

**FRESENIUS KABI ONCOLOGY LIMITED**

**21<sup>ST</sup> ANNUAL REPORT**

**2023-24**

## **BOARD'S REPORT**

Dear Shareholders,

The Board of Directors is pleased to present the report on the Company's business and operations for the financial year ended March 31, 2024.

### **FINANCIAL PERFORMANCE**

Key aspects of Company's financial performance for the financial year ended March 31, 2024 are summarized below:

<b>Particulars</b>	<b>(INR in Lakh)</b>	
	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Turnover (including other income)	81,491.31	75,618.99
Profit/(Loss) before Tax and Exceptional Items	7,240.70	5,421.21
Exceptional Items	-	-
Profit/ (Loss) before tax	7,240.70	5,421.21
Less: Provision for taxation		
(i) Current tax expenses	-	-
(ii) Deferred tax charge	(1,820.63)	(892.10)
Profit/(Loss) after tax	5,420.07	4,529.11
Other comprehensive Income	33.25	277.53
Total other comprehensive income for the year	5,453.32	4,806.64
Add: Balance of Profit/ (Loss) & Other comprehensive Income/ (Loss) brought forward from previous year	(56,796.43)	(61,603.07)
Appropriation to:		
General Reserve	-	-
Balance carried over to the Balance Sheet	(51,343.11)	(56,796.43)

### **DIVIDEND**

In view of the accumulated losses incurred by the Company, the Board is unable to recommend any dividend for the financial year 2023-24.

### **BUSINESS PERFORMANCE AND OPERATIONS**

Successful implementation of past strategies of developing robust processes and system led organization has resulted in the enhancement of manufacturing operations as well as full compliance with the regulatory norms/ procedures.

The management is committed to implementation of industry best practices at all levels and the bright part during the reporting period was increase in revenue and profitability of the company.

#### **Financial snapshots:**

- Revenue increased to INR 81,491.31 lakhs in FY 2023-24 from INR 75,618.99 lakhs in FY 2022-23, an increase of INR 5,872.32 lakhs (7.765 %).
- Profit before tax increased to INR 7,240.70 lakhs in FY 2023-24 as compared to INR 5,421.21 lakhs in FY 2022-23.

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## **GLOBAL & DOMESTIC INDUSTRY OUTLOOK AND TRENDS IN ONCOLOGY**

### **Global Trends in Oncology - 2024:**

The global oncology market has grown steadily in recent years. The growth observed in the historical period can be attributed to factors such as the increasing incidence of cancer, advancements in therapeutic approaches, a growing aging population, development of healthcare infrastructure, and the implementation of awareness and early detection programs.

The oncology market is expected to see steady growth in the next few years. The Oncology Drugs market worldwide is expected to reach a projected revenue of US\$214.10bn by 2024. This forecast indicates that the market is likely to experience an annual growth rate (CAGR 2024-2028) of 13.80%, resulting in a market volume of US\$359.10bn by 2028. The anticipated growth in the forecast period can be attributed to factors such as the emergence of precision medicine and personalized therapies, advancements in therapeutic modalities, global collaboration in oncology, shifts in epidemiology and new challenges, as well as influences from healthcare policy and economic factors. Major trends in this period include advancements in immunotherapy, the integration of precision medicine, expansion of telemedicine, a shift towards data-driven decision-making, the adoption of collaborative care models, and an increased focus on patient-centric care.

Advances in biopharmaceuticals, including immuno-oncology, cell and gene therapies, and small-molecule mechanisms, could not have happened without advances in technology. Non-invasive surgical interventions have also benefited from tech innovation, including robotics and improved imaging techniques that could reduce the risk of complications. Another important development that could benefit cancer patients in the future is 3D printing and the potential of bio-printing to replace cancerous tissues or organs.

Data science includes real-world data and artificial intelligence, and has potential uses in medical apps and telemedicine. Telemedicine helps patients in remote areas who are immunocompromised or are immobilized by recent surgery access quality medical care. In addition, the growing adoption of medical apps can improve diagnosis by non-oncologists, drive better treatment adherence, and keep patients engaged in their cancer care

### **Domestic Trends in Oncology – 2024**

The future of medical oncology in India looks promising with the rise in awareness levels, early detection and the wider use of diagnostic technologies, it is projected that the Oncology Market in India will witness a growth of 11-12 per cent, reaching INR 26,300 crore by 2024. The same study by Technavio on the India Oncology Market Industry Analysis 2023-2027 indicates that the oncology market in India is anticipated to expand by US\$ 947.84 million between 2022 and 2027, with a compounded annual growth rate (CAGR) of 13.45 per cent.

The government of India has made a significant investment in cancer care, with the goal of making India the best destination for cancer care. The government has committed to investing \$1 billion over the next five years to improve cancer care infrastructure and access to care. The *National Cancer Control Program* had initially invested in 5 *Regional Cancer Centres* (RCC) for 5 regions for India. Now this has expanded to 28 RCCs and the government has ambitious plans of establishing 49 more in the next 3 years.

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**Key updates on the Company's business locations****Update on C&E Program at Kalyani Plant**

Pursuant to the settlement with US DOJ, FKOL duly implemented a Compliance and Ethics Program (the "Compliance Program") and the same was internally launched on 16th April 2021. In addition to FKOL's existing regulatory compliance procedures, the Compliance Program is designed to prevent, detect, and correct any or all violations and promotes transparency in all regulatory interactions with the FDA. The three-year compliance program was successfully completed on 16th April, 2024. As mandated under the Compliance Program, FKOL had appointed a Chief Compliance Officer, constituted a Compliance Committee, conducted quarterly meetings of the Compliance Committee to implement and review the effectiveness of the Compliance Program regularly, and activated the Hotline/Ethics & Integrity Helpline number.

Further, FKOL also maintained the log of all calls and messages associated with violation/suspected violation of FKOL's policies, conducts, practices, or procedures. FKOL made timely submissions of logs and reportable events to DOJ. FKOL also submitted Annual Certificates through its CEO/MD and Board of Directors in respect of the effectiveness of the Compliance Program with DOJ in the past 2 years and these Annual Certificates for the current year ending in April 2024, shall be submitted soon with the DOJ.

A letter to USFDA informing the Company's intent to cease the distribution of Active Pharmaceutical Ingredients (API) to the US markets was submitted in January, 2024 and requested US FDA to initiate the steps to de-register its Kalyani Plant.

**I&D Center, Gurugram:**

1. Execution of exhibit batches (36 - POC & ICH) at various Global Fresenius sites;
2. First product in KabiPac from R&DC IN - Levettiracetam developed and executed exhibit batches at PU Kutno;
3. Successfully executed exhibit batches of Sugammadex at PU Wilson - First PFS product from R&DC India;
4. Successfully scale up and exhibit batches with ~25-30 % shorter lyophilization cycle executed at PU Baddi for Vancomycin and Caspofungin;
5. Ensured timely launch of Sugammadex injection in EU by resolving last moment challenges during commercial batch execution (PU Labesfal);
6. Cost rationalization by conducting dilution studies "in-house" for Selenious Acid, Manganese, Ceftazidime Avibactam & Penicillin G;
7. Expansion of Formulation and Analytical labs;
8. Successful Global GQM audit with no major observation;
9. Launched document approval and archival through RRM module of eDMS, leading to enhanced compliance and a positive impact on environment;
10. Grant of 5 patents in India: Handled prosecution internally (Attended Hearing and timely filed the written submission);
11. Filed timely response to FER related to chemo-enzymatic synthesis of liraglutide, semaglutide and GLP-1. (Enzyep, Fresenius Kabi IPSUM S.R.L.)
12. Maintenance of patents for: Alectinib and Belinostat in India;
13. Filed an application for patent of liraglutide tetramer;
14. New Product Launch - Sugammadex Sol Vial (EU, PhM) and Thiotepe for Injection 15 mg and 100 mg (EU) for the EU market;
15. Marketing Authorization:
  - CP: 1 Azacitidine ((EU) in Jan '24
  - DCP: 2 Penicillin G Pwd Vial (EU) in Jan '24
  - Thiamine Sol Amp (EU, PhM) in PT in Nov '23
  - PhM's ~13

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16. Submissions
  - i. ANDA: 2 - Manganese Chloride Sol Vial (US) in May '23 and Avibactam Ceftazidime Pwd Vial (US)(NCE-1) in Feb '24
  - ii. DCP: 1 Thiamine Sol Amp (EU, PhM) in PT in Jul '23 & EU in Oct '23
  - iii. PhM's: 14;
17. New Project Approvals (NPA):
  - i. Azacitidine Lyo Vial (Line Extension) (EU) in Apr '23
  - ii. Ephedrine RTU Sol Vial (US) in Aug '23
  - iii. Cysteine Sol Vial (US) in Oct '23
  - iv. Leucovorin (EU, US) in Oct '23

Initiatives towards upgradation of plant processes and cost reduction were undertaken at both the plants during the year under review, which included:

#### **Kalyani Plant:**

1. Carboplatin plant capacity increased by 1.4 Times (0.75 TPA to 1.1 TPA) by process improvement without capex involvement;
2. Docetaxel plant capacity increased by 2 Times (50 kg 100 Kg) without capex involvement;
3. New product Cisplatin introduced in Carboplatin Production facility;
4. Validation of Ropivacaine & Levobupivacaine using external KSM and Inhouse KSM;
5. Use of Inhouse Side chain (MTSC-9) for Paclitaxel production;
6. Use of recovered solvent in the Carboplatin process and Gemcitabine process;
7. Yield improvement in Carboplatin, Pemetrexed and Irinotecan
8. Clubbing of 2<sup>nd</sup> crop batches in Paclitaxel;
9. Skip testing in RM (Nitrogen), IR Intermediate (TZ & UC Stage);
10. Automation of Warehouse AHU for temperature control with VFD;
11. Batch sizes scale up for:

Product	Stage	Earlier Batch Size	Scaleup batch size
Sugammadex	1 (CX)(Int)	33 kg	44.50 kg
Ropivacaine	2 (DY) (API)	40 kg	50 kg
Gemcitabine	1 (MT) (Int)	180 Kg	270 Kg
10 DAB	2 (XE) (Int)	13 kg	18 kg

12. Implementation of Digitalization Projects like Data logger, Barcode, water System upgradation for unit-1 to Unit-4;
13. Biogas project;
14. RO EDI - RO+EDI sanitization hot water used in boiler feed water tank to save water & fuel;
15. Zero Accidents and No Manhour loss;
16. Energy saving initiatives like replacement of Pumps, use of alternate fuels in Boiler.

#### **Baddi Plant:**

1. Zero lost time accidents in 2023;
2. 6,970 K Vials filled in 2023 against the target of 7,045 K Vials (99%);
3. PU Service level maintained at 73% in 2023 against forecast accuracy of 57%;
4. SEA shipments contributed 80% of exports to Europe. Overall, 49 SEA shipments executed for the EU in 2023;
5. Implementation of the mono-carton FSC (Forest Stewardship Council) specification for Europe to support sustainability;
6. Successful completion of qualification and media fill of the new non-cyto sterile production (NSP) facility;

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7. Successful completion of the Exhibit Batches / Process Validation Batches of new products (Lacosamide, Vancomycin & Caspofungin) in Non-cyto Sterile Production (NSP) Facility;
8. Instrument connectivity through eLIMS;
9. Implementation of Auto Cartonator at Packaging Line-3;
10. Implementation of Laser coding system for batch coding on flip off seals at line 1;
11. Clean boiler fuel "CNG" introduced for boilers;
12. Successfully manufactured and launched a new product Thiotepa for Injection 15 mg and 100 mg (EU) for the EU market;
13. Successful completion of validation of Doxorubicin Hydrochloride Injection (PhM) by using alternate source API;
14. Zero Accidents and No Manhour loss.

