YES	--	YES	YES	--	YES	--
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	YES	--	YES	--	--	YES	--	YES	--

No.	Questions	P1 Business Ethics	P 2 Product responsibility	P3 Well being of Employees	P 4 Stakeholder engagement	P5 Human Rights	P 6 Environment Responsibility	P7 Public policy	P8 CSR	P9 Customer relation
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	--	--	--	--	--	--	--	YES	--
6	Indicate the link for the policy to be viewed online?	--	--	--	--	--	--	--	YES	--
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	--	--	--	--	--	--	--	YES	--
8	Does the Company have in-house structure to implement the policy/ policies	--	--	--	--	--	--	--	YES	--
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	YES	--	YES	--	YES	YES	--	--	--
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	--	--	--	--	--	--	--	YES	--

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

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

Governance related to BR (Business Responsibility)

S. No	Particulars	
1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The BR is assessed annually by the Board of Directors
2	The BR is assed annually by the Board of Directors	Yes. The Business Responsibility Report is available on the website under the following link: http://www.caplinpoint.net/investor/Polices and code of conduct / business Responsibility Report

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

S. No	Particulars	
01	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others	YES. The Company Strictly adheres to fair, transparent and ethical governance practices .The Company has well defined anti-corruption and anti-bribery systems in place.
02	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has received 210 requests from the shareholders during the year 2017-18 out of which 204 were resolved and six complaints were pending as on March 31,2018. The pending complaints were subsequently resolved.

PRINCIPLE 2

S. No	Particulars	
01	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	NIL

S. No	Particulars	
02	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	NIL
03	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so	NO
04	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company is involved in recruiting of locals for unskilled and semi skilled, sourcing of contracts for civil and maintenance works, housekeeping , security etc. The Company guides them on quality front and provides services level to improve quality standards and advises them to adapt customer requirements
05	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	NIL

PRINCIPLE 3

S. No	Particulars	
01	Please indicate the Total number of employees	980
02	Please indicate the Total number of employees hired on temporary/contractual/casual basis	805
03	Please indicate the Number of permanent women employees	159
04	Please indicate the Number of permanent employees with disabilities	3
05	Do you have an employee association that is recognized by management	No
06	What percentage of your permanent employees is members of this recognized employee association?	NA

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

S. No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	
2	Sexual harassment		
3	Discriminatory employment		

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

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

PRINCIPLE 4

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

PRINCIPLE 5

S. No	Particulars	
01	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Company does not have the stated human rights policy.
02	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management	NIL

PRINCIPLE 6

S. No	Particulars	
01	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others	NO
02	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc	NO
03	Does the company identify and assess potential environmental risks	YES
04	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	NO
05	Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc	YES. The Company focus on energy conservation . The energy conservation measures includes energy savings and use of alternate source of energy like wind power, solar.
06	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported	Yes. All emissions & wastes are within the permissible limits.
07	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	NIL

PRINCIPLE 7

S. No	Particulars	
01	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	YES. 1. Indian Drugs Manufactures Association 2. Pharmaceuticals Manufactures Association of Tamil Nadu 3. Pharmaceutical Export Promotion Council 4. Federation of Indian Exports Organization 5. Madras Chamber of Commerce and Industry
02	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, we have advocated for reforms through these Associations for the advancement of general public.

PRINCIPLE 8

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

PRINCIPLE 9

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

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Caplin believes in best Corporate Governance practices which stresses the importance of transparency, excellence, accountability and protection of shareholder interests and this has been the foundation on which Caplin has been conducting business since inception and it is a continuous and ongoing process. The Company's Corporate Governance Report is produced below.

BOARD OF DIRECTORS

COMPOSITION OF BOARD

The Board comprises of ten Directors out of which six are Non-Executive - Independent Directors including one women Director and two are Executive Directors and one Non-executive - Non-independent Director and the Chairman of the Board is a Non-executive Chairman (Promoter). The Composition of the Board is in conformity with the requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. All the Independent Directors have confirmed that they meet the "Independence Criteria" as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the financial year under review, the Board of Directors met five times (i.e) **10.05.2017, 07.08.2017, 09.11.2017, 07.02.2018 and 12.03.2018**. The maximum time gap between two meetings did not exceed 120 days.

The composition of the Board, attendance at Board Meetings held during the said period and at the last Annual General Meeting, number of Directorships, memberships/chairmanships of the Board and Committees of public Companies as on March 31,2018 in the Company are as under:

Name of the Director	Category	No. of Board meetings attended in the year	Attendance at the previous AGM (21.09.2017)	Directorship(s) ¹	Committee Position(s) ²	
					Chairman	Member
Mr C C Paarthipan DIN : 01218784	Non-executive Chairman (Promoter)	4	Present	-	-	-
Dr Sridhar Ganesan DIN :06819026	Managing Director	5	Present	-	-	1
Dr Philip Ashok Karunakaran ³ DIN : 06679664	Whole-time Director	3	Present	-	-	-
Mr M Jayapal ⁴ DIN : 01869677	Whole-time Director	5	Present	-	-	1
Mr D P Mishra DIN : 02032818	Non- executive - Non-Independent	3	Present	-	-	1
Mr V Thirumalai DIN :03015619	Non-executive Independent	5	Present	-	1	1
Mr R Viswanathan DIN : 07173713	Non-executive Independent	3	Absent	-	-	-
Dr R Ravichandran DIN :01920603	Non-executive Independent	5	Present	-	1	2

Name of the Director	Category	No. of Board meetings attended in the year	Attendance at the previous AGM (21.09.2017)	Directorship(s) ¹	Committee Position(s) ²	
					Chairman	Member
Dr K C John DIN : 01067374	Non-executive Independent	5	Present	-	-	-
Dr K Nirmalaprasad DIN : 07088120	Non-executive Independent	5	Present	-	-	1
Mr D Sathyanarayanan DIN : 07650566	Non-executive, Independent	3	Absent	-	-	1

¹The Directorships, held by Directors as mentioned above, do not include Directorship in Caplin Point Laboratories Limited, Private Limited Companies, Companies registered under Section 8 of the Companies Act, 2013 and foreign companies.

²Includes only Audit and Stake holders Relationship Committees of Caplin Point Laboratories Ltd

³Dr Philip Ashok Karunakaran was appointed as a whole-time Director w.e.f. August 07,2017

⁴Mr M Jayapal on attaining superannuation Mr M Jayapal retired from Directorship w.e.f 28.03.2018

None of the Directors are related to each other.

All the Board Meetings are conducted as per the Board Agenda and these agenda papers are supported by adequate information, sufficient back papers and documents to enable the Board to take informed decisions. Agenda papers are circulated to the Directors seven days prior to the Board Meeting. The Board periodically reviews compliance report pertaining to all applicable laws of the Company.

AUDIT COMMITTEE

TERMS OF REFERENCE

The terms of reference of the Audit Committee covers the matters specified for Audit Committee under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as well as in section 177 of the Companies Act, 2013. In addition, the role of Audit Committee and review of Information by Audit Committee is as prescribed under Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPOSITION, NAME OF MEMBERS & CHAIRPERSON, MEETINGS HELD DURING THE YEAR AND ATTENDANCE AT MEETINGS

The Audit Committee of the Board of Directors consists of the following members:

NAME OF THE DIRECTORS	CATEGORY
Dr R Ravichandran	Chairman, Independent
Dr Sridhar Ganesan	Member, Executive
Dr K Nirmala Prasad	Member, Independent
Mr D Sathyanarayanan	Member, Independent

MEETING OF THE AUDIT COMMITTEE AND ATTENDANCE OF THE COMMITTEE MEMBERS

The Audit Committee met four times in the financial year ended March 31,2018 (i.e) 10.05.2017, 07.08.2017,09.11.2017 and 07.02.2018. The maximum time gap between two meetings did not exceed 120 days.

Name of the Directors	No. of meetings attended
Dr R Ravichandran	4
Dr Sridhar Ganesan	4
Dr K Nirmala Prasad	4
Mr D Sathyanarayanan	3

The Chairman of the Audit Committee is an Independent Director. The Chairman of the Audit Committee was present in the 26th Annual General Meeting held on September 21, 2017 to address the queries of the members.

The Internal Auditors, Statutory Auditors and Chief Financial Officer are invited to attend and participate the Meetings.

The Company Secretary of the Company is the Secretary to the Committee

NOMINATION AND REMUNERATION COMMITTEE

TERMS OF REFERENCE

Terms of reference and the role of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act,2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 and the Role of Nomination and Remuneration Committee shall be as Specified as in part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Terms of Reference of Nomination and Remuneration Committee are :

1. To formulate the criteria for determining the qualifications, positive attributes and independence of Directors and recommend to the Board their appointment
2. To recommend to the Board a policy, relating to the remuneration of Directors, Key Managerial Personnels and other employees and compensation such as Employee Stock Option Plan /Scheme to the Executive Directors, Key Managerial personnel and other employees
3. To devise a policy on Board diversity
4. To formulate the criteria for evaluation of Independent Directors and the Board.

The Nomination and Remuneration Committee (NRC) consists of following Directors as its members

Name of the Director	Category
Mr V Thirumalai	Chairman, Independent
Dr R Ravichandran	Member, Independent
Dr K C John	Member, Independent

MEETING OF THE NRC AND THE ATTENDANCE OF THE DIRECTORS

The Nomination and Remuneration Committee duly met five times for the financial year ended March 31, 2018 (i.e) 10.05.2017,07.08.2017,09.11.2017,07.02.2018 & 15.02.2018

Name of the Directors	No. of Meetings attended
Mr V Thirumalai	5
Dr R Ravichandran	5
Dr K C John	5

PERFORMANCE EVALUATION

The process approved by the Nomination and Remuneration Committee requires the Chairman to initiate the performance evaluation process every year. The performance evaluation is conducted based on approved criteria in the evaluation forms. The process highlights are as under:

a) Board:

Each Board member completes the self-evaluation form. Independent Directors discuss the self-evaluation forms in a separate meeting and share their feedback with the Chairman. The Chairman discusses the evaluation form analysis with the Managing Director and later with the entire Board at the Board Meeting.

b) Committees:

Each Committee member completes the self-evaluation form and shares feedback with the Chairman. The Chairman discusses the evaluation form analysis with the Managing Director and later with the entire Board at the Board Meeting.

c) Chairman and Executive Directors:

Each Board member completes the peer evaluation form. Independent Directors discuss the peer evaluation forms in a separate meeting and share their feedback with the Chairman. The Chairman conveys feedback individually to the concerned Directors.

d) Independent Directors:

Each Board member completes the peer evaluation and shares feedback with the Chairman. The Chairman conveys feedback individually to the concerned Directors.

REMUNERATION POLICY

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

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

The remuneration paid to Executive Directors as mentioned in this report has been approved by the Board and the details regarding the same are placed at the Annual General Meeting for approval of the shareholders.

No remuneration, other than sitting fees for attending the Board/ Committee meetings were paid to the non-executive Directors.

The remuneration policy has been uploaded on the website of the Company (i.e) [www.caplinpoint.net/investor /company policies & code of conduct](http://www.caplinpoint.net/investor/company_policies_&_code_of_conduct/Nomination_and_Remuneration_policy)/Nomination and Remuneration policy

DETAILS OF REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR ENDED MARCH 31,2018 ARE GIVEN BELOW:

Amount in Lakhs

Name of Director	Remuneration	Commission and performance linked incentive	Sitting Fees	Total	No. of shares held
Mr.C.C.Parthipan	--	--	--	--	1,41,46,765
Mr.V.Thirumalai	--	--	1.80	1.80	2,41,635
Dr.R Ravichandran	--	--	2.60	2.60	--
Dr. K C John	--	--	1.80	1.80	--
Dr.K Nirmala Prasad	--	--	1.80	1.80	--
Mr. R Viswanathan	--	--	0.60	0.60	--
Mr D Sathyanarayanan	--	--	1.20	1.20	--
Mr D P Mishra	--	--	0.60	0.60	--

DETAILS OF REMUNERATION PAID TO EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR ENDED MARCH 31,2018 ARE GIVEN BELOW:

Amount in Lakhs

Name of Director	Fixed component	Variable component	Contribution to PF and bonus	Total	No. of shares held
Dr Sridhar Ganesan	56.57	--	0.32	56.89*	53,500
Mr M Jayapal	8.00	--	0.32	8.32	NIL
Dr Philip Ashok Karunakaran	33.82	--	0.21	34.03	NIL

There is no severance fees payable to the Executive Directors . The Notice period is bound by the employee contracts (i.e) three months from the date of service of notice.

*excludes stock Compensation expenses debited to profit and loss Account Rs.54.25 Lakhs

EMPLOYEE STOCK OPTION

The Company has two stock options in force (i.e) Caplin Point Employee Stock Option Plan -2015 and Caplin Point Employee Stock Option Plan – 2017. During the year under review, the Company has granted 2,94,000 options under Caplin Point Employee Stock Option Plan -2015 and 76,500 options under Caplin Point Employee Stock Option Plan- 2017. The Company has also allotted 26,750 options under Caplin Point Employee Stock Option Plan – 2015.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stake holders' Relationship Committee periodically reviews investors' grievance redressal process and evaluates the performance and service standards of the Registrar and Share Transfer Agent of the Company.

The committee consists of the following Directors as its members:

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

*Mr M Jayapal on attaining superannuation retired from the Board w.e.f 28.03.2018

The committee meets regularly as and when required to approve share transfers, transmissions, and issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non-receipt of dividend warrants, non-receipt of share certificates, and issue of duplicate share certificates etc. The committee also reviews the performance of the Registrar and Share Transfer Agents.

Mr. Vinod Kumar S, Company Secretary is designated as Compliance officer.

INVESTOR GRIEVANCE REDRESSAL

During the year, 210 complaints were received from the shareholders and other agencies out of which 204 complaints were resolved and six compliant was pending as on March 31,2018. The pending complaints were subsequently resolved.

INVESTOR SERVICES

- The Company has designated the following email-id exclusively for investor servicing:- investor@caplinpoint.net
- The Company's notices, financial results etc are published in 'Financial Express' & 'Maalai Sudar'.
- The Company has displayed financial results, shareholding pattern, unpaid dividend details, and other required documents from time to time, under the section "Investor" on its website www.caplinpoint.net
- All periodical compliance filings like shareholding pattern, corporate governance report are filed electronically on NSE Electronic Application Processing System (NEAPS) and BSE's Listing Centre.
- The Company continues to redress the investor complaints registered in the SEBI Complaints Redress System (SCORES), through which we are uploading the Action Taken Reports (ATRs) and the investors can view online the actions taken on their complaint and its current status.
- The Company is pleased to provide members, facility to exercise their right to vote at the Twenty Seventh Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by M/s. National Securities Depository Services Limited.

GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA), Government of India, had taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the companies. In light of the above, those members, who desire to receive notice / documents including Annual Reports through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to the Depository Participant / Company's Registrar & Share Transfer Agents, M/s Integrated Registry Management Services Private Limited for receipt of notice/ documents including Annual Reports through e-mail.

MEETING OF INDEPENDENT DIRECTORS

Pursuant to Schedule IV of the Companies Act, 2013 and as per Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on February 07, 2018 to review the performance of Non-independent Directors (including the Chairman of the Board) and the Board as a whole, taking into account the views of executive and non-executive directors. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committees, which is necessary to effectively and reasonably perform and discharge their duties.

The Company follows a structured orientation and familiarization program through periodic representations made at the Board Meeting on business performance, long term strategies initiatives and risk involved. The details of the same are posted on the website of the company www.caplinpoint.net/investor /company policies & code of conduct/Familiarization program for Independent Directors

GENERAL BODY MEETINGS

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

Year	Date	Time	Location	Special Resolution Passed
2017	21.09.2017 (26th AGM)	11.00AM	Sri Thyaga Brahma Gana Sabha (Vani Mahal) No.103, G N Road, T Nagar, Chennai -600 017	a) Special Resolution was passed under Section 149 (10) of the Companies Act, 2013 for re-appointment of Dr K C John as an Independent Director for a Second term of Five consecutive years; and b) Special Resolution was passed seeking the approval of Members for Employee Stock option Plan 2017

Year	Date	Time	Location	Special Resolution Passed
2016	12.09.2016 (25th AGM)	10.15 AM	Sri Thyaga Brahma Gana Sabha (Vani Mahal) No.103, G N Road, T Nagar, Chennai -600 017	a) Special Resolution was passed under Section 149 (10) of the Companies Act, 2013 for re-appointment of Dr R Ravichandran as an Independent Director for a Second term of Five consecutive years; and b) Special Resolution was passed under Section 14 of the Companies Act, 2013 for amendment of Articles of Association.
2015	05.11.2015 (24th AGM)	10.30 AM	Sri Thyaga Brahma Gana Sabha (Vani Mahal) No.103, G N Road, T Nagar, Chennai -600 017	Special Resolutions were passed seeking the approval of Members for Employee Stock option Plan 2015

No Resolution was passed through Postal Ballot last year.

During the year under review, no special resolution has been passed through postal ballot. None of the items to be transacted at the ensuing meeting is required be passed by postal ballot.

DISCLOSURES

- There were no materially significant related party transactions made by the Company with its Promoters, their subsidiaries, Directors or Management or relatives etc. that may have potential conflict with the interests of the Company at large. During the year there were no transactions with the related parties .
- The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company.
- The Company has formulated a Vigil Mechanism / Whistle Blower Policy to enable Directors and employees to report their genuine concerns and grievances. The Policy provides for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and direct access to the Chairman of the Audit Committee of the Company, in exceptional cases.
- The Company has formulated a policy for determining "Material subsidiary" - www.caplinpoint.net/investor/Company Policies & code of conduct/ policy on material subsidiary. However, the Company does not have any Material Subsidiary.
- The policy on Related party transaction has been disclosed on the website of the company www.caplinpoint.net/investor/Company Policies & code of conduct/ related party transaction policy
- The Company has complied with and adopted all the Mandatory requirements of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. In addition, the Company has adopted Point D & E of Part E of Schedule II of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 pertaining to separate posts of Chairperson & Chief Executive Officer and Reporting of Internal Audit Report by the Internal Auditor directly to the Audit Committee.
- The Company has complied with Corporate Governance requirement specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company is not undertaking any commodity hedging activities, hence there is no risk of commodity hedging to the Company.

MEANS OF COMMUNICATIONS

- a) The Quarterly results as well as annual results as required under Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements), 2015 are published in one national daily English Newspaper and one regional Tamil newspaper.
- b) The newspapers wherein results are normally published:
 - i. The Financial Express
 - ii. Maalai Sudar
- c) Website where displayed: The Annual Reports and quarterly reports are made available in the "investor" section of the company's website [www.caplinpoint.net./ Investor/Annual reports. & www.caplinpoint.net./ Investor/Financial Results](http://www.caplinpoint.net./Investor/Annual%20reports.%20&%20www.caplinpoint.net./Investor/Financial%20Results).
- d) Whether is also displayed in official news releases : Yes
- e) Presentation made to Institutional investors or to the analysts: NIL

GENERAL INFORMATION TO THE SHAREHOLDERS

Day, Date, Time & Venue	Friday, September 28, 2018 10.00 AM Sri Thyaga Brahma Gana Sabha (Vani Mahal), No. 103, G.N. Road, T. Nagar, Chennai - 600 017, Tamil Nadu.
Date of Book Closure	20.09.2018 to 28.09.2018
Dividend Payment Date	The Dividend as recommended by the Board of Directors, if declared at the meeting, will be paid on or before October 27, 2018

Financial Calendar:-

The Company expects to announce the financial Results for the year 2018-19 as per the following schedule:

Financial Year	1st April, 2018 to March 31, 2019
Results for the Quarter ending:-	
Ist Quarter Ending June 30, 2018	On or before August 14, 2018
IInd Quarter Ending September 30, 2018	On or before November 14, 2018
IIIrd Quarter Ending December 31, 2018	On or before February 14, 2019
IVth Audited Financial Results for year ended March 31, 2019	On or before May 30, 2019

Listing of Equity Shares:-	Stock Exchange	Trading Symbol/ Stock Code
	National Stock Exchange of India Limited (NSE)	CAPLIPOINT
	BSE LIMITED (BSE)	524742

ISIN number in National Securities Depository Limited (NSDL) and the Central Depository Service (India) Limited (CDSL).	INE475E01026 for the face value of Rs.2/-
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Outstanding GDRs/ADRs/ Not issued Warrants or any convertible instruments	Not Issued
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Listing Fees has been paid to the Stock Exchanges for the Financial Year 2018-19

Dematerialization of shares:-	As on March 31, 2018 nearly 95.06% of the Company's shares were held in dematerialized form
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Particulars	No. of Shareholders	No. of Shares	%
Physical	4,144	37,41,650	4.94

Demat			
NSDL	12,179	6,83,25,945	90.38
CDSL	8,189	35,35,905	4.68
TOTAL	24,512	7,56,03,500	100.00
Registrar And Share Transfer Agents		M/s. Integrated Registry Management Services Private Limited, II Floor, "Kences Towers" No.1 Ramakrishna Street, North Usman Road T Nagar, Chennai - 600 017 Phone: 044 - 28140801 - 803 Fax: 044 - 28142479 .	
Share Transfer System		The Company's shares are required to be compulsorily traded in the Stock Exchanges in dematerialised form. Shares in physical mode which are lodged for transfer are processed and returned within the stipulated time, if the documents are complete in all respects. Share transfer requests accompanied by complete documents are usually approved within 15 days from the date of receipt. Requests received for dematerialization of shares are normally confirmed by the Registrar and Share Transfer Agent within 15 days to the Depositories. A summary of the transfer, transmission, issue of duplicate share certificate, etc., as approved, is placed before the Stakeholders' Relationship Committee.	
Commodity Price Risk or Foreign exchange Risk and hedging activities		The Company is not making any foreign exchange exposures and does not involve in hedging activities in foreign exchange and commodity markets.	

