MSKA & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants

Olympia Cyberspace, 10th Floor
Module 4, 21/ 22, Alandur Road, Guindy
Chennai 600032. INDIA

INDEPENDENT AUDITOR'S REPORT

To the Members of Caplin Steriles Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Caplin Steriles Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company, and its subsidiary together referred to as "the Group"), its associate which comprise the Consolidated Balance Sheet as at March 31, 2026, and 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, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2026, and of consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon. The Director's report has not been made available to us.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and 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 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Other Matters

We did not audit the financial statements of one associate, whose financial statements reflect Group's share of net profit of Rs. 3.94 lakhs for the year ended March 31, 2026, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the reports of the other auditors.

Our opinion is not modified in respect of the above.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 financial statements.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).

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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 relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company, incorporated in India, none of the directors of the Holding Company, its associate company incorporated in India are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group entities incorporated in India, and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.

h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. There were no pending litigations which would impact the consolidated financial position of the Group

   ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company incorporated in India.

   iv.
      1. The respective Managements of the Holding Company which is incorporated in India whose financial statements have been audited under the Act have represented to us to the best of their knowledge and belief, as disclosed in the note 47 no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      2. The respective Managements of the Holding Company, which is incorporated in India whose financial statements have been audited under the Act have represented to us to the best of their knowledge and belief, as disclosed in the note 47 no funds have been received by the Holding Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiary, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

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

vi. Based on our examination which included test checks, the Holding Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level in respect of accounting software to log any direct data changes.

Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has been preserved by the Holding Company as per the statutory requirements for record retention to the extent it was enabled and recorded in previous year.

2. In our opinion, according to information, explanations given to us, the provisions laid under company Section 197 read with Schedule V of the Act is applicable to the holding Company. However, the holding company has not paid any remuneration to its directors during the year.

3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report Order, 2020 ("the Order") ("CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, as the CARO is not applicable to its foreign subsidiary and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements, as provided to us by the Management of the Holding company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements

For M S K A & Associates LLP (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W / W101187

T. V. Ganesh
Partner
Membership No. 203370
UDIN: 26203370VWUYYW7273

M S K A & Associates LLP ★ Chartered Accountants ★

Place: Chennai
Date: May 11, 2026

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Chennai 600032, INDIA

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.

- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W / W101187

T. V. Ganesh
Partner
Membership No. 203370
UDIN: 26203370VWUYYW7273

Place: Chennai
Date: May 11, 2026

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

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Caplin Steriles Limited on the consolidated Financial Statements for the year ended 31, March 2026.

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2026, we have audited the internal financial controls reference to consolidated financial statements of Caplin Steriles Limited (hereinafter referred to as "the Holding Company")

Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to its subsidiary which is not incorporated in India and to its associate company.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company incorporated in India, has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026 based on the internal financial controls with reference to consolidated financial statements criteria established by the holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's and Board of Director's Responsibility for Internal Financial Controls

The Management and the Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the holding company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company 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 prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

For M S K A & Associates LLP (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W / W101187

M S K A & Associates LLP * Chartered Accountants *

T. V. Ganesh
Partner
Membership No. 203370
UDIN: 26203370VWUYYW7273

Place: Chennai
Date: May 11, 2026

CAPLIN STERILES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2026
(All amounts are in Rs. Lakhs unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	2A	22,650.93	22,823.50
(b) Capital work-in-progress	2B	4,117.63	3,552.01
(c) Right of use assets	2E	132.87	193.41
(d) Other intangible assets	2C	649.03	624.37
(e) Intangible assets under development	2D	1,597.44	428.18
(f) Financial assets			
(i) Investments	3	183.35	145.67
(ii) Other Financial Assets	4	1,705.54	205.40
(g) Deferred Tax Assets (net)	5	45.78	662.41
(h) Income Tax Assets	6	348.40	195.63
(i) Other non-current assets	7	302.13	949.34
Sub-total-Non current assets		**31,733.10**	**29,779.92**
(2) Current Assets			
(a) Inventories	8	10,830.73	8,300.08
(b) Financial Assets			
(i) Investments	9	3,621.39	-
(i) Trade Receivables	10	12,164.42	8,557.15
(ii) Cash and Cash Equivalents	11	2,669.81	4,330.50
(iv) Other Financial Assets	12	3,333.21	3,392.12
(c) Other Current Assets	13	9,576.60	8,497.06
Sub-total-Current assets		**42,196.16**	**33,076.91**
Total		**73,929.26**	**62,856.83**
EQUITY AND LAIBILITIES			
(1)Equity			
(a) Equity share capital	14	10,537.42	10,537.42
(b) Other equity	15	28,421.35	22,411.15
Sub-total-Equity		**38,958.77**	**32,948.57**
(2) Liabilities			
(A) Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	16	26,754.00	24,580.00
(b) Deferred tax liabilites (Net)	17	192.18	-
(c) Other Non Current Liabilities	18	572.37	356.27
('d) Lease Liabiltiy	22	72.30	133.36
('e) Provison	21A	65.68	27.09
Sub-total-Non current liabilities		**27,656.53**	**25,096.72**
(B) Current Liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro and small enterprises		430.02	38.23
(b) total outstanding dues of creditors other than micro and small enterprises	19	4,252.88	3,526.79
(ii) Other financial liabilities	20	1,456.84	766.09
(b) Other current liabilities	21	1,087.66	408.64
('c) Lease Liabiltiy	22	75.18	69.48
(d) Provisions	21A	11.38	2.31
Sub-total-Current liabilities		**7,313.96**	**4,811.54**
Total Equity And Liabilities		**73,929.26**	**62,856.83**

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

As per our report of even date attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No : 105047W/W101187

For and on behalf of the Board of Directors of
Caplin Steriles Limited
CIN :U24304TN2018PLC126270

T.V.Ganesh
Partner
ICAI Membership No. 203370

C.C. Paarthipan
Chairman
DIN: 01218784
Date: May 11, 2026

Dr. Sridhar Ganesan
Whole Time Director
DIN: 06819026
Date: May 11, 2026

J. Swarnalaksh

M Sathya Narayanan
Chief Financial Officer

J Swarnalakshmi
Company Secretary
M No: A73667

Place : Chennai
Date : May 11, 2026

Place : Chennai
Date : May 11, 2026

Place : Chennai
Date : May 11, 2026

M S K A & Associates LLP Chartered Accountants

CAPLIN STERILES LIMITED CHENNAI 600 096.

CAPLIN STERILES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

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

Particulars	Notes	For the year Ended March 31, 2026	For the year Ended March 31, 2025
I . INCOME			
(a) Revenue from Operations	23	45,339.99	35,450.65
(b) Other income	24	1,794.09	1,150.45
Total Income		47,134.08	36,601.10
II . EXPENSES			
(a) Cost of Materials Consumed	25	13,522.33	10,611.45
(b) Changes in inventories of Finised Goods and Work-in-progress	26	(402.47)	(1,293.88)
(c) Employee benefits expense	27	6,422.41	5,927.13
(d) Finance costs	28	2,518.40	1,748.88
(e) Depreciation and Amortisation Expenses	29	4,400.22	3,307.08
(f) Research and Development Expenses	30	4,063.13	3,685.42
(g) Other expenses	31	9,231.41	7,463.47
Total Expenses		39,755.43	31,449.55
III . Profit before Exceptional items and tax		7,378.65	5,151.55
IV. Exceptional Items			
Share of Profit in Associate		3.94	-
V . Profit Before Tax		7,382.59	5,151.55
VI . Tax Expense (Net)			
- Current Tax		1,074.04	0.31
- Deferred tax Charge	32	812.30	1,517.06
VII . Profit After Tax for the Year		5,496.25	3,634.18
VIII. Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
(i) Remeasurement of Defined Benefit Plans		26.32	28.06
(ii) Income tax relating to these items	32	(6.62)	(7.06)
Other Comprehensive Income for the year		19.70	21.00
Items that will be reclassified to Profit or Loss			
(i) Exchange difference in translating the financial statements of foreign operations		475.54	(5.31)
IX.Total Comprehensive Income for the Year		5,991.49	3,649.87
Earnings Per Equity Share (Nominal value per share Rs.10/-)			
Basic	33	5.22	3.45
Diluted		3.87	2.56

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

As per our report of even date attached
For MSKA & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No : 105047W/W101187

T.V.Ganesh
Partner
ICAI Membership No. 203370
Place : Chennai
Date : May 11, 2026

For and on behalf of the Board of Directors of
Caplin Steriles Limited
CIN : U24304TN2018PLC12670

C.C. Paarthipan
Chairman
DIN: 01218784
Date: May 11, 2026

Dr. Sridhar Ganesan
Whole Time Director
DIN: 06819026
Date: May 11, 2026

M Sathya Narayanan
Chief Financial Officer

Place : Chennai
Date : May 11, 2026

J Swarnalakshmi
Company Secretary
M No: A73667
Place : Chennai
Date : May 11, 2026

M S K A & Associates LLP ★ Chartered Accountants ★

CAPLIN STERILES LIMITED CHENNAI 600 096.