The Baddi and Kalyani plants of the Company received certification(s) from the below mentioned authorities:

#### **Baddi Plant:**

1. ANVISA (Brazil): Certificate issued in January 2024 with a validity up to January, 2026;
2. Turkey MOH: Certificate issued in February 2024 with a validity up to January 2027;
3. GCC (Gulf Central Health Council): Certificate issued in April 2024 with a validity up to March 2029;
4. ISO 45001 & ISO 50001 Certification valid up to September 2024;
5. ISO 9001:2015 Certification valid up to April 2025;
6. SDC (State Drug Controller): Certificate issued with a validity up to September 2025;

#### **Kalyani Plant:**

1. TGA: Received a 'Manufacturer Questionnaire' and the site submitted the updated questionnaire and automated acknowledgement was received, inspection awaited.
2. CDSCO/WBDC: Drug License valid till 05 February, 2029, WB State FDA & CDSCO (Central Drugs Standard Control Organization) East Zone audited the facility in January, 2024;
3. ISO 9001 Certification valid upto 22<sup>nd</sup> April, 2025;

During the year the company has convened/celebrated below mentioned events at:

#### **Kalyani Plant:**

1. Town hall meeting for employees;
2. Quality Week Celebration;
3. Safety Week Celebration;
4. "International Women Day" Celebration;
5. "World Environment Day" Celebration, with a new initiative "Together, Let's Pedal for greener future" of encouraging employees Using Bicycle for commuting Factory;
6. Organized Fire & Safety Week Awareness Campaign;
7. "International Yoga Day" and Motivational talk by Swami Vedatitananda Maharaj, Correspondent of Ramakrishna Mission Shilpa mandira, Belurmath;
8. Family Day Celebration;
9. Deepawali Celebration (Rangoli Competition/Ethnic Wear/Lucky Draw Competition);
10. Monthly Birthday Celebration – FTE & Contract Workmen;
11. Sit & Draw Competition for employees' children;
12. Independence Day celebration & Quiz Competition;
13. Food Mela;
14. Family Picnic of 1<sup>st</sup> Line, 2<sup>nd</sup> Line & employees of best department;

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15. Football tournament for contractual workmen;
16. Short Cricket tournament;
17. Gala Lunch;
18. Coffee with Site Head;
19. Reward & Recognition – Best Department, Quarterly Best Employee, Star Performer, Long Service Award;
20. Training on MS Excel by external trainer Ritu Arora;
21. Training on "Speak Up Policy" by Corporate Legal team;
22. Training on "FK CoC" by Corporate Legal team;
23. Training on "Holistic Lifestyle & Rajyoga Meditation" by Brahmakumaris;
24. Training on "Engage, Empower & Transform" by external trainer Anand Munshi;
25. SOD & Brainstorming Session;
26. Conducted an employee satisfaction survey.

**Baddi Plant:**

1. Celebration of "FKOL-PU Baddi Cricket Premier League Grand Finale 2023";
2. Safety Week Celebration;
3. "World Cancer Day" convened a workshop for Nursing students of Bhojia Nursing College, Baddi;
4. Annual Day Celebration;
5. International Women's Day Celebration;
6. Training workshop on "Data Visualization and Data Proficiency";
7. SOD Meeting;
8. Knowledge Sharing Session;
9. Indoor Sports Celebration;
10. Townhall meetings for employees;
11. Coffee with senior leadership team (SLT) organized for employees on every alternate Friday;
12. Knowledge Sharing Sessions on "Freeze Drying/Lyophilization";
13. Awareness Session on "Drug De-addiction" on the occasion of World No Tobacco Day;
14. Happiness Program by Art of Living;
15. Training session on "ISO 14644-1:2015 Cleanroom Classification Part 1: Classification of air cleanliness by particle concentration"
16. International Yoga Week Celebration;
17. Strengthening Vision 2026 "People and Organization": Coffee with SLT;
18. PDA Technical Report No. 22 – Training on "Process Simulation for Aseptically Filled Products";
19. Outbound Training Program - "Building The Way";
20. Knowledge Sharing Session on "Supply Chain Security";
21. Awareness Session "Alzheimer Disease" on World Alzheimer Day;
22. Knowledge Sharing Session on "123 of Microsoft Excel".

**Gurugram Office:**

1. Session on Women's Health & Wellness Talk;
2. Yoga Day Celebration;
3. Monthly Birthday Celebrations;
4. Independence Day Celebration;
5. Women's Day Celebration;
6. Deepawali Celebration (Rangoli Competition/Ethnic Wear/Lucky Draw Competition);
7. Training for Internal Committee Members on "Prevention of Sexual Harassment";
8. Training Program for Jr. Management of I&D-Formulation – "Beyond Conflict";
9. Training Program for Middle Management of I&D-Formulation – "Effective Communication";

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10. Training Program for Middle Management of I&D-Formulation – “Proactiveness and Time Management”;
11. Training Program for Functional Heads and Team Leaders of I&D-Formulation-“iBrand”;
12. Training Program for Functional Heads and Team Leaders of I&D-API-Influencer Workshop”.

**INITIATIVES TAKEN TO INCREASE EXPORTS; DEVELOPMENT OF NEW EXPORT MARKETS FOR PRODUCTS AND EXPORT PLANS:**

The Company continues to play a lead role in the generic oncology space. Key strategic elements of this leadership strategy include portfolio expansion with new product developments, product differentiation, and strengthening the oncology portfolio pipeline across key export markets. All of these with the focus to provide healthcare professionals & patients high quality and cost-effective generic oncology drugs.

‘Speed to market’, together with ‘cost competitiveness’ remains one of our key objectives. Both are achieved by strong project coordination, helping us to cut down the time to launch new products (leveraging the first-mover advantage) and by our vertical integration of API and finished product.

Experience gained in generic Oncology drug manufacturing & marketing gives us the competitive advantage for some of the core cytotoxics that are used worldwide.

In the beginning of 2024, the company received the market approval from the European Medicines Agency for one key oncology molecule indicated for the treatment of hematological malignancies. Conditioning treatment prior to allogeneic or autologous hematopoietic progenitor cell transplantation (HPCT) in hematological malignancies. In addition, during 2023, the company has successfully gained the market approval of various oncology products across key emerging markets, including Bortezomib in Vietnam, Malaysia, Colombia, Israel; Pemetrexed in Malaysia, Singapore, among others.

Furthermore, during this reporting period, the company has continuously expanded its business in markets such as Thailand by launching Busulfan and Bendamustine, as well as in South Africa by launching Paclitaxel and Etoposide. With more key oncology molecules lined up in our pipeline, we are confident of strengthening our market position further in oncology business globally.

In order to further enhance the Company’s image among the international Oncology societies, Fresenius Kabi took active part in various international conferences and scientific meetings relevant to the field of Oncology. Some of these knowledge platforms include the EAHP conference (European Association of Hospital Pharmacists), among others, during which we exhibited our wide oncology generic drugs portfolio.

With all the aforementioned efforts, we expect to increase our export earnings in the near future.

**SHARE CAPITAL**

During the year under review, there is no change in the share capital of the Company.

**BOARD OF DIRECTORS****CESSATION****Ms. Maria Gobbi**

Ms. Maria Gobbi, Non-Executive Director of the Company has been resigned from the Board of Directors of the Company effective from July 31, 2023.



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**Mr. Maurizio Villa**

Mr. Maurizio Villa, Non-Executive Director of the Company has been resigned from the Board of Directors of the Company effective from July 31, 2023.

**Ms. Sylwia Malinowska**

Ms. Sylwia Malinowska, Non-Executive Director of the Company has been resigned from the Board of Directors of the Company effective from February 20, 2024.

**APPOINTMENT/RE-APPOINTMENT**

**Dr. Marc-Alexander Mahl (DIN - 10279843)**

Dr. Marc-Alexander Mahl was appointed as an Additional Director in the category of Non-Executive Director of the Company w.e.f. August 29, 2023, in accordance with the provisions of Section 161 of the Companies Act, 2013.

*Brief Profile of Dr. Marc-Alexander Mahl*

Dr. Marc Alexander Mahl was born on June 20, 1968 in Heidelberg, Germany. He holds an eMBA from INSEAD, a MD degree from University Essen, a medical doctorate from University Bochum and a specialization degree in Transfusion medicine.

Presently, Dr. Mahl is the President of Pharma and Nutrition business of Fresenius Kabi and a member of the Fresenius Kabi Management Board.

Dr. Marc-Alexander Mahl has broad experience in the pharmaceutical and nutrition industry with a focus on strategy, development, production, M&A and reorganization management.

In his previous position, Dr. Mahl served as Head of BU Generics and IV Fluids of Fresenius Kabi. Prior to that, he was Chief Operating Officer (COO) with DMK Group, Bremen, to manage the turn-around of the global Baby food business. Between 2011-2020, he managed the Global Generics portfolio of Fresenius Kabi as BU Head. Dr. Mahl was the President of the European Generics Industry Association in Brussels from 2017 - 2019 and Member of the Executive committee of the German Industry Association for Specialty Food Producers from 2021 - 2022.

Dr. Marc-Alexander Mahl will hold office upto the date of ensuing Annual General Meeting. He is eligible for appointment as Director and the Board recommends his appointment in the ensuing Annual General Meeting as a Director, liable to retire by rotation.

**Mr. Maximilian Alexander Boehmer (DIN - 10279854)**

Mr. Maximilian Alexander Boehmer was appointed as an Additional Director in the category of Non-Executive Director of the Company w.e.f. August 29, 2023, in accordance with the provisions of Section 161 of the Companies Act, 2013.

*Brief Profile of Mr. Maximilian Alexander Boehmer*

Mr. Maximilian Alexander Boehmer was born on May 10, 1975 in Hamburg, Germany. He obtained a Degree in Business Administration and Management General.

Presently, he is working as CFO, BU - Pharma, Fresenius Kabi.

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Mr. Maximilian has extensive international experience of more than 20 years in the Healthcare Industry - Pharma, OTC and Animal Health.

He started his professional journey in 2001 from Bayer AG. He was associated with Bayer group from 2001 to 2020 and handle various roles and responsibilities. In his previous organization, Mr. Maximilian served as CFO-Europe & Managing Director of Elanco Animal Health GmbH.

**Ms. Heike Susanne Van Dawen (DIN - 10645045)**

Ms. Heike Susanne Van Dawen was appointed as an Additional Director in the category of Non-Executive Director of the Company w.e.f. June 4, 2024, in accordance with the provisions of Section 161 of the Companies Act, 2013.

*Brief Profile of Ms. Heike Susanne Van Dawen*

Ms. Heike Susanne Van Dawen, born on October 10, 1970 in Frankfurt, Germany, has obtained her Commercial College Degree in 1988 from Saalburg-School, Usingen and a Degree in Business Economist (VWA) in 1998 from Hessian Academy for Administration and Economy, Frankfurt and a General management Diploma in 2014 from St. Galler Business School, Switzerland.

She started her professional career in 1990 with Fresenius Kabi Deutschland GmbH, Bad Homburg, Germany. She has more than three-decade association with the Fresenius Kabi in different roles and handled various responsibilities in different geographies. Currently, she is acting as Senior Vice President - Commercial Operations Pharma, Region Europe.

**DIRECTORS RETIRING BY ROTATION****Mr. Nikhil Kulshreshtha (DIN - 07178027)**

In terms of provisions of Section 152 of the Act, Mr. Nikhil Kulshreshtha, Director & Secretary of the Company, would retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

Mr. Nikhil Kulshreshtha has been associated with the Company since 2007. The Board of Directors recommended his re-appointment.

**Key Managerial Personnel (KMP)**

During the year under review, there is no change in the KMP.

**STATUTORY AUDITORS**

As per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the members of the company at their 19<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> August, 2022 approved the appointment of M/s VMT & Co. LLP, Chartered Accountants (ICAI Registration No. - N500048), as the Statutory Auditors of the Company for the second term of 5 year i.e. from the conclusion of 19<sup>th</sup> Annual General Meeting till the conclusion of the 24<sup>th</sup> Annual General Meeting of the Company.

**AUDITOR'S REPORT**

The Board has duly examined the Statutory Auditor's report and clarifications, wherever necessary, have been included in the notes to accounts section of the Annual Report.

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The Report given by M/s VMT & Co. LLP, Chartered Accountants on the financial statements of the Company for the financial year 2023-24 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their report.

During the year under review, the Auditors had not reported any matter under Section 143 (12) of the act, therefore, no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

### **FIXED DEPOSITS**

The Company has not invited/ accepted any Fixed Deposits during the year under review. Consequently, no amount of principal or interest on fixed deposits was outstanding on the Balance Sheet date.