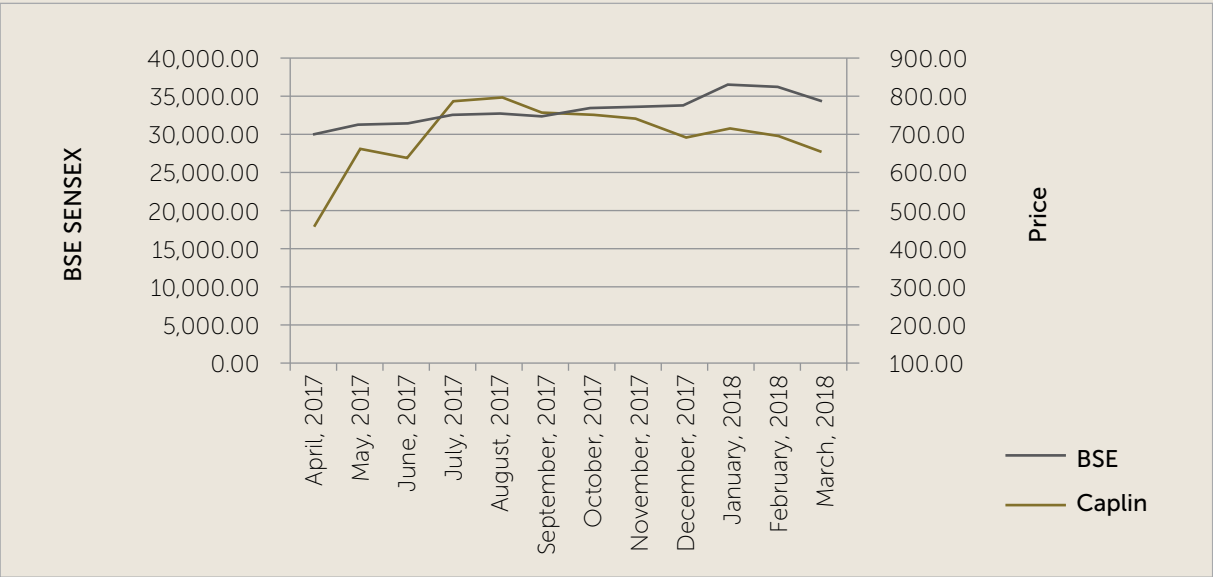
Market Price Data (high, low during each month in the financial year 01.04.2017 to 31.03.2018)

Month & Year	BSE				NSE			
	PRICE IN RS.		S&P – BSE SENSEX		PRICE IN RS.		S&P CNX Nifty	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
April,2017	413.90	379.00	30,184.22	29,241.48	414.95	381.00	9,367.15	9,075.15
May,2017	630.00	386.05	31,255.28	29,804.12	631.95	385.05	9,649.60	9,269.90
June,2017	599.00	525.00	31,522.87	30,680.66	599.80	523.20	9,709.30	9,448.75
July, 2017	775.00	555.00	32,672.66	31,017.11	775.00	551.10	10,114.85	9,543.55
August, 2017	783.90	600.00	32,686.48	31,128.02	784.80	601.30	10,137.85	9,685.55
September, 2017	745.00	635.25	32,524.11	31,081.83	745.00	636.00	10,178.95	9,687.55
October, 2017	727.65	661.05	33,340.17	31,440.48	727.90	668.30	10,384.50	9,831.05
November, 2017	718.00	625.00	33,865.95	32,683.59	718.00	624.00	10,490.45	10,094.00
December, 2017	670.00	609.55	34,137.97	32,565.16	670.90	606.95	10,552.40	10,033.35
January, 2018	689.15	584.65	36,443.98	33,703.37	692.00	584.00	11,171.55	10,404.65
February, 2018	670.00	541.00	36,256.83	33,482.81	671.00	521.50	11,117.35	10,276.30
March, 2018	630.00	535.00	34,278.63	32,483.84	630.85	534.00	10,525.50	9,951.90

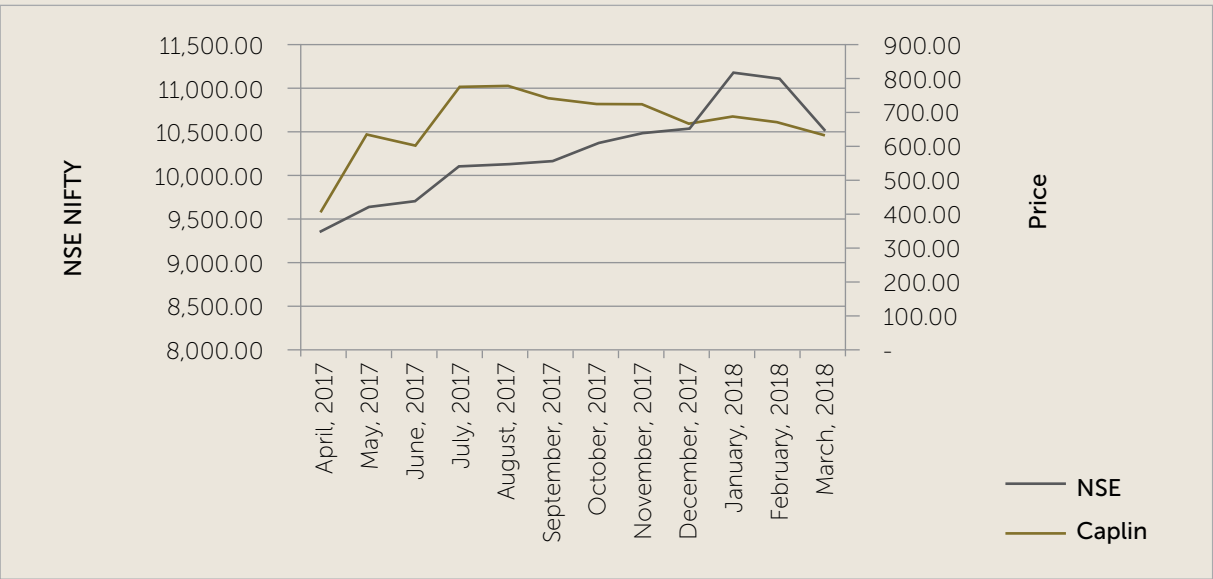
(Source: Websites of - www.bseindia.com, www.nseindia.com)

PERFORMANCE OF COMPANY’S EQUITY SHARE PRICE IN COMPARISON WITH THE BSE AND NSE INDICES

I. PERFORMANCE OF THE COMPANY’S EQUITY SHARE PRICE IN COMPARISON WITH S & P BSE SENSEX



II. PERFORMANCE OF THE COMPANY’S EQUITY SHARE PRICE IN COMPARISON WITH S & P CNX NIFTY



SHARE HOLDING PATTERN AS ON MARCH 31, 2018

S.No	Category	No. of Shareholders	No. of Shares	% to Capital
1	Promoters	5	5,21,93,765	69.04
2	Mutual Funds / UTI	2	44,950	0.06
3	Banks/Indian Financial Institutions	2	27,361	0.04
4	Private Corporate Bodies	306	13,56,993	1.84
5	Foreign Corporate Bodies	1	2,27,500	0.30
6	Foreign Institutional Investors	44	47,02,048	6.2
7	Non Resident Indians	737	9,88,826	1.30
8	Indian Public			
	(i) CLEARING MEMBERS	72	45,353	0.05
	(ii) LLP	13	3,66,417	0.48
	(iii) IEPF	1	14,60,631	1.93
	(iv) RESIDENT INDIVIDUALS	23,327	1,41,89,556	18.76
	(v) TRUSTS	1	100	0.00
	TOTAL	24,512	7,56,03,500	100.00

DISTRIBUTION SCHEDULE AS ON MARCH 31, 2018

Category (Shares)		Share Holders		Number of Shares	
From	To	Number	%	Number	%
1	5000	24,200	98.72	81,14,365	10.73
5001	10000	141	0.58	10,10,858	1.34
10001	20000	76	0.31	10,94,998	1.45
20001	30000	27	0.11	6,66,857	0.88
30001	40000	6	0.02	2,15,588	0.29
40001	50000	16	0.07	7,41,231	0.98
50001	100000	15	0.06	10,88,413	1.44
100001	& above	31	0.13	6,26,71,190	82.89
TOTAL		24,512	100.00	7,56,03,500	100.00

UNCLAIMED DIVIDEND AS ON MARCH 31, 2018

Financial year to which dividend relates	Dividend unpaid as on 31ST March 31, 2018 (In Rs.)	Due date of transfer to IEPF (In Rs.)
2010-11	13,09,207	04.02.2019
2011-12	16,91,494	25.01.2020
2012-13	21,55,062	02.02.2021
2013-14	30,61,984	24.01.2022
2014-15	35,28,920	22.12.2023
2015-16 (Interim Dividend)	17,62,155	20.02.2024
2015-16 (Final Dividend)	25,68,814	20.10.2024
2016-17	48,20,311	21.10.2025

UNCLAIMED SUSPENSE ACCOUNT

There are no unclaimed physical shares till date in the books of the Company and hence the requirements to provide the details as per Regulation 34 (3) read with Schedule V of Part F of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.

TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of the requirements of Section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended ("the Rules"), the Company is required to transfer the shares in respect of which the dividend has remained unpaid or unclaimed for a period of seven consecutive years to the IEPF Account.

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

During the year under review, the Company has credited 14,60,631 unclaimed Equity Shares of Rs. 2/- each pertaining to the financial year 2009-10.

PLANT LOCATIONS:

FACTORIES		
Unit I		Unit IV
85/3, Suthukeny Village, Mannadipet Commune Panchayat, Puducherry – 605 502 e-mail: cp1@caplinpoint.net Phone : 0413-2674046, 2674047, Fax : 0413-2674044		Guruvarajakandigai Village, Sirupuzhalpettai (Post), Gummidipoondi Taluk, Tamilnadu – 601 201. email : cp4@caplinpoint.net Phone : 9788459333
RESEARCH & DEVELOPMENT UNITS		
Unit II	Unit IV	Unit V
No.19, Chinnapuliyur Village, Sirupuzhalpettai (Post), Gummidipoondi Taluk, Tamilnadu – 601 201. email : cp2@caplinpoint.net Phone : 9445391317	Guruvarajakandigai Village, Sirupuzhalpettai (Post), Gummidipoondi Taluk, Tamilnadu – 601 201. email : cp4@caplinpoint.net Phone : 9788459333	No.3, Developed Plots Industrial Estates, Perungudi, Chennai- 600 096 Tamil Nadu.

ADDRESS FOR CORRESPONDENCE

For any assistance, request or instruction regarding transfer or transmission of shares, dematerialization of shares, change of address, non-receipt of annual report, dividend warrant and any other query relating to the Company, the investors may please write to the following address :

M/s. Integrated Registry Management Services Private Limited
Unit: Caplin Point Laboratories Ltd
II Floor, "Kences Towers" No.1 Ramakrishna Street
North Usman Road, T Nagar, Chennai - 600 017
Phone: 044 - 28140801 - 803
Fax: 044 - 28142479.
E-mail: csdstd@integratedindia.in

The Company Secretary & Compliance officer
M/s. Caplin Point Laboratories Limited
"Narbavi", No. 3, Lakshmanan Street,
T. Nagar, Chennai - 600 017.
Phone: 28156653, 2498000
Website: www.caplinpoint.net
E-mail: investor@caplinpoint.net

For shares held in Demat form, investors shall contact/address their correspondence to their respective Depository Participants.

DECLARATION BY MANAGING DIRECTOR UNDER LISTING REGULATIONS REGARDING COMPLIANCES WITH BUSINESS CODE OF CONDUCT GUIDELINES (CODE OF CONDUCT)

In accordance with Schedule V read with regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors and the senior Management Personnel of the Company have affirmed compliance with the code of conduct as applicable to them for the financial year ended March 31, 2018.

For Caplin Point Laboratories Ltd

Dr Sridhar Ganesan
Managing Director

Place : Chennai
Date: August 06, 2018

CERTIFICATE OF COMPLIANCE FROM PRACTISING COMPANY SECRETARY UNDER REGULATION 34 (3) READ WITH PARA E OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS "LODR"), REGULATIONS 2015

To
The Members of
CAPLIN POINT LABORATORIES LIMITED
'NARBHAVI', No.3 Lakshmanan Street,
T.Nagar Chennai – 600017

1. We have examined the compliance of conditions of Corporate Governance by Caplin Point Laboratories Limited ("The Company"), for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the SEBI "LODR" Regulations).

MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI "LODR" Regulations.

AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirement by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance, the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate.

OPINION

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and para C and D of Schedule V of the SEBI "LODR" Regulations during the year ended March 31, 2018.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

For G RAMACHANDRAN & ASSOCIATES
Company Secretaries

G. RAMACHANDRAN Proprietor
ACS No.9865 CoP. No.3056

PLACE : CHENNAI
DATE : AUGUST 06,2018

FINANCIAL STATEMENTS

Independent Auditor's Report

To
The Members
Caplin Point Laboratories Limited, Chennai

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Caplin Point Laboratories Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) and 143(11) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b. In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date and
- d. In the case of the statement of changes in equity, of the changes in equity for the year ended on that date.

Report on other legal and regulatory requirements.

1. 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, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
- e. On the basis of the written representations received from the directors as on 31 March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 over financial reporting of the Company and the operating

effectiveness of such controls, refer to our separate Report in "Annexure A".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with 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:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 32 to the standalone Ind AS financial statements;
 - b. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts required to be transferred to investor education and protection fund by the company and
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

B. Ramakrishnan

Partner

Membership No: 201023

Place : Chennai

Date : May 28, 2018

Annexure - A to the Independent Auditors' Report

In conjunction with our audit of the Financial Statements of the Company for the financial year ended March 31, 2018, we have audited the Internal Financial Controls over Financial Reporting of Caplin Point Laboratories Limited.

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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over

financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for **M/s CNGSN & ASSOCIATES LLP**

CHARTERED ACCOUNTANTS

Firm Registration No: 004915S/S200036

B. Ramakrishnan

Partner

Membership No: 201023

Place : Chennai

Date : May 28, 2018

Annexure B to the Independent Auditor's Report

Referred to in paragraph 2 under 'Report On Other Legal and Regulatory Requirements' section of our report to the members of Caplin Point Laboratories Limited of even date:

- i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

The title deeds of immovable properties included in fixed assets are held in the name of the Company. In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.

- ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

- iv) The Company has not granted any loans or provided any security to the parties covered under section 185 and section 186 of the Act.

- v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

- vi) The Company is maintaining Cost Records as required under Rule 3 of the Companies (Cost Records and Audit) Rules, 2014. However, as the Company is exporting in excess of 75 % their turnover, Cost Audit is not applicable. Hence, reporting under clause 3(VI) of the Order is not applicable. under Section 148 of the Act for any of the services rendered by the Company.

- vii) a) The Company is regular in depositing undisputed statutory dues with appropriate authorities like Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

There are no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018, for a period of more than six months from the date they became payable.

- b) There are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

S.No	Name of the statute	Nature of dues	As At 31/3/2018 (₹ In lakhs)	As At 31/3/2017 (₹ In lakhs)	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax	192.44	339.59	High Court/Income Tax Appellate Tribunal/ CIT Appeals
2.	Central Excise Act, 1944	Excise Duty	-	4.54	CESTAT Tribunal/ Department of Revenue, New Delhi

- viii) The Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and has not issued any debentures.
- ix) The Company has not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order is not applicable to the Company
- x) No material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. In our opinion and according to the information and explanation given to us.
- xi) The Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) is not applicable.
- xiii) All the 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 standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv) The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

B. Ramakrishnan

Partner

Membership No: 201023

Place : Chennai

Date : May 28, 2018

Balance Sheet as at March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	2	16,740.16	15,044.76	14,215.06
(b) Capital work-in-progress		1,529.12	341.52	23.20
(c) Other Intangible assets		191.74	130.30	60.22
(d) Financial Assets				
(i) Investments	3	4,298.83	1,457.71	142.90
(ii) Loans	4	1,110.91	1,059.41	376.25
Sub-total-Non current assets		23,870.76	18,033.70	14,817.63
(2) Current Assets				
(a) Inventories	5	2,845.56	2,229.49	1,789.77
(b) Financial Assets				
(i) Investments	6	522.26	420.00	-
(ii) Trade Receivables	7	8,635.31	320.56	680.27
(iii) Cash and Cash equivalents	8	1,139.31	2,695.74	2,510.38
(iv) Bank balances other than (iii) above	9	1,689.15	4,970.05	3,966.34
(c) Loans	10	2,346.87	2,773.95	2,247.94
(d) Other Current Assets	11	31.01	263.02	247.48
Sub-total-Current assets		17,209.47	13,672.81	11,442.18
Total		41,080.23	31,706.51	26,259.81
EQUITY AND LAIBILITIES				
(1) Equity				
Equity Share capital	12	1,512.07	1,511.53	1,511.00
Other Equity	13	28,048.36	18,500.08	12,034.35
Sub-total-Total Equity		29,560.43	20,011.61	13,545.35
(2) Liabilities				
(A) Non - Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	32.19	47.51	73.08
(ii) Other financial liabilities	15	-	5.39	8.07
(b) Deferred Tax Liabilities (Net)	16	2,216.07	1,896.65	1,172.98
(c) Other Long term liabilities	17	537.61	-	-
(d) Provisions	18	-	39.99	40.34
Sub-total-Non current liabilities		2,785.87	1,989.54	1,294.47
(B) Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	19	7,289.50	6,600.54	5,300.66
(ii) Other Current Liabilities	20	1,266.07	2,937.44	6,037.38
(b) Provisions	21	178.36	167.38	81.95
Sub-total-Current liabilities		8,733.93	9,705.36	11,419.99
Total		41,080.23	31,706.51	26,259.81

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

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

B. Ramakrishnan
Partner
ICAI Membership No. 201023

Place : Chennai
Date : May 28, 2018

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

C.C. Paarthishan
Chairman

Muralidharan D
Chief Financial Officer

Dr. Sridhar Ganesan
Managing Director

Vinod Kumar S
Company Secretary

Statement of Profit and Loss for the financial year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I. INCOME			
(a) Revenue from Operations	22	42,657.39	34,154.93
(b) Other income	23	2,331.33	1,251.25
Total Income		44,988.72	35,406.18
II. EXPENSES			
(a) Cost of Materials Consumed	24	9,021.63	6,447.19
(b) Purchases of Stock-in-Trade		9,228.22	9,769.77
(c) Changes in inventories of Finished Goods including Stock-in-Trade and Work-in-Progress	25	(238.77)	(23.26)
(d) Employee benefits expense	26	3,882.04	3,058.47
(e) Finance costs	27	6.12	12.75
(f) Depreciation and Amortisation Expenses	28	1,898.78	1,325.99
(g) Research and Development Expenses	29	2,368.14	1,408.83
(h) Other expenses	30	4,217.26	4,148.61
Total Expenses		30,383.42	26,148.35
III. Profit before exceptional items and tax		14,605.30	9,257.83
IV. Exceptional Items		-	-
V. Profit before tax		14,605.30	9,257.83
VI. Provision for taxation			
- Current Tax		4,054.79	1,937.43
- MAT Credit Entitlement		-	(434.95)
- Deferred tax (Benefits)/Charge		319.42	723.65
VII. Profit After Tax for the Year		10,231.09	7,031.70
VIII. Other comprehensive income (net of tax) - Items that will not be reclassified to profit or loss:			
(i) Remeasurement of Defined Benefit Plans		76.60	16.16
IX. Total comprehensive income for the Year		10,307.69	7,047.86
Earning per equity share (Nominal value per share ₹ 2/-)			
Basic		13.64	9.30
Diluted		13.57	9.30

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

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

B. Ramakrishnan
 Partner
 ICAI Membership No. 201023

Place : Chennai
 Date : May 28, 2018

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

C.C. Paarthisan
 Chairman

Dr. Sridhar Ganesan
 Managing Director

Muralidharan D
 Chief Financial Officer

Vinod Kumar S
 Company Secretary

Statement of Changes In Equity for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

A. EQUITY SHARE CAPITAL (Refer Note 12)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT	NO OF EQUITY SHARES of ₹ 10/- each	AMOUNT
Balance at the beginning of the reporting year	7,55,76,750	1,511.53	7,55,50,000	1511.00	1,51,10,000	1,511.00
Changes in equity share capital during the year	26,750	0.54	26,750	0.53	-	-
Balance at the end of the reporting year	7,56,03,500	1,512.07	7,55,76,750	1,511.53	1,51,10,000	1,511.00

B. OTHER EQUITY (Refer Note 13)

Particulars	Reserves and Surplus						Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Revaluation Reserve	Employee Stock Option Outstanding (Net)	Retained Earnings	
Balance as at 1 April 2016 (Refer Note 53)	40.98	-	1,128.78	-	9.05	10,855.54	12,034.35
Profit for the year	-	-	-	-	-	7,031.70	7,031.70
Dividend on equity shares	-	-	-	-	-	(528.85)	(528.85)
Corporate Tax on dividend	-	-	-	-	-	(107.54)	(107.54)
Movement in the comprehensive income for the year - actuarial gain/(loss) on employee benefit obligation	-	-	-	-	-	16.16	16.16
Movement in security premium	-	54.25	-	-	-	-	54.25
Balance as at 31 March 2017	40.98	54.25	1,128.78	-	9.05	17,267.02	18,500.08
Profit for the year	-	-	-	-	-	10,231.09	10,231.09
Dividend on equity shares	-	-	-	-	-	(1133.65)	(1133.65)
Movement in the comprehensive income for the year - actuarial gain/(loss) on employee benefit obligation	-	-	-	-	-	76.60	76.60
Movement in security premium	-	54.25	-	-	-	-	54.25
Share- based payment expenses (Net)	-	-	-	-	319.99	-	319.99
Balance as at 31 March 2018	40.98	108.50	1,128.78	-	329.04	26,441.06	28,048.36

As per our report of even date attached

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

B. Ramakrishnan
Partner
ICAI Membership No. 201023

Place : Chennai
Date : May 28, 2018

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

C. C. Paarthipan
Chairman

Muralidharan D
Chief Financial Officer

Dr. Sridhar Ganesan
Managing Director

Vinod Kumar S
Company Secretary

Cash Flow Statement for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash Flow from Operating Activities		
Profit before tax	14,605.30	9,257.83
<i>Adjustments for:</i>		
Depreciation and Amortisation	1,898.78	1,325.99
Finance costs	6.12	12.75
Govt Grant	(6.53)	-
Loss(Profit) on sale of fixed assets	-	(4.53)
Employee Stock option Scheme Expense	374.31	54.25
Unrealised Foreign Exchange Fluctuation Loss (Gain)	(148.91)	-
Fair value gain on financial instruments through profit or loss	(173.19)	(10.49)
Realised gain on Financial Assets	(164.31)	-
Dividend Income	(1,139.50)	(0.60)
Interest income	(303.62)	(571.67)
	14,948.45	10,063.53
Operating Profit before Working Capital changes		
<i>Adjustments for :</i>		
(Increase) / Decrease in Inventories	(616.07)	(439.72)
(Increase) / Decrease in Trade receivables	(8,146.83)	359.71
(Increase) / Decrease in Loans	(52.77)	(673.04)
Increase/(Decrease) in Trade payables ,Current Liabilities & Provisions-Long and Short Term	(443.69)	(1,722.88)
CASH GENERATED FROM OPERATIONS	5,689.09	7,587.60
Income tax Paid	(3,626.41)	(2,038.60)
Net Cash inflow / (outflow) from Operating activities	2,062.68	5,549.00
B. Cash Flow from Investing Activities		
Sale / (Purchase) of investments	(2,749.56)	(1,690.00)
Investment in subsidiaries	(20.63)	(34.32)
Sale / (Purchase) of fixed assets (including CWIP)	(4,843.19)	(2,557.61)
Sale Proceeds from fixed assets	-	17.95
Interest received	535.61	556.14
Dividend received	1,139.50	0.60
Realised gain on Financial Assets	164.31	-
Net Cash inflow / (outflow) from Investing activities	(5,773.96)	(3,707.24)
C. Cash Flow from Financing Activities		
Proceeds from exercise of employee stock options	0.54	0.53
Increase/(Decrease) in Long and Short term Borrowings	(20.71)	(25.58)
Interest paid	(6.12)	(12.75)

Cash Flow Statement for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend paid (including Dividend distribution tax paid)	(1,133.65)	(636.50)
Net Cash inflow / (outflow) from Financing activities	(1,159.94)	(674.30)
Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)	(4,871.22)	1,167.46
Cash and Cash Equivalents as at the beginning of the year	7,489.22	6,321.76
Cash and Cash Equivalents as at the end of the year	2,618.00	7,489.22
Less: Deposit under Lien (Refer Note 32)	485.68	1,280.91
Net Cash and Cash Equivalents as at the end of the year (a,b & c)	2,132.32	6,208.31

Notes:

a) Reconciliation of Cash And Cash Equivalents

Cash And Cash Equivalents As Per Note 8	1,139.31	2695.74
Other Bank Balances As Per Note 8	1,689.15	4970.05
Total Cash And Cash Equivalents As Per Balance Sheet	2,828.45	7665.79
Less: Balance In Unpaid Dividend Account	210.46	176.57
Less: Deposit Under Lien	485.68	1280.91
Total Cash And Cash Equivalents As Per The Statement Of Cash Flows	2,132.32	6208.31

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

c) Cash and cash equivalents does not include following

- Investment in mutual fund of ₹ 4111.48 Lakhs classified as non current investment (Previous Year ₹ 1290.99 Lakhs)
- Investment in mutual fund of ₹ 522.26 Lakhs classified as current investment (Previous Year ₹ 420.00 Lakhs)

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 standalone financial statements.

As per our report of even date attached

for **CNGSN & Associates LLP**

Chartered Accountants

Firm Registration No : 4915S/ S200036

B. Ramakrishnan

Partner

ICAI Membership No. 201023

Place : Chennai

Date : May 28, 2018

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

C.C. Paarthipan

Chairman

Muralidharan D

Chief Financial Officer

Dr. Sridhar Ganesan

Managing Director

Vinod Kumar S

Company Secretary

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 1 DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

1A. Company Overview:

Caplin Point Laboratories Limited ("Caplin Point" or "the Company") incorporated in 1990, headquartered and having its registered office in Chennai, Tamil Nadu, India. The Company is into the business of pharmaceuticals - producing, developing and marketing wide range of generic formulations and branded products and exporting to overseas market. The Company's principal research and development facilities are located in Tamil Nadu, India; its principal manufacturing facilities are located in Puducherry and Tamil Nadu, India. The Company's shares listed on the Bombay Stock Exchange and the National Stock Exchange in India.