CAPLIN STERILES LIMITED

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

(INR In Lakhs)

Particulars	For the year Ended March 31, 2026	For the year Ended March 31, 2025
A. Cash Flow from Operating Activities		
Profit before tax	7,378.65	5,151.55
Adjustments for:		
Depreciation and Amortisation	4,400.22	3,307.08
Government Grant	(147.67)	(112.88)
Employee Stock option Scheme Expense	(15.01)	267.58
Exchange variation (net)	(420.83)	88.37
Finance Cost	2,518.40	1,748.88
Loss on Sale of Property, Plant & Equipment		-
Profit on sale off of Property, Plant & Equipment	(6.30)	(1.51)
Fair value gain on financial instruments through profit or loss	(23.93)	-
Interest income	(113.52)	(113.95)
Operating Profit before Working Capital changes	**13,570.01**	**10,335.12**
Adjustments for (Increase)/Decrease in		
Inventories	(2,530.65)	(1,909.74)
Trade Receivables	(3,186.44)	289.48
Other Financial Assets	46.24	(491.21)
Other Current Assets	(1,079.54)	(2,881.52)
Adjustments for Increase/(Decrease) in		
Trade Payables	1,117.88	(99.15)
Other Financial Liabilities	194.07	(207.70)
Other Current Liabilities	726.69	(55.43)
Other Non Current Liabilities	216.09	44.82
Cash Generated from Operations	**9,074.35**	**5,024.67**
Income tax Paid (TDS)	(1,234.53)	(135.34)
Net Cash generated from Operating activities	**7,839.82**	**4,889.33**
B. Cash Flow from Investing Activities		
Interest received	126.20	121.32
Redemption of / (Investments in) Fixed Deposits with Banks	(36.56)	-
Bank Deposit	(1,500.14)	-
Rental Deposit	-	(20.71)
Investment in Mutual funds	(3,597.46)	-
Investment made	-	28.76
Proceeds from sale of property, plant and equipment	116.36	3,479.87
Purchase of property, plant and equipment (including CWIP and Capital advances)	(4,270.21)	(4,343.70)
Net Cash used in Investing activities	**(9,161.81)**	**(734.46)**
C. Cash Flow from Financing Activities		
Proceeds from Non-Current Borrowings	2,174.00	1,880.00
Principal paid on lease liabilities	5.70	202.86
Loan repaid	-	(3,500.00)
Interest Paid	(2,518.40)	(1,748.88)
Net Cash used in Financing activities	**(338.70)**	**(3,166.02)**
Effect of exchange rate changes on cash and cash equivalents (D)	-	-
Net (Decrease) /Increase in cash and cash equivalents during the year (E= A+B+C+D)	(1,660.69)	988.85
Cash and Cash Equivalents as at the beginning of the year (F)	**4,330.50**	**3,341.65**
Cash and Cash Equivalents as at the end of the year(G=E +F) Refer Note 10A	**2,669.81**	**4,330.50**

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

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No : 105047W/W101187

T.V.Ganesh
Partner
ICAI Membership No. 203370

Place : Chennai
Date : May 11, 2026

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

CIN : U24304TN2018PLC12670

C.C. Paarthipan
Chairman
DIN: 01218784
Date : May 11,2026

Dr. Sridhar Ganesan
Whole Time Director
DIN: 06819026
Date : May 11,2026

M Sathya Narayanan
Chief Financial Officer

J Swarnalakshmi
Company Secretary
M No: A73667

Place : Chennai
Date : May 11, 2026

Place : Chennai
Date : May 11, 2026

M S K A & Associates LLP ★ Chartered Accountants ★

CAPLIN STERILES LIMITED ★ CHENNAI 600 096.

CAPLIN STERILES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

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

A. EQUITY SHARE CAPITAL (Refer Note 14)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Equity Shares	Amount	No of Equity Shares	Amount
Balance as at the beginning of the year	10,53,74,213	10,537.42	10,53,74,213	10,537.42
Changes during the year	-	-	-	-
Balance as at the end of the year	10,53,74,213	10,537.42	10,53,74,213	10,537.42

B. OTHER EQUITY (Refer Note 15)

Particulars	Compulsorily Convertible Preference Shares	Reserves and Surplus						Items of other comprehensive income	Total Other Equity
		Securities Premium Reserve	Capital Contribution from Parent	Retained Earnings	Foreign ExchangeTranslation Reserve	Associate share of profit	Other Reserve	Remeasurement of Defined benefit plan	
Balance as at April 01, 2024	7,458.29	16,500.82	1,042.99	(6,503.43)	(0.82)	-	-	(4.15)	18,493.70
Profit for the year				3,634.18	(5.31)	-			3,628.87
Other Comprehensive Income for the year								21.00	21.00
Share- based payment expenses			267.58						267.58
Balance as at March 31, 2025	7,458.29	16,500.82	1,310.57	(2,869.25)	(6.13)	-	-	16.85	22,411.15
Profit for the year				5,492.31	475.52	37.68			6,005.51
Other Comprehensive Income for the year								19.70	19.70
Share- based payment expenses			(15.01)						(15.01)
Balance as at March 31, 2026	7,458.29	16,500.82	1,295.56	2,623.06	469.41	37.68	-	36.55	28,421.35

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No : 105047W/W101187

T.V.Ganesh
Partner
ICAI Membership No. 203370
Place : Chennai
Date : May 11, 2026

M S K A & Associates LLP * Chartered Accountants *

For and on behalf of the Board of Directors of Caplin Steriles Limited
CIN :U24304TN2018PLC126270

C. C. Paarthipan
Chairman
DIN: 01218784
Place : Chennai
Date : May 11, 2026

Dr. Sridhar Ganesan
Whole Time Director
DIN: 06819026
Place : Chennai
Date : May 11, 2026

M Sathya Narayanan
Chief Financial Officer

Place : Chennai
Date : May 11, 2026

J Swarnalakshmi
Company Secretary
M No: A73667
Place : Chennai
Date : May 11, 2026

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Notes to the Consolidated Financial Statements for the year ended March 31, 2026
(All amounts are in Lakhs unless otherwise stated)

NOTE 1 MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

i) *Statement of Compliance*

These Financial Statements are the Consolidated Financial Statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These Consolidated Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Consolidated Financial Statements.

ii) *Basis of Preparation*

The financial statements have been prepared on accrual and going concern basis. Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per Group's normal operating cycle as per paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents the Group has ascertained its normal operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

These financial statements are prepared under the historical cost convention except in case of certain class of financial assets/liabilities, share based payments and net liability for defined benefit plan that are measured at fair value.

The Group has decided to round off the figures to the nearest Lakhs.

These financial statements were authorized for issue by the Company's Board of Directors on May 11, 2026.

iii) *Functional and Presentation Currency*

These financial statements are presented in Indian rupees, which is the functional currency of the Group. All financial information presented in Indian rupees (₹) has been rounded off to the nearest lakhs, except otherwise indicated.

iv) *Use of Estimates and Judgments*

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

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

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

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

b) Principles of Consolidation:

Subsidiaries

Subsidiaries are all entities that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Company and its subsidiaries and jointly controlled entity have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c) Business Combinations:

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as

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capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

d) Goodwill:

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103, Business Combinations. Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

e) Property, Plant and Equipment:

i) Recognition and Measurement

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

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

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

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

ii) *Depreciation*

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

Estimated useful lives of the assets, are as follows:

Asset Category	Estimated useful life (Years)
Factory Building	30
Building other than factory building	60
Plant & Machinery	5-15
Furniture & Fixtures	10
Office Equipment	5

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Computers	3
Electrical Fittings and installation	10
Motor Vehicles	6
Motor Cycle	10

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

An asset purchased where the actual cost individually does not exceed Rs 10,000 is depreciated at the rate of 100%.

f) Intangible Assets:

i) Recognition and Measurement

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

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

(ii) Subsequent Expenditure

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

(iii) Amortization

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

Asset Category	Estimated useful life
Computer Software & licenses	6 years or useful life whichever is lower

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

g) Leases

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

i) Group as Lessee

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

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

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

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

ii) Group as Lessor

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

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

h) Impairment of Assets:

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

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

i) Research and Development:

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

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

j) Inventories

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

i) Raw materials, Stores and Spares and Packing materials

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

ii) Work-in-progress and Finished goods

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

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

k) Borrowing Costs

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

l) Fair Value Measurement

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

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

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

m) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognized immediately in the statement of profit and loss.

I. Financial Assets

The Group's Financial Assets mainly comprise of;

- Current financial assets- mainly consisting of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions, incentive receivable from Government and other current receivables.

- Non-current financial assets mainly consist of financial investments in equity, fixed deposits and non-current deposits.

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

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The Group recognizes a financial asset when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price .All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e. the date that the Group commits to purchase or sell the asset.

❖ **Subsequent Measurement of Financial Assets**

For purposes of subsequent measurement, financial assets are classified in the following categories:

i) Financial Assets at Amortized Cost;

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost category is the most relevant to the Group. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables and non-current financial assets such as non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment, if any are recognized in the statement of profit and loss.

ii) Financial Assets at Fair Value through Profit and Loss

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognized in the statement of profit and loss. The Group has designated its investments in equity instruments as FVTPL category.

iii) Financial Assets at Fair Value through Other Comprehensive Income

The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group has not designated investments in any equity instruments as FVTOCI.

❖ **Derecognition**

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

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

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

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

❖ **Impairment of financial assets**

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

i) Trade Receivables

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

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

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

II. *Financial Liabilities and Equity Instruments*

i) Financial Liabilities

The Group's Financial Liabilities mainly comprise of;

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

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

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

Financial liabilities are initially recognized and measured at amortized cost

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

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

❖ **Derecognition of Financial Liability**

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

ii) Equity instruments

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

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

III. Offsetting of financial instruments

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

n) Foreign Currency Transactions

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

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

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

o) Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent liabilities and contingent assets are not recognized in the financial statements. Contingent liabilities are disclosed in the financial statements unless the possibility of any outflow in settlement is remote. Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

p) Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

i) Sale of Goods

Revenue from the sale of goods is recognized when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations. The customer obtains control of the goods when the significant risks and reward of products sold are transferred according to the specific delivery term that have been agreed with the customer.