### **COMMITTEES OF THE BOARD**

In terms of the provisions of the Companies Act, 2013, read with rules made thereunder, the Company has constituted the following Committees:

#### **a) Audit Committee**

In terms of the provisions of Section 177 and other applicable provisions of the Companies Act, 2013, read with rules made thereunder, the Company has constituted an Audit Committee of Directors.

The composition of the Audit Committee during the FY 2023-24 is given below:

<b>Member Director</b>	<b>Category</b>	<b>Status</b>
Dr. Uday Chandrashekhhar Shetty	Non-Executive (Independent)	Chairman
Ms. Maria Gobbi <sup>#</sup>	Non-Executive	Member
Mr. Maurizio Villa <sup>#</sup>	Non-Executive	Member
Dr. Marc-Alexander Mahl <sup>@</sup>	Non-Executive	Member
Mr. Maximilian Alexander Boehmer <sup>@</sup>	Non-Executive	Member

<sup>#</sup> Resigned from the Company w.e.f. July 31, 2023.

<sup>@</sup> Appointed as member of the Committee w.e.f. August 29, 2023.

The role and terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Companies Act, 2013, besides other matters as may be referred by the Board of Directors.

#### **b) Nomination and Remuneration Committee:**

In terms of the provisions of Section 178 and other applicable provisions of the Companies Act, 2013, read with rules made thereunder, the Company has constituted a Nomination and Remuneration Committee of Directors.

The composition of the Nomination and Remuneration Committee during FY 2023-24 is given below:

<b>Member Director</b>	<b>Category</b>	<b>Status</b>
Dr. Uday Chandrashekhhar Shetty	Non-Executive (Independent)	Chairman
Ms. Maria Gobbi <sup>*</sup>	Non-Executive	Member
Ms. Sylwia Malinowska <sup>#</sup>	Non-Executive	Member
Dr. Marc-Alexander Mahl <sup>@</sup>	Non-Executive	Member
Mr. Maximilian Alexander Boehmer <sup>@</sup>	Non-Executive	Member

<sup>\*</sup> Resigned from the Company w.e.f. July 31, 2023.

<sup>#</sup> Resigned from the Company w.e.f. February 20, 2024.

<sup>@</sup> Appointed as member of the Committee w.e.f. August 29, 2023.

**Fresenius Kabi Oncology Limited**  
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The role and terms of reference of the Nomination and Remuneration Committee cover the areas mentioned in Section 178 of the Companies Act, 2013, besides other matters as may be referred by the Board of Directors.

The Committee has also adopted and implemented a policy named "Appointment, Remuneration and Evaluation Policy" for Directors, Key Managerial Personnel (KMPs) and Sr. Management Personnel in terms of the requirements of Section 178 of the Companies Act, 2013. A copy of the policy is attached as **Annexure – I** of this report.

### c) Corporate Social Responsibility (CSR) Committee

In terms of the provisions of Section 135 and other applicable provisions of the Companies Act, 2013, read with rules made thereunder, the Company has constituted a CSR Committee.

The composition of the CSR Committee during FY 2023-24 is given below:

Member Director	Category	Status
Ms. Maria Gobbi #	Non-Executive	Chairperson
Mr. Arvind Kumar Sharma	Managing Director	Member
Dr. Uday Chandrashekhhar Shetty	Non-Executive (Independent)	Member
Dr. Marc-Alexander Mahl @	Non-Executive	Chairman

# Resigned from the Company w.e.f. July 31, 2023.

@ Appointed as member and chairman of the Committee w.e.f. August 29, 2023.

The content of the CSR policy along with the update of CSR projects undertaken and statement of expenses incurred during the FY 2023-24 thereon is provided as **Annexure – II** of this report.

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and "The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014", the Company had appointed M/s Kiran Sharma & Co., a firm of Company Secretaries in Practice as "Secretarial Auditors" to undertake the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Auditors have successfully carried out and completed the Secretarial Audit of the Company for the FY 2023-24.

The Secretarial Audit Report is annexed as **Annexure - III** of this report and it does not contain any qualification, reservation or adverse remark or disclaimer in their report.

### COST AUDIT

In terms of the exemption granted under the provisions of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules 2014, as amended from time to time, the Company is not required to get its cost records audited by the Cost Auditors. Accordingly, the Cost records of the Company for FY 2023-24, have not been audited by the Cost Auditors.

### VIGIL MECHANISM

In terms of the requirements of the Companies Act, 2013, a Vigil Mechanism has been established by the Company under the supervision of the Audit Committee of the Company. A dedicated process and reporting mechanism have been devised under the Vigil Mechanism Policy, formulated and implemented for this purpose.

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For prompt and judicious redressal of the grievances/ complaints of the employees and Directors of the Company, a nodal officer has also been designated for acting as a link between the Audit Committee and the complainant(s).

Under this policy, the Nodal Officer is also required to:

- ✓ Provide a quarterly update about the grievances/ complaints received from employees and/or Directors of the Company and the status of redressal thereof; and
- ✓ Ensure access of the Audit Committee Chairman to the concerned employee/ Director of the Company in exceptional cases.

During the financial year 2023-24, no complaint was received pursuant to the vigil mechanism policy.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

We have zero tolerance towards sexual harassment and any act of sexual harassment, is dealt with seriously and invites serious disciplinary action. In line with this, the Company has formulated a Prevention of Sexual Harassment Policy. Pursuant to terms of this policy, employees can report instances of sexual harassment at the workplace.

The Company has constituted Internal Complaints Committee (ICC) at its office, which is being headed by a woman, to redress complaint(s) under the act, if any. The process is governed and supported by the Prevention of Sexual Harassment Policy which ensures a free and fair enquiry process.

During the financial year ending on March 31, 2024, the ICC did not receive any complaint pertaining to sexual harassment at workplace.

#### **GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as under:

<b>Financial Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
2020 - 21	B-310, Som Datt Chambers-I, Bhikaji Cama Place, New Delhi - 110066	August 23, 2021	11:00 A.M.
2021 - 22	B-310, Som Datt Chambers-I, Bhikaji Cama Place, New Delhi - 110066	August 25, 2022	10:30 A.M.
2022 - 23	B-310, Som Datt Chambers-I, Bhikaji Cama Place, New Delhi - 110066	August 29, 2023	09:30 A.M.

The Twenty First Annual General Meeting of the Company shall be held on Tuesday, August 27, 2024 at 10:00 A.M. at the Registered Office of the Company, B-310, Som Datt Chambers-I, Bhikaji Cama Place, New Delhi - 110066.

The members are requested to refer to the Notice of the Twenty First Annual General Meeting for the detailed agenda and program.

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#### **REGISTRAR AND TRANSFER AGENT (RTA):**

The details of RTA are given below:

<b>For any query relating to the shares of the Company:-</b>
<b>Link Intime India Private Limited,</b> Registrar and Share Transfer Agent, Noble Heights, 1 <sup>st</sup> floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058 Tel No.: +91 11 41410592/93/94 Fax: +91 11 41410591 E-mail: <a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a>   Website : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

#### **ADDRESS FOR CORRESPONDENCE:**

<b>For queries of Analysts, FIIs, Institutions, Mutual Funds, Banks and Investors assistance:-</b>
<b>Mr. Nikhil Kulshreshtha,</b> Director & Secretary Fresenius Kabi Oncology Limited, Echelon Institutional Area, Plot No - 11, Sector - 32, Gurugram-122001, Haryana, India, Tel No. +91 124 488 5000 E-mail: <a href="mailto:corporatesecretarial.india@fresenius-kabi.com">corporatesecretarial.india@fresenius-kabi.com</a> Website : <a href="http://www.fresenius-kabi-oncology.com">www.fresenius-kabi-oncology.com</a>

#### **TRANSFER OF UNPAID DIVIDEND TO IEPF (Investor Education and Protection Fund)**

In terms of Section 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, during the year ended March 31, 2024, no amount is transferred to IEPF Authorities Bank Account.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134 (3) (c) of Companies Act, 2013, it is hereby confirmed that:

- (a) in the preparation of annual accounts, the applicable accounting standards have been followed;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis; and
- (e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **ANNEXURES TO THE DIRECTORS' REPORT**

In terms of the requirements of Section 134(3) of the Companies Act, 2013, following documents/ information have also been annexed to the Directors' Report:

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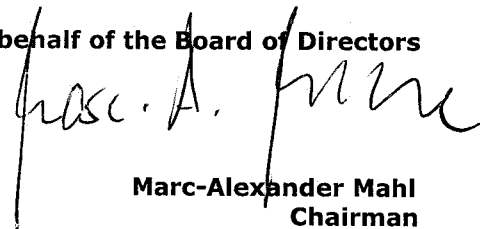
1. In terms of sub section (1) of Section 178 of the Companies Act, 2013, Company's policy on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided under sub section (3) of Section 178 **(Annexure - I),**
2. The content of the CSR policy along with the update of CSR projects undertaken and statement of expenses incurred during the FY 2023-24 **(Annexure - II),**
3. Secretarial Audit Report for FY 2023-24 **(Annexure - III),**
4. No. of Meetings of the Board of Directors held during the year **(Annexure - IV),**
5. Statement on declaration given by the Independent Director under sub section (6) of Section 149 **(Annexure - V),**
6. Particulars of loans, guarantees or investments under Section 186: **No such transaction during the year,**
7. Particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188: **No such transaction during the year,**
8. Conservation of energy, technology absorption and foreign exchange earnings and outgo **(Annexure - VI),**
9. A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company **(Annexure - VII),**
10. The details in respect of adequacy of internal financial controls with reference to the Financial Statements. **(Annexure - VIII),**
11. Extract of the Annual Return as provided under sub section (3) of Section 92 **(Annexure - IX).**

#### **ACKNOWLEDGEMENT / APPRECIATION**

The Directors wish to place on record their appreciation for the Company's customers, vendors, investors and bankers for their continued support during the year. The Directors also thank the employees for the efficient contribution made by them at all levels. Our consistent growth has been made possible by their whole-hearted efforts, solidarity, co-operation and support.

The Directors also thank the Government of India, particularly the Ministry of Corporate Affairs, Department of Pharmaceuticals, the GST departments, the Income Tax Department, the Ministry of Commerce, the Ministry of Finance, the Reserve Bank of India and other Government agencies for their support and look forward to their continued support in the future.

**For and on behalf of the Board of Directors**



**Marc-Alexander Mahl**  
**Chairman**  
**DIN - 10279843**

Place: Gurugram  
June 4, 2024

**Fresenius Kabi Oncology Limited**

**Appointment, Remuneration and Evaluation Policy**

This Policy is in compliance with Section 178 of the Companies Act, 2013 ("Act") read with applicable rules made thereunder.

This Appointment, Remuneration and Evaluation Policy (the "Policy") applies to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP") and the Senior Management Personnel of Fresenius Kabi Oncology Ltd (FKOL).

**Definition**

- a)** Nomination and Remuneration Committee (NRC): It means a Committee of Directors constituted under the requirements of Act, read with rules made thereunder.
- b)** "Key Managerial Personnel (KMP): KMP means and includes:
  - i. the Chief Executive Officer or the Managing Director or the Manager;
  - ii. the Company Secretary;
  - iii. the Whole-time Director;
  - iv. the Chief Financial Officer; and
  - v. such other officer as may be prescribed.
- c)** "Senior Management Personnel" (SMP):

The expression "Senior Management Personnel" means personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of management one level below the Executive Directors, including the functional heads.

**1. Objective**

The Nomination and Remuneration Committee shall provide a policy framework for:

- a. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal;
- b. Carrying out evaluation of every Director's performance;
- c. Identifying the criteria for determining qualifications, positive attributes and independence of a Director;
- d. Finalizing the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel;
- e. Assessing the independence of Independent Directors; and
- f. Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provisions of the Act and rules made thereunder.

**2. Accountability**

The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.

However, the Board, in terms of requirements of the Act and rules made thereunder, has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management Personnel of the Company to the Nomination and Remuneration Committee which makes nominations & recommendations to the Board.



### **3. Appointment of Directors and KMPs/Senior Management Personnel**

#### **a) Directors**

Enhancing the competencies of the Board and providing strategic inputs to the management of the Company should be the main criteria/focus area while selecting Directors of the Company.