1B. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of accounting and preparation of Standalone Financial Statements:

Basis of accounting

- i) These standalone 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) Effective April 1, 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. For all periods upto and including the year ended March 31, 2017, the Company reported its Financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'IGAAP'). The Financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from IGAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 53.

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.

These standalone financial statements are prepared under the historical cost convention unless otherwise indicated.

Functional and Presentation Currency

- iii) These standalone financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information presented in Indian rupees in Lakhs, except otherwise indicated.

Use of Estimates and Judgements

- iv) The preparation of the Standalone 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 Standalone 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.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

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 (Refer note k)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note n)
- Recognition of deferred tax assets (Refer note h)
- Useful lives of property, plant, equipment and Intangibles (Refer note b & c)
- Impairment of Assets (Refer note e)
- Impairment of financial assets (Refer note g)

b) Property, Plant and Equipment:

I. Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

II. Subsequent Expenditure

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

III. Depreciation

Depreciation on tangible assets is provided on a straight line method over the useful lives of the assets.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

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

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Companies Act, 2013, 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

Depreciation is provided pro-rata for the number of days availability for use. Depreciation on sale / disposal of assets is provided pro-rata up to the date of sale / disposal.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognised as income or expense in the statement of profit and loss.

Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non current assets.

c) Intangible Assets:

I. Recognition and Measurement

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Expenditure on research and development eligible for capitalisation are carried as Intangible assets underdevelopment where such assets are not yet ready for their intended use.

The Company has elected to continue with the carrying value of all its intangible assets as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

II. Subsequent Expenditure

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

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

III. Amortisation

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

Particulars	Estimated useful Life
Computer Software	6 Years or use full live whichever is lower

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

d) 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, unless a product's technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Statement of Profit and Loss in the year it is incurred. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

Expenditure on in-licensed development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, 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.

e) Impairment of Assets:

Carrying value of asset / Cash Generating Unit (CGU) 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) Foreign Currency Transactions / Translations:

- Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not restated.
- Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were recorded on initial recognition during the period or in previous standalone financial statements are recognized in the Statement of Profit and Loss in the period in which they arise.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

g) Financial Instruments:

I. Financial Assets

Classification

On initial recognition, the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- i) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

The Company has elected to continue with the carrying value of all its equity investments as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- 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:
 - i) the Company has transferred substantially all the risks and rewards of the asset, or
 - ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability.

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 and credit risk exposure:

- i) financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- ii) trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk.

Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

II. Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost (loans, borrowings and payables).

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, borrowings.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 recognised in the Statement of Profit and Loss.

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 recognised amounts and there is an intention to settle one net basis, to realise the assets and settle the liabilities simultaneously.

h) Income tax:

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates items recognised directly in equity in which case, it is recognised in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

- i) has a legally enforceable right to set off the recognised amounts; and
- ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date are expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

i) Inventories:

- a. Inventories are valued at lower of cost or net realizable value
- b. Raw materials, Packing materials, stores and spares are valued at cost including duties and taxes, exclusive of tax credit. The cost is arrived at FIFO basis.
- c. In respect of finished goods and work in progress cost includes raw materials, packing materials, labour cost and other appropriate allocable overhead.

j) Revenue Recognition:

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, the entity retains no continuing managerial involvement or effective control over the goods usually associated with ownership and the amount of revenue can be measured reliably.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax, excise duty/ goods and service tax and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

Service income is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable.

Interest income is recognized on time proportionate basis with reference to the Effective Interest Rate method.

Dividend from investments is recognised as revenue when right to receive is established.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

k) Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and the Company will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan 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.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. Net interest expense (income) on the net defined liability(asset) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and 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 recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is measured on the basis of a periodical independent actuarial valuation using the projected unit credit method. Remeasurement are recognised in Statement of Profit and Loss in the period in which they arise.

l) Share-based payment transactions:

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding Reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

m) Leases:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight-line basis in net profit in the Statement of Profit and Loss over the lease term.

n) Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in the Notes to the Standalone Financial Statements. Contingent liabilities are disclosed for:

- i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

A Contingent Asset is disclosed where an inflow of economic benefits is probable.

o) Borrowing costs:

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing.

Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

p) Government Grants and Assistance.:

Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.
- In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

q) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) including for changes effected prior to the approval of the financial statements by the Board of Directors. Diluted earnings per share is computed by dividing the profit / (loss) 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.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

r) Insurance claims:

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

s) Goods and Service Tax ('GST') input credit:

GST input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

t) Segment reporting:

The Company operates in one reportable business segment i.e. "Pharmaceuticals".

u) Operating cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

v) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item 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.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 2 FIXED ASSETS

Particulars	Gross block				Depreciation Reserve				Net Block	
	April 1, 2017	Additions during the year	Deletions during the year	March 31, 2018	April 1, 2017	for the year	deletions	March 31, 2018	March 31, 2018	March 31, 2017
A) Tangible Assets										
Land	907.75	128.87	-	1,036.62	-	-	-	-	1,036.62	907.75
Leasehold Land	-	137.10	-	137.10	-	0.05	-	0.05	137.05	-
Factory Buildings	5,337.04	734.20	-	6,071.24	649.52	184.95	-	834.47	5,236.77	4,687.52
Buildings-others	657.77	-	-	657.77	74.91	6.58	-	81.49	576.28	582.87
Plant & Machinery	7,940.79	1,559.54	-	9,500.33	1,810.40	1,018.40	-	2,828.80	6,671.53	6,130.39
Air Conditioner	117.26	8.87	-	126.13	40.30	12.61	-	52.91	73.22	76.96
Furniture & Fixtures	593.78	74.49	-	668.27	254.16	68.81	-	322.97	345.30	339.61
Office Equipment	657.32	20.77	-	678.09	469.37	84.52	-	553.89	124.20	187.95
Computers	298.31	58.83	-	357.14	188.80	61.64	-	250.44	106.70	109.50
Electrical Fittings	905.96	40.08	-	946.04	294.00	124.59	-	418.59	527.45	611.96
Motor Vehicles	428.56	8.40	-	436.96	247.11	54.88	-	301.99	134.97	181.45
Tools & Spares	51.56	-	-	51.56	35.12	1.71	-	36.83	14.73	16.44
Lab Equipment	1,416.34	786.74	-	2,203.08	204.95	243.62	-	448.57	1,754.50	1,211.39
Cycle	0.53	-	-	0.53	0.53	-	-	0.53	-	-
Motor Cycle	5.70	-	-	5.70	4.73	0.13	-	4.86	0.84	0.98
Total Tangible Assets	19,318.67	3,557.89	-	22,876.56	4,273.91	1,862.49	-	6,136.40	16,740.16	15,044.76
B) Intangible Assets										
Computer Software	188.25	97.72	-	285.97	57.95	36.29	-	94.23	191.74	130.30
Total Intangible Assets	188.25	97.72	-	285.97	57.95	36.29	-	94.23	191.74	130.30
TOTAL (A + B)	19,506.92	3,655.61	-	23,162.53	4,331.86	1,898.78	-	6,230.63	16,931.90	15,175.06
C) Capital Work in Progress										
Total									1,529.12	341.52

- a) The Company has capitalised ₹244.14 lakhs towards government grant in the nature of waiver of duty on purchase of plant and machinery. Depreciation on plant and machinery for the year includes ₹6.53 lakhs on such government grant.

Capital Work-in-Progress

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	341.52	23.20
Additions	4,843.21	2,557.61
Less:		
Capitalisation	(3,655.61)	(2,239.29)
Assets held for sale	-	-
Write off	-	-
Closing Balance	1,529.12	341.52

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 3 NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. Fully paid Ordinary / Equity shares/Share in LLP - Unquoted - at cost			
(i). Subsidiaries			
88,000 (88,000) Caplin Point Far East Limited, (Hong Kong) of HKD 1/- each	7.68	7.68	-
218,182 (131,719) Caplin Point laboratories Colombia, SAS, (Colombia) of COP 1,000/- each	47.27	26.64	-
Argus Salud Pharma LLP 99.90% (99.90%) of capital contribution and 99.90% (99.90%) share of profit	99.00	99.00	99.00
(ii) Others			
20 (20) shares of The Chennai Industrial Co-operative Analytical Laboratory Ltd of ₹ 10/- each fully paid up	0.10	0.10	0.10
26,800 (26,800) shares of The Catholic Syrian Bank Ltd of ₹ 10/- each fully paid up	29.17	29.17	29.17
Maris Power Trading Company LLP (26% of the total Capital of 1 Lakhs)	0.26	0.26	0.26
B. Fully paid Ordinary / Equity shares - Quoted - fair value through profit or loss account			
2,000 (2,000) shares of Karnataka Bank Ltd of ₹10/- each fully paid up	2.40	2.40	2.40
4,800 (4,800) shares of Indian Overseas Bank of ₹ 10/- each fully paid up	1.15	1.15	1.15
700 (700) shares of Bank of India of ₹ 10/- each fully paid up	0.32	0.32	0.32
C. Other Investments - Quoted - at fair value through profit or loss (i)			
Investment in Mutual Fund	4,111.48	1,290.99	10.50
Total	4,298.83	1,457.71	142.90

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Units	Amount ₹ in lakhs	Unit	Amount ₹ in lakhs	Unit	Amount ₹ in lakhs
Birla Dynamic Bond Fund - Growth	-	-	8,02,687	234.95	-	-
HDFC Banking and PSU Debt Fund - Regular Growth	58,51,329	822.61	58,51,329	773.25	-	-
HDFC Corporate Debt Opp Fund - Regular Growth	20,08,345	289.42	20,08,345	272.29	-	-
HDFC Regular Savings Fund - Regular Growth	15,95,950	549.55	-	-	-	-
ICICI Prudential Corporate Bond Fund - Growth - Direct	5,58,707	158.06	-	-	-	-
ICICI Prudential Short Term - Growth	16,94,334	613.56	-	-	-	-
Kotak Flexi Debt - Regular Plan - Growth	27,39,947	610.79	-	-	-	-
Reliance Corporate Bond Fund - Growth - Direct	16,65,340	233.37	-	-	-	-
Reliance Corporate Bond Fund - Growth	3,86,872	56.02	-	-	-	-
Reliance Short Term Fund - Growth	17,26,439	563.73	-	-	-	-
Tata Short Term Bond Fund - Growth - Direct	3,03,518	101.78	-	-	-	-
UTI-Income Opportunities Fund - Growth - Direct	6,04,727	102.10	-	-	-	-
Axis Triple Advantage fund - equity	1,00,000	10.00	1,00,000	10.00	1,00,000	10.00
Franklin India Flexi Cap fund	5,000	0.49	5,000	0.50	5,000	0.50
Total		4,111.48		1,290.99		10.50

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 3 NON-CURRENT INVESTMENTS (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate book value of quoted investments	4,115.35	1,294.86	14.37
Aggregate Market value of quoted investments	4,115.35	1,294.86	14.37
Aggregate value of un-quoted investments	183.48	162.85	128.53

NOTE 4 LOANS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good			
Security Deposits	50.06	57.98	49.12
Other Deposits	107.66	104.67	94.95
Advances recoverable in cash or kind for the value to be received	-	-	17.01
Advance for Capital expenditure	687.30	265.09	119.62
Advance income tax and Tax deducted at source (Net of Provision for Income Tax) net of MAT credit	203.31	631.67	95.55
Gratuity Fund Net of Provision	62.58	-	-
Total	1,110.91	1,059.41	376.25

NOTE 5 INVENTORIES (Lower of cost or Net realisable value)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials	1,199.47	1,023.78	919.39
Packing Materials	764.82	595.15	427.32
Work-in-Progress	367.08	210.65	245.88
Stock In Trade	103.98	24.07	59.73
Finished Goods	198.37	195.96	137.45
Stores and Spares	211.84	179.88	-
Total	2,845.56	2,229.49	1,789.77

NOTE 6 CURRENT INVESTMENT

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investment in Mutual Fund - fair value through Profit or Loss (Unquoted)	522.26	420.00	-
Total	522.26	420.00	-

FUND NAME	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Units	Amount ₹ in lakhs	Unit	Amount ₹ in lakhs	Unit	Amount ₹ in lakhs
Canara Robeco Savings Plus Fund - Growth	11,70,734	318.28	8,67,217	221.00	-	-
HDFC Liquid Fund - Reg Plan Growth	-	-	6,276	199.00	-	-
Franklin India Short Term Income Plan - Growth	1,392	51.10	-	-	-	-
HDFC Regular Savings Fund - Growth	1,47,588	50.82	-	-	-	-
ICICI Prudential Regular Income Fund - Growth	5,82,069	102.06	-	-	-	-
Total		522.26		420.00	-	-

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 7 TRADE RECEIVABLES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured considered good unless otherwise stated			
- Considered good	8,635.31	320.56	680.27
Total	8,635.31	320.56	680.27

NOTE 8 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash on Hand	9.40	10.75	39.29
Balance with Banks			
- Current accounts	1,129.91	487.97	476.94
In Bank Deposit Accounts			
- Bank Deposit accounts less than 3 months maturity	-	2,197.02	1,994.15
	1,139.31	2,695.74	2,510.38

NOTE 9 OTHER BANK BALANCES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
- Unpaid Dividend account			
In Bank Deposit Accounts	210.46	176.57	154.96
- Bank Deposit accounts maturity (more than 3 months but less than 12 months)	1,478.69	4,793.48	3,811.38
Total	1,689.15	4,970.05	3,966.34

NOTE 10 LOANS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good			
Advances recoverable in cash or kind for the value to be received	526.91	1,455.24	661.07
Export Incentives Receivable	646.84	469.15	794.68
Balance with GST/ Excise/ Sales Tax Authorities	1,173.12	849.56	792.19
Total	2,346.87	2,773.95	2,247.94

NOTE 11 OTHER CURRENT ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest Accrued on Deposits	31.01	263.02	247.48
Total	31.01	263.02	247.48

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 12 SHARE CAPITAL

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
AUTHORISED			
8,50,00,000 equity shares of ₹ 2/- each	1,700.00	1,700.00	1,700.00
(31 March 2017: 8,50,00,000 equity shares of ₹ 2/- each; 1 April 2016 - 1,70,00,000 of ₹10 each)			
ISSUED, SUBSCRIBED AND PAID UP			
7,56,03,500 equity shares of ₹ 2/- each fully paid up	1,512.07	1,511.53	1,511.00
(31 March 2017: 7,55,76,750 equity shares of ₹ 2/- each; 1 April 2016: 1,51,10,000 equity shares of ₹10/- each fully paid up)			
	1,512.07	1,511.53	1,511.00

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

FUND NAME	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of Equity Shares of ₹ 2/- each	Amount	No of Equity Shares of ₹ 2/- each	Amount	No of Equity Shares of ₹ 10/- each	Amount
Equity shares outstanding at the beginning of the Year*	7,55,76,750	1,511.53	7,55,50,000	1511.00	1,51,10,000	1,511.00
Add: Equity shares allotted pursuant to employee stock option plan**	26,750	0.54	26,750	0.53	-	-
Less Equity shares bought back during the Year	-	-	-	-	-	-
Equity shares outstanding at the end of the Year	7,56,03,500	1,512.07	7,55,76,750	1,511.53	1,51,10,000	1,511.00

*With effect from October 20, 2016 the Equity shares of the Company having face value of ₹ 10/- each has been sub divided into 5 shares of ₹ 2/- each

**During the financial year 2017-18 (2016-17), 26,750 (26,750) equity shares under ESOP scheme vested were exercised

b) Rights, preference & restrictions attached to shares

Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one Vote per Share.

The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 12 SHARE CAPITAL (Contd.)

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

Name of Shareholder	As at March 31, 2018 (of ₹ 2/- each)		As at March 31, 2017 (of ₹ 2/- each)		As at March 31, 2016 (of ₹ 10/- each)	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
P. Vijayalakshmi	1,78,80,000	23.65%	1,78,80,000	23.66%	35,76,000	23.66%
C.C. Paarthipan	1,41,46,765	18.71%	1,41,46,765	18.72%	28,29,353	18.73%
P. Ashok Gorkey	90,50,000	11.97%	90,50,000	11.97%	18,10,000	11.98%
P. Vivek Siddarth	90,00,000	11.90%	90,00,000	11.91%	18,00,000	11.91%

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of Shares of ₹ 2/- each	Amount	No of Shares of ₹ 2/- each	Amount	No of Shares of ₹ 10/- each	Amount
Caplin Point Employee Stock Option Plan 2015 (i)	3,20,750	6.43	53,500	1.07	16050	1.61
Caplin Point Employee Stock Option Plan 2017 (ii)	76,500	1.53	-	-	-	-

- (i) (a) The Scheme consists of 3,75,000 equity shares of ₹ 2/- each (ie 75,000 equity shares of ₹ 10/- each as on 1 April, 2016) of which 80,250 shares of ₹ 2/- each granted (ie 16050 shares of ₹ 10 each) as on 1st April 2016.
- (b) During the year ended 31st March 2017, 26,750 shares of ₹ 2/- each, from the above said 80,250 shares were allotted.
- (c) During the year ended 31st March 2018, further 26,750 shares of ₹ 2/- each, from the above said 80250 shares were allotted, and 2,94,000 shares has been further granted.
- (ii) The Scheme consists of 5,00,000 equity shares ₹ 2/- each of which 76,500 granted during the year.

e) Aggregate number of shares issued pursuant to Stock Option Plans of the Company

Particulars	Aggregate No. of Shares
Issued in FY 2015-16	-
Issued in FY 2016-17	26,750
Issued in FY 2017-18	26,750
Total	53,500

- f) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 13 OTHER EQUITY

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Capital Reserve			
Opening and closing balance as per last balance sheet	40.98	40.98	40.98
b) Securities Premium Account			
Opening balance as per last balance sheet	54.25	-	
Add: Additions during the year	54.25	54.25	
Balance at the end of the Year/Period	108.50	54.25	
c) General Reserve			
Opening and closing balance as per last balance sheet	1,128.78	1,128.78	1,128.78
d) Employee Stock Options Outstanding			
- <i>Employee Stock options outstanding</i>			
Opening balance as per last balance sheet	108.55	162.80	
Add: Options granted during the year	1,580.34	-	
Less: Exercised during the year	54.25	54.25	
Less: Lapsed during the year	-	-	
Balance at the end of the Year/Period (A)	1,634.64	108.55	162.80
- <i>Deferred Employees Stock Options Cost</i>			
Opening balance as per last balance sheet	99.50	153.75	
Add: Options granted during the year	1,580.41	-	
Less: Amortised during the year	374.31	54.25	
Balance at the end of the Year/Period (B)	1,305.60	99.50	153.75
(A-B)	329.04	9.05	9.05
e) Surplus in the Statement of Profit & Loss			
Balance at the beginning of the Year	17,250.86	10,855.54	
Add : Profit during the Year	10,231.09	7,031.70	
Final Dividend paid	(1,133.65)	(528.85)	
Tax on Dividend	-	(107.54)	
Balance at the end of the Year/Period	26,348.30	17,250.86	10,855.54
f) Other Comprehensive Income			
i) Actuarial Gain/ (Loss) on employee benefit obligation			
Opening balance as per last balance sheet	16.16	-	
Add/(Less); Additions during the year	76.60	16.16	
Balance at the end of the Year/Period	92.76	16.16	
Total	28,048.36	18,500.08	12,034.35

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 13 OTHER EQUITY (Contd.)

Nature of Reserve

a) Capital Reserve

The Capital Reserve has been created on restructuring of the Capital of the Company under a scheme of amalgamation.

b) Securities Premium

Securities Premium account has been created on issue of shares under employee stock option scheme.

c) General Reserve

The General Reserve is created by time to time transfer of profits from retained earnings for appropriation purposes. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to the statement of profit and loss.

NOTE 14 LONG TERM BORROWINGS

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Secured						
Foreign Currency Term Loan(i)	-		-		102.25	
Loan from others (ii)	53.65	53.65	72.36	72.36	98.11	200.36
Less : Current maturities of long term debt		21.46		24.85		127.28
Total		32.19		47.51		73.08

i) Foreign Currency Term Loan availed is secured by first charge on the plant & machinery of the Company's unit at Gummidipoondi

ii) Obligations under Hire purchase are secured against relevant fixed assets obtained under Hire Purchase Finance

Terms of Repayments

a) Secured Loans from Banks are repayable in equal monthly instalment.

b) Vehicle loans from Banks and other financial institutions are repayable in equal monthly instalments.

c) The rate of interest on vehicle loans vary between 10% to 12% per annum.

NOTE 15 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Straight lining rent liability	-	5.39	8.07
Total	-	5.39	8.07

NOTE 16 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Deferred Tax Liabilities on account of timing differences	2,216.07	1,896.65	1,172.98
b) Deferred Tax Asset on account of timing differences	-	-	-
Total	2,216.07	1,896.65	1,172.98

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 17 OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Govt Grant [Refer Note 2(a)]	237.61	-	-
Others	300.00	-	-
	537.61	-	-

NOTE 18 LONG TERM PROVISIONS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Provision for employee benefits			
Gratuity - net of funded asset	-	39.99	40.34
Total	-	39.99	40.34

NOTE 19 TRADE PAYABLES (REFER NOTE 33)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Payables for Goods and Services	7,289.50	6,600.54	5,300.66
Total	7,289.50	6,600.54	5,300.66

NOTE 20 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long term debt (i)	21.46	24.85	127.28
Statutory Dues payable	112.41	76.15	38.92
Advance received from Customers (interest free)	38.43	1,502.45	5,669.92
Creditors for Capital Goods	882.97	1,157.42	46.30
Unclaimed Dividend (Refer note 48)	210.46	176.57	154.96
Others	0.34	-	-
Total	1,266.07	2,937.44	6,037.38

(i) Current maturities of long-term borrowings represent the amount of loan repayable within one year.

NOTE 21 SHORT TERM PROVISIONS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Employee Benefits	178.36	167.38	81.95
Total	178.36	167.38	81.95

NOTE 22 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products	41,228.34	33,064.52
Other operating revenues		
Export Incentives	1,429.05	1,090.41
Total	42,657.39	34,154.93

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 23 OTHER INCOME

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income	303.62	571.68
Dividend on Non Current investment from subsidiary Company (a)	1,139.50	-
Share of Profit/ (loss) in LLP from Non Current investment from Subsidiary LLP (b)	(27.93)	281.14
Gain on sale of financial instruments	164.31	-
Accrual interest on rent deposit	-	1.56
Fair value gain on financial instruments through profit or loss	173.19	10.49
Foreign exchange, net	564.98	336.29
Govt Grant (c)	6.53	-
Dividend Income	-	0.60
Profit on sale of Assets	-	4.53
Miscellaneous Income	7.13	44.96
Total	2,331.33	1,251.25

(a) Dividend received from Caplin Point Far East Limited, Hong Kong, a Wholly owned subsidiary, on equity shares held by the Company

(b) Share of profit/ (loss) of the Company with respect to 99.90% share in Argus Salud Pharma LLP.

(c) Systematic recognition of Government grant, in the nature of waiver of duty on depreciable tangible assets, over the useful life of the such assets.