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

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

ii) Profit Sharing Revenues

The company has entered into arrangements with its business partners for sale of products in certain markets whereby the company is eligible for a share of profit over and above the base selling price. The share of profits is dependent on the ultimate sales made by the business partner and subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the

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business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement. The profit share component is recognized as revenue only to the extent that it is highly probable that a significant reversal will not occur.

iii) Service Income

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

iv) Interest and Dividend Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognized when right to receive is established (provided that it is probable that the economic benefits will flow to the Parent company and the amount of income can be measured reliably).

q) Export Incentive

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

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

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

r) Taxation

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

i) Current Tax

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

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

ii) Deferred Tax

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

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

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

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

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

b) Recent Accounting Pronouncements

The Ministry of corporate Affairs ("MCA") notified amendments on 7 May 2025 and 13 August 2025 under the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which is effective from annual reporting periods beginning on or after 1 April 2025.

(i) Amendment to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangement:

The amendments to Ind AS 7 'Statement of Cash Flows' and Ind AS 107 'Financial Instruments: Disclosures' clarify the characteristics of supplier finance arrangements and require additional disclosures for such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The entity does not have any supplier finance arrangements during the reporting period.

(ii) Amendment to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments do not have any effect on classification as the Company does not have any borrowings during the financial year.

(iii) Amendment to Ind AS 21-Lack of exchangeability

The Amendments introduces requirement to assess when a currency is exchangeable into another currency and when it is not. The amendment requires an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

These amendments had no effect on the financial statements of the Company.

(iv) Amendment to Ind AS 12 – Pillar-Two Tax Reforms

The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdiction in which the Company operates.

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New standards and amendments notified but not effective

(v) Amendment to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants:

The amendment includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, retrospectively, as outlined below:

- Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.

- Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.

- Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.

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Notes to the consolidated financial statements for the year ended March 31, 2026

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

NOTE 2A: Property, Plant & Equipment

As at March 31, 2026

Particulars	Gross block				Depreciation				Net Block	
	As at April 01, 2025	Additions during the year	Deletions during the year	As at March 31, 2026	As at April 01, 2025	Additions during the year	Deletions	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
Land	160.58	-	-	160.58	-	-	-	-	160.58	160.58
Factory Buildings	5,819.68	99.18	-	5,918.86	949.44	199.51	-	1,148.95	4,769.91	4,870.24
Plant & Machinery Refer Note (i)	20,273.33	2,960.98	125.44	23,108.87	6,362.41	2,920.05	26.33	9,256.13	13,852.75	13,910.92
Air Conditioner	266.20	15.14	-	281.34	82.91	30.23	-	113.14	168.20	183.29
Furniture & Fixtures	1,158.85	23.06	-	1,181.91	354.62	112.50	-	467.12	714.79	804.23
Office Equipment	559.78	85.03	1.49	643.32	226.66	95.48	0.44	321.70	321.63	333.12
Computers	507.40	108.55	-	615.95	212.60	132.06	-	344.66	271.30	294.80
Electrical Fittings	1,212.34	13.08	-	1,225.42	441.03	101.42	-	542.45	682.97	771.31
Motor Vehicles	211.98	65.33	33.28	244.03	130.01	31.68	33.27	128.42	115.60	81.97
Lab Equipment	3,802.96	692.77	29.95	4,465.78	2,389.92	501.47	18.81	2,872.58	1,593.20	1,413.04
Total:	**33,973.10**	**4,063.12**	**190.16**	**37,846.06**	**11,149.60**	**4,124.40**	**78.85**	**15,195.15**	**22,650.93**	**22,823.50**

Note:

(i) Gross Block as at March 31, 2026 includes Rs. 1,297.50 Lacs (March 31, 2025: Rs. 936.81 Lacs) of government grant in the nature of waiver of duty on purchase of plant and machinery & lab equipment. Accumulated Depreciation for Plant & Machinery as at March 31, 2026 includes Rs. 580.54 Lacs (March 31, 2025: Rs. 432.87 Lacs) on such government grant. Refer Note 18 &21.

(ii) Gross block (incl CWIP) includes borrowing cost capitalised during the year amounts to Rs. 323.09 lakhs (March 31, 2025: 878.11 Lakhs) at an interest rate of 11% p.a.

(iii) Refer Note 30(i) in respect of addition of assets made during the year in relation to assets used for Research and Development.

(iv) The title deeds of all the immovable properties are held in the name of the company.

(v) The Company has not revalued its property, plant and equipment during the current year and previous year.

(vi) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(vii) The useful life of Lab equipment and Motor Vehicles are taken as 15 Years and 6 years respectively as against life as per Schedule II of the Companies Act at 10 Years and 8 Years respectively. This is based on technical assessment by the Management.

(viii) Contractual commitment for the balance period is Rs 2,072.53 lacs - Ref note no 37.

As at March 31, 2025

Particulars	Gross block				Depreciation				Net Block	
	As at April 01, 2024	Additions during the year	Deletions during the year	As at March 31, 2025	As at April 01, 2024	Additions during the year	Deletions	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Land	241.03	-	80.45	160.58	-	-	-	-	160.58	241.03
Factory Buildings	5,060.32	802.69	43.33	5,819.68	771.48	179.03	1.07	949.44	4,870.24	4,288.84
Plant & Machinery Refer Note (i)	14,693.39	5,780.41	200.47	20,273.33	4,326.15	2,059.74	23.48	6,362.41	13,910.92	10,367.24
Air Conditioner	185.97	80.23	-	266.20	63.48	19.43	-	82.91	183.29	122.49
Furniture & Fixtures	1,121.32	37.53	-	1,158.85	243.65	110.97	-	354.62	804.23	877.67
Office Equipment	375.80	183.99	0.01	559.78	152.49	74.18	0.01	226.66	333.12	223.31
Computers	239.42	267.98	-	507.40	160.28	52.32	-	212.60	294.80	79.14
Electrical Fittings	1,063.56	148.78	-	1,212.34	352.14	88.89	-	441.03	771.31	711.42
Motor Vehicles	191.11	20.87	-	211.98	96.85	33.16	-	130.01	81.97	94.26
Lab Equipment	3,465.64	363.03	25.71	3,802.96	1,936.92	466.26	13.26	2,389.92	1,413.04	1,528.72
Total:	**26,637.56**	**7,685.51**	**349.97**	**33,973.10**	**8,103.44**	**3,083.98**	**37.82**	**11,149.60**	**22,823.50**	**18,534.12**

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Notes to the consolidated financial statements for the year ended March 31, 2026

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

Note 2B: Capital Work-in-Progress

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	3,552.01	10,446.23
Additions (net)	4,628.74	791.29
Less: Capitalization	4,063.12	7,685.51
Closing Balance	**4,117.63**	**3,552.01**

Ageing for capital work-in-progress as at March 31, 2026

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	3,497.24	269.54	350.85	-	4,117.63
Projects temporarily suspended	-	-	-	-	-

Ageing for capital work-in-progress as at March 31, 2025

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	786.97	2,765.04	-	-	3,552.01
Projects temporarily suspended	-	-	-	-	-

There are no projects under capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and March 31, 2025.

NOTE 2C: Other Intangible Assets

As at March 31, 2026

Particulars	Gross block				Amortisation				Net Block	
	As at April 01, 2025	Additions during the year	Deletions during the year	As at March 31, 2026	As at April 01, 2025	Additions during the year	Deletions	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
Other Intangible Assets	-	100.00	-	100.00	-	10.14	-	10.14	89.86	-
Computer Software	1,162.73	124.45	-	1,287.18	538.36	189.65	-	728.01	559.17	624.37
Total Other Intangible Assets	**1,162.73**	**224.45**	-	**1,387.18**	**538.36**	**199.79**	-	**738.15**	**649.03**	**624.37**

As at March 31, 2025

Particulars	Gross block				Amortisation				Net Block	
	As at April 01, 2024	Additions during the year	Deletions during the year	As at March 31, 2025	As at April 01, 2024	Additions during the year	Deletions	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Other Intangible Assets										
Computer Software	1,010.67	152.06	-	1,162.73	362.46	175.90	-	538.36	624.37	648.22
Total Other Intangible Assets	**1,010.67**	**152.06**	-	**1,162.73**	**362.46**	**175.90**	-	**538.36**	**624.37**	**648.22**

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

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Notes to the consolidated financial statements for the year ended March 31, 2026

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

NOTE 2D: Intangible assets under development

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	428.18	-
Additions	1,293.71	580.24
Less: Capitalization	124.45	152.06
Closing Balance	**1,597.44**	**428.18**

Ageing for Intangibles under Development as at March 31, 2026

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	1,169.26	428.18	-	-	1,597.44
Projects temporarily suspended	-	-	-	-	-

Ageing for Intangibles under Development as at March 31, 2025

Particulars	Amount in Capital Work-in-Progress for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	428.18	-			428.18
Projects temporarily suspended	-	-	-	-	-

There are no projects under Intangibles under development whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and March 31, 2025.

NOTE 2E : Right of use assets

As at March 31, 2026

Particulars	Gross block				Depreciation				Net Block	
	As at April 01, 2025	Additions during the year	Deletions during the year	As at March 31, 2026	As at April 01, 2025	Additions during the year	Deletions	As at March 31, 2026	As at March 31, 2026	As at March 31, 2025
Right of use assets	240.61	25.49	-	266.10	47.19	86.04	-	133.23	132.87	193.42
Total Right of use assets	**240.61**	**25.49**	**-**	**266.10**	**47.19**	**86.04**	**-**	**133.23**	**132.87**	**193.42**

As at March 31, 2025

Particulars	Gross block				Depreciation				Net Block	
	As at April 01, 2024	Additions during the year	Deletions during the year	As at March 31, 2025	As at April 01, 2024	Additions during the year	Deletions	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Right of use assets	-	240.61	-	240.61	-	47.19	-	47.19	193.42	-
Total Right of use assets	**-**	**240.61**	**-**	**240.61**	**-**	**47.19**	**-**	**47.19**	**193.42**	**-**

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Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Rs. Lakhs unless otherwise stated)

NOTE 3	As at March 31, 2026	As at March 31, 2025
INVESTMENTS		
Investment in Thagamman Renewable Energy Prviate Limited		
56,700 Equity Shares of Rs.10/- each in Thangamman Renewable Engergy Private Limited (March 2025: 56,700 Equity Shares)	5.67	5.67
1,75,000 Equity Shares of Rs.10/- each in Sunsole Solar Private Limited (March 2025: 1,75,000 Equity Shares)	177.68	140.00
Total	**183.35**	**145.67**

Investment made in Sunsole Solar Private Limited and Thangamman Renewable Energy Private Limited are strategic investments held for procuring captive and group captive power respectively at lower rate.