The proposed person should be assessed against a range of criteria which includes but not limited to:

##### Personality, Skills and Knowledge

- Knowledge and experience relevant to the business of the Company;
- Understanding of and experience in performing his/her roles and responsibilities;
- Independence of judgment;
- Qualification(s); and
- Past performance and credentials.

##### Behaviour & Conduct

- Ability to work individually as well as a member of team;
- Ability to represent the Company;
- Interaction and relationship with the other members of the Board, KMPs and key stakeholders;
- Board room conduct;
- Communication skills; and
- Ethics and Values.

##### Independence of Directors

Independence of Directors shall be decided on the basis of criteria provided under the relevant provisions of the Act, read with rules made thereunder, and any modification/amendments done from time to time. A declaration of Independence shall also be taken from the Independent Directors before their induction on the Board of Directors.

#### **b) KMP/Senior Management Personnel**

KMP and Senior Management Personnel shall be identified by the Company and informed to the Nomination and Remuneration Committee from time-to-time. Their individual job descriptions shall also be updated from time-to-time based on the business and legal requirements.

### **4. Letters of Appointment**

The Company will issue a formal letter of appointment to each Director, KMP/Senior Management Personnel which will, inter alia, contain the terms of appointment and the role assigned by the Company and get it accepted and signed by the concerned individual.

### **5. Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel**

While fixing the remuneration, the guiding principle should be that the level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other Senior Management Personnel.

The Directors, Key Management Personnel and other Senior Management Personnel's remuneration/salary shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Non-Executive Directors, which term shall mean and include Independent Directors, may be paid/reimbursed travelling, local transportation, boarding & lodging expenses incurred by each of them for attending meeting(s) of the Board of Directors and/or its Committees. In addition to the above, each of them also be paid sitting fees and/or commission (subject to availability of net profits as may be available pursuant to applicable provisions of the Companies Act, 2013 and rules prescribed thereunder) for attending meetings(s) of the Board of Directors and/or its Committees. Provided that, any Director who is in employment with any FK Group Company, shall not be eligible for payment/ reimbursement of such expenses as well as payment of sitting fees and/or commission. However, the quantum of amount of the sitting fees and commission to be paid shall be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.

Individual remuneration packages for Directors, KMPs and Senior Management Personnel of the Company will be determined taking into account relevant factors, including but not limited to:

- Qualification and experience;
- Level of engagement in the affairs of the Company;
- Market conditions;
- Financial and commercial health of the Company;
- Practice being followed in comparable companies; and
- Prevailing laws and government/other guidelines.

#### Remuneration Structure

a) Base Compensation (fixed salaries):

It should be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

b) Variable salary:

The NRC may at its discretion, structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attainment of certain financial or other objectives set in this regard.

c) Any other component /benefits as may be recommended by the management and approved by the NRC.

## **6. Evaluation/Assessment of the Board of Directors, its Committees and individual directors:**

The evaluation/assessment of the Board of Directors, its Committees and individual directors is to be conducted on an annual basis. The following criteria may assist in determining how effective the performances of the Directors have been:

### **I. Board of Directors and its Committees:**

a) Size, structure and expertise of the Board/Committees:

The Board and its Committees consist of adequate number of members having relevant expertise to effectively and efficiently lead the company towards its vision, mission and long term objectives.

b) Governance Processes:

The governance processes and procedure for discharging its functions, such as decision making (i.e. how directors ensure they are well informed to be able to make the decisions in the best interest of the Company and its stakeholders).

c) Board and Committee terms of reference:

The Board and its Committees are governed by comprehensive terms of reference and each governing body discharges its responsibilities as defined therein.

d) Engagement with Management:

How well the board and each of its committees' engage with the management to ensure it is well supported and able to meet the needs of its members.

- e) Board/Committee dynamics:  
At the heart are the dynamics of the Board and its Committees' *inter-se*. It is the quality of individual relationships and dialogues that directly influence the quality of decision making and relationships with key stakeholders, including but not limited to effectiveness of the suggestions and recommendations received.
- f) Overall effectiveness:  
Defining the strategic and operational roadmap for the Company as a whole and guiding individual functions.

## **II. Individual Directors**

- a) Vision and clarity of roles & responsibility:  
The Individual Director should have awareness of fiduciary and statutory requirements and a clearly articulated vision. This includes clarity of role as a member of the Board of the Company.
- b) Frequency of participation:  
The Individual Director should make himself/herself available for attending the Board meetings of the Company and be available for providing his/her guidance and support in case of need.
- c) Knowledge and expertise:  
The Individual Director possesses relevant skills, knowledge and expertise as required to lead and guide the Company towards its vision and long-term goals.
- d) Independent judgment:  
The Director exercises his/her own judgment and voices opinion freely.

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/ Non-Independent Directors and Chairman/Chairperson of the Board including that of the Board collectively in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion. The NRC will evaluate the Board of Directors individually as well as collectively and the Board of Directors will carry out evaluation of each of the Committees of the Board and Independent Directors.

**ANNUAL REPORT ON CSR ACTIVITIES (FY 2023-24)****1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs****A. A brief outline of the Company's CSR Policy**

We at Fresenius Kabi Oncology Ltd. own social responsibilities with equal passion and commitment. We leverage our expertise and resources in identifying community needs, take focused initiatives to address those needs and assess their impact. While we touch several lives in multiple ways, our CSR focus utmost remains on two main areas (i) Education; and (ii) Health. Since initiation of formal CSR activities, we have been engaging with the communities that surround our operations and have successfully completed interventions like infrastructure development, construction of classrooms, scholarships for meritorious students, provision for clean drinking water, support child education of underprivileged section of the society, provision for lab equipment(s) and development of labs etc. at various schools/university. We strongly believe that these initiatives will help in improving health and education standards in schools. We have faith that through such sustained efforts we will be successful in touching the lives of people around us.

**B. Overview of Projects or programs proposed to be undertaken under CSR Policy**

Following general areas have been shortlisted for carrying out CSR projects by the Company:

- i. Promoting preventive health care and sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. Promoting gender equality; empowering women; setting up homes and hostels for women and orphans; setting up old age homes; day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- v. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- vi. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

**C. Web link for CSR policy and projects or programs:**

<http://www.fresenius-kabi-oncology.com/userfiles/Policy-on-the-Corporate-Social-Responsibility.pdf>

**2. The composition of the CSR Committee as on March 31, 2024**

<b>Sr. No.</b>	<b>Name (Designation in the Board)</b>	<b>Designation in the Committee</b>
1.	Dr. Marc-Alexander Mahl (Chairman of the Board)	Chairman
2.	Mr. Arvind Kumar Sharma (Managing Director)	Member
3.	Dr. Uday Chandrashekhar Shetty (Non-Executive Independent Director)	Member

**3. Average Net Profit/ (Loss) of the Company as per last three financial years:**

- INR (7,427.65 Lakh)

**4. Prescribed CSR expenditure i.e. 2% of average Net Profit as mentioned at Item No. 3 above:**

- N.A. as the Company has incurred losses while calculating average Net Profit/ (Loss)

**5. Details of CSR spend during the financial year (as on March 31, 2024):**

- |  |                       |
|--|-----------------------|
| a. Total amount to be spent for the financial year on voluntary basis                            | : INR 67.50 lakhs     |
| b. Amount spent during the FY 2023-24  | : INR 63.75 lakhs     |
| c. Amount unspent, if any (the amount has been saved due to better negotiation with the vendors) | : INR 03.75 lakhs     |
| d. Manner in which the amount spent during the financial year                                    | : Details given below |

**6. Responsibility Statement**

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) projects/ activities, is in compliance with CSR objectives and policy of the Company.'

**Manner of CSR expenditure spent during financial year 2023-24**

1	2	3	4	5	6		7	8	9	10
Sl. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise Budget	Amount spent on the projects or programs Sub-heads:		Cumulative expenditure upto to the reporting period.	Amount unspent/ (Overspent)	Amount spent: Direct or through implementing agency	Justification for unspent/overspent amount during the financial year
				(INR "000")	Direct (INR "000")	Overhead (INR "000")	(INR "000")	(INR "000")		(INR "000")
1	Supporting Govt. Utkrisht Senior Secondary School, Manpura with Construction of Physics Laboratory	Promotional Education	(1) Local Area (2) Baddi, Himachal Pradesh	2,300	1,914	-	-	386	Direct	Project implemented in less than the budgeted cost due to better negotiation.
2	Cleaning and Development of Kalyani Lake	Environmental Sustainability	(1) Local Area (2) Dist - Nadia, West Bengal	2,130	2,150	-	-	-20	Direct	Project cost was exceeded by INR 20k due to change in material prices.
3	Scholarship to Meritorious Students to motivate them to continue their studies	Promotional Education	(1) Local Area (2) Dist - Nadia, West Bengal	115	115	-	-	-	Direct	-
4	Sponsoring the child education partnering with Amitasha Foundation	Promotional Education	(1) Local Area (2) Gurugram, Haryana	1,868	1,859	-	-	9	Indirect	Project implemented in less than the budgeted cost.

5	Supporting Vocational Skills for Women partnering with Sakshi NGO	Women Empowerment	(1) Local Area (2) Gurugram, Haryana	337	337	-	-	-	Indirect	-
	<b>TOTAL</b>			<b>6,750</b>	<b>6,375</b>	<b>0</b>	<b>0</b>	<b>375</b>		

**Summary:**

1. Total Voluntary Budgeted Amount: INR 6,750 K
2. Projects identified and approved for INR 6,750 K
3. Expenditure incurred on approved projects: INR 6,375 K
4. Amount saved on identified and approved projects: INR 375 K due to better negotiations with the vendors.
5. There was no legal binding as the Company was incurring losses, therefore, the projects executed, and expenditure done was purely on voluntary basis.

**Secretarial Audit Report**

The Secretarial Audit Report of M/s Kiran Sharma & Co., Company Secretaries is appended below.

There is no adverse remark/ qualification by the Auditors which requires clarification/ comments from the Board.

**ANNEXURE FORMING PART OF THE BOARD'S REPORT  
SECRETARIAL AUDIT REPORT  
FORM NO. MR - 3**

FOR THE FINANCIAL YEAR FROM 1<sup>ST</sup> APRIL 2023 TO 31<sup>ST</sup> MARCH 2024  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Fresenius Kabi Oncology Limited  
B - 310, Som Datt Chambers -I,  
Bhikaji Cama Place,  
New Delhi-110066

We have conducted the Secretarial Audit of the compliance(s) of applicable statutory provisions and the adherence to good corporate practices by **Fresenius Kabi Oncology Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, documents, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year from 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined in the best possible manner the books, documents, minutes books, forms and returns filed and other records maintained by the Company for the financial year from 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024, *inter-alia*, according to the provisions of:

- i. The Companies Act, 2013 (the Act) read with the Companies (Amendment) Act, 2020 and the rules made there under;
- ii. The Depositories Act, 1996 read with the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
- iii. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- iv. The Industries Development and Regulation Act, 1951;
- v. The Income Tax Act, 1961 read with rules;
- vi. The Apprentices Act, 1961
- vii. The Foreign Trade (Development and Regulation) Act, 1992 r/w Foreign Trade Policy & Procedures (EOU);
- viii. The Employees Provident Funds and Miscellaneous Provisions Act, 1952 along with the Central Scheme, 1952;
- ix. The Equal Remuneration Act, 1976;
- x. The Factories Act, 1948;
- xi. The Industrial Dispute Act, 1947;
- xii. The Industrial Employment (Standing Order) Act, 1946
- xiii. Indian Stamp Act, 1999;
- xiv. The Environment Protection Act, 1986 and other environmental laws read with Bio-Medical Waste Management Rules, 2016, Bio-Medical Waste Management (Amendment) Rules, 2018,