NOTE 24 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock	1,798.83	1,346.71
Add : Purchases (Net)	9,398.93	6,899.31
Less Closing Stock	2,176.13	1,798.83
Total	9,021.63	6,447.19

NOTE 25 CHANGES IN INVENTORIES OF FINISED GOODS INCLUDING STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the end of the year		
Work in Progress	367.08	210.65
Finished Goods	198.37	195.94
Stock-in-Trade	103.98	24.07
(A)	669.43	430.66
Inventories at the beginning of the year		
Work in Progress	210.65	245.88
Finished Goods	195.94	137.45
Stock-in-Trade	24.07	24.07
(B)	430.66	407.40
Net (Increase) / Decrease in Inventories (B- A)	(238.77)	(23.26)

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 26 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries,wages, bonus and allowances	2,926.24	2,359.22
Contribution to Provident and Other funds	200.76	296.35
Employee share based expense	374.31	54.25
Staff Welfare Expenses	380.73	348.65
Total	3,882.04	3,058.47

NOTE 27 FINANCE COSTS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense	6.12	12.75
Total	6.12	12.75

NOTE 28 DEPRECIATION AND AMORTISATION

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment (Refer note: 2)	1,862.49	1,303.80
Amortisation of Intangible Assets	36.29	22.19
	1,898.78	1,325.99

NOTE 29 RESEARCH AND DEVELOPMENT EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
R & D Expenses	2,368.14	1,408.83
	2,368.14	1,408.83

NOTE 30 OTHER EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Power and Fuel	1,096.12	985.28
Contract Labour charges	620.31	549.80
Other Manufacturing Expenses	144.06	271.01
Communication Expenses	76.24	62.13
Donations	9.99	10.65
Professional and Consultancy charges	104.96	109.62
Rates & taxes including ANDA Application fees	327.68	221.18

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Subscriptions	2.98	4.86
Travelling Expenses	182.23	222.92
Auditor's Remuneration	16.59	8.78
Insurance	55.14	50.71
Repairs and Maintenance		
a) Plant and Machinery	368.11	375.85
b) Building	77.11	49.27
c) Others	124.22	179.40
Rent & Amenities	105.75	111.67
Freight outwards	194.29	131.92
Bank charges	46.00	37.56
Other Selling Expenses	279.45	404.72
Software maintenance charges	195.53	134.27
Sundry Expenses	190.36	227.01
	4,217.26	4,148.61

NOTE 31 COMMITMENT (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount remaining to be executed on capital contracts	1,613.73	423.78	307.67
Other Commitments (Raw material, Packing Material, Finished Goods, Other services)	4,031.65	4,037.27	1,653.43
Dividend proposed of ₹ 2/- per equity share (Previous Year ₹ 1.50) before the financial statements approved for issue, but not recognised as a liability in the financial statements	1,512.07	1,133.65	528.85

NOTE 32 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

Disputed statutory dues:

Sl No	Name of the statute	Nature of dues	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	Forum where dispute is pending
1	Income Tax Act, 1961	Income tax	264.53	418.17	418.17	High Court / Income Tax Appellate Tribunal/ CIT Appeals
2	Central Excise Act, 1944	Excise Duty	-	4.54	4.54	CESTAT Tribunal/ Department of Revenue, New Delhi

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 33 DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has not received information from Vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amount unpaid as at the Financial Year end together with Interest Paid / Payable under this Act have not been provided.

NOTE 34 BALANCES WITH SCHEDULED BANKS IN DEPOSIT ACCOUNTS INCLUDES:

- (a) Bank Deposit Accounts under Note no: 9 for the current year include ₹485.68 lakhs earmarked as lien towards Margin for Letter of Credit and Bank Guarantee (as at 31.03.2017 ₹ 1280.91 lakhs, as at 1.04. 2016 ₹ 81.09 lakhs).

NOTE 35 BALANCE WITH NON SCHEDULED BANKS

Details of balances kept with non-scheduled banks as on balance sheet dates and the maximum balances kept with non-scheduled banks during the Financial Year are as follows:

Current Accounts in Foreign Currency	Balances as at			Maximum Balance during the Financial Year ended	Maximum Balance during the Financial Year ended	Maximum Balance during the Financial Year ended
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2018	March 31, 2017	April 01, 2016
China Citic Bank	0.78	4.89	9.92	17.58	15.41	17.61

NOTE 36

The Company had revalued the land, where the factory/office building is situated, during the period ended June 30, 2008 to the extent of ₹ 439.36 Lakhs and the gain on the revaluation of land to the extent of ₹ 373.38 Lakhs was credited to the Revaluation Reserve and such gain available in revaluation reserve account has been transferred to Retained earnings account.

NOTE 37 EMPLOYEE BENEFITS

(i) Defined Contribution Plan:

The Company makes monthly contribution for qualifying employees towards provident / retirement fund administered and managed by the Government of India under defined contribution plans .

The Company recognized ₹ 159.72 lakhs (previous year ₹ 132.20 lakhs) towards provident and pension fund contributions in the Statement of Profit and Loss.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 37 EMPLOYEE BENEFITS (Contd.)

(ii) Defined Benefit Plan:

The Company makes contributions to the group gratuity scheme administered by the LIC, a funded defined benefit plan for qualifying employees.

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

Particulars	As at March 31, 2018	As at March 31, 2017
i) Reconciliation in present value of obligations ('PVO') - defined benefit obligation:		
Current service cost	56.14	129.20
Past service cost	-	-
Interest cost	21.17	12.46
Actuarial loss/ (gain)		
- Due to demographic assumption	-	-
- Due to finance assumption	-	-
- Due to experience assumption	(71.22)	(15.30)
Benefits paid	(5.99)	(1.33)
PVO at the beginning of the year	226.80	101.76
PVO at the end of the year	226.90	226.79
ii) Change in fair value of plan assets:		
Expected return on plan assets	17.81	9.27
Interest Income	1.75	1.33
Contribution by the employer	89.11	116.11
Benefits paid	(5.99)	(1.33)
Fair Value of the plan assets at the beginning of the year	186.80	61.42
Fair Value of the plan assets at the end of the year	289.48	186.80
iii) Reconciliation of PVO and fair value of plan assets:		
PVO at the end of the year	226.90	226.79
Fair Value of plan assets at the end of the year	289.48	186.80
Funded status	62.58	(39.99)
Un recognised actuarial gain/ (loss)	-	-
Net Asset/(liability) recognised in the balance sheet	62.58	(39.99)
iv) Expense recognised in the Statement of Profit and Loss:		
Current Service cost	56.14	129.21
Past Service cost	-	-
Interest cost	3.36	3.20
Total expense recognised in the Statement of Profit and loss	59.50	132.41
v) Other Comprehensive Income:		
Actuarial loss/ (gain)		
- Due to demographic assumption	-	-
- Due to finance assumption	-	-
- Due to experience assumption	(71.22)	(15.30)
Return on plan assets excluding net interest	(1.75)	(1.33)
Total amount recognised as OCI	(72.97)	(16.63)

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 37 EMPLOYEE BENEFITS (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017
vi) Category of assets as at the end of the year:		
Insurer Managed Funds (100%)	289.48	186.80
(Fund is managed by Life Insurance Corporation of India as per IRDA guidelines, category-wise composition of the plan assets is not available)		
vii) Actual Return on plan Assets:	19.56	10.60
viii) Assumption used in accounting for the gratuity plan		
Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2006-08	
Discount Rate (%)	7.71	7.80
Salary Escalation Rate	5	5
Employee Attrition Rate (%)	2	2

NOTE 38 INCOME TAXES:

a) Tax expenses recognised in statement of profit and loss:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Tax Expense for the year	4,054.79	1,502.48
Deferred income tax liability/ (asset), net	319.42	723.65
Tax expense for the year	4,374.21	2,226.13

b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before Tax	14,605.30	9,257.83
Tax using the Company's domestic tax rate	5,054.89	3,204.13
(March 31, 2018: 34.61%, March 31, 2017: 34.61%)		
Tax effect of :		
Incremental deduction allowed for Research and Development costs	(873.90)	(1,603.83)
Impact of foreign dividend taxed at special rate	(197.25)	-
Tax on on share of income in LLP exempted/ (loss disallowed)	9.67	(97.30)
Tax incentive on additional employment	(25.96)	(8.87)
Tax impact on fair value of Mutual fund	(59.88)	-
Tax impact - timing difference on R&D capital asset, book and tax depreciation and others	466.63	732.00
Current and Deferred Tax expenses as per note (a) above	4,374.21	2,226.13

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 38 INCOME TAXES (Contd.)

c) Movement in deferred tax balances

Particulars	As at 01.04.2017			As at 31.03.2018	
	Deferred tax asset	Deferred tax liability	Recognised in statement of profit or loss	Deferred tax asset	Deferred tax liability
Property, plant and equipment	-	1,896.65	319.42	-	2,216.07
Total	-	1,896.65	319.42	-	2,216.07

NOTE 39 REMUNERATION TO MANAGING DIRECTOR/WHOLE-TIME DIRECTORS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries	98.66	55.65
Contribution to provident and other funds	0.58	0.45
Employee stock option benefits granted as debited to P&L account	54.25	54.25
Total *	153.49	110.35

* Refer note 49 (c)

NOTE 40 OPERATING LEASES

Operating lease commitments - Company as lessee

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable / cancellable at the option of either of the parties.

There are no sub-leases. There are no restrictions imposed by lease arrangements. The aggregate amount of operating lease payments (includes R&D unit) recognised in the Statement of Profit and Loss is ₹ 114.85 Lakhs (Previous Financial Year ₹ 118.48 Lakhs).

The Company has entered into long term leasing arrangements for land which are in the nature of finance lease. These arrangements do not involve any material recurring payments.

NOTE 41 RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Capital expenditure included in Fixed Assets	1,001.00	1,624.05
Revenue expenditures incurred during the Financial Year	2,368.14	1,408.83

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
For Statutory Audit	9.00	5.00
For Tax Audit	3.50	3.50
For Others	4.09	0.28
Total	16.59	8.78

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 43 CIF VALUE OF IMPORTS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw materials, Stock in Trade and Finished Goods	5,363.45	6,772.63
Capital Goods	1,045.13	1,084.76

NOTE 44 EARNINGS IN FOREIGN EXCHANGE (ON ACCRUAL BASIS)

FOB Value of Exports – ₹ 40,990.23 Lakhs. (Previous Financial year – ₹ 32,561.26 Lakhs)

NOTE 45 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

(a)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Travelling Expenses	56.59	101.82
Salaries	43.36	65.80
Rent	5.26	4.93
Commission on export sales	161.00	328.00
Rates and Taxes	274.48	182.00
Other Expenses	27.26	69.31
Total	567.95	751.86

(b) Dividend payment in foreign currency paid during the Financial Year ₹ 5.22 Lakhs –(Previous Financial year ₹ 2.72 Lakhs)

NOTE 46 VALUE OF CONSUMPTION OF IMPORTED AND INDIGENOUS MATERIALS AND COMPONENTS

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	₹ in Lakhs	%	₹ in Lakhs	%
Imported	265.39	2.94%	163.19	2.53%
Indigenous	8,756.24	97.06%	6,284.00	97.47%
Total	9,021.63	100%	6,447.19	100%

NOTE 47 EARNINGS PER SHARE IS CALCULATED AS UNDER

Basic

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Profit attributable to Equity Shareholders (₹ in Lakhs)	10,307.69	7,047.86
Weighted average number of equity shares of ₹2/- each outstanding during the year (in Nos.)	7,55,81,208	7,55,53,591
Earnings per share (in ₹)	13.64	9.30

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 47 EARNINGS PER SHARE IS CALCULATED AS UNDER (Contd.)

Diluted

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Profit attributable to Equity Shareholders (₹ in Lakhs)	10,307.69	7,047.86
Weighted average number of equity shares of ₹2/- each outstanding during the year (in Nos.)	7,59,59,945	7,56,06,569
Earnings per share (in ₹)	13.57	9.30

NOTE 48 AMOUNT DUE TO INVESTOR EDUCATION AND PROTECTION FUND

The due amount of ₹8.71 lakhs were duly credited to investor education and protection fund during the year and there is no outstanding due in this regard as of end of the Financial Year.

NOTE 49 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW.

(a) Related parties and nature of relationship

Name of the Related parties	Nature of Relationship	Percentage of Shares held by Caplin point laboratories limited as at March 31, 2018	Percentage of Shares held by Caplin point laboratories limited as at March 31, 2017
Mr. Vivek Siddharth,	Relative of Chairman	Not Applicable	Not Applicable
Argus Salud Pharma LLP	Wholly owned subsidiary LLP	99.90%	99.90%
Caplin Point Laboratories Colombia SAS, (Colombia)	subsidiary Company	62.12%	56.35%
Caplin Point Far East Limited, (Hong Kong)	Wholly owned subsidiary Company	100%	100%

(b) Key managerial personnel

Dr. Sridhar Ganesan	– Managing Director from 28.03.2015
Dr. B. Philip Ashok Karunakaran	– Whole Time Director from 07.08.2017
Mr. M Jayapal	– Whole Time Director retired on 28.03.2018
Mr. D.P.Mishra	– Whole Time Director upto 30.04.2016
Mr. D Muralidharan	– Chief Financial Officer from 19-02-2016
Mr. Vinod Kumar S	– Company Secretary from 13-04-2015

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 49 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW. (Contd.)

(c) Details of Transactions that have taken place during the Financial Year with Key Management Personnel:

Category	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration*		
Salary paid to Mr.Vivek Siddharth	18.77	19.22
Salary paid to Dr. Sridhar Ganesan (i)	111.14	102.87
Salary paid to Dr. B. Philip Ashok Karunakaran (ii)	34.03	-
Salary paid to Mr. M Jayapal (iii)	8.32	6.93
Salary paid to Mr. D.P.Mishra (iv)	-	0.55
Salary paid to Mr. D Muralidharan	20.00	20.00
Salary paid to Mr. Vinod Kumar S	7.21	6.10

* Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

- (i) Includes stock compensation expense of ₹ 54.25 Lakhs and ₹ 54.25 Lakhs for the year ended March 31, 2018 and For year ended March 31, 2017, respectively.
- (ii) Mr. Dr. B. Philip Ashok Karunakaran has been appointed as Whole-time Director w.e.f. 07.08.2017
- (iii) Mr. M Jayapal, Whole Time Director retired on 28.03.2018
- (iv) Mr. D. P. Mishra stepped down from the position of Whole-time Director w.e.f. 01.05.2016 and continues to be a Non Executive, Non independent Director.

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

Category	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchases from Argus Salud Pharma LLP	-	111.21
Sales to Argus Salud Pharma LLP	-	490.34
Share of profit (Loss) in Argus Salud Pharma LLP	(27.93)	281.14
Investment in Caplin point Laboratories Colombia SAS	20.63	26.64
Investment in Caplin point Far East Limited	-	7.68

(e) Outstanding Balances

Particulars	As at March 31, 2018	As at March 31, 2017
Amount receivable (Dr) / Payable(Cr) from Argus Salud Pharma LLP	26.86 Cr	463.24 Dr

NOTE 50

Total Share Capital of Argus Salud Pharma LLP is ₹99.10 Lakhs (₹99.10 Lakhs) out of which 99.90% of shares is held by the Company and 0.10% is held by May India Property Private Limited and their profit sharing ratio is 99.90% and 0.10% respectively (Previous year 99.90% and 0.10% respectively).

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 51 FINANCIAL INSTRUMENTS:

Financial Instruments - Fair value and risk management

A. Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

As at 31 March 2018	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non - Current Investments - others (1)	29.53	-	29.53	-	-	29.53	29.53
Non - Current Investments - Mutual fund and equity	4,115.35	-	4,115.35	-	4,115.35	-	4,115.35
Non - Current Loans							
- Security Deposit	-	50.06	50.06	-	-	-	-
- Others	-	107.66	107.66	-	-	-	-
Current Investments	522.26	-	522.26	-	522.26	-	522.26
Trade Receivable	-	8,635.31	8,635.31	-	-	-	-
Current Loans	-	2,346.87	2,346.87	-	-	-	-
Cash and Cash Equivalents	-	1,139.31	1,139.31	-	-	-	-
Other Bank Balances	-	1,689.15	1,689.15	-	-	-	-
Total	4,667.14	13,968.36	18,635.50	-	4,637.61	29.53	4,667.14
Financial Liabilities							
Non - Current Borrowings	-	32.19	32.19	-	-	-	-
Current borrowing	-	21.46	21.46	-	-	-	-
Trade Payables	-	7,289.50	7,289.50	-	-	-	-
Other Current Liabilities	-	1,244.61	1,244.61	-	-	-	-
Total	-	8,587.76	8,587.76	-	-	-	-

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 51 FINANCIAL INSTRUMENTS (Contd.)

As at 31 March 2017	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non - Current Investments - others (1)	29.53	-	29.53	-	-	29.53	29.53
Non - Current Investments - Mutual fund and equity	1,294.86	-	1,294.86	-	1,294.86	-	1,294.86
Non - Current Loans							
- Security Deposit		57.98	57.98	-	-	-	-
- Others		104.67	104.67	-	-	-	-
Current Investments	420.00	-	420.00	-	420.00	-	420.00
Tarde Receivable	-	320.56	320.56	-	-	-	-
Current Loans		2,773.95	2,773.95	-	-	-	-
Cash and Cash Equivalents	-	2,695.74	2,695.74	-	-	-	-
Other Bank Balances	-	4,970.05	4,970.05	-	-	-	-
Total	1,744.39	10,922.95	12,667.34	-	1,714.86	29.53	1,744.39
Financial Liabilities							
Non - Current Borrowings	-	47.51	47.51	-	-	-	-
Other Non- Current Financial Liability	-	5.39	5.39	-	-	-	-
Current borrowing	-	24.85	24.85	-	-	-	-
Trade Payables	-	6,600.54	6,600.54	-	-	-	-
Other Current Liabilities	-	2,912.58	2,912.58	-	-	-	-
Total	-	9,590.87	9,590.87	-	-	-	-

As at 1 April 2016	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non - Current Investments - others (1)	29.53	-	29.53	-	-	29.53	29.53
Non - Current Investments - Mutual fund and equity	14.37	-	14.37	-	14.37	-	14.37
Non - Current Loans							
- Security Deposit		49.12	49.12	-	-	-	-
- Others		94.95	94.95	-	-	-	-
Current Investments	-	-	-	-	-	-	-
Tarde Receivable	-	680.27	680.27	-	-	-	-
Current Loans	-	2,247.94	2,247.94	-	-	-	-
Cash and Cash Equivalents	-	1,528.28	1,528.28	-	-	-	-
Other Bank Balances	-	4,948.44	4,948.44	-	-	-	-
Total	43.90	9,549.00	9,592.90	-	14.37	29.53	43.90
Financial Liabilities							
Non - Current Borrowings	-	73.08	73.08	-	-	-	-
Current borrowing	-	127.28	127.28	-	-	-	-
Other Financial liability	-	8.07	8.07	-	-	-	-
Trade Payables	-	5,300.66	5,300.66	-	-	-	-
Other Current Liabilities	-	5,910.10	5,910.10	-	-	-	-
Total	-	11,419.19	11,419.19	-	-	-	-

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

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 51 FINANCIAL INSTRUMENTS (Contd.)

B. Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

Type	Valuation Technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Non - Current Financial Assets (other than investments in mutual fund) and Liability measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt / payment discounted using appropriate discounting rate	Not applicable	Not applicable

C. Financial risk management:

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management framework. The Company's risk management policies are established to set appropriate risk limits and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market condition and the Company's activities. The Company through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. Credit Risk:

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of business.

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants the credit terms in the normal course of business.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 51 FINANCIAL INSTRUMENTS (Contd.)

Summary of the Company's exposure to credit	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Neither past due nor impaired	8,635.31	320.56	680.27
Total	8,635.31	320.56	680.27

Expected credit loss assessment

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

Exposures to the customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses, if any. Historical trends of impairment of trade receivables reflects no credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of "no credit loss" to continue.

No allowance for impairment in respect trade and other receivables was provided during the year and immediate preceding year.

Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹ 1139.31 lakhs (31.03.2017 ₹ 2695.74 lakhs, 1.04.2016 ₹ 1528.28 lakhs). The cash and cash equivalents are held with banks with good credit rating.

Other Bank balances

Other bank balances are held with bank with good credit rating.

Investment in mutual funds

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non - performance by these counter-parties.

Other financial asset

Other financial assets are neither past due nor impaired.

ii. Liquidity risk

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

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

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 51 FINANCIAL INSTRUMENTS (Contd.)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2018	Carrying amount	Contractual cash flow					
		Total	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years
Non - derivative financial liabilities							
Non - current borrowing	32.19	32.19	-	20.15	12.04	-	-
Interest Payable	-	8.02	4.30	2.73	0.99	-	-
Current borrowings	21.46	21.46	21.46	-	-	-	-
Trade payables	7,289.50	7,289.50	7,289.50	-	-	-	-
Other current Financial Liabilities	1,244.61	1,244.61	1,244.61	-	-	-	-
Total	8,587.76	8,595.78	8,559.87	22.88	13.03	-	-

As at 31 March 2017	Carrying amount	Contractual cash flow					
		Total	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years
Non - derivative financial liabilities							
Non - current borrowing	47.51	47.51	-	15.32	20.15	12.04	-
Interest Payable	-	14.14	6.12	4.30	2.73	0.99	-
Other Non -current financial liability	5.39	5.39	-	-	-	-	-
Current borrowings	24.85	24.85	24.85	-	-	-	-
Trade payables	6,600.54	6,600.54	6,600.54	-	-	-	-
Other current Financial Liabilities	2,912.58	2,912.58	2,912.58	-	-	-	-
Total	9,590.87	9,605.01	9,544.09	19.62	22.88	13.03	-

As at 1 April 2016	Carrying amount	Contractual cash flow					
		Total	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years
Non - derivative financial liabilities							
Non - current borrowing	73.08	73.08	-	25.57	15.32	20.15	12.04
Interest Payable	-	26.89	12.75	6.12	4.30	2.73	0.99
Other Non -current financial liability	8.07	8.07	8.07	-	-	-	-
Current borrowings	127.28	127.28	127.28	-	-	-	-
Trade payables	5,300.66	5,300.66	5,300.66	-	-	-	-
Other current Financial Liabilities	5,910.10	5,910.10	5,910.10	-	-	-	-
Total	11,419.19	11,446.08	11,358.86	31.69	19.62	22.88	13.03

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 51 FINANCIAL INSTRUMENTS (Contd.)

iii) Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivable and payable. We are exposed to market risk primarily related to foreign exchange rate risk as the Company's product is exported to various countries and a certain portion of its export is sourced through import. Thus our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Company does not use any derivative to manage market risk since certain degree of a natural hedge available in the form of foreign currency realised from exports are paid against imports.

Currency risk

The Company is exposed to currency risk on account of its export and import of pharmaceuticals and import of raw material, capital goods, etc. The functional currency of the Company is Indian Rupee, whereas majority of its export and imports are settled through USD(\$).

Exposure to Currency risk

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	USD in Lakhs	₹ in Lakhs	USD in Lakhs	₹ in Lakhs	USD in Lakhs	₹ in Lakhs
Export Debtors	133.25	8,635.31	4.94	320.59	10.23	679.14
Cash and cash equivalents	6.54	425.46	3.90	252.65	0.50	32.88
Total	139.79	9,060.77	8.84	573.24	10.73	712.02
Foreign Currency Term Loan	-	-	-	-	1.54	102.25
Creditors and Advance from Customers	18.51	1,203.50	64.21	4,163.08	107.09	7,126.11
Total	18.51	1,203.50	64.21	4,163.08	108.63	7,228.36
Net statement of financial position exposure	121.28	7,857.27	(55.37)	(3,589.84)	(97.90)	(6,516.34)

Sensitivity analysis

A reasonable strengthening /weakening of the Indian Rupee against US dollars as at March 31 would affect 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.

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the profit before taxes by approximately ₹ 785.72 Lakhs for the year ended March 31, 2018 (₹ 358.98 Lakhs for the year ended March 31, 2017)

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 51 FINANCIAL INSTRUMENTS (Contd.)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/ borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

As on 31 March 2018 and 31 March 2017, the Company has not availed any long term borrowings except for loans on certain vehicles on fixed rate basis. Further, the Company has not availed any fund based working capital lines.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect profit or loss.