NOTE 4	As at March 31, 2026	As at March 31, 2025
OTHER NON CURRENT FINANCIAL ASSETS		
- (Carried at amortised cost, except otherwise stated)		
Security Deposits	149.76	149.76
Bank Deposits with remaining Maturity of greater than 12 Months	1,555.78	55.64
Total	**1,705.54**	**205.40**

NOTE 5	As at March 31, 2026	As at March 31, 2025
DEFERRED TAX ASSETS (Net)		
Deferred Tax Asset (Net) - Refer Note 32	45.78	662.41
Total	**45.78**	**662.41**

NOTE 6	As at March 31, 2026	As at March 31, 2025
INCOME TAX ASSETS		
Advance Tax (Net of Provision for Income Tax)	348.40	195.63
Total	**348.40**	**195.63**

NOTE 7	As at March 31, 2026	As at March 31, 2025
OTHER NON-CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
Capital Advance - Refer Note below		
Others		
Considered Good	302.13	949.34
Total	**302.13**	**949.34**

Refer Note 37 for value of contracts in capital account remaining to be executed.

NOTE 8	As at March 31, 2026	As at March 31, 2025
INVENTORIES (Lower of cost or Net realizable value)		
Raw Materials	3,680.63	2,802.52
Packing Materials	3,523.31	2,561.22
Work-in-Progress	388.30	220.63
Finished Goods	1,834.34	1,599.54
Stores and Spares	1,404.15	1,116.17
Total	**10,830.73**	**8,300.08**
Cost of material consumed (including purchase cost) during the year	13,119.86	9,317.57

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Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Rs. Lakhs unless otherwise stated)

NOTE 9	As at March 31, 2026	As at March 31, 2025
Investment in Mutual Fund - fair value through Profit or Loss	3,621.39	-
Total	3,621.39	-

Investment in Mutal Fund	As at March 31, 2026		As at March 31, 2025	
	Units	Rs. Lakhs	Units	Rs. Lakhs
Particulars			-	-
ICICI Prudential Money Market Fund - Reg - Growth	1,45,450.28	577.17	-	-
Aditya Birla Sun Life Money Manager Fund - Reg - Growth	1,09,587.54	423.80	-	-
Aditya Birla Sun Life Money Manager Fund-Growth-Dir Plan	91,410.92	358.48	-	-
Nippon India Money Market Fund Growth Option	5,961.47	258.65	-	-
Nippon India CRISIL- 9-12 Months Debt Index Fund -Direct Plan - Growth	99,87,116.00	1,002.24	-	-
Nippon India CRISIL- 9-12 Months Debt Index Fund - Regular Plan - Growth	34,95,595.34	350.73	-	-
Axis Overnight Fund - Regular Plan - Growth	3,528.34	50.12	-	-
Aditya Birla Sun Life Overnight Fund-Direct Plan-Growth	41,201.65	600.20	-	-
Total		3,621.39	-	-

NOTE 10	As at March 31, 2026	As at March 31, 2025
TRADE RECEIVABLES		
- (Carried at amortised cost, except otherwise stated)		
Trade Receivables - Unsecured considered good	12,164.42	8,557.15
Less: Provision for expected credit loss	-	-
Total	12,164.42	8,557.15

(i) The Company's trade receivables do not carry a significant financial element.
(ii) The credit period ranges from 30 to 90 days and are non interest bearing.
(iii) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. There are no trade or other receivables which are due from firms or private companies respectively in which any director is a partner, a director or a member.
(iv) Also refer note 36 related party balances.

Trade Receivables Ageing As at March 31, 2026

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	10,395.54	1,746.36	22.52	-			12,164.42
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-		-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-		-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-		-
Total	10,395.54	1,746.36	22.52	-	-		12,164.42

Trade Receivables Ageing As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	986.74	7,194.33	376.08	-	-		8,557.15
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-		-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-		-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-		-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-		-
Total	986.74	7,194.33	376.08	-			8,557.15

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Notes to the consolidated financial statements for the year ended March 31, 2026

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

NOTE 11	As at March 31, 2026	As at March 31, 2025
CASH AND CASH EQUIVALENTS		
Cash on Hand	1.59	1.36
Balances with Banks		
- Current accounts	2,668.22	2,929.14
- Bank deposits with original maturity of less than 3 months	-	1,400.00
Total	**2,669.81**	**4,330.50**

For the purposes of the Consolidated Statement of Cash Flows, Cash and Cash Equivalents include Cash on Hand and in Banks, Cheques on hand.

NOTE 12	As at March 31, 2026	As at March 31, 2025
OTHER CURRENT FINANCIAL ASSETS		
(Carried at amortised cost,except otherwise stated)		
Interest Accrued on Deposits	43.70	31.03
Bank Deposit accounts maturity (more than 3 months but less than 12 months)	498.58	462.02
Rental Deposits	54.14	52.28
Insurance Claim Receivable	2,736.79	2,846.79
Total	**3,333.21**	**3,392.12**

Note :

The insurance claim receivable as on 31st March'2026 has been reduced to Rs 2,736.79 Lakhs from 2,846.79 Lakhs as on 31st March 25 due to sale of loss assets as per the process monitored by "The Hon'ble High Court of Madras" and the proceeds of the same has been adjusted against insurance claim receivable.

The Company is of the firm view that the outcome of the litigation would be favourable, based on strong and positive legal opinion and hence the above insurance claim which has been earlier recognised in the books of accounts is considered good and recoverable.

NOTE 13	As at March 31, 2026	As at March 31, 2025
OTHER CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
Balance with Statutory Authorities	6,792.36	5,990.26
Advance to suppliers	194.73	325.98
Prepaid Expenses	1,328.02	1,149.45
Advance to Employees	8.10	17.08
Export Incentives Receivable	211.80	162.27
Unbilled Revenue	1,018.06	792.64
Compensated absences	23.53	59.38
Total	**9,576.60**	**8,497.06**

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NOTE 14	As at March 31, 2026	As at March 31, 2025
SHARE CAPITAL		
AUTHORISED		
11,00,00,000 (31st March 2025: 11,00,00,000) Equity Shares of ₹ 10/- each	11,000.00	11,000.00
8,00,00,000 (31st March 2025: 8,00,00,000) Series A Compulsorily Convertible Preference Shares of ₹ 10/- each	8,000.00	8,000.00
ISSUED, SUBSCRIBED AND PAID UP		
Equity Share Capital		
1,20,74,431 (March 31, 2025: 1,20,74,431) equity shares of ₹ 10/- each fully paid up issued for cash & 9,32,99,782 (March 31, 2025: 9,32,99,782) equity shares of ₹ 10/- each fully paid up issued for consideration other than cash,	10,537.42	10,537.42
Total	**10,537.42**	**10,537.42**
Compulsorily Convertible Preference Shares		
7,45,82,875 (March 31, 2025: 7,45,82,875) Series A Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up	7,458.29	7,458.29
Total	**7,458.29**	**7,458.29**

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

(i) Equity Shares	As at March 31, 2026	As at March 31, 2025
Equity shares outstanding at the beginning of the Year	10,53,74,213	10,53,74,213
Add: Equity shares allotted during the year	-	-
Less Equity shares bought back during the Year	-	-
Equity shares outstanding at the end of the Year	**10,53,74,213**	**10,53,74,213**

(ii) Compulsorily Convertible Preference Shares	As at March 31, 2026	As at March 31, 2025
Shares Outstanding at the beginning of the Year	7,45,82,875	7,45,82,875
Add: Shares allotted during the year	-	-
Less: Shares bought back during the Year	-	-
Shares outstanding at the end of the Year	**7,45,82,875**	**7,45,82,875**

b) Rights, preference & restrictions attached to shares

(i) Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one Vote per Share. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuring Annual General Meeting, except in case of Interim Dividend. The entity has not declared dividend for the FY 2025-26.

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

(ii) Preference Shares

0.001% Compulsory Convertible Preference Shares ('CCPS') having a par value of Rs. 10 is convertible in the ratio of 1:0.49. The conversion shall happen at the option of the preference shareholders. The CCPS if not converted by the preference shareholders shall be compulsorily converted into equity shares upon any of the following events:
(i) the filing of the DRHP with the SEBI in connection with the QIPO, and
(ii) The date which is 19 (nineteen) years from the date of issuance and allotment of CCPS.

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

c) Equity Shares held by Holding Company	As at March 31, 2026	As at March 31, 2025
Caplin Point Laboratories Limited and its nominees 10,53,74,113 (March 31, 2025: 10,53,74,113) Equity Shares of Rs. 10 each	10,537.42	10,537.42

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

(i) Equity Shares Name of the Share Holder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Caplin Point Laboratories Limited and its nominees (Holding company)	10,53,74,113	99.999%	10,53,74,113	99.999%

(ii) Compulsorily Convertible Preference Shares Name of the Share Holder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
M/s Eight Road Ventures India IILP	5,22,08,013	70%	5,22,08,013	70%
M/s. F-Prime Capital Partners Life Sciences Fund VI LP	2,23,74,862	30%	2,23,74,862	30%

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

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Caplin Point Laboratories Limited and its nominees (Holding company)	10,53,74,113	99.999%	10,53,74,113	99.999%

f) For the period of 5 years immediately preceeding March 31, 2026:
i. The Company has not allotted any shares as fully paid up bonus shares.
ii. The Company has not allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash.
iii. The Company has not bought back any shares.