- Bio-Medical Waste Management (Amendment) Rules, 2019 and e-waste (Management and Handling) Rules, 2016;
- xv. The Maternity Benefits Act, 1961 read with The Maternity Benefit (Amendment) Act, 2017;
  - xvi. The Minimum Wages Act, 1948;
  - xvii. The Payment of Bonus Act, 1965 read with the Payment of Bonus (Amendment) Act, 2015;
  - xviii. The Payment of Wages Act, 1936 read with the Payment of Wages (Amendment) Act, 2017;
  - xix. The Contract Labour (Regulation and Abolition) Act, 1970 read with CLRA State Rules;
  - xx. The Payment of Gratuity Act, 1972 read with Payment of Gratuity State Rules and The Payment of Gratuity (Amendment) Act, 2018;
  - xxi. The Employees State Insurance Act, 1948 read with Employees State Insurance (Central) Rules, 1950; Employees State Insurance (General) Regulations, 1950;
  - xxii. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
  - xxiii. The Employee's Compensation Act, 1923 r/w the Employee's Compensation (Amendment) Act, 2017, The Workmen's Compensation Rules, 1924 and Workmen's Compensation Returns, 1935;
  - xxiv. The Public Liability Insurance Act, 1991 read with The Public Liability Insurance Rules, 1991;
  - xxv. The Child Labour (Prohibition & Regulation) Act, 1986;
  - xxvi. The Delhi Shops and Establishments Act, 1954 read with Delhi Shops and Establishments Rules, 1954;
  - xxvii. The Punjab Shops and Commercial Establishments Act, 1958 read with Punjab Shops and Commercial Establishments Rules, 1958;
  - xxviii. The Indian Boilers Act, 1923 read with The Indian Boiler (Amendment) Act, 2007 and Indian Boiler Regulations, 1950;
  - xxix. The Hazardous Wastes (Management and Handling) Rules 1989 and Amendment Rules, 2016;
  - xxx. The Drugs and Cosmetics Act, 1940 r/w The Drugs and Cosmetics Rules, 1945 and Drugs and Cosmetics (Amendment) Act, 2008 along with applicable orders including:
    - a) The Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 1993;
    - b) Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 read with Rule;
    - c) The Essential Commodities Act, 1955 read with the Drugs (Price Control) Order, 2013;
    - d) The National Pharmaceuticals Pricing Policy, 2012;
    - e) The Destructive Insects and Pests Act, 1914 read with the Plant Quarantine (Regulation of Import into India) Order, 2003;
  - xxxi. The Food Safety and Standards Act, 2006 read with Food Safety and Standard Rules, 2011;
  - xxxii. The Electricity Act, 2003 read with The Electricity (Amendment) Act, 2007 and Rules and Regulations, made thereunder;
  - xxxiii. The Motor Vehicles Act, 1988 read with the Motor Vehicles (Amendment) Act, 2019 and rules made there under;
  - xxxiv. The Legal Metrology Act, 2009, read with Legal Metrology (General) Rules, 2011 and other miscellaneous applicable rules and guidelines made thereunder;
  - xxxv. The Explosives Act, 1884 read with The Explosive Rules, 2008 & Gas Cylinder Rules, 2016;
  - xxxvi. The Petroleum Act, 1934 read with Petroleum Rules, 1976;
  - xxxvii. The Atomic Energy Act, 1962 read with Atomic Energy (Radiation Protection) Rules, 2004;
  - xxxviii. The Indian Forest Act, 1927;
  - xxxix. The Information Technology Act, 2000 read with The Information Technology (Amendment) Act, 2008 and applicable rules made there under;
  - xl. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 along with applicable guidelines issued thereunder;
  - xli. The Central Goods and Services Tax Act, 2017 and the Integrated Goods and Services Tax Act, 2017 read with:
    - a. Central Goods and Services Tax (CGST) Rules, 2017
    - b. Himachal Pradesh Goods and Services Tax Act, 2017 and the Himachal Pradesh Goods and Services Tax Rules, 2017
    - c. West Bengal Goods and Services Tax Act, 2017 and the West Bengal Goods and Services Tax Rules, 2017
    - d. Haryana Goods and Services Tax Act, 2017 and the Haryana Goods and Services Tax Rules, 2017.

I have also examined compliance with the applicable clauses of Secretarial Standards with regard to the meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and approved by the Central Government.

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

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Director(s).

The following change in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act:

- Dr. Michael Schonhofen (DIN: 02285726) resigned from the Directorship of the Company w.e.f. May 1, 2023.
- Ms. Maria Gobbi (DIN: 07005222) resigned from the Directorship of the Company w.e.f. July 31, 2023.
- Mr. Maurizio Villa (DIN: 09625750) resigned from the Directorship of the Company w.e.f. July 31, 2023.
- Ms. Sylwia Malinowska (DIN: 10183279) was appointed as an Additional Director w.e.f. June 6, 2023 by the Board of Directors and regularized in the annual general meeting held on August 29, 2023.
- Dr. Marc-Alexander Mahl (DIN: 10279843) was appointed as an Additional Director w.e.f. August 29, 2023 by the Board of Directors.
- Mr. Maximilian Alexander Bohmer (DIN: 10279854) was appointed as an Additional Director w.e.f. August 29, 2023 by the Board of Directors.
- Ms. Sylwia Malinowska (DIN: 10183279) resigned from the Directorship of the Company w.e.f. February 20, 2024.

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

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

**I further report that:**

During the period under review there were no changes took place in KMPs appointed by the Company.

**I further report that** there are adequate systems and processes in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period:

There were no instances of:

- a. Public/ Right/ Preferential Issue of shares/ debentures/ sweat equity, etc.
- b. Redemption/ buyback of securities.
- c. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- d. Merger/amalgamation/reconstruction etc.
- e. Foreign technical collaborations.

**Date: 16<sup>th</sup> May, 2024**  
**Place: New Delhi**

**For Kiran Sharma & Co.**  
**Company Secretaries**

**Kiran Sharma**  
**Proprietor**  
**FCS: 4942**  
**CP: 3116**  
**UDIN: F004942F000381109**

## **Annexure –IV**

### **Meetings of the Board of Directors:**

The Board of Directors of the Company met four times during FY 2023-24, the details are as below:

- a) Quarter 1 (FY 2023-24) : June 6, 2023
- b) Quarter 2 (FY 2023-24) : August 29, 2023
- c) Quarter 3 (FY 2023-24) : November 6, 2023
- d) Quarter 4 (FY 2023-24) : February 19, 2024

## **Annexure – V**

### **Statement on declaration given by the Independent Director(s) under sub section (6) of Section 149**

Dr. Uday Chandrashekhar Shetty, Independent Director had provided his declaration of independence at the beginning of financial year 2023-24 to the Company. Same was taken on record by the Board during its first meeting of FY 2023-24, held on June 6, 2023.

## **Annexure – VI**

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

#### **(A) CONSERVATION OF ENERGY**

##### **a. The steps taken and impact of conservation of energy:**

#### **Corporate Office & I&DC, Gurugram**

- Installed PIR (Passive Infrared) motion sensors in all cabins & meeting rooms (04 No's.) to save electricity.
- Timely switch on & off AHU's and lights in all labs & seating area.
- Utilization of Treated effluent water for gardening.
- Utilization of STP treated water for washroom flushing system.
- Utility & office area CFL lights partially replacing with LED including Outer area of Sohna warehouse. We stopped purchasing CFL to save electricity. Approximately 60% Led light replacement work has been done.
- Maintaining average room temperature in between 23°C to 25°C on a daily basis.
- Currently we are using only one passenger elevator in both the side.
- Installed lower wattage emergency LED lights in all glass cabins.
- Balanced UPS power load to avoid overheating & overload.
- Installed 05 No's of VFD in critical AHU's.

#### **Kalyani Plant**

- Energy efficient pump for boiler feed water.
- Energy saving by replacement of Furnace oil (Furnace oil pump and Oiler heater uses stopped) with LPG gas.
- Energy Efficient Pump Motor for Utility.
- VFD for Warehouse AHU-63 and Cooling Tower Fan.
- Chiller approach monitoring and uses of condenser tube cleaning machine implementation.
- Installation of On-off Push Button at production floor (30 Nos.).

#### **Baddi Plant, Kishanpura**

- Reduction in energy consumption by installation of EC fans for cooling towers.
- Chilled water and condenser conventional pumps replaced with energy efficient (IE4) pumps.
- Upgradation of ETP conventional pumps with energy efficient (IE4) pumps.
- RO system optimization to save RO concentrate water.

**b. The steps taken by the Company for utilizing alternate sources of energy:**

**Kalyani Plant**

- Biogas generation from Texas Baccate leaves waste generated from 10 DAB. Invested INR 167.1 Lac.

**Baddi Plant, Kishanpura**

- CNG implementation at site for boilers as an alternate fuel which is having less carbon footprint.

**c. The capital investment on energy conservation equipment:**

- Approx. INR 20 Lakhs incurred at Kalyani Plant for completed energy conservation initiatives.
- Approx. INR 33 Lakhs incurred at Kishanpura Plant for completed energy conservation initiatives.

**(B) TECHNOLOGY ABSORPTION**

**1. Efforts made towards technology absorption, adaptation and innovation:**

**Kalyani Plant**

- Technology enhancement at 10-DAB for replacement of column chromatography to crystallization.
- Installed the RO+EDI Plant in Utility block to replace the old DM Plant and upgrade the water system facility to meet latest industrial standards.
- Ital Vacuum pump replaced by dry Screw vacuum pump for application of acidic corrosive vapor in 10DAB facility.
- Installation of secondary condensers for reduction of solvent in 10 DAB and warehouse.
- Data logging system for process and critical parameters has completed, Qualification under progress.
- Bar Code system is implemented at Warehouse.
- Upgradation of software of Water system of Unit-I, II, III and IV.
- RO+EDI sanitization hot water used in boiler feed water tank to save water & save fuel.
- The existing belt driven conventional blower is replacing with axial fan motor 03 nos. AHU as a part of energy saving projects.
- 600 TR Chiller installation in Utility with estimated investment of 35 Lacs and saving of 34 Lacs/Annum.

**Baddi Plant**

- Clean Boiler fuel "CNG" implemented for Boilers.
- Hand wash facility installation at Cyto Injectable male change rooms.
- Introduction of new emergency exits at NSP block.
- Autoclave chamber replacement at Line-1 Cyto Injectable facility.
- Coolers installation at NSP block.
- NSP project handed over and is under exhibit batches campaign.
- Introduction of dock leveler at Warehouse unloading bay.
- Introduction of material shifting elevator at Warehouse.
- Installation of 4.5 Ton boiler at utility block.
- Installation of 650 CFM air compressor at utility block.
- Extension of fire hydrant line and close looping of fire hydrant system.
- Fire proofing work at Utility block, cable entries fireproofing, DG feeders and Raw power feeders' separation by using Fireproof panels and civil wall.
- Wall height increased between transformers at Utility block to protect transformers from any fire hazard.

**I&DC, Gurugram**

- Extension of alliance business to cover additional products/ markets.
- Submissions of regulatory dossiers in different countries worldwide.
- Product internationalization.

## 2. Benefits derived as a result of the above efforts:

### I&DC, Gurugram

- Extension of alliance business to include the additional products and additional regions will provide significant revenue boost in coming years.
- International regulatory filings and approvals – dosage forms:

Markets	New Filings	New Approvals
US	1	0
EU	2	3
Emerging countries, including Canada	14	13

- Internationalization of the product in different countries will expand the overseas business and improve global competitiveness.

### Kalyani Plant

- Savings in power consumption in cooling tower, AHU, chiller, Plant and boiler.
- Reduction in soft water consumption by using RO+EDI Plant reject water in Utility cooling tower.
- Fuel saving from combustion control system for Boiler .
- Maintenance cost reduction in vacuum pump after installation of Anti corrosive screw vacuum pump.
- Water system upgradation of Unit -I ,II ,III and IV to improve the performance.
- Ease of operation after SDS and Datalogger project implementation

### Baddi Plant

- Process simplification by using POU coolers.
- Safety compliance by means of Extension of fire hydrant line and close looping, fire proofing work at Utility and wall height increase for transformer area.
- Sustainability enhancement by installing Dock leveler, Material lift for Warehouse, New Boiler of capacity 4.5 TPH, installation of 650 CFM air compressor.
- Energy conservation.