Commodity rate risk

The Company's operating activity involve purchase of Active Pharmaceutical Ingredients (API) and other direct materials, whose prices are exposed to the risk of fluctuation over short period of time. The commodity price risk exposure is evaluated and managed through procurement and other related operating policies. As on 31 March 2018, 31 March 2017, 1 April 2016, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

NOTE 52 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on the capital as well as the level of dividends to ordinary shareholders.

As on date the Company has no borrowings except for certain vehicle loans.

NOTE 53 FIRST TIME ADOPTION TO IND AS

Transition to Ind AS:

For the purposes of reporting as set out in Note 1B(a), the Company has transitioned basis of accounting from Indian generally accepted accounting principles ['IGAAP'] to Ind AS. The accounting policies set out in Note 1B have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in preparation of an opening Ind AS balance sheet as at 1 April 2016.

In preparing opening Ind AS balance sheet, the Company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. On transition, the Company did not revise estimates previously made under IGAAP except where required by Ind AS.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 53 FIRST TIME ADOPTION TO IND AS (Contd.)

A. Reconciliation of Equity reported

Particulars	Footnote ref	As at March 31, 2017	As at April 1, 2016
Equity Reported under IGAAP		19,955.00	12,813.85
Summary of Ind AS adjustments			
Proposed dividend	1	-	528.85
Tax on proposed dividend	1	-	107.54
Gain on fair value of investments	2	10.49	(0.20)
Impact on rent straight lining	3	(5.39)	(8.07)
Accrual interest on rent deposit	4	1.56	-
Amortization of rent deposit	4	(1.64)	-
Fair value of Gratuity - Fund asset	5	62.23	142.90
Deferred Tax impact on above	6	(10.64)	(39.52)
		20,011.61	13,545.35

B. Reconciliation of Total Comprehensive income

Particulars	Footnote ref	For the year ended March 31, 2017
Net profit reported under IGAAP		7086.32
Summary of Ind AS adjustments		
Fair Value measurement of Mutual fund	2	10.49
Impact of rent straight lining	3	2.68
Fair value Adjustment of Rental Deposits	4	(0.08)
Actuarial (gain) / Loss on employee defined benefit funds recognised in Other Comprehensive Income	5	(16.16)
Fair value measurement impact of Gratuity fund asset	5	(80.44)
Deferred Tax	6	28.89
Net Profit as per Ind AS		7031.70
Other Comprehensive Income	5	16.16
Total Comprehensive Income under Ind AS		7047.86

C. Reconciliation of statement of Cash Flows

There were no material differences between the Statement of Cash Flows presented under Ind AS and under IGAAP.

Notes to the reconciliation:

1. Proposed Dividend

Under previous GAAP, proposed dividend are recognised in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

Notes to the Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 53 FIRST TIME ADOPTION TO IND AS (Contd.)

2. Fair valuation of mutual fund investment

Under previous GAAP, mutual fund investments were carried at cost and only mark to market losses were recognised in Statement of Profit and Loss. Under Ind AS, mutual fund investments are fair valued at the period end and resulting mark to market loss or gain is transferred to Statement of Profit and Loss.

3. Lease rent straight lining impact

Lease rentals straight-lined under previous GAAP, to the extent linked to inflation are (created)/reversed under Ind AS 17.

4. Fair valuation of non-current security deposits

Under previous GAAP, security deposits are carried at their book values. Under Ind AS, non-cancellable deposits (other than statutory in nature) are required to be measured at their fair values at inception using an appropriate discounting rate.

5. Fair value of Gratuity Asset

Fair value impact of Gratuity Asset under Ind AS has been accounted for.

6. Deferred Tax impact

Deferred tax impact on account of Ind AS transition as discussed above has been accounted under deferred tax.

NOTE 54

The Company operates in one segment only viz., pharmaceutical formulations.

NOTE 55

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatories to Notes 1 to 55

As per our report of even date attached

for **CNGSN & Associates LLP**

Chartered Accountants

Firm Registration No : 4915S/ S200036

B. Ramakrishnan

Partner

ICAI Membership No. 201023

Place : Chennai

Date : May 28, 2018

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

C. C. Paarthipan

Chairman

Muralidharan D

Chief Financial Officer

Dr. Sridhar Ganesan

Managing Director

Vinod Kumar S

Company Secretary

Independent Auditor's Report

To
The Members
Caplin Point Laboratories Limited, Chennai

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Caplin Point Laboratories Limited ("the Holding Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose

of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) and 143(11) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, its consolidated profit (including other comprehensive income), its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Other Matter

The accompanying consolidated financial statements include total assets of ₹ 8,964.77 Lakhs as at 31st March 2018 and total revenue of ₹ 10,261.99 Lakhs and net profit of ₹ 4,247.68 Lakhs for the year ended on that date, in respect of two subsidiaries, which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, our report in terms of sub-sections(3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is in respect of the above matters with respect to our reliance on the work done by us.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards

prescribed under Section 133 of the Act.

- e. On the basis of the written representations received from the directors of the Holding Company and its subsidiary which is incorporated in India, as on 31 March 2018 and taken on record by the Board of Directors of respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the audit report of the subsidiary companies incorporated in India.
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note 32 to the consolidated Ind AS financial statements;
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India during the year ended 31 March 2018; and

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

B. Ramakrishnan

Partner

Membership No: 201023

Place : Chennai

Date : May 28, 2018

Annexure A to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of the Caplin Point Laboratories Limited ("the Company" or "the Holding Company") and its subsidiaries which are incorporated in India as of 31 March 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiary which is incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note")

issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 Holding Company's and its subsidiary, which is incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. ICAI.

for **M/s CNGSN & ASSOCIATES LLP**

CHARTERED ACCOUNTANTS

Firm Registration No: 004915S/S200036

B. Ramakrishnan

Partner

Membership No: 201023

Place : Chennai

Date : May 28, 2018

Consolidated Balance Sheet as at March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	2	16,741.82	15,046.06	14,362.85
(b) Capital work-in-progress		1,529.12	341.52	23.21
(c) Other Intangible assets		206.51	137.23	60.22
(d) Financial Assets				
(i) Investments	3	4,144.88	1,324.39	43.90
(ii) Loans	4	1,123.19	1,066.80	391.12
Sub-total-Non current assets		23,745.52	17,916.00	14,881.30
(2) Current Assets				
(a) Inventories	5	2,845.56	2,229.49	1,881.49
(b) Financial Assets				
(i) Investments	6	522.26	420.00	-
(ii) Trade Receivables	7	12,588.15	3,302.48	794.53
(iii) Cash and Cash equivalents	8	6,237.66	4,336.92	1,579.46
(iv) Bank balances other than (iii) above	9	1,690.20	4,970.56	5,230.72
(c) Loans	10	2,384.61	2,399.72	2,094.61
(d) Other Current Assets	11	31.06	263.03	252.12
Sub-total-Current assets		26,299.50	17,922.20	11,832.93
Total		50,045.02	35,838.20	26,714.23
Equity and Liabilities				
(1) Equity				
Equity Share capital	12	1,512.07	1,511.53	1,511.00
Other Equity	13	34,871.08	20,964.78	12,034.27
Equity attributable to shareholders of the company		36,383.15	22,476.31	13,545.27
Non controlling interest		9.04	36.22	27.09
Sub-total-Total Equity		36,392.19	22,512.53	13,572.36
(2) Liabilities				
(A) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	32.19	47.51	73.08
(ii) Other financial liabilities	15	-	5.39	8.07
(b) Deferred Tax Liabilities (Net)	16	2,216.07	1,896.65	1,172.98
(c) Other Long term liabilities	17	537.61	-	-
(d) Provisions	18	-	39.99	40.34
Sub-total-Non current liabilities		2,785.87	1,989.54	1,294.47
(B) Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	19	9,422.53	7,860.04	5,724.07
(ii) Other Current Liabilities	20	1,266.07	3,308.71	6,038.99
(b) Provisions	21	178.36	167.38	84.34
Sub-total-Current liabilities		10,866.96	11,336.13	11,847.40
Total		50,045.02	35,838.20	26,714.23

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

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

B. Ramakrishnan
Partner
ICAI Membership No. 201023

Place : Chennai
Date : May 28, 2018

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

C. C. Paarthipan
Chairman

Muralidharan D
Chief Financial Officer

Dr. Sridhar Ganesan
Managing Director

Vinod Kumar S
Company Secretary

Consolidated Statement of Profit and Loss for the financial year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I. INCOME			
(a) Revenue from Operations	22	53,984.20	40,164.85
(b) Other income	23	1,266.52	995.53
Total Income		55,250.72	41,160.38
II. EXPENSES			
(a) Cost of Materials Consumed	24	9,021.63	6,477.70
(b) Purchases of Stock-in-Trade		15,035.10	11,999.93
(c) Changes in inventories of Finished Goods including Stock-in-Trade and Work-in-Progress	25	(238.77)	15.25
(d) Employee benefits expense	26	3,914.27	3,081.42
(e) Finance costs	27	6.12	12.75
(f) Depreciation and Amortisation Expenses	28	1,899.50	1,329.84
(g) Research and Development Expenses	29	2,368.14	1,408.83
(h) Other expenses	30	4,406.90	4,739.96
Total Expenses		36,412.89	29,065.68
III. Profit before exceptional items and tax		18,837.83	12,094.70
IV. Exceptional Items		-	-
V. Profit before tax		18,837.83	12,094.70
VI. Provision for taxation			
- Current Tax		4,054.91	2,255.70
- MAT Credit Entitlement			(434.94)
- Deferred tax (Benefits)/Charge		319.42	723.65
VII. Profit After Tax for the Year		14,463.50	9,550.29
VIII. Other comprehensive income (net of tax) - Items that will not be reclassified to profit or loss:			
(i) Remeasurement of Defined Benefit Plans		76.60	16.16
IX. Total comprehensive income for the Year		14,540.10	9,566.45
X. Profit attributable to:			
Owners of the Company		14,478.77	9,561.24
Non - Controlling Interests		(15.27)	(10.95)
		14,463.50	9,550.29
XI. Total Comprehensive Income For the Year attributable to :			
Owners of the Company		14,555.37	9,577.40
Non - Controlling Interests		(15.27)	(10.95)
		14,540.10	9,566.45
Earning per share (Nominal Value per share ₹ 2/-)			
Basic EPS		19.26	12.65
Diluted EPS		19.16	12.65

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

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

B. Ramakrishnan
 Partner
 ICAI Membership No. 201023

Place : Chennai
 Date : May 28, 2018

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

C. C. Paarhipan
 Chairman

Muralidharan D
 Chief Financial Officer

Dr. Sridhar Ganesan
 Managing Director

Vinod Kumar S
 Company Secretary

Statement of Changes In Equity for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

A. EQUITY SHARE CAPITAL (Refer Note 12)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT ₹ in lakhs	NO OF EQUITY SHARES of ₹ 2/- each	AMOUNT ₹ in lakhs	NO OF EQUITY SHARES of ₹ 10/- each	AMOUNT ₹ in lakhs
Balance at the beginning of the reporting year	7,55,76,750	1,511.53	7,55,50,000	1511.00	1,51,10,000	1,511.00
Changes in equity share capital during the year	26,750	0.54	26,750	0.53	-	-
Balance at the end of the reporting year	7,56,03,500	1,512.07	7,55,76,750	1,511.53	1,51,10,000	1,511.00

B. OTHER EQUITY (Refer Note 13)

Particulars	Reserves and Surplus							Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Revaluation Reserve	Employee Stock Option Outstanding (Net)	Foreign Exchange Translation Reserve	Retained Earnings	
Balance as at 1 April 2016 (Refer Note 48)	40.98	-	1,128.78	-	9.05	-	10,855.46	12,034.27
Profit for the year							9,550.29	9,550.29
Dividend on equity shares							(528.85)	(528.85)
Corporate Tax on dividend							(107.54)	(107.54)
Movement in the comprehensive income for the year - actuarial gain/(loss) on employee benefit obligation							16.16	16.16
Movement in Foreign Exchange Translation Reserve						(64.75)		(64.75)
Movement in security premium		54.25						54.25
Add/ (Transfer) to non-controlling interest							10.95	10.95
Balance as at 31 March 2017	40.98	54.25	1,128.78	-	9.05	(64.75)	19,796.47	20,964.78
Profit for the year							14,463.50	14,463.50
Dividend on equity shares							(1,133.65)	(1,133.65)
Movement in the comprehensive income for the year - actuarial gain/(loss) on employee benefit obligation							76.60	76.60
Movement in Foreign Exchange Translation Reserve						110.34		110.34
Movement in security premium		54.25						54.25
Share- based payment expenses (Net)					319.99			319.99
Add/ (Transfer) to non-controlling interest							15.27	15.27
Balance as at 31 March 2018	40.98	108.50	1,128.78	-	329.04	45.59	33,218.19	34,871.08

As per our report of even date attached

for **CNGSN & Associates LLP**
Chartered Accountants
Firm Registration No : 49155/ S200036

B. Ramakrishnan
Partner
ICAI Membership No. 201023

Place : Chennai
Date : May 28, 2018

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

C. C. Paarthipan
Chairman

Muralidharan D
Chief Financial Officer

Dr. Sridhar Ganesan
Managing Director

Vinod Kumar S
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash Flow from Operating Activities		
Profit before tax	18,837.83	12,094.70
Adjustments for:		
Depreciation and Amortisation	1,899.50	1,329.84
Finance costs	6.12	12.75
Govt Grant	(6.53)	
Loss (Profit) on sale of fixed assets	-	38.92
Employee Stock option Scheme Expense	374.31	54.25
Unrealised Foreign Exchange Fluctuation Loss (Gain)	(148.91)	-
Fair value gain on financial instruments through profit or loss	(173.19)	10.49
Realised gain on Financial Assets	(164.31)	(0.60)
Interest income	(303.71)	(585.09)
	20,321.11	12,955.26
Operating Profit before Working Capital changes		
Adjustments for :		
(Increase) / Decrease in inventories	(616.07)	(348.00)
(Increase) / Decrease in Trade receivables	(9,118.67)	(2,507.95)
(Increase) / Decrease in Loans	(460.88)	(980.80)
Increase / (Decrease) in Trade payables, Current Liabilities & Provisions-Long and Short Term	157.94	(2.48)
CASH GENERATED FROM OPERATIONS	10,283.43	9,116.03
Income tax Paid	(3,635.28)	(2,355.43)
Net Cash inflow / (outflow) from Operating activities	6,648.15	6,760.60
B. Cash Flow from Investing Activities		
Sale / (Purchase) of investments	(2,749.56)	(1,690.01)
Sale / (Purchase) of fixed assets (including CWIP)	(4,852.14)	(2,557.61)
Sale Proceeds from fixed assets	-	54.68
Interest received	535.68	581.74
Dividend received	-	0.60
Realised gain on Financial Assets	164.31	-
Net Cash inflow / (outflow) from Investing activities	(6,901.71)	(3,610.60)
C. Cash Flow from Financing Activities		
Proceeds from exercise of employee stock options	0.54	0.53
Increase/(Decrease) in Long and Short term Borrowings	(20.72)	(25.58)
Interest paid	(6.12)	(12.75)

Cash Flow Statement for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend paid(including Dividend distribution tax paid)	(1,133.65)	(636.51)
Net Cash inflow / (outflow) from Financing activities	(1,159.95)	(674.31)
Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)	(1,413.51)	2,475.69
Cash and Cash Equivalents as at the beginning of the year	9,130.91	6,655.22
Cash and Cash Equivalents as at the end of the year	7,717.40	9,130.91
Less: Deposit under Lien (Refer Note 32)	485.68	1280.91
Net Cash and Cash Equivalents as at the end of the year (a,b & c)	7,231.72	7,850.00

Notes:

a) Reconciliation of Cash And Cash Equivalents

Cash And Cash Equivalents As Per Note 8	6,237.66	4336.92
Other Bank Balances As Per Note 8	1,690.20	4970.56
Total Cash And Cash Equivalents As Per Balance Sheet	7,927.86	9307.48
Less: Balance In Unpaid Dividend Account	210.46	176.57
Less: Deposit Under Lien	485.68	1280.91
Total Cash And Cash Equivalents As Per The Statement Of Cash Flows	7,231.72	7850.00

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

c). Cash and cash equivalents does not include following

- Investment in mutual fund of ₹ 4111.48 Lakhs classified as non current investment (Previous Year ₹ 1290.99 Lakhs)
- Investment in mutual fund of ₹ 522.26 Lakhs classified as current investment (Previous Year ₹ 420.00 Lakhs)

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 consolidated financial statements.

As per our report of even date attached

for **CNGSN & Associates LLP**

Chartered Accountants

Firm Registration No : 4915S/ S200036

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

B. Ramakrishnan

Partner

ICAI Membership No. 201023

C. C. Paarthipan

Chairman

Dr. Sridhar Ganesan

Managing Director

Place : Chennai

Date : May 28, 2018

Muralidharan D

Chief Financial Officer

Vinod Kumar S

Company Secretary

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

1A. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of accounting and preparation of Consolidated Financial Statements:

Basis of accounting

- i) These Consolidated Financial Statements (hereinafter referred to as 'Consolidated Financial Statements') of Caplin Point Laboratories Limited ('the Company') and its subsidiaries (hereinafter referred to as 'the Group'), 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) Effective April 1, 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. For all periods upto and including the year ended March 31, 2017, the Group reported its Consolidated Financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'IGAAP'). The Consolidated Financial Statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from IGAAP to Ind AS on the Group's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 48.

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 hiterto in use.

These consolidated financial statements are prepared under the historical cost convention unless otherwise indicated.

Functional and Presentation Currency

- iii) These consolidated financial statements are presented in Indian rupees, which is the functional currency of the parent Company. All financial information presented in Indian rupees in Lakhs, except otherwise indicated.

Use of Estimates and Judgements

- iv) The preparation of the Consolidated Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Consolidated 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 (Refer note m)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note p)
- Recognition of deferred tax assets (Refer note j)
- Measurement of consideration and assets acquired as part of business combination (Refer note i)
- Useful lives of property, plant, equipment and Intangibles (Refer note c & d)

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

- Impairment of Intangibles (Refer note f)
- Impairment of financial assets (Refer note h)

b) Principles of Consolidation:

Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Company and its subsidiaries and jointly controlled entity have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Property, Plant and Equipment:

I. Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

II. Subsequent Expenditure

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

III. Depreciation

Depreciation on tangible assets is provided on a straight line method over the useful lives of the assets.

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

Estimated useful lives of the assets, based on technical assessment, which are different in certain cases from those prescribed in Schedule II to the Companies Act, 2013, 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

Depreciation is provided pro-rata for the number of days availability for use. Depreciation on sale / disposal of assets is provided pro-rata up to the date of sale / disposal.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognised as income or expense in the statement of profit and loss.

Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non current assets.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

d) Intangible Assets:

I. Recognition and Measurement

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The Company has elected to continue with the carrying value of all its intangible assets as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

II. Subsequent Expenditure

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

III. Amortisation

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

Particulars	Estimated useful Life
Computer Software	6 Years or use full live whichever is lower

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

e) 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, unless a product's technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Statement of Profit and Loss in the year it is incurred. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

Expenditure on in-licensed development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, 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.

f) Impairment of Assets:

Carrying value of asset / cash generating unit (CGU) 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

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.

g) Foreign Currency Transactions / Translations:

- i) Transactions in foreign currencies are translated to the respective functional currencies of entities within the Group at exchange rates at the dates of the transactions.
- ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. 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.

Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

- iii) Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the Consolidated Statement of Profit and Loss in the period in which they arise.
- iv) In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the monthly average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/ (loss) and presented within equity as part of FCTR.

h) Financial Instruments:

I. Financial Assets

Classification

On initial recognition, the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- i) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

The Company has elected to continue with the carrying value of all its equity investments as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- 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:
 - i) the Company has transferred substantially all the risks and rewards of the asset, or
 - ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability.

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 and credit risk exposure:

- i) financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- ii) trade receivables.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk.

Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

II. Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost (loans, borrowings and payables).

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, borrowings.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 recognised in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Income tax:

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates items recognised directly in equity in which case, it is recognized in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

- i) has a legally enforceable right to set off the recognised amounts; and
- ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date are expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

j) Inventories:

- a. Inventories are valued at lower of cost or net realizable value
- b. Raw materials, Packing materials, stores and spares are valued at cost including duties and taxes, exclusive of tax credit. The cost is arrived at FIFO basis.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

- c. In respect of finished goods and work in progress cost includes raw materials, packing materials, labour cost and other appropriate allocable overhead.

K) Revenue Recognition:

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, the entity retains no continuing managerial involvement or effective control over the goods usually associated with ownership and the amount of revenue can be measured reliably.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax, excise duty/ goods and service tax and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

Service income is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable.

Interest income is recognized on time proportionate basis with reference to the Effective Interest Rate method.

Dividend from investments is recognised as revenue when right to receive is established.

l) Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and the Company will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan 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.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

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

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is measured on the basis of a periodical independent actuarial valuation using the projected unit credit method. Remeasurement are recognised in Statement of Profit and Loss in the period in which they arise.

m) Share-based payment transactions:

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding Reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

n) Leases:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight-line basis in net profit in the Statement of Profit and Loss over the lease term.

o) Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in the Notes to the Consolidated Financial Statements. Contingent liabilities are disclosed for:

- i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

A Contingent Asset is disclosed where an inflow of economic benefits is probable.

p) Borrowing costs:

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing.

Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

All other borrowing costs are recognised as an expense in the period which they are incurred.

q) Government Grants and Assistance:

Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.
- In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

r) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) including for changes effected prior to the approval of the financial statements by the Board of Directors. Diluted earnings per share is computed by dividing the profit / (loss) 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.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

s) Insurance claims:

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

t) Goods and Service Tax ('GST') input credit:

GST input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

v) Segment reporting:

The Company operates in one reportable business segment i.e. "Pharmaceuticals".

w) Operating cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

x) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 2 FIXED ASSETS

Particulars	Gross block				Depreciation Reserve				Net Block	
	April 1, 2017	Additions during the year	Deletions during the year	March 31, 2018	April 1, 2017	for the year	deletions	March 31, 2018	March 31, 2018	March 31, 2017
A) Tangible Assets										
Land	907.75	128.88	-	1,036.63	-	-	-	-	1,036.63	907.75
Leasehold Land	-	137.10	-	137.10	-	0.05	-	0.05	137.05	-
Factory Buildings	5,382.24	411.35	-	5,793.59	656.62	184.95	-	841.57	4,952.02	4,725.62
Buildings-others	657.78	322.84	-	980.62	74.91	6.58	-	81.49	899.13	582.88
Plant & Machinery	7,847.66	1,559.54	-	9,407.20	1,780.89	1,018.40	-	2,799.29	6,607.91	6,066.76
Air Conditioner	121.65	8.87	-	130.52	41.31	12.61	-	53.92	76.60	80.35
Furniture & Fixtures	602.98	74.88	-	677.86	257.47	68.81	-	326.28	351.58	345.51
Office Equipment	660.33	20.77	-	681.10	472.14	84.52	-	556.66	124.44	188.19
Computers	301.40	58.83	-	360.23	191.74	61.64	-	253.38	106.85	109.66
Electrical Fittings	925.65	40.08	-	965.73	301.29	124.60	-	425.89	539.84	624.35
Motor Vehicles	435.52	8.40	-	443.92	250.29	54.89	-	305.18	138.74	185.23
Tools & Spares	52.86	-	-	52.86	35.45	1.71	-	37.16	15.70	17.41
Lab Equipment	1,416.34	786.73	-	2,203.07	204.96	243.62	-	448.58	1,754.49	1,211.38
Cycle	0.53	-	-	0.53	0.53	-	-	0.53	-	-
Motor Cycle	5.70	-	-	5.70	4.73	0.13	-	4.86	0.84	0.97
Total Tangible Assets	19,318.39	3,558.27	-	22,876.66	4,272.33	1,862.51	-	6,134.84	16,741.82	15,046.06
B) Intangible Assets										
Computer Software	196.18	106.27	-	302.45	58.95	36.99	-	95.94	206.51	137.23
Total Intangible Assets	196.18	106.27	-	302.45	58.95	36.99	-	95.94	206.51	137.23
TOTAL (A + B)	19,514.57	3,664.54	-	23,179.11	4,331.28	1,899.50	-	6,230.78	16,948.33	15,183.29
C) Capital Work in Progress									1,529.12	341.52
Total									1,529.12	341.52

(a) The Company has capitalised ₹244.14 Lakhs towards government grant in the nature of waiver of duty on purchase of plant and machinery. Depreciation on plant and machinery for the year includes ₹6.53 Lakhs on such government grant.