NOTE 15	As at March 31, 2026	As at March 31, 2025
Other Equity		
A. Summary of Other Equity		
Compulsorily Convertible Preference Shares - Refer Note 14 for disclosures relating to Compulsorily Convertible Preference Shares	7,458.29	7,458.29
Securities Premium	16,500.82	16,500.82
Retained Earnings	2,623.06	(2,869.25)
Other Comprehensive Income	36.55	16.85
Foreign currency Translation Reserve	469.41	(6.14)
Capital Contribution from Parent	1,295.54	1,310.58
Associate share of profit	37.68	-
Total	**28,421.35**	**22,411.15**

B. Nature and purpose of Reserves

a) Securities Premium

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

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	16,500.82	16,500.82
Add/(less): Movements during the year	-	
Balance at the end of the Year	**16,500.82**	**16,500.82**

b) Retained Earnings

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

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	(2,869.25)	(6,503.43)
Add :Profit for the year	5,492.31	3,634.18
Balance at the end of the Year	**2,623.06**	**(2,869.25)**

c) Other Comprehensive Income

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

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	16.85	(4.15)
Add: Gain on remeasurement of net defined benefit plans	19.70	21.00
Balance at the end of the Year	**36.55**	**16.85**

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d) Capital Contribution from Parent

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

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance as per last balance sheet	1,310.55	1,042.97
Additions during the year	(15.01)	267.58
Balance at the end of the Year	**1,295.54**	**1,310.55**

e) Foreign currency Translation Reserve

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the Year	(6.13)	(0.82)
Profit/ (Loss) on foreign currency translation	475.54	(5.31)
Balance at the end of the year	469.41	(6.13)

f) Associate share of profit

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the Year	33.74	33.74
Profit/ (Loss) on Associate Share of profit	3.94	(33.74)
Balance at the end of the year	37.68	-

NOTE 16	As at March 31, 2026	As at March 31, 2025
BORROWINGS		
Unsecured - at amortised cost		
Loan from Caplin Point Laboratories Ltd. (Holding Company) - Refer Note 36	26,754.00	24,580.00
Total	**26,754.00**	**24,580.00**

Notes:-
(i) Interest rate for the loan is currently 11% p.a. (SBI's one year MCLR + 2% Risk premium), payable with monthly rests, from the date of first disbursement.
(ii) The Principal is repayable over a period of 5 years after the moratorium period.
(iii) The company does not have any current assets that were provided as security on borrowings.
(iv) The company has utilised the loans borrowed during the year for the purpose for which it is obtained as mentioned in the borrowing agreements.

Note 17	As at March 31, 2026	As at March 31, 2025
DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liabilites (Net)	192.18	662.41
Total	**192.18**	**662.41**

NOTE 18	As at March 31, 2026	As at March 31, 2025
OTHER NON CURRENT LIABILITIES		
Government Grant - Refer Note (a) below	572.37	356.27
Total	**572.37**	**356.27**

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

Note 19	As at March 31, 2026	As at March 31, 2025
TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises	430.02	38.23
Total outstanding dues of creditors other than micro enterprises and small enterprises*	4,252.88	3,526.79
Total	**4,682.90**	**3,565.02**

Refer Note 36 for related party balances.

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Trade Payables Ageing As at March 31, 2026

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME - Undisputed	430.02	-	-	-	-	430.02
(ii) Others - Undisputed	2,952.20	1,259.43	29.83	11.42	-	4,252.88
(iii) MSME - Disputed	-	-	-	-	-	-
(iv) Others - Disputed	-	-	-	-	-	-
Total	**3,382.22**	**1,259.43**	**29.83**	**11.42**	**-**	**4,682.90**

Trade Payables Ageing As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME - Undisputed	38.23		-	-		38.23
(ii) Others - Undisputed	2,625.38	887.37	9.37	2.39	2.28	3,526.79
(iii) MSME - Disputed		-	-	-		-
(iv) Others - Disputed		-	-	-		-
Total	**2,663.61**	**887.37**	**9.37**	**2.39**	**2.28**	**3,565.02**

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

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year		
(a) Principal amount due to micro and small enterprise	430.02	38.23
(b) Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Identification of MSME is based on the intimation received from vendors as at March 31, 2026

Note 20	As at March 31, 2026	As at March 31, 2025
OTHER FINANCIAL LIABILITIES		
Payable for purchase of Property Plant & Equipment	907.79	411.11
Salary and bonus payable	495.28	354.98
Provision for CSR Expenses	53.77	-
Total	**1,456.84**	**766.09**

Note 21	As at March 31, 2026	As at March 31, 2025
OTHER CURRENT LIABILITIES		
Statutory Dues payable	238.24	211.25
Government Grant	144.59	147.67
Others - Advance from Customer	704.83	49.72
Total	**1,087.66**	**408.64**

Note 21 A	Current		Non Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Provisions				
Gratuity Payable - Refer Note 34	11.38	2.31	65.68	27.09
Total	**11.38**	**2.31**	**65.68**	**27.09**

Note 22	Current		Non Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Lease Liabilities				
Lease Liabilities	75.18	69.48	72.30	133.26
Total	**75.18**	**69.48**	**72.30**	**133.26**

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Notes to the consolidated financial statements for the year ended March 31, 2026

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

NOTE 23	For the year ended March 31, 2026	For the year ended March 31, 2025
REVENUE FROM OPERATIONS		
Revenue From Operations	45,041.81	35,216.44
Sale of products	36,433.80	25,980.82
Service income	8,608.01	9,235.62
Other operating revenues		
Export Incentives	298.18	234.21
Total	45,339.99	35,450.65

1. Revenue is recognised at the point in time when control of the goods are transferred to the customer.
2. There are no unsatisfied or partially unsatisfied performance obligation as at March, 2026 & March, 2025.

a) Reconciliation of revenue from sale of products with the contracted price:		
Revenue as per contracted price	36,433.80	25,980.82
Adjusted for:		
Sales Returns	-	-
Sale price adjustments	-	-
Total revenue from contracts with customers	36,433.80	25,980.82

b) Disaggregation of revenue from sale of products:		
United States	33,404.86	24,768.25
Mexico	329.98	242.00
United Arab Emirates	255.62	349.56
Australia	490.84	248.28
Canada	1,194.94	290.61
Dubai	45.82	-
Costarica	64.65	-
Malaysia	185.01	-
Colombia	94.32	-
Israel	13.05	-
Chile	37.32	-
Thailand	11.83	-
India	305.56	82.12
	36,433.80	25,980.82

c) Detail of Contract Assets		
Unbilled revenue	1,018.06	792.64

Contract asset is recognized when the Company has recognized revenue, but not issued an invoice for payment. Contract assets are classified separately on the balance sheets and transferred to receivable when rights to payments become unconditional.

d) Details of Contract Liabilites		
Advance from customers	704.83	49.72

In respect to advance from customers, the company expect revenue to be recognised over the period of next One year from reporting date.

NOTE 24	For the year ended March 31, 2026	For the year ended March 31, 2025
OTHER INCOME		
Interest Income	113.52	113.95
Realised Gain on sale of financial instruments	152.79	41.30
Fair value gain/(loss) on financial instruments through profit or loss	23.93	-
Exchange variation(net)	1,291.77	636.47
Government Grant	147.67	112.88
Profit on sale of Assets	6.30	1.51
Miscellaneous Income	58.11	244.34
Total	1,794.09	1,150.45

NOTE 25	For the year ended March 31, 2026	For the year ended March 31, 2025
COST OF MATERIALS CONSUMED		
Opening Stock	6,479.90	5,864.05
Add : Purchases (Net)	15,650.52	11,227.30
Less : Closing Stock	8,608.09	6,479.90
Total	13,522.33	10,611.45

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Notes to the consolidated financial statements for the year ended March 31, 2026
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NOTE 26	For the year ended March 31, 2026	For the year ended March 31, 2025
CHANGES IN INVENTORIES OF FINISHED GOODS INCLUDING STOCK -IN-TRADE AND WORK-IN-PROGRESS		
Inventories at the end of the year		
Work in Progress	388.30	220.63
Finished Goods	1,834.34	1,599.54
Stock-in-Trade	-	-
(A)	2,222.64	1,820.17
Inventories at the beginning of the year		
Work in Progress	220.63	360.77
Finished Goods	1,599.54	165.52
Stock-in-Trade	-	-
(B)	1,820.17	526.29
Net Increase in Inventories (B- A)	(402.47)	(1,293.88)

NOTE 27	For the year ended March 31, 2026	For the year ended March 31, 2025
EMPLOYEE BENEFITS EXPENSE		
Salaries,wages, bonus and allowances	5,555.00	4,889.61
Contribution to Provident and Other funds	228.81	219.47
Gratuity expense - Refer Note 34	143.75	103.97
Employee share based expense - Refer Note 35	(15.01)	267.58
Staff Welfare Expenses	509.86	446.50
Total	**6,422.41**	**5,927.13**

NOTE 28	For the year ended March 31, 2026	For the year ended March 31, 2025
FINANCE COSTS		
Interest Expense on Loan from Holding Company	2,814.73	2,621.87
Less: Capitalised during the year - Refer Note 2A	(323.09)	(878.11)
Interest Expense charged to Statement of Profit and Loss	2,491.64	1,743.76
Interet on Lease Liabilities	6.37	5.12
Interest on income tax paid	20.39	
	2,518.40	**1,748.88**

NOTE 29	For the year ended March 31, 2026	For the year ended March 31, 2025
DEPRECIATION AND AMORTISATION		
Depreciation on property, plant and equipment (Refer note: 2A)	4,124.78	3,084.55
Amortisation of Intangible Assets (Refer note: 2C)	199.79	175.90
Amortisation of Right to use asset (Refer note: 2D)	75.65	46.63
Total	**4,400.22**	**3,307.08**