## 3. Imported technology

### Kalyani Plant

Following are the details of technology imported during the last 3 years, reckoned from the beginning of the financial year:

- a) Technology Imported: Not Applicable
- b) Year of import: Not Applicable
- c) Has technology been fully absorbed: Not Applicable
- d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: Not Applicable

### Baddi Plant

Following are the details of technology imported during the last 3 years, reckoned from the beginning of the financial year:

- a) Technology Imported: Filling line with isolator, GIT, PMS system ,Lyophilizer with ALUS installed at New NSP block, Laser marking system for vial seal.
- b) Year of import: 2020, 22 , 23
- c) Has technology been fully absorbed: New Filling line with isolator, Lyophilizer with ALUS under operation at NSP block.
- d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: Not Applicable.

## **I&DC, GURUGRAM**

Following are the details of technology imported during the last 3 years, reckoned from the beginning of the financial year:

- a) Technology Imported: Not Applicable
- b) Year of import: Not Applicable
- c) Has technology been fully absorbed: Not Applicable
- d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: Not Applicable

### **4. Expenditure on Research & Development (R&D):**

The details of expenditure incurred by the Company on R&D are as under:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (INR in lacs)</b>
a.	Capital	2,094.19
b.	Recurring	9,859.06
c.	Total	11,953.25
d.	Total R&D as a percentage of total turnover	14.67%

### **(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

**Total foreign exchange used and earned:**

		<b>INR in lacs</b>
• Foreign Exchange Earnings	:	65,515.03
• Foreign Exchange Outgo	:	29,360.45

### **Annexure – VII**

**A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board, may threaten the existence of the Company**

The Company values the importance of identification, management and moderation of risks associated with business and product portfolio. Risk management is an inherent part of business and is synonymous to growth. Thus, the Company continuously strives to foster a high awareness of business risks, manage and monitor it through effective internal control mechanism, thereby promoting a culture of transparency in its operations. Adhering to the resolution for effectively managing its risks, the company has implemented a Risk Management Framework ("RMF") governed by a standard operating procedure that is developed and put in place.

The Company's audit committee has overall responsibility for the establishment and oversight of Company's RMF. As per RMF, Company has laid down an organization structure for identifying, prioritizing and mitigating the risks. The Board of Directors have designated the Chief Financial Officer as the "Risk Officer" of the Company.

Such risk management policies and systems are reviewed regularly to reflect changes in market condition and the Company's activities. The company through its training and management standards and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The company is committed to its pledge of managing the operational, financial and other business risks while ensuring that business, social and commercial objectives are also met. The Company has thus, implemented a Business Partner Due-Diligence (BPDD) mechanism to assess, identify, measure and monitor risk(s) that may arise from association with a business partner.

As of now, the Company does not foresee any potential risks which may threaten the existence of the Company.

**The details in respect of adequacy of internal financial controls with reference to the Financial Statements**

**Internal Control Systems and Risk Management**

Risk-taking is an inherent trait of any enterprise. It is essential for growth or creation of value in a Company. At the same time, it is important that the risks are properly managed and controlled, so that the Company can achieve its objectives effectively and efficiently.

**Internal Financial Control Framework**

The Company has documented its internal financial controls considering the essential components of various critical processes. This includes its design, implementation and maintenance, along with periodic review of operational effectiveness. This ensures orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The above requirement has the following elements:

1. Orderly and efficient conduct of business;
2. Safeguarding of assets;
3. Adherence to Company's policies;
4. Prevention and detection of frauds & errors; and
5. Accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The internal financial controls system incorporates all the five elements as above. In addition, the Company has a transparent framework for periodic evaluation of the internal financial controls in the form of internal audit exercise carried throughout the year, thereby reinforcing the commitment to adopt effective corporate governance practices.

Policy and procedure adopted by the company to adhere to IFC elements is given below:

**Orderly and Efficient Conduct of Business**

The Company has a well laid down organisational structure which defines the authority-responsibility relationship. The Company has a formal financial planning and budgeting system in place encompassing short term as well as long term planning. In order to ensure that decisions are made and action is taken at an appropriate level, the Board of Directors of the Company has formulated the Delegation of Authority matrix which has been designed to ensure that there is judicious balance of authority and responsibility. The adherence to Delegation of Authority matrix is part of internal audit plan. The company has also designed and implemented key checks, controls and review procedures for important financial, legal and administrative processes, so as to ensure transparent governance of business procedures.

**Safeguarding of its Assets**

The Company has taken an all industrial risk policy for all of its plants as well as corporate office to safeguard its assets. The Company also carries out a physical verification of its assets.

**Adherence to the Company's Policies**

The Company has two tier policies and procedures viz. Entity Level Controls and Process Level Controls. The entity level controls include a comprehensive Code of Conduct and Code of Ethics. The Company also has a Whistle Blower Policy in place and any employee of the Company can directly write to the Nodal Officer designated under the Whistle Blower Policy. The Company also has process level controls which cover a wide range of key operating financial and compliance related areas like Accounting, Order to Cash, Procurement to Payment, Inventory and Production, Payroll, Treasury, Forex, Fixed Assets, Direct and Indirect Tax, R&D etc.

## **Prevention and Detection of Frauds and Errors**

Company has defined a framework for fraud prevention and detection of errors which includes code of ethics, whistle blower etc. All complaints are reported to an independent committee/ forum including some at global level and basis the defined framework in place, actions are taken.

Company also has defined framework around segregation of duties (SOD) risks through Governance risk & compliance (GRC). This framework assists the organization to address the conflicts of interest and minimize consequent risk of potential fraud and errors associated with it.

Policies, procedures with Delegation of Authority (DOA) exists to define the process for execution of transactions, identifying and dealing with exceptions. These are reviewed and discussed as part of the periodic management meetings and are subject to periodic review and refresh taking into account change in business process, internal control, IT environment etc.

As an additional measure, the company also has an Internal Audit function to independently review adherence to the laid down policies and procedures framework set by the company. IA function is responsible to highlight gaps and improvement opportunities to management including Audit committee.

## **Accuracy and Completeness of the Accounting Records and Timely Preparation of Reliable Financial Information**

The Company has a documented and updated Accounting Manual based on the existing Indian Generally Accepted accounting Principles. The Accounting Manual contains detailed guidelines on all aspects of accounting applicable to the Company and has been prepared in line with all applicable accounting standards, guidance notes and expert opinions. This helps in ensuring that the accounts and finance team is well updated on the applicable accounting requirements. The financial information is verified by the statutory auditors as per the requirements of Companies Act, 2013.

In view of the above, adequate internal financial control tools and procedures are in place in the Company for ensuring orderly and efficient conduct of its business. During the year relevant controls were also tested and no material weaknesses in the design or operations were observed.

As part of Statutory Auditors' Report for financial year 2023-24, the auditors have also, *inter-alia*, confirmed that the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control system was operating effectively as on March 31, 2024.



**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on March 31, 2024**

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

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**I. REGISTRATION AND OTHER DETAILS:**

- |      |  |   |  |
|------|--|---|--|
| i)   | CIN  | : | U24231DL2003PLC119441  |
| ii)  | Registration Date  | : | 18.03.2003   |
| iii) | Name of the Company  | : | Fresenius Kabi Oncology Limited  |
| iv)  | Category / Sub-Category of the Company                                       | : | Company having share capital   |
| v)   | Address of the Registered office and contact details                         | : | B-310, Som Datt Chambers-I, Bhikaji Cama<br>Place, New Delhi - 110 066<br>Phone No.: 011 - 26105570<br>Fax No.: 011 - 26195965<br>Email: <a href="mailto:corporatesecretarial.india@fresenius-kabi.com">corporatesecretarial.india@fresenius-kabi.com</a><br>Website: <a href="http://www.fresenius-kabi-oncology.com">www.fresenius-kabi-oncology.com</a>                             |
| vi)  | Whether listed company   | : | No   |
| vii) | Name, Address and Contact details of Registrar and<br>Transfer Agent, if any | : | Link Intime India Private Limited<br>Noble Heights, 1 <sup>st</sup> Floor, Plot NH 2,<br>C-1 Block LSC, Near Savitri Market, Janakpuri,<br>New Delhi – 110 058<br>Phone No.: 011 - 4141 0592/93/94<br>Fax No.: 011 - 4141 0591<br>Email: <a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a><br>Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Paclitaxel – inj	21002	14.32%
2	Carboplatin – inj	21002	14.71%
3	API Oncology	21002	16.43%
4	R&D Services	72100	14.72%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Fresenius Kabi (Singapore) Pte. Ltd.	Foreign Company	Holding	100.00	2(46)

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

### i) Category-wise Share Holding

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoter's							—		
[1]	Indian									
(a)	*Individual/HUF	6	0	6	0.0000	6	0	6	0.0000	0.0000
(b)	Central Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000

(e)	Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Sub-Total (A)[1]</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>0.0000</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>0.0000</b>	0.0000
<b>[2]</b>	<b>Foreign</b>									
(a)	NRI Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Other Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Bodies Corporate	480427320	0	480427320	100.0000	480427320	0	480427320	100.0000	0.0000
(d)	Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Sub-Total (A)[2]</b>	<b>480427320</b>	<b>0</b>	<b>480427320</b>	<b>100.0000</b>	<b>480427320</b>	<b>0</b>	<b>480427320</b>	<b>100.0000</b>	<b>0.0000</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>480427326</b>	<b>0</b>	<b>480427326</b>	<b>100.0000</b>	<b>480427326</b>	<b>0</b>	<b>480427326</b>	<b>100.0000</b>	<b>0.0000</b>

\* Individual shareholders are the nominee shareholders and holding shares as beneficial owner for the Fresenius Kabi (Singapore) Pte Ltd.

<b>(B)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>									
(a)	Mutual Funds/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Banks/ FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Central Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(g)	FIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Foreign Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>

<b>[2]</b>	<b>Non-Institutions</b>									
<b>(a)</b>	a) Bodies Corporate									
	i) Indian	0	0	0	0.0000	0	0	0	0.0000	0.0000
	ii) Overseas	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>(b)</b>	b) Individuals-									
	i. Individual shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0	0	0.0000
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>(c)</b>	Any Other (specify)									
	i) Trust & Foundation	0	0	0	0.0000	0	0	0	0.0000	0.0000
	ii) NRI	0	0	0	0.0000	0	0	0	0.0000	0.0000
	iii) Fresenius Kabi Oncology Limited - Unclaimed Suspense Account	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Sub-total (B)(2)</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>TOTAL (A) + (B)</b>	<b>480427326</b>	<b>0</b>	<b>480427326</b>	<b>100.0000</b>	<b>480427326</b>	<b>0</b>	<b>480427326</b>	<b>100.0000</b>	<b>0.0000</b>
<b>(C)</b>	<b>Shares held by Custodians for GDRs &amp; ADRs</b>	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>480427326</b>	<b>0</b>	<b>480427326</b>	<b>100.0000</b>	<b>480427326</b>	<b>0</b>	<b>480427326</b>	<b>100.0000</b>	<b>0.0000</b>

**ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Fresenius Kabi (Singapore) Pte. Ltd.	480427320	100.0000	0	480427320	100.0000	0	0.0000
	<b>Total</b>	<b>480427320</b>	<b>100.0000</b>	<b>0</b>	<b>480427320</b>	<b>100.0000</b>	<b>0</b>	<b>0.0000</b>

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>Share holding status</b>				
	At the beginning of the year	480427320	100.0000		
	<b>No change during the year</b>				
	At the End of the year	480427320	100.0000		
		No change in promoter's shareholding during the year			

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1					
2					
3					
4					
5		Not Applicable			
6					
7					
8					
9					
10					

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	None of the Director and Key Managerial Personnel hold shares in the Company			
2	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	None of the Director and Key Managerial Personnel hold shares in the Company			
3	At the End of the year	None of the Director and Key Managerial Personnel hold shares in the Company			

## V. INDEBTEDNESS

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

(INR in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	15,074.72	Nil	15,074.72
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	117.50	Nil	117.50
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>15,192.22</b>	<b>Nil</b>	<b>15,192.22</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	Nil	618.09	Nil	618.09
· Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>Nil</b>	<b>618.09</b>	<b>Nil</b>	<b>618.09</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	15,661.54	Nil	15,661.54
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	148.77	Nil	148.77
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>15,810.31</b>	<b>Nil</b>	<b>15,810.31</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(INR in Lakh)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Arvind Kumar Sharma, Managing Director	Mr. Nikhil Kulshreshtha, Director & Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	215.27	207.43	422.70
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.40	0.40	0.80
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil
5.	Others, please specify – Ex-gratia	Nil	Nil	Nil
	<b>Total (A)</b>	<b>215.67</b>	<b>207.83</b>	<b>423.50</b>
	Ceiling as per the Act	Not applicable for FY 2023-24. Please refer to the notes mentioned below.		