Capital Work-in-Progress

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	341.52	23.20
Additions	4,852.14	2,557.61
Less:		
Capitalisation	(3,664.54)	(2,239.29)
Assets held for sale	-	-
Write off	-	-
Closing Balance	1,529.12	341.52

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 3 NON CURRENT INVESTMENTS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. Fully paid Ordinary / Equity shares (unquoted)			
(ii) Others			
20 (20) shares of The Chennai Industrial Co-operative Analytical Laboratory Ltd of ₹ 10/- each fully paid up	0.10	0.10	0.10
26,800 (26,800) shares of The Catholic Syrian Bank Ltd of ₹ 10/- each fully paid up	29.17	29.17	29.17
Maris Power Trading Company LLP (26% of the total Capital of 1 Lakhs)	0.26	0.26	0.26
B. Fully paid Ordinary / Equity shares - Quoted			
2,000 (2,000) shares of Karnataka Bank Ltd of ₹10/- each fully paid up	2.40	2.40	2.40
4,800 (4,800) shares of Indian Overseas Bank of ₹ 10/- each fully paid up	1.15	1.15	1.15
700 (700) shares of Bank of India of ₹ 10/- each fully paid up	0.32	0.32	0.32
2,000 (2,000) shares of Sirpur Paper Mills Limited of ₹ 10/- each fully paid up	-	-	-
C. Other Investments - Quoted			
Investment in Mutual Fund - at fair value through profit or loss (i)	4,111.48	1,290.99	10.50
Total	4,144.88	1,324.39	43.90

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

FUND NAME	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Units	Amount ₹ in Lakhs	Units	Amount ₹ in Lakhs	Units	Amount ₹ in Lakhs
Birla Dynamic Bond Fund - Growth	-	-	8,02,687	234.95	-	-
HDFC Banking and PSU Debt Fund - Regular Growth	58,51,329	822.61	58,51,329	773.25	-	-
HDFC Corporate Debt Opp Fund - Regular Growth	20,08,345	289.42	20,08,345	272.29	-	-
HDFC Regular Savings Fund - Regular Growth	15,95,950	549.55	-	-	-	-
ICICI Prudential Corporate Bond Fund - Growth - Direct	5,58,707	158.06	-	-	-	-
ICICI Prudential Short Term - Growth	16,94,334	613.56	-	-	-	-
Kotak Flexi Debt - Regular Plan - Growth	27,39,947	610.79	-	-	-	-
Reliance Corporate Bond Fund - Growth - Direct	16,65,340	233.37	-	-	-	-
Reliance Corporate Bond Fund - Growth	3,86,872	56.02	-	-	-	-
Reliance Short Term Fund - Growth	17,26,439	563.73	-	-	-	-
Tata Short Term Bond Fund - Growth - Direct	3,03,518	101.78	-	-	-	-
UTI-Income Opportunities Fund - Growth - Direct	6,04,727	102.10	-	-	-	-
Axis Triple Advantage fund - equity	1,00,000	10.00	1,00,000	10.00	1,00,000	10.00
Franklin India Flexi Cap fund	5,000	0.49	5,000	0.50	5,000	0.50
Total		4,111.48		1,290.99		10.50

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 3 NON CURRENT INVESTMENTS (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate book value of quoted investments	4,115.35	1,294.86	14.37
Aggregate Market value of quoted investments	4,115.35	1,294.86	14.37
Aggregate value of un-quoted investments	29.53	29.53	29.53

NOTE 4 LONG-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good			
Security Deposits	50.06	57.98	49.12
Other Deposits	111.20	104.67	101.70
Advances recoverable in cash or kind for the value to be received	-	-	17.01
Advance for Capital expenditure	687.29	272.48	119.63
Advance income tax and Tax deducted at source (Net of Provision for Income Tax) net of MAT credit	212.06	631.67	103.66
Gratuity Fund Net of Provision	62.58	-	-
Total	1,123.19	1,066.80	391.12

NOTE 5 INVENTORIES (Lower of cost or net realisable value)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials	1,199.47	1,023.78	928.18
Packing Materials	764.82	595.15	449.03
Work-in-Progress	367.08	210.65	281.69
Stock In Trade	103.98	24.07	82.44
Finished Goods	198.37	195.94	140.15
Stores and Spares	211.84	179.90	-
Total	2,845.56	2,229.49	1,881.49

NOTE 6 CURRENT INVESTMENT

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investment in Mutual Fund	522.26	420.00	-
Total	522.26	420.00	-

NOTE 7 TRADE RECEIVABLES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured considered good unless otherwise stated)			
- Considered good	12,588.15	3,302.48	794.53
Total	12,588.15	3,302.48	794.53

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 8 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash on Hand	9.90	10.75	46.11
Balance with Banks			
- Current accounts	6,227.76	2,848.61	521.30
In Bank Deposit Accounts			
- Bank Deposit accounts less than 3 months maturity	-	1,477.56	1,012.05
	6,237.66	4,336.92	1,579.46

NOTE 9 OTHER BANK BALANCES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
- Unpaid Dividend account	210.46	176.57	154.96
In Bank Deposit Accounts			
- Bank Deposit accounts maturity (more than 3 months but less than 12 months)	1,479.74	4,793.99	5,075.76
Total	1,690.20	4,970.56	5,230.72

NOTE 10 LOANS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good			
Advances recoverable in cash or kind for the value to be received	553.77	1,081.01	342.74
Export Incentives Receivable	656.53	469.15	856.86
Balance with GST/ Excise/ Sales Tax Authorities	1,174.31	849.56	895.01
Total	2,384.61	2,399.72	2,094.61

NOTE 11 OTHER CURRENT ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest Accrued on Deposits	31.06	263.03	252.12
Total	31.06	263.03	252.12

NOTE 12 SHARE CAPITAL

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
AUTHORISED			
8,50,00,000 equity shares of ₹ 2/- each (31st March, 2017: 8,50,00,000 equity shares of ₹ 2/- each; 1st April, 2016 - 1,70,00,000 of ₹ 10/- each)	1,700.00	1,700.00	1,700.00
ISSUED, SUBSCRIBED AND PAID UP			
7,56,03,500 equity shares of ₹ 2/- each fully paid up (31st March, 2017: 7,55,76,750 equity shares of ₹ 2/- each; 1st April, 2016: 1,51,10,000 equity shares of ₹ 10/- each fully paid up)	1,512.07	1,511.53	1,511.00
	1,512.07	1,511.53	1,511.00

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 12 SHARE CAPITAL (Contd.)

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

FUND NAME	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of Equity Shares of ₹ 2/- each	Amount	No of Equity Shares of ₹ 2/- each	Amount	No of Equity Shares of ₹ 10/- each	Amount
Number of shares outstanding at the beginning of the Year*	7,55,76,750	1,511.53	7,55,50,000	1,511.00	1,51,10,000	1511.00
Add: Equity shares allotted pursuant to Employee Stock Option Plan**	26,750	0.54	26,750.00	0.53	-	-
Less : Number of shares bought back during the Year	-	-	-	-	-	-
Number of shares outstanding at the end of the Year	7,56,03,500	1,512.07	7,55,76,750	1,511.53	1,51,10,000	1,511.00

*With effect from October 20, 2016 the Equity shares of the Company having face value of ₹ 10/- each has been sub divided into 5 shares of ₹ 2/- each

**During the financial year 2017-18 (2016-17), 26,750 (26,750) equity shares under ESOP scheme vested were exercised.

b) Rights, preference & restrictions attached to shares

Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one Vote per Share.

The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholder	As at March 31, 2018 (of ₹ 2/- each)		As at March 31, 2017 (of ₹ 2/- each)		As at March 31, 2016 (of ₹ 10/- each)	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
P. Vijayalakshmi	1,78,80,000	23.65%	1,78,80,000	23.66%	35,76,000	23.66%
C.C. Paarthipan	1,41,46,765	18.71%	1,41,46,765	18.72%	28,29,353	18.73%
P. Ashok Gorkey	90,50,000	11.97%	90,50,000	11.97%	18,10,000	11.98%
P. Vivek Siddarth	90,00,000	11.90%	90,00,000	11.91%	18,00,000	11.91%

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of Shares of ₹ 2/- each	Amount	No of Shares of ₹ 2/- each	Amount	No of Shares of ₹ 10/- each	Amount
Caplin Point Employee Stock Option Plan 2015 (i)	3,20,750	6.43	53,500	1.07	16050	1.61
Caplin Point Employee Stock Option Plan 2017 (ii)	76,500	1.53	-	-	-	-

- (i) (a) The Scheme consists of 3,75,000 equity shares of ₹ 2/- each (ie 75,000 equity shares of ₹ 10/- each as on 1 April, 2016) of which 80,250 shares of ₹ 2/- each granted (ie 16050 shares of ₹ 10 each) as on 1st April 2016.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 12 SHARE CAPITAL (Contd.)

- (b) During the year ended 31st March 2017, 26,750 shares of ₹ 2/- each from the above said 80,250 shares were allotted.
- (c) During the year ended 31st March 2018, further 26,750 shares of ₹ 2/- each from the above said 80,250 shares were allotted, and 2,94,000 shares has been further granted.
- (ii) The Scheme consists of 5,00,000 Equity shares ₹ 2/- each of which 76,500 granted during the year.

e) Aggregate number of shares issued pursuant to Stock Option Plans of the Company

Particulars	Aggregate No. of Shares
Issued in FY 2015-16	-
Issued in FY 2016-17	26,750
Issued in FY 2017-18	26,750
Total	53,500

- f) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date

NOTE 13 OTHER EQUITY

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Capital Reserve			
Opening and closing balance as per last balance sheet	40.98	40.98	40.98
b) Securities Premium Reserve			
Opening balance as per last balance sheet	54.25	-	
Add: Additions during the year	54.25	54.25	
Balance as at year end	108.50	54.25	
c) General Reserve			
Opening and closing balance as per last balance sheet	1,128.78	1,128.78	1,128.78
d) Employee Stock Options Outstanding			
- Employee Stock options outstanding			
Opening balance as per last balance sheet	108.55	162.80	
Add: Options granted during the year	1,580.34	-	
Less: Exercised during the year	54.25	54.25	
Less: Lapsed during the year	-	-	
Balance as at year end (A)	1,634.64	108.55	162.80
- Deferred Employees Stock Options Cost			
Opening balance as per last balance sheet	99.50	153.75	
Add: Options granted during the year	1,580.34	-	
Less: Amortised during the year	374.24	54.25	
Balance as the year end (B)	1,305.60	99.50	153.75
(A-B)	329.04	9.05	9.05

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 13 RESERVES & SURPLUS (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
e) Surplus in the Statement of Profit & Loss			
Balance at the beginning of the Year/Period	19,780.31	10,855.46	-
Add : Profit during the Year/Period	14,478.77	9,561.24	-
Final Dividend paid	(1,133.65)	(528.85)	-
Tax on Dividend	-	(107.54)	-
Balance at the end of the year/Period	33,125.43	19,780.31	10,855.46
f) Other Comprehensive Income			
i) Foreign currency Translation Reserve/(Loss)			
Balance at the beginning of the Period	(64.75)	-	-
Profit/ (Loss) on foreign currency translation	110.34	(64.75)	-
Balance at the end of the year/Period	45.59	(64.75)	-
ii) Actuarial Gain/ (Loss) on employee benefit obligation			
Opening balance as per last balance sheet	16.16	-	-
Add/(Less); Additions during the year	76.60	16.16	-
Balance as at the end of the year	92.76	16.16	-
Closing Balance	34,871.08	20,964.78	12,034.27

NOTE 14 LONG TERM BORROWINGS

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Secured						
Foreign Currency Term Loan(i)	-		-			
Loan from others (ii)	53.65	53.65	72.36	72.36	98.11	200.36
Less : Current maturities of long term debt		21.46		24.85		127.28
Total		32.19		47.51		73.08

i) Foreign Currency Term Loan availed is secured by first charge on the plant & machinery of the Company's unit at Gummidipoondi

ii) Obligations under Hire purchase are secured against relevant fixed assets obtained under Hire Purchase Finance

Terms of Repayments

- Secured Loans from Banks are repayable in equal monthly instalment.
- Vehicle loans from Banks and other financial institutions are repayable in equal montly instalments.
- The rate of interest on vehicle loans vary between 10% and 12% per annum.

NOTE 15 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Straight lining rent liability	-	5.39	8.07
Total	-	5.39	8.07

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 16 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Deferred Tax Liabilities on account of timing differences	2,216.07	1,896.65	1,172.98
b) Deferred Tax Asset on account of timing differences	-	-	-
Total	2,216.07	1,896.65	1,172.98

NOTE 17 OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Govt Grant (Refer Note 2(a))	237.61	-	-
Others	300.00	-	-
	537.61	-	-

NOTE 18 LONG TERM PROVISIONS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Provision for employee benefits			
Gratuity - net of funded asset	-	39.99	40.34
Total	-	39.99	40.34

NOTE 19 TRADE PAYABLES (REFER NOTE 33)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Payables for Goods and Services	9,422.53	7,860.04	5,724.07
Total	9,422.53	7,860.04	5,724.07

NOTE 20 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long term debt (i)	21.46	24.85	127.28
Statutory Dues payable	112.41	76.14	40.53
Advance received from Customers	38.43	1,873.73	5,669.92
Creditors for Capital Goods	882.97	1,157.42	46.30
Unclaimed Dividend (Ref Note :44)	210.46	176.57	154.96
Others	0.34	-	-
Total	1,266.07	3,308.71	6,038.99

(i) Current maturities of long-term borrowings represent the amount of loan repayable within one year.

NOTE 21 SHORT TERM PROVISIONS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Employee Benefits	178.36	167.38	84.34
Total	178.36	167.38	84.34

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 22 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products	52,555.15	39,024.89
Other operating revenues		
Export Incentives	1,429.05	1,139.96
Total	53,984.20	40,164.85

NOTE 23 OTHER INCOME

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income	303.71	592.64
Gain on sale of financial instruments	164.31	-
Accrual interest on rent deposit	-	1.56
Fair value gain on financial instruments through profit or loss	173.19	10.49
Foreign exchange, net	611.66	344.90
Dividend Income	-	0.60
Govt Grant	6.53	-
Miscellaneous Income	7.12	45.34
Total	1,266.52	995.53

NOTE 24 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock	1,798.83	1,377.21
Add : Purchases (Net)	9,398.93	6,899.32
Less Closing Stock	2,176.13	1,798.83
Total	9,021.63	6,477.70

NOTE 25 CHANGES IN INVENTORIES OF FINISED GOODS INCLUDING STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the end of the year		
Work in Progress	367.08	210.65
Finished Goods	198.37	195.94
Stock-in-Trade	103.98	24.07
(A)	669.43	430.66
Inventories at the beginning of the year		
Work in Progress	210.65	281.69
Finished Goods	195.94	140.15
Stock-in-Trade	24.07	24.07
(B)	430.66	445.91
Net (Increase) / Decrease in Inventories	(238.77)	15.25
(B- A)		

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 26 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages, bonus and allowances	2,958.46	2,424.27
Contribution to Provident and Other funds	200.76	296.34
Employee Compensation Expense -ESOP	374.31	54.25
Staff Welfare Expenses	380.74	306.56
Total	3,914.27	3,081.42

NOTE 27 FINANCE COSTS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense	6.12	12.75
Total	6.12	12.75

NOTE 28 DEPRECIATION AND AMORTISATION

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment (Refer note: 2)	1,862.64	1,306.65
Amortisation of Intangible Assets	36.86	23.19
	1,899.50	1,329.84

NOTE 29 RESEARCH AND DEVELOPMENT EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
R & D Expenses	2,368.14	1,408.83
	2,368.14	1,408.83

NOTE 30 OTHER EXPENSES

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Power and Fuel	1,098.47	991.04
Contract Labour charges	620.31	549.80
Other Manufacturing Expenses	144.06	279.52
Communication Expenses	76.24	62.13
Donations	9.99	10.65
Professional and Consultancy charges	103.04	124.47
Rates & taxes including ANDA Application fees	328.14	222.30

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 30 OTHER EXPENSES (Contd.)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Subscriptions	2.98	4.86
Travelling Expenses	184.85	248.51
Auditor's Remuneration	21.31	10.27
Insurance	55.14	51.32
Repairs and Maintenance		
a) Plant and Machinery	368.16	389.22
b) Building	85.69	49.27
c) Others	124.22	179.40
Rent & Amenities	109.55	130.30
Advertisement	8.72	8.75
Freight outwards	194.60	131.92
Loss on sale of assets	-	43.95
Bank charges	54.90	38.92
Other Selling Expenses	397.52	800.30
Software maintenance charges	195.53	284.10
Sundry Expenses	223.49	128.96
	4,406.90	4,739.96

NOTE 31 COMMITMENT (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount remaining to be executed on capital contracts	1,613.73	423.78	307.67
Other Commitments (Raw material, Packing Material, Finished Goods, Other services)	4,869.84	6,361.27	1,653.43
Dividend proposed of ₹ 2/- per equity share (Previous Year ₹ 1.50) before the financial statements approved for issue, but not recognised as a liability in the financial statements	1,512.07	1,133.65	528.85

NOTE 32 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

Disputed statutory dues:

Sl No	Particulars	Nature of dues	2017-2018 (₹ In lakhs)	2016-2017 (₹ In lakhs)	2015-2016 (₹ In lakhs)	Forum where dispute is pending
1	Income Tax Act, 1961	Income tax	264.53	418.17	418.17	High Court / Income Tax Appellate Tribunal/ CIT Appeals
2	Central Excise Act, 1944	Excise Duty	-	4.54	4.54	CESTAT Tribunal/ Department of Revenue, New Delhi

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 33 DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has not received information from Vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure relating to amount unpaid as at the Financial Year end together with Interest Paid / Payable under this Act have not been given.

NOTE 34 BALANCES WITH SCHEDULED BANKS IN DEPOSIT ACCOUNTS INCLUDES:

- (a) Bank Deposit Accounts under Note no: 9 for the current year include ₹485.68 lakhs earmarked as lien towards Margin for Letter of Credit and Bank Guarantee (as at 31.03.2017 ₹1280.91 lakhs, as at 1.04. 2016 ₹ 81.09 lakhs).

NOTE 35 BALANCE WITH NON SCHEDULED BANKS

Details of balances kept with non-scheduled banks as on balance sheet dates and the maximum balances kept with non-scheduled banks during the Financial Year are as follows:

Current Accounts in Foreign Currency	Balances as at			Maximum Balance during the Financial Year ended	Maximum Balance during the Financial Year ended	Maximum Balance during the Financial Year ended
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2018	March 31, 2017	March 31, 2016
HSBC Bank, Hong Kong	0.50	1,540.23	-	2,240.05	1,540.23	-
Axis Bank, Hong Kong	5,037.28	-	-	5,037.28	-	-
China Citic Bank, China	0.79	4.89	9.92	17.58	15.41	17.61

NOTE 36

The Company had revalued the land, where the factory/office building is situated, during the period ended June 30, 2008 to the extent of ₹ 439.36 Lakhs and the gain on the revaluation of land to the extent of ₹ 373.38 Lakhs was credited to the Revaluation Reserve and such gain available in revaluation reserve account has been transferred to Retained earnings account.

NOTE 37 EMPLOYEE BENEFITS

(i) Defined Contribution Plan:

The Company makes monthly contribution for qualifying employee towards provided/ retirement fund administered and managed by the Government of India under defined contribution plans.

The Company recognized ₹ 159.72 lakhs (previous year ₹132.20) towards provident and pension fund contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

The Company makes contributions to the group gratuity scheme administered by the LIC, a funded defined benefit plan for qualifying employees.

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 37 EMPLOYEE BENEFITS (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017
i) Reconciliation in present value of obligations ('PVO') - defined benefit obligation:		
Current service cost	56.14	129.20
Past service cost	-	-
Interest cost	21.17	12.46
Actuarial loss/ (gain)		
- Due to demographic assumption	-	-
- Due to finance assumption	-	-
- Due to experience assumption	(71.22)	(15.30)
Benefits paid	(5.99)	(1.33)
PVO at the beginning of the year	226.80	101.76
PVO at the end of the year	226.90	226.79
ii) Change in fair value of plan assets:		
Expected return on plan assets	17.81	9.27
Interest Income	1.75	1.33
Contribution by the employer	89.11	116.11
Benefits paid	(5.99)	(1.33)
Fair Value of the plan assets at the beginning of the year	186.80	61.42
Fair Value of the plan assets at the end of the year	289.48	186.80
iii) Reconciliation of PVO and fair value of plan assets:		
PVO at the end of the year	226.90	226.79
Fair Value of plan assets at the end of the year	289.48	186.80
Funded status	62.58	(39.99)
Un recognised actuarial gain/ (loss)	-	-
Net Asset/(liability) recognised in the balance sheet	62.58	(39.99)
iv) Expense recognised in the Statement of Profit and Loss:		
Current Service cost	56.14	129.21
Past Service cost	-	-
Interest cost	3.36	3.20
Total expense recognised in the Statement of Profit and loss	59.50	132.41
v) Other Comprehensive Income:		
Actuarial loss/ (gain)		
- Due to demographic assumption	-	-
- Due to finance assumption	-	-
- Due to experience assumption	(71.22)	(15.30)
Return on plan assets excluding net interest	(1.75)	(1.33)
Total amount recognised as OCI	(72.97)	(16.63)
vi) Category of assets as at the end of the year:		
Insurer Managed Funds (100%)	289.48	186.80
(Fund is managed by Life Insurance Corporation of India as per IRDA guidelines, category-wise composition of the plan assets is not available)		
vii) Actual Return on plan Assets:	19.56	10.60

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 37 EMPLOYEE BENEFITS (Contd.)

Particulars	As at March 31, 2018	As at March 31, 2017
viii) Assumption used in accounting for the gratuity plan		
Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2006-08	
Discount Rate (%)	7.71	7.80
Salary Escalation Rate	5	5
Employee Attrition Rate (%)	2	2

NOTE 38 INCOME TAXES:

a) Tax expenses recognised in statement of profit and loss:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Tax Expense for the year	4,054.91	1,820.76
Deferred income tax liability/ (asset), net	319.42	723.65
Tax expense for the year	4,374.33	2,544.41

b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before Tax	18,837.83	12,094.70
Tax using the Company's domestic tax rate (March 31, 2018: 34.61%, March 31, 2017: 34.61%)	6,519.77	4,185.98
Tax effect of :		
Incremental deduction allowed for Research and Development costs	(873.90)	(1,603.83)
Impact of foreign dividend taxed at special rate	(197.25)	-
Differences in tax rates of foreign jurisdictions	(1,464.70)	(849.17)
Tax on on share of income in LLP exempted/ (loss disallowd)	9.67	-
Tax incentive on additional employment	(25.99)	(7.61)
Tax impact on fair value of Mutual fund	(59.88)	-
Tax impact - timing difference on R&D capital asset, book and tax depreciation and other	466.60	819.06
Current and Deferred Tax expenses as per note (a) above	4,374.33	2,544.41

c) Movement in deferred tax balances

Particulars	As at March 31, 2017		Recognised in statement of profit or loss	As at April 31, 2018	
	Deferred tax asset	Deferred tax liability		Deferred tax asset	Deferred tax liability
Property, plant and equipment	-	1,896.65	319.42	-	2,216.07
Total	-	1,896.65	319.42	-	2,216.07

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 39 REMUNERATION TO MANAGING DIRECTOR/WHOLE-TIME DIRECTORS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries	98.66	55.65
Contribution to provident and other funds	0.58	0.45
Employee stock option benefits granted as debited to P&L account	54.25	54.25
Total *	153.49	110.35

* Refer note 45 (c)

NOTE 40 OPERATING LEASES

Operating lease commitments - Company as lessee

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable / cancellable at the option of either of the parties.