NOTE 30	For the year ended March 31, 2026	For the year ended March 31, 2025
RESEARCH AND DEVELOPMENT EXPENSES		
R & D Expenses - Refer Note 30 (ii)	4,063.13	3,685.42
Total	**4,063.13**	**3,685.42**

NOTE 30 (i)	For the year ended March 31, 2026	For the year ended March 31, 2025
RESEARCH AND DEVELOPMENT EXPENSES		
Capital expenditure included in Property, Plant & Equipment	244.49	62.89
Revenue expenditure incurred during the Financial year - Refer Note 30 (ii)	4,063.13	3,685.42
Total	**4,307.62**	**3,748.31**

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Notes to the consolidated financial statements for the year ended March 31, 2026

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NOTE 30 (ii)	For the year ended March 31, 2026	For the year ended March 31, 2025
RESEARCH AND DEVELOPMENT EXPENSES		
Cost of Consumables	2,243.24	2,016.95
Employee Benefit Expense	895.67	922.33
- Includes contribution to provident and othe funds for the year ended March 31, 2026 Rs 33.27 Lakhs (March 31, 2025 Rs 3.35 Lakhs)		
- Includes Gratutiry Expenses for the year ended March 31, 2026 Rs 20.34 Lakhs (March 31, 2025 Rs 21.25 Lakhs)		
Other Expenses	924.22	746.14
Total	**4,063.13**	**3,685.42**

NOTE 31	For the year ended March 31, 2026	For the year ended March 31, 2025
OTHER EXPENSES		
Power and Fuel	1,587.64	1,601.10
Other Manufactuing Expenses	457.01	374.47
Communication Expenses	35.35	29.94
Donations	0.75	0.20
Corporate Social Responsibility	61.42	-
Professional and Consultancy charges	190.11	208.05
Rates & taxes	452.75	202.78
Registration,filing & regulatory charges	3,080.06	2,538.52
Travelling Expenses	168.93	99.64
Auditors' Remuneration -(Refer note below)	17.16	14.39
Insurance	195.06	125.98
Repairs and Maintenance		
a) Plant and Machinery	935.80	795.68
b) Building	71.71	71.16
c) Others	29.45	17.97
Rent & Amenities	182.17	184.57
Freight outwards	766.80	506.44
Bank charges	7.97	4.44
Software maintenance charges	309.92	262.51
Miscellaneous Expenses	681.35	425.63
Total	**9,231.41**	**7,463.47**

NOTE 31(i)	For the year ended March 31, 2026	For the year ended March 31, 2025
AUDITORS REMUNERATION		
a. For Statutory Audit	12.00	9.00
b. For Limited Reviews	3.75	3.75
c. For Tax Audit	0.75	0.75
d. For Reimbursement of expenses	0.66	0.89
Total	**17.16**	**14.39**

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32 INCOME TAXES

a. Components of Income Tax Expense

Particulars	For the year Ended March 31, 2026	For the year Ended March 31, 2025
Tax Expense recognised in Profit and Loss section		
Current Tax	1,074.04	0.31
Deferred Tax	812.30	1,517.06
Tax Expense recognised in Other Comprehensive Income section		
Income Tax relating to remeasurement gain on defined benefit plan	6.62	7.06
Total Tax expense recognised in Statement of Profit and Loss	1,892.96	1,524.43

b. Reconciliation of Effective Tax Rate

Particulars	For the year Ended March 31, 2026	For the year Ended March 31, 2025
Profit before Tax	7,378.65	5,151.55
Income Tax expense calculated at 25.168%	1,857.06	1,296.54
Others	35.90	227.89
Tax Expenses Recognised in Statement of Profit and Loss	1,892.96	1,524.43

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

c. Movement in Deferred Tax

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

March 31, 2026	As at April 01, 2025	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2026
Deferred Tax Liabilities, on account of				
Property Plant and Equipment and Intangible Assets	(216.91)	18.17	-	(198.74)
Mutual fund (Unrealised gain)		6.03	-	6.03
Deferred Tax Assets, on account of				
Provision for Employee Benefits	(10.54)	17.70	(6.63)	0.53
Unabsorbed Business and Depreciation Loss	672.34	(672.34)	-	-
Deferred Tax Liabilities (Net)	444.89	(630.44)	(6.63)	(192.18)

March 31, 2026	As at April 01, 2025	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2026
Deferred Tax Liabilities, on account of				
Property Plant and Equipment and Intangible Assets	38.44	(38.44)	-	-
Mutual fund (Unrealised gain)	-		-	-
Deferred Tax Assets, on account of				
Provision for Employee Benefits	-		-	-
Unabsorbed Business and Depreciation Loss	179.08	(133.30)	-	45.78
Deferred Tax Asset (Net)	217.52	(171.74)	-	45.78

March 31, 2025	As at April 01, 2024	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2025
Deferred Tax Liabilities, on account of				
Property Plant and Equipment and Intangible Assets	(123.02)	(55.45)	-	(178.47)
Deferred Tax Assets, on account of				
Provision for Employee Benefits	3.96	(7.44)	(7.06)	(10.54)
Unabsorbed Business and Depreciation Loss	2,305.59	(1,454.17)	-	851.42
Deferred Tax Assets (Net)	2,186.53	(1,517.06)	(7.06)	662.41

33 EARNINGS PER SHARE

Earnings Per Share has been computed as under

Particulars	For the year Ended March 31, 2026	For the year Ended March 31, 2025
a. Profit for the year	5,496.25	3,634.18
b. Weighted average number of equity shares outstanding during the year	10,53,74,213	10,53,74,213
c. Earnings Per Share (Rs.) - Basic (Face value of Rs. 10 per share) (a/b)	5.22	3.45
d. Add: Weighted average number of potential equity on account of Compulsorily Convertible Preference Shares*	3,64,80,722	3,64,80,722
e. Weighted average number of equity shares (Including Dilutive Shares) outstanding during the year ((b+d)	14,18,54,935	14,18,54,935
f. Earnings Per Share (Rs.) - Diluted (Face value of Rs. 10 per share) (a/e)	3.87	2.56

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34 **EMPLOYEE BENEFITS**

(i) Defined Contribution Plan:

Contributions to defined contributions schemes as employees' state insurance, labour welfare fund, etc are charged as expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contributions is made to a Government administered fund and charged as expense to the Statement of Profit and Loss. The contributions payable to these plans are at the rates specified in the rules of the schemes.

The Company recognized Rs. 224.22 lakhs (March 31, 2025 Rs 222.82 lakhs) towards provident and pension fund contributions, Rs. 37.86 Lakhs ((March 31, 2025 Rs 31.73 lakhs) towards ESI in the Statement of Profit and Loss. Refer Note 27 & Note 30.

(ii) Defined Benefit Plan:

a. Gratuity

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

b. Compensated Absences

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows.

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Longevity risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their

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

Particulars	Gratuity		Compensated Absences	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
a. Change in Defined Benefit Obligation during the period				
Present Value of Obligation at the beginning of the year	473.76	492.30	179.16	212.56
Current service cost	125.96	121.11	16.33	14.91
Interest cost	35.18	37.43	11.76	14.46
Remeasurement Gains/(Losses):				
-' Due to finance assumption	-	-	-	-
-' Due to experience assumption	-	-	-	-
Actuarial (Gains)/Losses	(22.02)	(28.95)	48.48	27.75
Acquisiton/Business Combination/Diverstiture	(12.48)	(58.17)	29.17	(30.58)
Benefits paid	(39.73)	(89.96)	(87.20)	(59.94)
Past Service Cost	33.03	-	17.08	
Present Value of Obligation at the end of the year	**593.70**	**473.76**	**214.78**	**179.16**
b. Change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	**444.36**	**470.09**	**238.54**	**244.33**
Actuarial Gains/ (Losses)	4.31	(0.89)	3.96	3.84
Interest Income	30.08	33.33	16.15	17.34
Contribution by the employer	90.00	89.96	-	40.00
Benefits paid	(39.73)	(89.96)	(50.93)	(36.39)
Acquisiton/Business Combination/Diverstiture	(12.38)	(58.17)	30.59	(30.58)
Fair Value of the plan assets at the end of the year	**516.64**	**444.36**	**238.31**	**238.54**

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Notes to the Consolidated financial statements for the year ended March 31, 2026
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Particulars	Gratuity		Compensated Absences	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
a. Amount recognised in Balance Sheet				
Projected benefit obligation at the end of the year	(593.70)	(473.76)	(214.78)	(179.16)
Fair value of plan assets at end of the year	516.64	444.36	238.31	238.54
Funded status of the plans – Liability recognised in the balance sheet	**(77.06)**	**(29.40)**	**23.53**	**59.38**
b. Components of defined benefit cost recognised in Statement of Profit and Loss				
Current service cost	125.96	121.11	16.33	14.91
Net Interest Expense	5.10	4.10	(4.39)	(2.88)
Remeasurements	-	-	44.52	23.91
Past service cost	33.03			
Total Defined Benefit Cost recognised in Statement of Profit and Loss. Refer Note 25 & Note 31	**164.09**	**125.21**	**56.46**	**35.94**
b. Components of defined benefit cost recognised in Other Comprehensive Income				
Remeasurement due to;				
-' Change in finance assumption	10.21	13.27	-	-
-' Change in demographic assumption	1.26	-		
-' Change in experience adjustment	(33.48)	(42.22)	-	-
Return of Plan Assets	(4.31)	0.89	-	-
Total Defined Benefit Cost recognised in Other Comprehensive Income	**(26.32)**	**(28.06)**	-	-

Acturial Assumptions used for Valuation of Gratuity and Compensated Absences

Assumptions	As at March 31, 2026	As at March 31, 2025
Economic Assumptions		
Discount Rate	7.03%	6.77%
Salary Escalation Rate	First Two years - 10% Thereafter - 7%	7.00%
Expected Rate of Return on Assets	7.03%	6.77%
Demographic Assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/Withdrawal Rate	For age upto 30 years - 20% for age above 30 years -15%	7.00%
Leave Availment Ratio	1.00%	1.00%
Retirement Age	58 Years	58 Years