#### Notes:

1. Considering the inadequate profits for payment of remuneration to Managing Director and Whole-time Director(s) of the Company, the same was made in terms of provisions contained under Schedule V of the Companies Act, 2013.



**B. Remuneration to other directors:**

(INR in Lakh)			
Sl. No.	Particulars of Remuneration	Name of Director(s)	Total Amount
		Dr. Uday C. Shetty	
1.	Independent Directors		
	· Fee for attending board & committee meetings	13.00	13.00
	· Commission	Nil	Nil
	· Others, please specify	Nil	Nil
	<b>Total (1)</b>	<b>13.00</b>	<b>13.00</b>
2.	Other Non-Executive Directors		
	· Fee for attending board & committee meetings	-	-
	· Commission	-	-
	· Others, please specify	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>13.00</b>	<b>13.00</b>
	<b>Total Managerial Remuneration (A+B)</b>		<b>436.50</b>
	Overall Ceiling as per the Act *	Not applicable for FY 2023-24. Please refer to the notes mentioned below.	

**Note(s):**

Sitting fees was paid in terms of limits fixed under the provisions of Companies Act, 2013. No other payment (except to Managing Director and Whole Time Directors) was made to any of the Directors.

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**

(INR in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	Chief Financial Officer	
		*Mr. Nikhil Kulshreshtha	Mr. Rahul Sharma	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	/	83.58	<b>83.58</b>
			0.26	<b>0.26</b>
			Nil	<b>Nil</b>
2.	Stock Option		Nil	<b>Nil</b>
3.	Sweat Equity		Nil	<b>Nil</b>
4.	Commission - as % of profit - others, specify...		Nil Nil	<b>Nil</b> <b>Nil</b>
5.	Others, please specify		Nil	<b>Nil</b>
	<b>Total</b>		<b>83.84</b>	<b>83.84</b>

\*Since Mr. Nikhil Kulshreshtha (the KMP) was also appointed as Whole Time Director, therefore his remuneration has been disclosed under the heading "Remuneration to Managing Director, Whole-time Directors and/or Manager" at point no. VI (A).

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees paid	Authority (RD / NCLT / Court)	Appeal made, if any (give details)
COMPANY					
Penalty	None				
Punishment					
Compounding					
DIRECTORS					
Penalty	None				
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF FRESENIUS KABI ONCOLOGY LIMITED**

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Fresenius Kabi Oncology Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

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



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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, the cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the India Indian Accounting Standards (IndAS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by 'The Companies (Auditor's Report) Order, 2020' ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;





- (e) On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in **Annexure B** to this report;
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 of the Notes to the Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. The company does not have any dues that are required to be transferred to the Investor Education and Protection Fund.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall whether 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 from or on behalf of the Ultimate Beneficiaries; and
  - (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv) (a) and (b) contain any material mis-statement.
  - v. The company has not declared or paid any dividend during the year ended March 31, 2024.
  - vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not



come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For VMT & Co. LLP**

Firm Registration No. N500048

Chartered Accountants



**Vanit Kumar Mittal**

Partner

Membership No. 505709



Place: Gurugram

Date: June 4, 2024

UDIN: 24505709BK6DTA3163



**Annexure A to the Independent Auditor's report of even date on the Financial Statements of FRESNIUS KABI ONCOLOGY LIMITED**

i.

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain items of the Property, plant and equipment were verified during the year. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except in the following cases:

<i>Amount in Rs. Lakhs</i>					
<b>Description of Property</b>	<b>Gross Carrying Value</b>	<b>Held in the name of</b>	<b>Whether promoter, director or their Relative or employee</b>	<b>Period held</b>	<b>Reason for not being held in name of company</b>
Right of Use Land at Kalyani, West Bengal	278.09	Dabur Pharma Limited	No	October 17, 2003	The company was formerly known as 'Dabur Pharma Limited'

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of guarantee issued by the intermediate



holding company and not on the basis of security of current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to the employees during the year, details of the loan is stated in sub-clause (a) below. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.

(a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company does not have any subsidiaries, joint ventures and associates. Accordingly, reporting under this clause of the Order is not applicable to the company.

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to employees as below:

Particulars	Amount (Rs.in lacs)
Aggregate amount granted during the year	57.28
Balance outstanding as at balance sheet date	28.81

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal has been stipulated and the repayments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, investments, guarantees and securities covered under the provisions of Section 185 and 186 of the Companies Act, 2013.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.



- vi. We have broadly reviewed the books of accounts maintained by company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, goods & services tax, duty of customs, and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as on March 31, 2024 for a period more than six months from the date they become payable.
- (b) The dues on account of Income Tax, Sales Tax, Service Tax, Custom duty, Excise Duty and Value Added Tax disputed by the company and not being paid, vis-a-vis forums where such disputes are pending are mentioned below:

Name of the Statute	Nature of the Dues	Disputed Amount (In Rs. lacs)	Period to which amount relates (Financial Year)	Forum where the dispute is pending
Income Tax Act, 1961	Corporate Tax Adjustments	2,124.30	2010-11, 2011-12, 2013-14, 2015-16 & 2016-17	CIT (Appeals)
		537.61	2014-15	Income Tax Appellate Tribunal
	Transfer Pricing Adjustments	2,615.76	2013-14, 2015-16 & 2016-17	CIT (Appeals)
		4,747.84	2014-15	Income Tax Appellate Tribunal
Central Excise Act, 1944	Cenvat claim	945.70	2013-14 & 2014-15	Commissioner (Appeals)
	Excise Duty demand, rebate claim, refund recovery	6,308.61	2005-06 to 2017-18	CESTAT
	Rebate claim	55.70	2010-11	High Court
	MEIS Scrips utilisation against Excise duty	305.39	2016-17	Commissioner (Appeals)
Foreign Trade Policy	SEIS claim recovery	78.35	2015-16	High Court

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.



- ix. (a) According to the information and explanations given to us, the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us, the term loans obtained by the company have been applied for the purpose for which those were raised.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiary, associate or joint venture as defined under the Companies Act, 2013. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiary, associate or joint venture as defined under the Companies Act, 2013. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.





- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.
- (b) According to the information and explanations provided to us during the course of audit, the company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of paragraph 3(xvi)(d) of the Order are not applicable.
- xvii. Based on examination of the books and records of the Company and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year and preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling



due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, paragraphs 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

xxi. In our opinion, paragraph 3(xxi) of the Order is not applicable to the Company.

**For VMT & Co. LLP**

Firm Registration No. N500048

Chartered Accountants



**Vanit Kumar Mittal**

Partner

Membership No. 505709



Place: Gurugram

Date: June 4, 2024

UDIN: 24505709 BK40T23163

**Annexure B to the Independent Auditor's report of even date on the financial statements of  
FRESENIUS KABI ONCOLOGY LIMITED**

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

We have audited the internal financial controls with reference to the Ind AS financial statements of Fresenius Kabi Oncology Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS 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 these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls with reference to these Ind AS financial statements**

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



company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements**

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

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, a material weakness has been identified in the operating effectiveness of the Company's internal financial controls with respect to third party payable balance confirmations process not being followed by the company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to Financial Statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weakness described above, on the achievement of the objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system with reference to these Ind AS financial statements and such internal financial controls with reference to these Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2024 Ind AS financial statements of the Company, and these material weaknesses do not affect our opinion on the Ind AS financial statements of the Company.

**For VMT & Co. LLP**

Firm Registration No. N500048

Chartered Accountants



**Vanit Kumar Mittal**

Partner

Membership No. 505709

Place: Gurugram

Date: June 4, 2024

UDIN: 24505709 BKGDTA3163





# **Fresenius Kabi Oncology Limited**

## **Financial Statements**

for the year ended 31<sup>st</sup> March 2024

**Fresenius Kabi Oncology Limited****Balance Sheet as at 31 March 2024***(All amounts are in Rupees Lakhs, unless otherwise stated)*

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	33,860.12	35,737.14
Capital work-in-progress	3	15,706.40	13,521.79
Right-of-use assets	4	711.41	1,337.32
Intangible assets	5	987.16	1,267.58
Financial assets			
(i) Investments	6	3.00	3.00
(ii) Others	7	104.99	418.97
Deferred tax assets (net)	19	173.09	2,004.91
Other non-current assets	8	2,903.79	6,259.61
<b>Total Non-Current Assets</b>		<b>54,449.96</b>	<b>60,550.32</b>
<b>Current Assets</b>			
Inventories	9	59,868.52	58,217.99
Financial assets			
(i) Trade receivables	10	35,043.40	38,150.56
(ii) Cash and cash equivalents	11	16,908.72	5,895.56
(iii) Bank balance other than (ii) above	12	144.83	22.18
(iv) Loans	13	28.81	30.57
(v) Others	14	515.98	185.10
Other current assets	15	18,887.09	18,476.73
<b>Total Current Assets</b>		<b>131,397.35</b>	<b>120,978.69</b>
<b>Total Assets</b>		<b>185,847.31</b>	<b>181,529.01</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	16	4,804.27	4,804.27
Other equity		128,720.04	123,169.22
<b>Total Equity</b>		<b>133,524.31</b>	<b>127,973.49</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial liabilities			
(i) Borrowings	17	2,900.00	15,074.72
(ii) Lease Liabilities	4	71.59	384.45
Provisions	18	1,306.11	1,084.55
<b>Total Non-Current Liabilities</b>		<b>4,277.70</b>	<b>16,543.72</b>
<b>Current Liabilities</b>			
Financial liabilities			
(i) Borrowings	20	12,761.54	-
(ii) Trade payables			
(a) Dues of micro enterprises and small enterprises	21	661.52	622.43
(b) Dues of creditors other than micro enterprises and small enterprises	21	26,859.63	28,341.83
(iii) Lease Liabilities	4	403.46	750.14
(iv) Others	22	6,357.75	6,127.14
Other current liabilities	23	417.75	604.62
Provisions	18	538.92	520.91
Current tax liabilities (net)	24	44.73	44.73
<b>Total Current Liabilities</b>		<b>48,045.30</b>	<b>37,011.80</b>
<b>Total Liabilities</b>		<b>52,323.00</b>	<b>53,555.52</b>
<b>Total Equity and Liabilities</b>		<b>185,847.31</b>	<b>181,529.01</b>

2

For basis of preparation of accounts and significant accounting policies  
The accompanying notes are an integral part of the financial statements.  
This is the Balance Sheet referred to in our report of even date.