There are no sub-leases. There are no restrictions imposed by lease arrangements. The aggregate amount of operating lease payments (includes R&D unit) recognised in the Statement of Profit and Loss is ₹ 114.85 Lakhs (Previous Financial Year ₹ 118.48 Lakhs).

The Company has not recognised any contingent rent as expense in the Statement of Profit and Loss.

The Company has entered into long term leasing arrangements for land with government authorities which are in the nature of finance lease. These arrangements do not involve any material recurring payments, hence other disclosures are not given.

NOTE 41 RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Capital expenditure included in Fixed Assets	1,001.00	1,624.05
Revenue expenditures incurred during the Financial Year	2,368.14	1,408.83

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
For Statutory Audit	10.82	6.39
For Tax Audit	3.50	3.60
For Others	6.99	0.28
Total	21.31	10.27

NOTE 43 EARNINGS PER SHARE IS CALCULATED AS UNDER

Basic

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Profit after minority interest attributable to equity shareholders (₹ in Lakhs)	14,555.37	9,577.40
Weighted average number of equity shares of ₹ 2/- each outstanding during the year (in Nos.)	7,55,81,208	7,55,53,591
Earnings per share (in ₹)	19.26	12.65

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 43 EARNINGS PER SHARE IS CALCULATED AS UNDER (Contd.)

Diluted

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Profit after minority interest attributable to equity shareholders (₹ in Lakhs)	14,555.37	9,577.40
Weighted average number of equity shares of ₹ 2/- each outstanding during the year (in Nos.)	7,59,59,945	7,56,06,569
Earnings per share (in ₹)	19.16	12.65

NOTE 44 AMOUNT DUE TO INVESTOR EDUCATION AND PROTECTION FUND

The due amount of ₹8.71 lakhs were duly credited to investor education and protection fund during the year and there is no outstanding due in this regard as of end of the Financial Year.

NOTE 45 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW.

(a) Related parties and nature of relationship

Name of the Related parties	Nature of Relationship	Percentage of Shares held by Caplin point laboratories limited as at March 31, 2018	Percentage of Shares held by Caplin point laboratories limited as at March 31, 2017
Mr. Vivek Siddharth	Relative of Chairman	Not Applicable	Not Applicable
Argus Salud Pharma LLP	Wholly owned subsidiary LLP	99.90%	99.90%
Caplin Point Laboratories Colombia SAS, (Colombia)	subsidiary Company	62.12%	56.35%
Caplin Point Far East Limited, (Hong Kong)	Wholly owned subsidiary Company	100%	100%

(b) Key managerial personnel

Dr. Sridhar Ganesan	– Managing Director from 28.03.2015
Dr. B. Philip Ashok Karunakaran	– Whole Time Director from 07.08.2017
Mr. M Jayapal	– Whole Time Director retired on 28.03.2018
Mr. D.P.Mishra	– Whole Time Director upto 30.04.2016
Mr. D Muralidharan	– Chief Financial Officer from 19-02-2016
Mr. Vinod Kumar S	– Company Secretary from 13-04-2015

(c) Details of Transactions that have taken place during the Financial Year with Key Management Personnel:

Category	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration*		
Salary paid to Mr.Vivek Siddharth	18.77	19.22
Salary paid to Dr. Sridhar Ganesan (i)	111.14	102.87
Salary paid to Dr. B. Philip Ashok Karunakaran (ii)	34.03	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 45 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW. (Contd.)

Category	For the year ended March 31, 2018	For the year ended March 31, 2017
Salary paid to Mr. M Jayapal (iii)	8.31	6.93
Salary paid to Mr. D.P.Mishra (iv)	-	0.55
Salary paid to Mr. D Muralidharan	20.00	20.00
Salary paid to Mr. Vinod Kumar S	7.21	6.10

* Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

- (i) Includes stock compensation expense of ₹ 54.25 Lakhs and ₹ 54.25 Lakhs for the year ended March 31, 2018 and For year ended March 31, 2017, respectively."
- (ii) Mr.Dr. B. Philip Ashok Karunakaran has been appointed as Whole-time Director w.e.f. 07.08.2017
- (iii) Mr.M Jayapal, Whole Time Director retired on 28.03.2018
- (iv) Mr.D.P.Mishra stepped down from the position of Whole-time Director w.e.f. 01.05.2016 and continues to be a Non Executive , Non independent Director.

46 FINANCIAL INSTRUMENTS:

Financial Instruments - Fair value and risk management

A. Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

As at 31 March 2018	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non - Current Investments - others (1)	29.53	-	29.53	-	-	29.53	29.53
Non - Current Investments - Mutual fund and equity	4,115.35	-	4,115.35	-	4,115.35	-	4,115.35
Non - Current Loans							
- Security Deposit	-	50.06	50.06	-	-	-	-
- Others	-	111.20	111.20	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 46 FINANCIAL INSTRUMENTS: (Contd.)

As at 31 March 2018	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Current Investments	522.26	-	522.26	-	522.26	-	522.26
Tarde Receivable	-	12,588.15	12,588.15	-	-	-	-
Current Loans	-	2,384.61	2,384.61	-	-	-	-
Cash and Cash Equivalents	-	6,237.66	6,237.66	-	-	-	-
Other Bank Balances	-	1,690.20	1,690.20	-	-	-	-
Total	4,667.14	23,061.88	27,729.02	-	4,637.61	29.53	4,667.14
Financial Liabilities							
Non - Current Borrowings	-	32.19	32.19	-	-	-	-
Current borrowing	-	21.46	21.46	-	-	-	-
Trade Payables	-	9,422.53	9,422.53	-	-	-	-
Other Current Liabilities	-	1,244.61	1,244.61	-	-	-	-
Total	-	10,720.79	10,720.79	-	-	-	-

As at 31 March 2017	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non - Current Investments - others (1)	29.53	-	29.53	-	-	29.53	29.53
Non - Current Investments - Mutual fund and equity	1,295.36	-	1,295.36	-	1,295.36	-	1,295.36
Non - Current Loans							
- Security Deposit	-	57.98	57.98	-	-	-	-
- Others	-	104.67	104.67	-	-	-	-
Current Investments	420.00	-	420.00	-	420.00	-	420.00
Tarde Receivable	-	3,302.48	3,302.48	-	-	-	-
Current Loans	-	2,399.72	2,399.72	-	-	-	-
Cash and Cash Equivalents	-	4,336.92	4,336.92	-	-	-	-
Other Bank Balances	-	4,970.56	4,970.56	-	-	-	-
Total	1,744.89	15,172.34	16,917.23	-	1,715.36	29.53	1,744.89
Financial Liabilities							
Non - Current Borrowings	-	47.51	47.51	-	-	-	-
Other Non- Current Financial Liability	-	5.39	5.39	-	-	-	-
Current borrowing	-	24.85	24.85	-	-	-	-
Trade Payables	-	7,860.04	7,860.04	-	-	-	-
Other Current Liabilities	-	3,283.86	3,283.86	-	-	-	-
Total	-	11,221.65	11,221.65	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 46 FINANCIAL INSTRUMENTS: (Contd.)

As at 1 April 2016	Carrying Amount			Fair Value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Non - Current Investments - others (1)	29.53	-	29.53	-	-	29.53	29.53
Non - Current Investments - Mutual fund and equity	14.37	-	14.37	-	14.37	-	14.37
Non - Current Loans							
- Security Deposit	-	49.12	49.12	-	-	-	-
- Others	-	101.70	101.70	-	-	-	-
Current Investments	-	-	-	-	-	-	-
Tarde Receivable	-	794.53	794.53	-	-	-	-
Current Loans	-	2,094.61	2,094.61	-	-	-	-
Cash and Cash Equivalents	-	1,579.46	1,579.46	-	-	-	-
Other Bank Balances	-	5,230.72	5,230.72	-	-	-	-
Total	43.90	9,850.14	9,894.04	-	14.37	29.53	43.90
Financial Liabilities							
Non - Current Borrowings	-	73.08	73.08	-	-	-	-
Current borrowing	-	127.28	127.28	-	-	-	-
Other Financial liability	-	8.07	8.07	-	-	-	-
Trade Payables	-	5,724.07	5,724.07	-	-	-	-
Other Current Liabilities	-	5,911.71	5,911.71	-	-	-	-
Total	-	11,844.21	11,844.21	-	-	-	-

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

B. Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

Type	Valuation Technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Non - Current Financial Assets (other than investments in mutual fund) and Liability measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt / payment discounted using appropriate discounting rate	Not applicable	Not applicable

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 46 FINANCIAL INSTRUMENTS: (Contd.)

C. Financial risk management:

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management framework. The Company's risk management policies are established to set appropriate risk limits and to monitor risks and adherence to limits. risk management policies and systems are reviewed periodically to reflect changes in market condition and the Company's activities. The Company through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. Credit Risk:

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of business.

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants the credit terms in the normal course of business.

Summary of the Company's exposure to credit	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Neither past due nor impaired	12,588.15	3,302.48	794.53
Total	12,588.15	3,302.48	794.53

Expected credit loss assessment

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

Exposures to the customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses, if any. Historical trends of impairment of trade receivables reflects no credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of "no credit loss" to continue.

No allowance for impairment in respect trade and other receivables was provided during the year and immediate preceding year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 46 FINANCIAL INSTRUMENTS: (Contd.)

Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹ 6237.66 lakhs (31.03.2017 ₹ 4336.92 lakhs, 1.04.2016 ₹ 1579.46 lakhs). The cash and cash equivalents are held with banks with good credit rating.

Other Bank balances

Other bank balances are held with bank with good credit rating.

Investment in mutual funds

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non - performance by these counter-parties.

Other financial asset

Other financial assets are neither past due nor impaired.

ii. Liquidity risk

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

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted

As at 31 March 2018	Carrying Amount	Contractual cash flow					
		Total	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years
Non - derivative financial liabilities							
Non - current borrowing	32.19	32.19	-	20.15	12.04	-	-
Interest Payable	-	8.02	4.30	2.73	0.99	-	-
Current borrowings	21.46	21.46	21.46	-	-	-	-
Trade payables	9,422.53	9,422.53	9,422.53	-	-	-	-
Other current Financial Liabilities	1,244.61	1,244.61	1,244.61	-	-	-	-
Total	10,720.79	10,728.81	10,692.90	22.88	13.03	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 46 FINANCIAL INSTRUMENTS: (Contd.)

As at 31 March 2017	Carrying Amount	Contractual cash flow					
		Total	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years
Non - derivative financial liabilities							
Non - current borrowing	47.51	47.51	-	15.32	20.15	12.04	-
Interest Payable	-	14.14	6.12	4.30	2.73	0.99	
Other Non -current financial liability	5.39	5.39	-	-	-	-	-
Current borrowings	24.85	24.85	24.85	-	-	-	-
Trade payables	7,860.04	7,860.04	7,860.04	-	-	-	-
Other current Financial Liabilities	3,283.86	3,283.86	3,283.86	-	-	-	-
Total	11,221.65	11,235.79	11,174.87	19.62	22.88	13.03	-

As at 1 April 2016	Carrying Amount	Contractual cash flow					
		Total	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years
Non - derivative financial liabilities							
Non - current borrowing	73.08	73.08	-	25.57	15.32	20.15	12.04
Interest Payable	-	26.89	12.75	6.12	4.30	2.73	0.99
Other Non -current financial liability	8.07	8.07	8.07	-	-	-	-
Current borrowings	127.28	127.28	127.28	-	-	-	-
Trade payables	5,724.07	5,724.07	5,724.07	-	-	-	-
Other current Financial Liabilities	5,911.71	5,911.71	5,911.71	-	-	-	-
Total	11,844.21	11,871.10	11,783.88	31.69	19.62	22.88	13.03

iii) Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivable and payable. We are exposed to market risk primarily related to foreign exchange rate risk as the Company's product is exported to various countries and a certain portion of its export is sourced through import. Thus our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Company does not use any derivative to manage market risk since certain degree of a natural hedge available in the form of foreign currency realised from exports are paid against imports.

Currency risk

The Company is exposed to currency risk on account of its export and import of pharmaceuticals and import of raw material, capital goods, etc. The functional currency of the Company is Indian Rupee, whereas majority of its export and imports are settled through USD(\$).

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 46 FINANCIAL INSTRUMENTS: (Contd.)

Exposure to Currency risk

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	USD in Lakhs	Amount	USD in Lakhs	Amount	USD in Lakhs	Amount
Export Debtors	193.99	12,588.15	50.93	3,302.48	11.95	793.4
Cash and cash equivalents	83.98	5,464.03	27.68	1,792.88	0.50	32.88
Total	277.97	18,052.18	78.61	5,095.36	12.45	826.28
Foreign Currency Term Loan	-	-	-	-	1.54	102.25
Creditors and Advance from Customers	48.71	3,285.72	89.38	5,795.57	107.09	7126.11
Total	48.71	3,285.72	89.38	5,795.57	108.63	7,228.36
Net statement of financial position exposure	229.26	14,766.46	(10.77)	(700.21)	(96.18)	(6,402.08)

Sensitivity analysis

A reasonable strengthening /weakening of the Indian Rupee against US dollars as at March 31 would affect 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.

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the profit before taxes by approximately ₹ 1476.64 Lakhs for the year ended March 31, 2018 (₹ 70.02 Lakhs for the year ended March 31, 2017)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/ borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

As on 31 March 2018 and 31 March 2017, the Company has not availed any long term borrowings except for loans on certain vehicles on fixed rate basis. Further, the Company has not availed any fund based working capital lines.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect profit or loss.

Commodity rate risk

The Company's operating activity involve purchase of Active Pharmaceutical Ingredients (API) and other direct materials, whose prices are exposed to the risk of fluctuation over short period of time. The commodity price risk exposure is evaluated and managed through procurement and other related operating policies. As on 31 March 2018, 31 March 2017, 1 April 2016, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 47 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on the capital as well as the level of dividends to ordinary shareholders.

As on date the Company has no borrowings except for certain vehicle loans.

NOTE 48 FIRST TIME ADOPTION TO IND AS:

Transition to Ind AS:

For the purposes of reporting as set out in Note 1B(a), the Company has transitioned basis of accounting from Indian generally accepted accounting principles ['IGAAP'] to Ind AS. The accounting policies set out in Note 1B have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in preparation of an opening Ind AS balance sheet as at 1 April 2016.

In preparing opening Ind AS balance sheet, the Company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. On transition, the Company did not revise estimates previously made under IGAAP except where required by Ind AS.

A. Reconciliation of Equity reported

	Footnote ref	As at March 31, 2017	As at April 1, 2016
Equity Reported under IGAAP		22,419.70	12,813.77
Summary of Ind AS adjustments			
Proposed dividend	1	-	528.85
Tax on proposed dividend	1	-	107.54
Gain on fair value of investments	2	10.49	(0.20)
Impact on rent straight lining	3	(5.39)	(8.07)
Accrual interest on rent deposit	4	1.56	-
Amortization of rent deposit	4	(1.64)	-
Fair value of Gratuity - Fund asset	5	62.23	142.90
Deferred Tax impact on above	6	(10.64)	(39.52)
		22,476.31	13,545.27

B. Reconciliation of Total Comprehensive income

	Footnote ref	As at March 31, 2017
Net profit reported under IGAAP		9,604.90
Summary of Ind AS adjustments		
Fair Value measurement of Mutual fund	2	10.49
Impact of rent straight lining	3	2.68
Fair value Adjustment of Rental Deposits	4	(0.08)
Actuarial (gain) / Loss on employee defined benefit funds recognised in Other Comprehensive Income	5	(16.16)
Fair value measurement impact of Gratuity fund asset	5	(80.44)
Deferred Tax	6	28.89
Net Profit as per Ind AS		9550.29
Other Comprehensive Income	5	16.16
Total Comprehensive Income under Ind AS		9566.45

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 48 FIRST TIME ADOPTION TO IND AS: (Contd.)

C. Reconciliation of statement of Cash Flows

There were no material differences between the Statement of Cash Flows presented under Ind AS and under IGAAP.

Notes to the reconciliation:

1. Proposed Dividend

Under previous GAAP proposed dividend are recognised in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

2. Fair valuation of mutual fund investment

Under previous GAAP, mutual fund investments were carried at cost and only mark to market losses were recognised in Statement of Profit and Loss. Under Ind AS, mutual fund investments are fair valued at the period end and resulting mark to market loss or gain is transferred to Statement of Profit and Loss.

3. Lease rent straight lining impact

Lease rentals straight-lined under previous GAAP, to the extent linked to inflation are (created)/reversed under Ind AS 17.

4. Fair valuation of non-current security deposits

Under previous GAAP, security deposits are carried at their book values. Under Ind AS, non-cancellable deposits (other than statutory in nature) are required to be measured at their fair values at inception using an appropriate discounting rate.

5. Fair value of Gratuity Asset

Fair value impact of Gratuity Asset under Ind AS has been accounted for.

6. Deferred Tax impact

Deferred tax impact on account of Ind AS transition as discussed above has been accounted under deferred tax.

NOTE 49

The Company operates in one segment only viz., pharmaceutical formulations.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ lakhs except share data unless otherwise stated)

NOTE 50

Additional information as required by Paragraph 2 of the General Instructions for the Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities				Share in Profit / (Loss)			
	As % of consolidated net assets		Amount ₹ Lakhs		As % of consolidated net assets		Amount ₹ Lakhs	
	2018	2017	2018	2017	2018	2017	2018	2017
Parent								
Caplin Point Laboratories Limited	81.23	85.85	29,560.43	19,991.29	70.74	73.63	10,231.09	7,031.70
Subsidiaries	-					-		
Indian	-					-		
1. Argus Salud Pharma LLP	(0.07)	2.63	(26.47)	589.53	(0.19)	2.94	(27.93)	281.14
Foreign	-				-	-		
1. Caplin Point Far East Limited	21.99	11.38	8,001.79	2,551.48	29.54	26.64	5412.23	2,544.00
2. Caplin Point laboratories Colombia, SAS	(0.11)	0.14	(41.03)	31.50	(0.28)	(0.15)	(40.31)	(14.50)
Minority interest in subsidiary	0.02		9.04	36.22	-	-		
Total Eliminations / Consolidation Adjustments	(3.05)		(1,111.57)	(687.49)	0.19	(3.06)	(1,111.58)	(292.06)
	100.00	100.00	36,392.19	22,512.53	100.00	100.00	14,463.50	9,550.29

NOTE 51

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatories to Notes 1 to 51

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

B. Ramakrishnan
 Partner
 ICAI Membership No. 201023

Place : Chennai
 Date : May 28, 2018

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

C. C. Paarthipan
 Chairman

Muralidharan D
 Chief Financial Officer

Dr. Sridhar Ganesan
 Managing Director

Vinod Kumar S
 Company Secretary

CAPLIN POINT LABORATORIES LIMITED

CIN: L24231TN1990PLC019053

Regd. Office: "Narbavi" No. 3, Lakshmanan Street, T Nagar, Chennai-600 017

PH: 044 28156653

e-mail : info@caplinpoint.net, website :www.caplinpoint.net

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of Caplin Point Laboratories Limited will be held on Friday, September 28, 2018 at Sri Thyaga Brahma Gana Sabha (Vani Mahal) No. 103, G N Road, T. Nagar, Chennai -600 017 at 10.00 AM to transact the following businesses:

ORDINARY BUSINESS:

1. ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt the audited Standalone and Consolidated Financial Statements of the Company for financial year ended March 31, 2018, including the audited Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss of the Company for the year ended on that date along with the reports of the Board of Directors and Auditors thereon.

2. DECLARATION OF DIVIDENDS

To declare Dividend of ₹ 2.00/- (Rupees Two Only) per equity share of ₹ 2/- each for the financial year ended March 31,2018.

3. APPOINTMENT OF MR D P MISHRA AS A DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a Director in place of Mr D P Mishra (DIN: 02032818), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. RE-APPOINTMENT OF MR V THIRUMALAI AS AN INDEPENDENT DIRECTOR FOR A SECOND TERM OF FIVE YEARS

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the applicable provisions of SEBI (Listing Obligations and Disclosures Requirements)

Regulations,2015 and as recommended by the Nomination and Remuneration Committee, Mr V Thirumalai (DIN: 03015619), who is eligible for re-appointment as a Non-executive- Independent Director be and is hereby re-appointed as a Non-executive-Independent Director of the Company for a second term of five consecutive years from December 18,2017 to December 17,2022 and who is not liable to retire by rotation.

5. RE-APPOINTMENT OF DR K NIRMALA PRASAD AS AN INDEPENDENT DIRECTOR FOR A SECOND TERM OF FIVE YEARS

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the applicable provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations,2015 and as recommended by the Nomination and Remuneration Committee Dr K Nirmala Prasad (DIN: 07088120) who is eligible for re-appointment as a Non-executive- Independent Director, be and is hereby re-appointed as a Non-executive- Independent Director of the Company for a second term of five consecutive years without break of office from February 04,2018 to February 03,2023 and who is not liable to retire by rotation.

6. RE-APPOINTMENT OF MRR VISWANATHAN AS AN INDEPENDENT DIRECTOR FOR A SECOND TERM OF FIVE YEARS

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof,

for the time being in force) and pursuant to the applicable provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and as recommended by the Nomination and Remuneration Committee Mr R Viswanathan (DIN :07173713) who is eligible for re-appointment as a Non-executive- Independent Director be and is hereby re-appointed as a Non-executive-Independent Director of the Company for a second term of five consecutive years from May 12,2018 to May 11,2023 and who is not liable to retire by rotation.

7. GRANT OF OPTIONS TO THE EMPLOYEES OF THE SUBSIDIARY COMPANY(IES) OF THE COMPANY UNDER EMPLOYEES STOCK OPTION PLAN 2017 (ESOP 2017)

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

RESOLVED THAT in partial modification of the earlier Special Resolution passed at the 26th Annual General Meeting held on September 21,2017 and in accordance with the provisions contained in the Memorandum and Articles of Association and pursuant to the provisions of Section 62(1)(b), and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder and the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the Regulations") and such other applicable laws (including any statutory modification(s) or re-enactment of the Act or the Regulations, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committees thereof, including the Nomination and Remuneration Committee (hereinafter referred to as "the Committee") to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to offer, issue, and allot 5,00,000 (Five Lakhs) options exercisable into 5,00,000 Equity Shares of face value ₹ 2/- each fully paid up, under the existing **Caplin Point Employee Stock Option Scheme 2017 (the "Plan") to or to the benefit of employees who are in permanent employment of the Company and any existing or future subsidiary(ies) /subsidiary Company(ies)**, whether working in India or out of India, as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws

and Regulations prevailing from time to time (all such persons are hereinafter collectively referred to as ("Employees") in one or more tranches on such terms and conditions as may be fixed or determined by the Nomination and Remuneration Committee in accordance with the provisions of the law or Regulations issued by the relevant authority.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the existing Caplin Point Employee Stock Option Scheme, 2017 Plan from time to time including, but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the Plan.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment of securities, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time in its sole discretion in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company and any other applicable laws or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT all other terms and conditions approved by the members of the Company at the 26th Annual General Meeting held on September 21,2017 shall be binding on the Company except the abovementioned modification sought for.

For and on behalf of The Board of Directors
C C PAARTHIPAN
Chairman

REGISTERED OFFICE:

"Narbavi" No. 3 Lakshmanan Street
T Nagar, Chennai – 600 017
CIN : L24231TN1990PLC019053

Place : Chennai
Date : 06.08.2018

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than forty eight hours before the time fixed for holding the meeting.