Sensitivity Analysis	As at March 31, 2026	As at March 31, 2025
Discount Rate		
- 1% increase (+100 Basis Points)	(28.63)	(39.44)
- 1% decrease (-100 Basis Points)	31.63	45.95
Salary Escalation Rate		
- 1% increase (+100 Basis Points)	26.12	32.58
- 1% decrease (-100 Basis Points)	(25.08)	(31.96)
Withdrawal Rate		
- 1% increase (+100 Basis Points)	(0.53)	0.68
- 1% decrease (-100 Basis Points)	0.23	(1.43)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

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Expected Cashflows for the Next Ten years	As at March 31, 2026
Year - 2027	90.69
Year - 2028	78.13
Year - 2029	87.05
Year - 2030	74.77
Year - 2031	69.41
Year - 2032 to 2036	251.56

The company's best estimate of the contribution expected to be paid to the Plan during the next year is Rs. 183.66 Lakhs (March 31, 2025: Rs. 147.04 Lakhs)

35 SHARE BASED PAYMENTS

(i) Description of the Plan

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

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

Particulars	As at March 31, 2026	As at March 31, 2025
	No. of Shares	No. of Shares
Opening Balance	1,36,951	2,21,959
Add: Net Movement in Options granted during the year	(34,500)	(52,592)
Less: Shares Allotted during the year	-	32,416
Closing Balance	**1,02,451**	**1,36,951**

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36 RELATED PARTY DISCLOSURES

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

Name of the Related parties	Nature of Relationship	Country of Incorporation	Principal Activity
Caplin Point Laboratories Limited	Holding Company	India	Pharmaceutical
Caplin One Labs Limited	Fellow Subsidiary	India	Pharmaceutical
Argus Salud Pharma LLP	Subsidiary LLP of Holding Company	India	Pharmaceutical
Ashvich Infotek Private Limited	Other entities in which Promoters of holding company are interested	India	Information Technology
Sunsole Solar Private Limited	Associate Company	India	Generation of power
Neoethicals Chile SPA	Step down Subsidiary of Holding Company	Chile	Pharmaceutical
Caplin Point Laboratories Colombia S.A.S	Step down Subsidiary of Holding Company	Colombia	Pharmaceutical
Nuevos Eticos Neoethicals, SA	Step down Subsidiary of Holding Company	Guatemala	Pharmaceutical
Caplin Steriles USA Inc	Wholly owned subsidiary	USA	Pharmaceutical

Key Management Personnel	Designation
Dr. Sridhar Ganesan	Whole Time Director
Mr.M Sathya Narayanan	Chief Financial Officer
Ms. S Rukmani*	Company Secretary (upto January 30, 2025)
Mr.Uvaraj P	Company Secretary (from August 6, 2025 upto November 29, 2025)
Ms.J Swarnalakshmi	Company Secretary (from February 3, 2026)

List of directors	Designation
Mr. Paarthipan Chingelput Chellappan	Director
Mr. Partheeban Vivek Siddarth	Director
Mr.Prem Pavoor	Nominee Director
Dr.Ketan Mahendra Patel	Nominee Director
Dr.Komattu Chacko John	Independent Director
Mr Rengaraj Viswanathan	Independent Director
Ms.Gariyali Chanderkanta	Independent Director

b. Disclosure of transactions between the Company and Related parties

Particulars	For the year Ended March 31, 2026							
	Caplin Point Laboratories Limited	Argus Salud Pharma LLP	Caplin One Labs Limited	Ashvich Infotek Private Limited	Sunsole Solar Private Limited	Neoethicals Chile SPA	Nuevos Eticos Neoethicals, SA	Caplin Point Laboratories Colombia S.A.S
Sale of Assets & Materials	222.03		48.68			37.31		94.32
Profit share								
Purchase of Assets & Materials	22.36		3.49					
Rent Paid	5.46		44.32	132.20				
Reimbursement of Software and system related expenses	91.98							
Corporate office common expenses	36.95							
Purchase of Solar power					215.80			
Loan for Expansion purposes	2,174.00							
Interest on Loan (Incl. interest Capitalized)	2,814.73							
MEIS Licence/ RODTEP Scrip Purchase	66.21	10.87	24.67					

Particulars	For the year Ended March 31, 2025							
	Caplin Point Laboratories Limited	Argus Salud Pharma LLP	Caplin One Labs Limited	Ashvich Infotek Private Limited	Sunsole Solar Private Limited	Neoethicals Chile SPA	Nuevos Eticos Neoethicals, SA	Caplin Point Laboratories Colombia S.A.S
Sale of Assets & Materials	93.68	-	3,526.01	-	-		87.94	-
Purchase of Assets & Materials	4.16	-	0.45	-	-			
Rent Paid	5.46	-	38.27	130.29	-			
Reimbursement of Software and system related expenses	43.43	-	-	-	-			
Corporate office common expenses	53.93	-	-	-	-			
Purchase from Solar power	-	-	-		222.02			
Loan for Expansion purposes	1,880.00	-	-	-	-			
Loan Repaid	3,500.00							
Interest on Loan (Incl. interest Capitalized)	2,621.87	-	-	-	-			
MEIS Licence Purchase	111.44	-	-	-	-			

c.Sitting Fee paid to Non-Executive Directors

Particulars	For the year Ended March 31, 2026	For the year Ended March 31, 2025
Dr.Komattu Chacko John	4.00	3.50
Mr.Rengaraj Viswanathan	3.50	2.00
Ms.Gariyali Chanderkanta	3.75	3.50

Terms & Conditions: Sale of goods to related party were made at list price, that prevail in arm's length transcation. Purchases were made at market price. Outstanding balances at the year end with related parties are unsecured & interest free to be settled in cash
The Company has not made any allowance for bad & doubtful debts in respect of related party trade receivable during the year March 31, 2026 & March 31, 2025.

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

d. Disclosure of Balance Outstanding as at Year end

Particulars	As at March 31, 2026			
	Caplin Point Laboratories Limited	Caplin Point Laboratories Colombia S.A.S	Neoethicals Chile SPA	Ashvich Infotek Private Limited
Trade Receivables	27.54	94.32	37.31	-
Trade Payables				11.90
Borrowings	26,754.00			-

Particulars	As at March 31, 2025			
	Caplin Point Laboratories Limited	Caplin Point Laboratories Colombia S.A.S	Neoethicals Chile SPA	Ashvich Infotek Private Limited
Trade Receivables	-			-
Investments	-			-
Borrowings	24,580.00			-

d. Disclosure of transaction with Key Management Personnel

Particulars	For the year Ended March 31, 2026	For the year Ended March 31, 2025
Mr. M Sathya Narayanan	**84.80**	**128.45**
Salaries and Wages	78.38	72.15
Contribution to provident and other funds	6.42	5.97
Perquisite Value of Stock Options Exercised	-	50.33
Ms. S Rukmani	**-**	**-**
Salaries and Wages	-	-
Contribution to provident and other funds	-	-
Perquisite Value of Stock Options Exercised	-	-
Mr.Uvaraj P	**4.90**	**-**
Salaries and Wages	4.81	-
Contribution to provident and other funds	0.09	-
Perquisite Value of Stock Options Exercised	-	-
Ms.J Swarnalakshmi	**2.02**	**-**
Salaries and Wages	1.97	-
Contribution to provident and other funds	0.05	-
Perquisite Value of Stock Options Exercised	-	-

i. Remuneration includes Basic salary, House Rent Allowance, Special Allowance,Leave Travel Assistance, Medical Reimbursement, contribution to Provident Fund and such other perquisites, payable to Key Management Personnel, as per Company Policy except Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis.
ii. * Paid remuneration in Caplin Point Laboratories Ltd (Holding Company) & no separate remuneration is paid in Caplin Steriles Limited.

37 CONTINGENT LIABILITIES AND COMMITMENTS

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

b. Commitments (to the extent not provided for)

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account (Net of Capital Advances)	2,072.53	2,834.31
Other Commitments (Raw material, Packing Material, Finished Goods, Other services (Net of Advances))	7,583.83	3,654.98

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38 **CAPITAL MANAGEMENT**

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

b. The capital structure of the Company consists of net debt (borrowings as detailed in note 16 offset by cash and bank balances) and total equity of the Company. Total Equity includes all capital and reserves of the Company that are managed as capital.

c. The following table summarises the capital of the Company

Particulars	As at March 31, 2026	As at March 31, 2025
Debt	26,754.00	24,580.00
Cash and Bank Balances	6,789.77	4,792.52
Net Debt	**19,964.23**	**19,787.48**
Total Equity	**38,958.77**	**32,948.57**
Net Debt to Equity Ratio	**51%**	**60%**

39 **FINANCIAL INSTRUMENTS**

39.1 **Classification of Financial Instruments**

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
A. Financial Assets			
i. Measured at Amortised Cost			
Investments in equity	3	183.35	145.67
Trade Receivables	10	12,164.42	8,557.15
Cash and Cash Equivalents	11	2,669.81	4,330.50
Other Non Current Financial Assets	4	1,705.54	205.40
Other Current Financial Assets	12	3,333.21	3,392.12
iii. Measured at fair value through Profit or Loss			
Investments in mutual funds	9	3,621.39	-
B. Financial Liabilities			
i. Measured at Amortised Cost			
Borrowings	16	26,754.00	24,580.00
Trade Payables	19	4,682.90	3,565.03
Other Financial Liabilities	20	1,456.84	766.09

39.2 **Fair Value Hierarchy**

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

• Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
• Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
• Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

As at March 31, 2026	Note No.	Amortised Cost	FVTOCI	FVTPL	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
A. Financial Assets							
Investments in equity	3	183.35	-	-	-	-	-
Investments in mutual funds	9	-	-	3,621.39	3,621.39	-	-
Trade Receivables	10	12,164.42	-	-	-	-	-
Cash and Cash Equivalents	11	2,669.81	-	-	-	-	-

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Other Non Current Financial Assets	4	1,705.54	-	-	-	-	-
Other Current Financial Assets	12	3,333.21	-	-	-	-	-
B. Financial Liabilities							
Borrowings	16	26,754.00	-	-	-	-	-
Trade Payables	19	4,682.90	-	-	-	-	-
Other Financial Liabilities	20	1,456.84	-	-	-	-	-

As at March 31, 2025	Note No.	Amortised Cost	FVTOCI	FVTPL	Fair Value		
					Level 1	Level 2	Level 3
A. Financial Assets							
Investments in equity	3	-	145.67	-	-	-	145.67
Trade Receivables	10	8,557.15	-	-	-	-	-
Cash and Cash Equivalents	11	4,330.50	-	-	-	-	-
Other Non Current Financial Assets	4	205.40	-	-	-	-	-
Other Current Financial Assets	12	3,392.12	-	-	-	-	-
B. Financial Liabilities							
Borrowings	16	24,580.00	-	-	-	-	-
Trade Payables	19	3,565.03	-	-	-	-	-
Other Financial Liabilities	20	766.09	-	-	-	-	-

40 Financial Risk and Management Objectives

The Company's activities expose it to a variety of financial risks viz; Credit Risk, Liquidity Risk and Market Risk.

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management framework. The Company's risk management policies are established to set appropriate risk limits and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market condition and the Company's activities. The Company through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. Credit Risk: Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Trade Receivables: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of business.

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

Exposures to the customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses, if any. Historical trends of impairment of trade receivables reflects no credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of "no credit loss" to continue.

No allowance for impairment in respect of trade and other receivables was provided during the year and immediate preceding year and the immediate preceding pervious year

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

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

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

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

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As at March 31, 2026	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years	Total
Borrowings	-	2,675.40	5,350.80	5,350.80	13,377.00	26,754.00
Trade payables	4,682.90	-	-	-	-	4,682.90
Other Financial Liabilities	1,456.84	-	-	-	-	1,456.84
Total	6,139.74	2,675.40	5,350.80	5,350.80	13,377.00	32,893.74

As at March 31, 2025	0-12 months	1-2 years	2-3 Years	3-5 Years	More than 5 Years	Total
Borrowings	-	3,687.00	4,916.00	4,916.00	11,061.00	24,580.00
Trade payables	3,565.02	-	-	-	-	3,565.02
Other Financial Liabilities	766.09	-	-	-	-	766.09
Total	4,331.11	3,687.00	4,916.00	4,916.00	11,061.00	28,911.11

iii. Market Risk: Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivable and payable. We are exposed to market risk primarily related to foreign exchange rate risk as the Company's product is exported to various countries and a certain portion of its export is sourced thorough import. Thus our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Company does not use any derivative to manage market risk since certain degree of a natural hedge available in the form of foreign currency realized from exports are paid against imports.

Foreign Currency Risks: The Company is exposed to currency risk on account of its export and import of pharmaceuticals and import of raw material, capital goods,etc . The functional currency of the Company is Indian Rupee, where as majority of its export and imports are settled through USD($). Following is the currency profile of financial assets and financial liabilities of the Company;

Particulars	As at March 31, 2026		As at March 31, 2025	
	USD in Lakhs	Rs in Lakhs	USD in Lakhs	Rs in Lakhs
A. Financial Assets				
Trade Receivables	129.68	12,274.50	98.54	8,432.87
Cash and Cash Equivalents	27.02	2,557.33	4.33	370.27
Total	**156.70**	**14,831.83**	**102.86**	**8,803.14**
B. Financial Liabilities				
Trade Payables	15.06	1,425.31	11.71	1,002.35
Total	**15.06**	**1,425.31**	**11.71**	**1,002.35**
Net Exposure	**141.64**	**13,406.52**	**91.15**	**7,800.79**

Sensitivity Analysis: A reasonable strengthening (weakening) of the Indian Rupee against US dollars as at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

1% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the loss before taxes by approximately Rs. 134.07 Lakhs for the year ended March 31, 2026 (Rs. 78.01 Lakhs for the year ended March 31, 2025)

Interest rate risk: Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/ borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk: During the year, the Company has availed a long term capex loan from its holding Company. The Interest Rate on long term loan is SBI's one year MCLR rate + 2% risk factor.

Commodity rate risk: The Company's operating activity involve purchase of Active Pharmaceutical Ingredients (API) and other direct materials, whose prices are exposed to the risk of fluctuation over short period of time. The commodity price risk exposure is evaluated and managed through procurement and other related operating policies. As on 31 March 2026 and 31 March 2025, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

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CAPLIN STERILES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2026
(All amounts are in Rs. Lakhs unless otherwise stated)

41 Statutory Group Information
Additional information required by Schedule III in respect of subsidiaries

Name of the entity	Net Assets, i.e Total assets minus total liabilities				Share in Profit or loss				Share in Other comprehensive Income				Share in Total Other comprehensive Income			
	As at March 31, 2026		As at March 31, 2025		As at March 31, 2026		As at March 31, 2025		As at March 31, 2026		As at March 31, 2025		As at March 31, 2026		As at March 31, 2025	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Caplin Steriles Limited	99%	38,724.39	91%	30,001.94	72%	3,948.75	119%	4,309.44	100%	495.24	100%	15.69	74%	4,443.99	119%	4,325.13
Subsidiaries																
Foreign																
Caplin Steriles USA Inc	1%	234.40	9%	2,946.63	28%	1,547.50	-19%	(675.27)	0%	-	0%	-	26%	1,547.50	-19%	(675.27)
Total	**100%**	**38,958.79**	**100%**	**32,948.57**	**100%**	**5,496.25**	**100%**	**3,634.17**	**100%**	**495.24**	**100%**	**15.69**	**100%**	**5,991.49**	**100%**	**3,649.86**

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CAPLIN STERILES LIMITED * CHENNAI 600 096

42 **SEGMENT REPORTING**

The company is engaged in manufacture of pharmaceuticals formulations which is the only business segment determined in accordance with the IndAS 108, "Operating segment". Hence there are no reportable business segments to be disclosed as required by the said standard.

43 **REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES**

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

44 **DISCLOSURE OF TRANSACTION WITH STRUCK OFF COMPANIES**

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

45 **SCHEME OF ARRANGEMENT**

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

46 **DISCLOSURE RELATING TO WILFUL DEFAULTER**

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

47 **UTILISATION OF BORROWED FUNDS AND SECURITIES PREMIUM**

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Company has received funds from Caplin Point Laboratories Limited amounting to Rs.26,754 Lakhs as borrowings. The terms of such transaction have been recorded in writing . The Company has not

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

48 **UNDISCLOSED INCOME**

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

49 **COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES**

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

50 **CORPORATE SOCIAL RESPONSIBILITY**

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Amount required to be spent by the company during the year	61.42	Nil
(ii) Amount required to be set off for the financial year, if any	-	Nil
(iii) Amount of expenditure incurred	7.65	Nil
(iv) Shortfall at the end of the year	53.77	Nil
(v)Total of previous years shortfall	-	Nil
(vi) Reason for shortfall	The allocated amount is earmarked for ongoing projects and is expected to be utilised over the course of the next few years in accordance with the CSR Policy	Nil
(vii) Nature of CSR activities	Rural Development projects and Healthcare facilities	Nil
(Viii) Related party transactions, if any	Nil	Nil
(ix) Where a provision is made with respect to liability incurred by entering into contractual obligation	NA	Nil

Nature of CSR activities;

The Company is engaged in providing tarpaulin covers to backward group in order to prevent water leakage during rainy seasons. Promoting education, women empowerment, initiating measures for reducing inequalities faced by socially and backward groups. Rural development and social welfare , the development of Tribal settlement

* The company has transferred Rs. 53.77 lacs to an unspent CSR account on April 28, 2026 for ongoing projects in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

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CAPLIN STERILES LIMITED CHENNAI 600 096. ★

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

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

52 **IMPACT OF NEW LABOUR CODES**

Pursuant to the Notification of the New Labour Codes effective 21st November, 2025 by the Government of India whereby multiple existing labour legislations have been consolidated into a unified framework, the Company has assessed the implications of the revised definition of 'wages' for employees. The assessment has resulted in a increase of employee benefit obligations relating to gratuity and compensated absences aggregating to ₹ 0.55 Crores. The impact has been recognised in the financial statements. The company continues to monitor developments pertaining to the New Labour Codes, and the impact thereof, if any, will be accounted for in accordance with the applicable accounting standards.

53 **GOING CONCERN**

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

54 **EVENTS AFTER REPORTING DATE:**

There has been no significant subsequent events after the reporting period requiring either disclosure or adjustment to the reported financial statements.

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

56 The Board of Directors has reviewed the realizable value of all current assets of the Company and has confirmed that all the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. Further, the board, duly taking into account all relevant disclosures made, has approved these financial statements for the year ended 31 March 2026 in its meeting held on May 11, 2026.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No : 105047W/W101187

T.V.Ganesh
Partner
ICAI Membership No. 203370

M S K A & Associates LLP Chartered Accountants

Place : Chennai
Date : May 11, 2026

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

C.C. Paarthipan
Chairman
DIN: 01218784
Date: May 11, 2026

M Sathya Narayanan
Chief Financial Officer

Place : Chennai
Date : May 11, 2026

Dr. Sridhar Ganesan
Whole Time Director
DIN: 06819026
Date: May 11, 2026

J. Swarnalakshmi

J Swarnalakshmi
Company Secretary
M No: A73667
Place : Chennai
Date : May 11, 2026

CAPLIN STERILES LIMITED CHENNAI 600 096.