A person can act as Proxy on behalf of members not exceeding fifty and holding not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

2. The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out material facts regarding the items of special businesses specified above is annexed hereto.
3. Members/proxies are requested to bring duly-filled attendance slip along with their copy of Annual Report to the Meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of Members and Share Transfer Books of the Company will be closed from **20.09.2018 to 28.09.2018** for the purpose of Annual General Meeting and Dividend.
5. The Final Dividend as recommended by the Board of Directors, if declared at the meeting, will be paid on or before October 27,2018 to those members, whose names appear in the Register of Members on September 19,2018 in respect of the shares held in dematerialized form, the dividend will be paid to the members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
6. Members holding shares in physical forms are requested to notify and change in their address to the Company / Share Transfer Agents quoting Register Folio number. Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their respective Depository Participants. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every

participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Integrated Registry Management Services Private Limited

8. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Companies Act, 2013 read with Rules made there under are requested to send the prescribed Form SH.13 to M/s. Integrated Registry Management Services Private Limited. The Form SH.13 for the purpose would be available for download on the Company's website www.caplinpoint.net under the section 'Investor'.
9. Electronic copy of the Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members are requested to fill up the ECS mandate form provided with this report and submit to the Company's Share Transfer Agents (Physical and Electronic) M/s Integrated Registry Management Services Private Limited at the following address: Integrated Registry Management Services Private Limited, II Floor, "Kences Towers", No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017, Phone: 044 - 28140801 – 803, Fax: 044 - 28142479. All communications relating to shares may be addressed to the Company's Share Transfer Agents (Physical and Electronic) at their communication address mentioned herein.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the venue of AGM.
12. Corporate Members / FIIs / Financial Institutions intending to send their authorised representatives to attend the Annual General

Meeting are requested to send a duly certified copy of the Board resolution / such other documents authorizing their representatives to attend and vote at the Annual General Meeting well in advance.

13. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary at the Company's Registered Office or the Registrar and Share Transfer Agents, M/s Integrated Registry Management Services Private Limited. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124(5) of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund.
14. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form to enable the Company to serve documents in electronic form.
15. Members who have not registered their e-mail address with the Company can now register the same by submitting a duly filled in 'E-Communication Registration Form', available on the website of the Company www.caplinpoint.net, to M/s. Integrated Registry Management Services Private Limited. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
16. Brief resume, details of Directors shareholding and Directors inter-se relationship of Directors seeking appointment / Re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, are provided as Annexure to this Notice
17. The Board has appointed Mr G Ramachandran, Practicing Company Secretary of M/s. G Ramachandran & Associates as the scrutinizer for conducting the e-voting Ballot process in a fair and transparent manner
18. SEBI vide its amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only.

This comes into effect from 5th December 2018 and hence the shareholders are requested to take note of it and take necessary steps to dematerialise your shares that are held in physical form. The Company in this regard has dispatched letters to all those shareholders who hold their shares in physical form.

19. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 25.09.2018 (9:00 am) and ends on 27.09.2018 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22.09.2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click

on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details will be as per details given below :

a) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).

b) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).

c) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).

5. Your password details are given below:

a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

c. How to retrieve your 'initial password'?

- i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number

for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a. Click on "HYPERLINK "<https://www.evoting.nsdl.com/eVotingWeb/commonhtmls/NewUser.jsp>" \o "Forgot User Details"Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on HYPERLINK "<http://www.evoting.nsdl.com>"www.evoting.nsdl.com.

b. "HYPERLINK "<https://www.evoting.nsdl.com/eVotingWeb/commonhtmls/PhysicalUser.jsp>" \o "Physical User Reset Password"Physical User Reset Password?" (If you are holding shares in physical mode) option available on HYPERLINK "<http://www.evoting.nsdl.com>"www.evoting.nsdl.com.

c. If you are still unable to get the password by aforesaid two options, you can send a request at HYPERLINK "<mailto:evoting@nsdl.co.in>"evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of the Company.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- VI. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to ramgcs@gmail.com with a copy marked to evoting@nsdl.co.in
- VII. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date for e-voting i.e. 22.09.2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- VIII. Mr G Ramachandran, Practicing Company Secretary of M/s. G Ramachandran & Associates has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "polling paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.caplinpoint.net and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, and National Stock Exchange of India Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO.4

Mr V Thirumalai was appointed as a Non-executive Independent Director of the Company for a consecutive period of Three years effective from December 18, 2014. The Nomination and Remuneration Committee on the basis of performance evaluation report recommended the Board of Directors of the Company to re-appoint Mr V Thirumalai as a Non-executive Independent Director for a second term of five consecutive years commencing from December 18, 2017.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and pursuant to Regulation 25 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, Board of Directors have proposed to re-appoint him for the second term of five years. The Company has received disclosures from Mr V Thirumalai under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 that he meets the criteria of Independence.

In the opinion of the Board, Mr V Thirumalai fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder and under SEBI listing obligations for his re-appointment as an Independent Director of the Company and is independent of the management. The Board also considers that his continued association/support would be beneficial to the Company and is desirable to avail his services as an Independent Director.

Accordingly, the Board recommends this Special Resolution for approval by the members of the Company.

Except Mr V Thirumalai, none of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the Resolution.

ITEM NO.5

Dr K Nirmala Prasad was appointed as a Non-executive Independent Director of the Company for a consecutive period of Three years effective from February 04, 2015. The Nomination and Remuneration Committee on the basis of performance evaluation report recommended the Board of Directors of the Company to re-appoint Dr K Nirmala Prasad as a Non-executive Independent Director for a second term of five consecutive years commencing from February 04, 2018.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and pursuant to Regulation 25 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, Board of Directors have proposed to re-appoint her for the second term of five years.. The Company has received disclosures from Dr K Nirmala Prasad under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 that she meets the criteria of Independence.

In the opinion of the Board, Dr K Nirmala Prasad fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder and under SEBI listing obligations for her re-appointment as an Independent Director of the Company and is independent of the management. The Board also considers that her continued association/support would be of immense benefit to the Company and is desirable to avail her services as an Independent Director.

Accordingly, the Board recommends this Special Resolution for approval by the members of the Company.

Except Dr K Nirmala Prasad, none of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the Resolution.

ITEM NO.6

Mr R Viswanathan was appointed as a Non-executive Independent Director of the Company for a consecutive period of Three years effective from May 12, 2015. The Nomination and Remuneration Committee on the basis of performance evaluation report recommended the Board of Directors of the Company to re-appoint Mr R Viswanathan as a Non-executive Independent Director for a second term of five consecutive years commencing from May 12, 2018.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and pursuant to Regulation 25 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, Board of Directors have proposed to re-appoint him for the second term of five years.. The Company has received disclosures from Mr R Viswanathan under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 that he meets the criteria of Independence.

In the opinion of the Board, Mr R Viswanathan fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder and under SEBI listing obligations for his re-appointment as an Independent

Director of the Company and is independent of the management. The Board also considers that his continued association would be of immense benefit to the Company and is desirable to avail his services as an Independent Director.

Accordingly, the Board recommends this Special Resolution for approval by the members of the Company.

Except Mr R Viswanathan, none of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the Resolution.

ITEM NO. 7

The Members of the Company at their 26th Annual General Meeting of the Company approved Caplin Point Employee Stock option Plan

2017. Under the said scheme eligible employees of the Company were granted options. Nomination and Remuneration committee and the Board of Directors have decided to cover the eligible employees of the Subsidiary/ies(present & future) under Caplin Point Employee Stock Option Plan-2017.

The approval of the members is sought for grant of options under Caplin Point Employee Stock Option Plan -2017 to include employees of the Subsidiary/ies(present & future) also, in addition to the employees of the Company covered under the existing scheme.

Disclosure in terms of Regulation 6 (2) of the SEBI (Share Based Employee Benefits) Regulations, 2014 as notified by SEBI vide Circular CIR/CFD/POLICY CELL/2015 dated June 16, 2015 are as under:

a	brief description of the scheme;	Caplin Point Employee Stock Option Plan -2017. 5,00,000 options (Five lakhs) exercisable into 5,00,000 equity shares of face value ₹ 2 each to the benefit of employees who are in permanent employment of the Company and its subsidiary/ies (Present and future), whether working in India or out of India in one or more tranches on such terms and conditions as may be fixed or determined by the Nomination and Remuneration Committee of the Company.
b	the total number of options to be granted;	5,00,000 (Five Lakhs)
c	identification of classes of employees entitled to participate and be beneficiaries in the scheme	(i) a permanent employee of the company who has been working in India or outside India; or (ii) a permanent employee of the subsidiary/ies (Present and future) who has been working in India or outside India; or (iii) a Director of the Company and its Subsidiary/ies (Present and future), whether a whole time director or not but excluding an independent Director and a promoter Director ; or (iv) an employee as defined in clauses (i), (ii) and (iii) of the Company and subsidiary/ies (Present and future), in India or outside India, but does not include (a) an employee who is a promoter or a person belonging to the promoter group; or (b) a Director who either himself or through his relative or through any body corporate directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.
d	requirements of vesting and period of vesting	The Options granted shall vest so long as an employee continues to be in the employment of the Company and its subsidiary/ies(Present and future) as the case may be. The vesting period shall be decided by the Nomination and Remuneration Committee of the Company from time to time, but shall not be less than 1 year and not more than 8 years from the date of grant of options. Vesting may happen in one or more tranches.

e	maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be) within which the options shall be vested	The maximum period within which the options shall be vested would be 8 years from the date of grant.
f	exercise price or pricing formula	The Options granted to the employees of the Company and its subsidiary/ies (present and future) under this plan shall carry an exercise price, which shall be at a discount to the market price as may be determined by the Board. However the Exercise Price shall not be less than the par value of the Equity Shares of the Company "Market price" under the Regulations means the latest available closing price on the stock exchange on which the equity shares of the company are listed on the date immediately prior to the Relevant Date. If such shares are listed on more than one stock exchanges, then the closing price on the stock exchange having higher trade volume shall be considered as the market price. Relevant Date under the Regulations mean: (i) In the case of grant, the date of the meeting of the Nomination and Remuneration Committee of the Company on which the Grant is made or (ii) in case of exercise, the date on which the notice of exercise is given to the Company by the employee.
g	exercise period and process of exercise	The exercise period shall be a period commencing from the date of vesting and shall continue upto completion of 2 years from the date of respective vesting. The options would be exercisable by submitting the requisite application form / exercise notice to the Company as the Company may prescribe, subject to conditions for payment of Exercise Price in the manner prescribed by the Board / Committee. All the participants in the Scheme shall deliver a written notice of exercise, in the prescribed form, to the Nomination and Remuneration Committee on or before the expiry of the exercise period.
h	the appraisal process for determining the eligibility of employees for the scheme	The appraisal process shall include evaluation of an employee based on one or more criteria for determining eligibility of the employees to be granted options, including but not limited to the following: - i Work related or academic performance of the employee - ii Length of service - iii Potential of the employee to contribute to the Company's / Subsidiary's performance - iv Position held - v The extent of contribution made by the employee towards business results, achievement of medium to long term performance plans, processes, and customer satisfaction or employee satisfaction. - vi High market value /difficulty in replacement. - vii High risk of losing the employee to competition.
i	maximum number of options to be issued per employee and in aggregate	The maximum number of options granted to any one employee will be 25,000 options and 5,00,000 options in aggregate.

j	maximum quantum of benefits to be provided per employee under the scheme(s);	The maximum number of options granted to any one employee will be 25,000 options
k	whether the scheme(s) is to be implemented and administered directly by the company or through a trust	Scheme to be implemented and administered directly by the Company
l	whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both	The scheme involves new issue of shares of the Company
m	the amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc	Not applicable
n	maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);	Not applicable
o	Confirmation with accounting policies	The Company shall conform to the Accounting Policies specified under the Regulations.
P	the method which the company shall use to value its options;	The Company shall follow the fair value method to value the options.

The equity shares allotted pursuant to the exercise of the Options shall be listed on the Stock Exchanges where the Company's Equity Shares are listed and necessary applications will be made to those Stock Exchange(s) in this behalf.

In terms of Regulation 6(1) of the Regulations, any Employees Stock Option Scheme must be approved by way of a special resolution. Further as the Scheme will entail further shares to be offered to persons other than existing members of the Company, consent of the members is required for issue of the equity shares and / or instruments entitling the holder to subscribe to or purchase equity shares, in terms of the provisions of Section 62(1)(b) of the Companies Act, 2013.

Accordingly the resolution set out at item no. 7 is being placed for approval of the members.

The options to be granted / shares to be issued under the Scheme shall not be treated as an offer or invitation made to public for subscription in the securities of the Company.

None of the Directors or Key Managerial Personnel of the Company is, in any way, concerned or interested in the resolutions, except to the extent of their shareholding in the Company or the options, which may be granted to them pursuant to the Plan.

For and on behalf of the Board of Directors
C C PAARTHIPAN
 Chairman

REGISTERED OFFICE:

"Narbavi" No. 3 Lakshmanan Street
 T Nagar, Chennai – 600 017
 CIN : L24231TN1990PLC019053

Place : Chennai
 Date : 06.08.2018

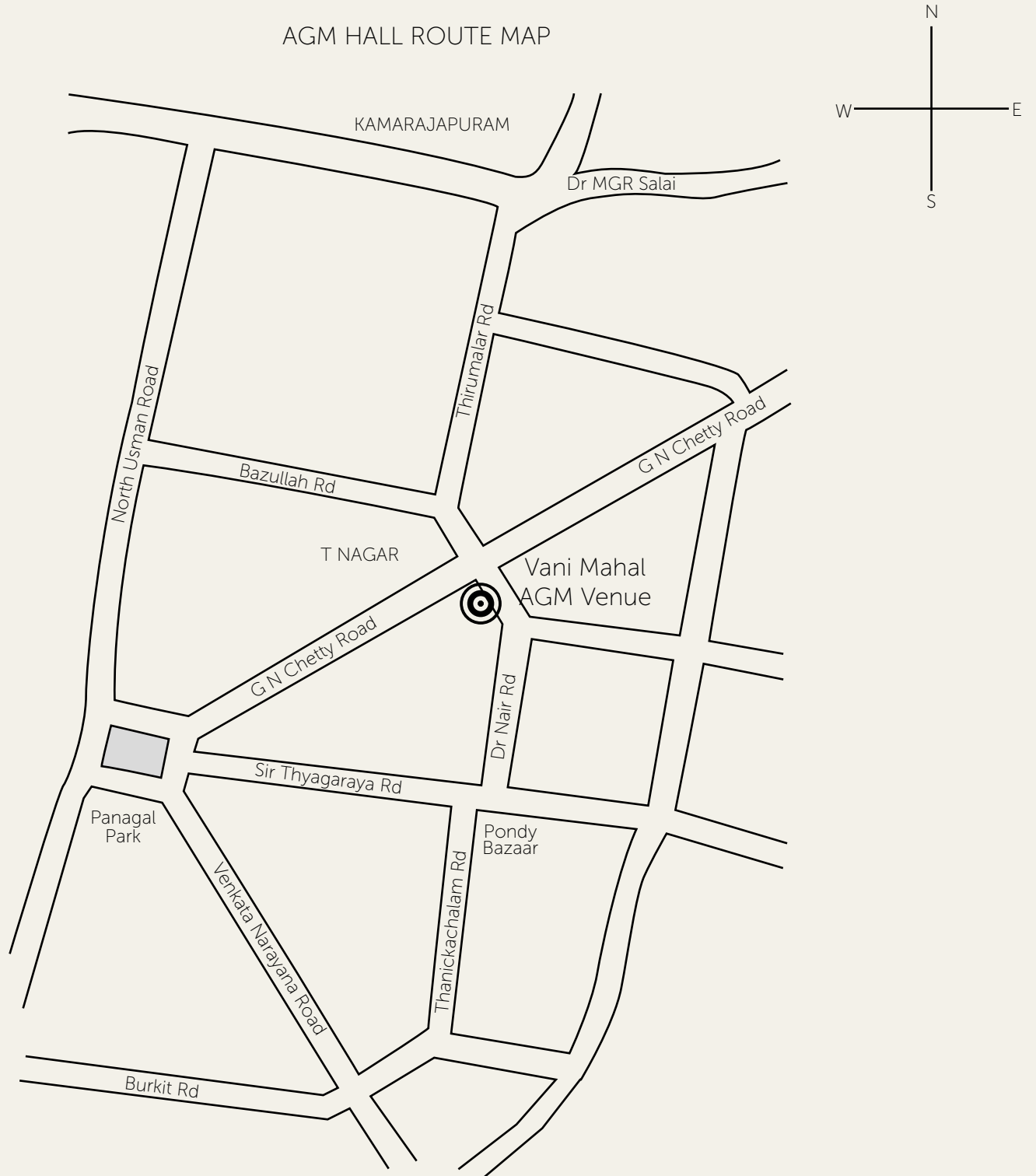
ANNEXURE TO NOTICE

Details of Directors seeking re-appointment at the ensuing Annual General Meeting [in pursuance to Regulation 36 (3) of the Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Mr V Thirumalai	Dr K Nirmala Prasad	Mr R Viswanathan
DIN	03015619	07088120	07173713
Date of birth	01.07.1941	10.06.1948	10.02.1952
Date of Appointment on the Board	18.12.2014	04.02.2015	12.05.2015
Qualifications	Graduate	Doctorate in commerce	IFS (Retd.)
Expertise in Specific Functional Area	Mr V Thirumalai is an innovative and proficient leader with rich experience in the areas of Finance, HR, Business administration, Management and Industrial Relations.	Expertise in the areas of Commerce and Management.	Being a retired diplomat, provides direction and counsel for the Company in identifying and exploring business opportunities in Latin American countries and very passionate about market analysis.
Number of Shares held in the Company	2,41,635	NIL	NIL
List of the Directorship or other position held in other Listed Companies	NIL	NIL	NIL
chairman/ member in the committees of the boards of companies in which he is Director*	Chairman: Nil Member :Nil	Chairman: Nil Member :Nil	Chairman: Nil Member :Nil
Relationships, if any, with other Directors and KMP	Not related to any Director or KMP	Not related to any Director or KMP	Not related to any Director or KMP

*Other than Caplin Point Laboratories Limited

AGM HALL ROUTE MAP



CAPLIN POINT LABORATORIES LIMITED

CIN:- L24231TN1990PLC019053

Registered Office:- "NARBAVI", No.3, Lakshmanan Street, T.Nagar, Chennai – 600 017.

Ph:- 044-28156653

E-Mail:- info@caplinpoint.net, Website:-www.caplinpoint.net

CIN: L24231TN1990PLC019053

FORM NO. MGT-11
PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered address :	
E-mail ID:	
Folio No./Client ID	
DP ID:	

I/ We, being a member/s of CAPLIN POINT LABORATORIES LIMITED, holding _____ shares of the above named Company, hereby appoint

- Name : Address :
 Email Id : Signature :or failing him / her
- Name : Address :
 Email Id : Signature :or failing him / her
- Name : Address :
 Email Id : Signature :

As my / our proxy to attend and vote (on a poll) for me/us on my/our behalf at the Twenty Seventh Annual General Meeting of the Company to be held on Friday, 28th September, 2018 at 10.00 a.m. at Sri Thyaga Brahma Gana Saba "VANI MAHAL" No. 103, G.N. Road, T. Nagar, Chennai – 600 017 and at any adjournment thereof in respect of the resolutions as indicated below :

S.No.	Ordinary Business
01	Adoption of Financial Statements.
02	Declaration of Dividend on equity shares.
03	Appointment of Mr D P Mishra , who retires by rotation and being eligible , offers himself for re-appointment.

S.No.	Special Business
04	Re-appointment of Mr V Thirumalai as an Independent Director for a second term of five years (Special Resolution).
05	Re-appointment of Dr K Nirmala Prasad as an Independent Director for a second term of five years (Special Resolution).
06	Re-appointment of Mr R Viswanathan as an Independent Director for a second term of five years (Special Resolution).
07	Grant of options to the employees of the Subsidiary Company(ies) under Employees Stock Option Plan 2017 (ESOP 2017) (Special Resolution).

Signed this _____ day of _____ 2018.

Affix
Re. 1/-
Revenue
Stamp

Signature of the Proxy holder(s)

Signature of the shareholder

Note : 1. This form duly in order to be effective should be completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



CAPLIN POINT LABORATORIES LIMITED

CIN:- L24231TN1990PLC019053

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E-Mail:- info@caplinpoint.net, Website:-www.caplinpoint.net

CIN: L24231TN1990PLC019053

FORM FOR ECS MANDATE

To
M/S. Integrated Registry Management Services Private Limited.
Unit: CAPLIN POINT LABORATORIES LIMITED
IIInd Floor, Kences Towers,
No.1, Ramakrishna Street,
North Usman Street, T Nagar
Chennai – 600 017

Dear Sirs,

Sub. : Payment of Dividend through ECS (ECS Mandate Form) – Caplin Point Laboratories Ltd

I/We hereby give my/our mandate to credit my/our Dividend on the shares held by me/us under the undermentioned Folio number directly to my/our Bank Account through Electronic Clearing Service (ECS). The details of the Bank Account are given below:

1	Name of 1st Registered holder (in Block Letters)								
2	Folio / DP ID / Client ID								
3	Name of the Bank								
4	Name of the Branch								
5	Account No. (as appearing on the cheque book)								
6	Account Type (Savings / Current / Cash / Credit)								
7	9-Digit Code Number of the Bank and Branch appearing on the MICR cheque issued by the Bank.								
[Please attach a photocopy of a cheque for verifying the accuracy of the MICR code no.]									

Date: _____

Signature of shareholder
[Sole / First]



CORPORATE INFORMATION

Board of Directors

Mr. C. C. Paarthipan, Chairman
Dr. Sridhar Ganesan, Managing Director
Dr Philip Ashok Karunakaran,
Whole-time Director
Mr D P Mishra, Director

Independent Directors

Mr. V. Thirumalai
Mr. R Viswanathan
Dr. R Ravichandran
Dr. K C John
Dr. K Nirmala Prasad
Mr. D Sathyanarayanan

Chief Financial Officer

Mr D Muralidharan

Company Secretary

Mr Vinod Kumar S

Statutory Auditors

M/s. CNGSN & Associates LLP
Chartered Accountants,
Swathi Court, Flat C & D, No.22,
Vijayaraghava Road, T. Nagar,
Chennai – 600 017

Bankers

The Catholic Syrian Bank Ltd
No. 826, Tarapore Towers, Mount Road
Chennai 600 002

Registered & Corporate Office

‘NARBHAVI’, No.3, Lakshmanan Street,
T Nagar, Chennai - 600 017
Ph No: 044 – 28156653

Factories

UNIT I

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

UNIT IV

Guruvarajakandigai Village,
Sirupuzhalpettai (Post), Gummidipoondi
Taluk, Tamilnadu - 601 201.

Research & Development

UNIT II

No.19, Chinnapuliur Village,
Sirupuzhalpettai (Post), Gummidipoondi
Taluk, Tamilnadu - 601 201.

UNIT IV

Guruvarajakandigai Village,
Sirupuzhalpettai (Post),
Gummidipoondi Taluk,
Tamilnadu - 601 201

UNIT V :

No.3, Developed Plots Industrial Estates,
Perungudi, Chennai -600 096, Tamil Nadu

Subsidiary

Argus Salud Pharma LLP
Khasra No.380, Village Suraj Majra,
N.H.21, Baddi, Tehsil Nalagarh,
Dist.Solan, Himachal Pradesh 173 205

Caplin Point Far East limited
609, 6th Floor, Hong Kong Plaza,
188 Connaught Road West, Hong Kong

Caplin Point Laboratories Colombia SAS
CR 15 No. 93-75 Oficine 408
Colombia

Registrar & Transfer Agents

Integrated Registry Management Services
Private Limited

II Floor, "Kences Towers"

No.1 Ramakrishna Street, North Usman Road
T Nagar, Chennai - 600 017

Website, Email ID

www.caplinpoint.net; info@caplinpoint.net;
investor@caplinpoint.net

Corporate Identification Number (CIN)

L24231TN1990PLC019053

Disclaimer

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions.

We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



CAPLIN POINT
LABORATORIES LTD.

Registered Office:

"NARBHAVI", No. 3, Lakshmanan Street,
T. Nagar, Chennai - 600 017, Tamil Nadu, India
Phone: +91 44 2815 6653