For VMT & Co. LLP  
Chartered Accountants  
Firm Registration Number : N500048

*Whittle*

**Vanit Kumar Mittal**  
Partner  
Membership No.: 505709  
Place: Gurugram, India  
Date: 4 June 2024



For and on behalf of the Board of Directors of  
**Fresenius Kabi Oncology Limited**

*Dr. Marc-Alexander Mahl*  
**Dr. Marc-Alexander Mahl**  
Chairman  
DIN: 10279843

*Nikhil Kulshreshtha*  
**Nikhil Kulshreshtha**  
Director & Secretary  
DIN: 07178027  
Place: Gurugram, India  
Date: 4 June 2024

*Arvind Kumar Sharma*  
**Arvind Kumar Sharma**  
Managing Director  
DIN: 08144338

*Rahul Sharma*  
**Rahul Sharma**  
Chief Financial Officer



**Fresenius Kabi Oncology Limited**  
**Statement of Profit and Loss for the year ended 31 March 2024**  
*(All amounts are in Rupees Lakhs, unless otherwise stated)*

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Income</b>			
Revenue from operations	25	78,642.62	71,713.69
Other income	26	2,848.69	3,905.30
<b>Total income</b>		<b>81,491.31</b>	<b>75,618.99</b>
<b>Expenses</b>			
Cost of materials consumed		39,083.79	35,452.33
Purchase of stock-in trade		420.53	375.48
Changes in inventories of finished goods, work-in-progress & stock-in-trade	27	(3,498.15)	(3,057.69)
Employee benefits expenses	28	18,327.64	16,472.19
Finance costs	29	642.08	977.65
Depreciation and amortization expenses	30	5,886.70	5,406.63
Other expenses	31	13,388.02	14,571.19
<b>Total expenses</b>		<b>74,250.61</b>	<b>70,197.78</b>
<b>Profit before tax</b>		<b>7,240.70</b>	<b>5,421.21</b>
<b>Tax expense:</b>			
Current tax expense		-	-
Deferred tax charge	19	1,820.63	892.10
<b>A. Profit for the year</b>		<b>5,420.07</b>	<b>4,529.11</b>
<b>B. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss :			
(Gain) / Loss on remeasurement of defined benefit plans	37	(44.44)	(370.88)
Tax expense / (Income) on remeasurement on defined benefit plan	19	11.19	93.35
		<b>(33.25)</b>	<b>(277.53)</b>
<b>(A+B). Total comprehensive income for the year</b>		<b>5,453.32</b>	<b>4,806.64</b>
<b>Earnings per equity share :</b>	32		
Basic earning per share		1.13	0.94
Diluted earning per share		1.13	0.94

*For basis of preparation of accounts and significant accounting policies*

2

The accompanying notes are an integral part of the financial statements.  
This is the Statement of Profit and Loss including Other Comprehensive Income referred to in our report of even date.

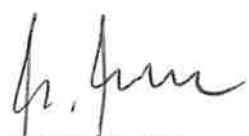
*For and on behalf of the Board of Directors of*  
**Fresenius Kabi Oncology Limited**

**For VMT & Co. LLP**  
Chartered Accountants  
Firm Registration Number: N500048

  
**Vanit Kumar Mittal**  
Partner  
Membership No.: 505709




Place: Gurugram, India  
Date: 4 June 2024

  
**Dr. Marc-Alexander Mahl**  
Chairman  
DIN: 10279843

  
**Nikhil Kulshreshtha**  
Director & Secretary  
DIN: 07178027

Place: Gurugram, India  
Date: 4 June 2024

  
**Arvind Kumar Sharma**  
Managing Director  
DIN: 08144338

  
**Rahul Sharma**  
Chief Financial Officer



**Fresenius Kabi Oncology Limited**  
**Statement of Changes in Equity for the year ended 31 March 2024**  
*(All amounts are in Rupees Lakhs, unless otherwise stated)*

(a) Equity Share Capital	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the financial year	480,427,326	4,804.27	480,427,326	4,804.27
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance as at beginning of the financial year	480,427,326	4,804.27	480,427,326	4,804.27
Changes in equity share capital during the year (Refer note 16)	-	-	-	-
Balance at the end of the reporting period	480,427,326	4,804.27	480,427,326	4,804.27

(b) Other Equity	Other Components of Equity						Total
	Reserves and Surplus					OCI	
Particulars	Capital Reserve	Securities Premium Account	General Reserve	Deemed Equity Contribution	Retained Earnings	Remeasurement of Net Defined Benefit Plan	
Balance at 1 April 2022	180.00	129,773.27	49,532.82	382.06	(61,724.99)	121.92	118,265.08
Profit for the year	-	-	-	-	4,529.11	-	4,529.11
Financial guarantee issued by intermediate holding company without consideration	-	-	-	97.50	-	-	97.50
Loss on remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	277.53	277.53
Balance at 31 March 2023	180.00	129,773.27	49,532.82	479.56	(57,195.88)	399.45	123,169.22
Profit for the year	-	-	-	-	5,420.07	-	5,420.07
Financial guarantee issued by intermediate holding company without consideration	-	-	-	97.50	-	-	97.50
Gain on remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	33.25	33.25
Balance at 31 March 2024	180.00	129,773.27	49,532.82	577.06	(51,775.81)	432.70	128,720.04

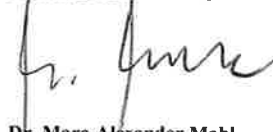
The accompanying notes are an integral part of the financial statements  
This is the Statement of Changes in Equity referred to in our report of even date

For VMT & Co. LLP  
Chartered Accountants  
Firm Registration Number: N500048

  
**Vapit Kumar Mittal**  
Partner  
Membership No.: 505709




For and on behalf of the Board of Directors of  
**Fresenius Kabi Oncology Limited**

  
**Dr. Marc-Alexander Mahl**  
Chairman  
DIN: 10279843

  
**Nikhil Kulshreshtha**  
Director & Secretary  
DIN: 07178027

Place: Gurugram, India  
Date: 4 June 2024

  
**Arvind Kumar Sharma**  
Managing Director  
DIN: 08144338

  
**Rahul Sharma**  
Chief Financial Officer



Place: Gurugram, India  
Date: 4 June 2024

**Fresenius Kabi Oncology Limited**  
**Statement of Cash Flows for the year ended 31 March 2024**  
*(All amounts are in Rupees Lakhs, unless otherwise stated)*

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Cash flow from operating activities</b>		
Profit before tax	7,240.70	5,421.21
Adjustments for :-		
Depreciation and amortization expenses	5,886.70	5,406.63
Loss on sale & disposal of property, plant & equipment (net)	72.77	111.41
Financial guarantee charges	97.50	97.50
Foreign exchange loss (unrealised)	704.46	1,390.70
Interest on borrowings	425.82	327.78
Interest on lease liabilities	45.55	86.50
Liabilities and provisions written back	(28.28)	(498.00)
Provision for inventory	(77.55)	(279.81)
Allowance for doubtful debts	-	226.48
Reversal of impairment on trade receivables	(38.84)	(240.80)
Dividend income	(0.60)	(0.60)
Interest income	(495.22)	(199.09)
<b>Operating profit before working capital changes</b>	<b>13,833.01</b>	<b>11,849.91</b>
Movements in working capital :-		
(Increase) / Decrease in inventories	(1,572.98)	(6,899.05)
(Increase) / Decrease in trade receivables	3,207.78	(1,469.72)
(Increase) / Decrease in other assets	3,045.72	(4,544.83)
Increase / (Decrease) in trade payables	(2,157.25)	2,182.28
Increase / (Decrease) in provisions	284.01	243.89
Increase / (Decrease) in other payable	873.21	1,024.78
<b>Cash generated / (used) from operations</b>	<b>17,513.50</b>	<b>2,387.26</b>
Income tax paid, net	(59.55)	(19.00)
<b>Net cash generated from operating activities (A)</b>	<b>17,453.95</b>	<b>2,368.26</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment & intangibles	(6,327.53)	(10,083.00)
Sale of property, plant and equipment / capital work in progress	206.99	184.95
Investments/(redemption) in fixed deposits with original maturity more than 3 months (net)	(121.96)	49.88
Employees loan repayment	59.03	89.28
Employees loan disbursement	(57.27)	(73.54)
Dividend received	0.60	0.60
Interest received	468.23	205.99
<b>Net cash used in investing activities (B)</b>	<b>(5,771.91)</b>	<b>(9,625.84)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from term loan	534.72	11,231.70
Payment of lease liability	(758.02)	(716.94)
Interest paid	(394.55)	(213.72)
Interest on lease liabilities	(45.55)	(86.50)
Paid to shareholders pursuant to capital reduction	(5.48)	(7.74)
<b>Net cash generated / (used) in financing activities (C)</b>	<b>(668.88)</b>	<b>10,206.80</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>11,013.16</b>	<b>2,949.22</b>
Cash and cash equivalents at the beginning of the year	5,895.56	2,946.34
<b>Cash and cash equivalents at the end of the year</b>	<b>16,908.72</b>	<b>5,895.56</b>

**Reconciliation of cash and cash equivalents in Balance Sheet vis - a - vis Statement of Cash Flows**

Cash and cash equivalent as per Balance Sheet (Refer Note 11)	16,908.72	5,895.56
Balance with bank in cash credit accounts (Refer Note (i) below)	-	-
<b>Cash and cash equivalent as per Statement of Cash Flows</b>	<b>16,908.72</b>	<b>5,895.56</b>

**Notes:**

- (i) Cash and cash equivalent's include credit drawdown which is repayable on demand and forms part of company cash management/ working capital strategy.  
(ii) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the accounting standard (Ind AS) 7 "Statement of Cash Flow".

As per our report of even date attached

For VMT & Co. LLP  
Chartered Accountants  
Firm Registration Number: N500048

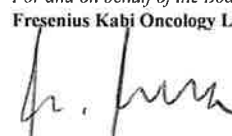


**Vanit Kumar Mittal**  
Partner  
Membership No.: 505709



Place: Gurugram, India  
Date: 4 June 2024

For and on behalf of the Board of Directors of  
**Fresenius Kabi Oncology Limited**

  
**Dr. Marc-Alexander Mahl**  
Chairman  
DIN: 10279843

  
**Nikhil Kulkarni**  
Director & Secretary  
DIN: 07178027

Place: Gurugram, India  
Date: 4 June 2024

  
**Arvind Kumar Sharma**  
Managing Director  
DIN: 08144338

  
**Rahul Sharma**  
Chief Financial Officer





**Fresenius Kabi Oncology Limited**  
**Notes to the financial statements for the year ended 31 March 2024**

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**1) Company information**

Fresenius Kabi Oncology Ltd. (CIN – U24231DL2003PLC119441) (“the Company”) a domestic public limited Company with registered office situated at B-310, Somdutt Chambers-1, Bhikhaji Cama Place, New Delhi. The company is the direct subsidiary of Fresenius Kabi (Singapore) Pte, a body Corporate incorporated in Singapore. The company belongs to group of a German pharmaceutical conglomerate named Fresenius SE & Co KGaA which is among leading players of generic products especially in Oncological sphere across a globe. It has two manufacturing facilities in the country, at Baddi, Himachal Pradesh and one at Kalyani, West Bengal. Company’s Research & Development Centre is situated in Gurgaon. Exports to group companies constitute a significant share of annual turnover of the company.

**2) 2.1 Significant Accounting Policies**

**2.1.1 Basis for preparation of accounts**

The financial statements of the company have been prepared and presented in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective at the Company’s annual reporting date. These financial statements were authorised for issuance by the Company’s Board of Directors on 4 June 2024.

Assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in Schedule – III to the Companies Act, 2013.

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- certain financial assets are measured either at fair value or at amortised cost depending on the classification;
- employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;
- long-term borrowings are measured at amortised cost using the effective interest rate method.
- right-of-use the assets are recognised at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

All financial information is presented in Indian Rupees and has been rounded off to the nearest Lakhs.

**2.1.2 Use of Estimates**

Ind AS requires management to make estimates and assumptions related to financial statements that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to the financial year. Actual results could differ from such estimates. Any revision in accounting estimates is recognized prospectively in the period of change and material revision including its impact on financial statement, is reported in the notes to accounts in the year of revision of accounting.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 2.8 — Financial instruments;
- Notes 2.3 and 2.5 — Useful lives of property, plant and equipment and intangible assets;



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- Notes 2.11 – determination of cost for right-of-use assets and lease term;
- Note 2.12 – Valuation of inventories;
- Note 2.13 – Assets and obligations relating to employee benefits;
- Note 2.14 – Evaluation of recoverability of deferred tax assets, and estimation of income tax payable and income tax expense in relation to an uncertain tax position;
- Note 2.15 – Provisions, accruals and Contingencies; and

## **2.2 Recognition of Revenue**

The Company derives revenues primarily from manufacturing and sale of oncology drugs and from Services which primarily relates to contract research services and other support services.

Revenue on the sale of products and services, which is recorded as “Revenue from Operations” in the Statement of Profit and Loss, is recognized when a contractual promise to a customer (performance obligation) has been fulfilled by transferring control over the promised goods and services to the customer, substantially all of which is at the point in time of shipment to or receipt of the products by the customer or when the services are performed. If contracts contain customer acceptance provisions, revenue would be recognized upon the satisfaction of acceptance criteria. If products are stockpiled at the request of the customer, revenue is only recognized once the products have been inspected and accepted by the customer, and there is no right of return or replenishment on product expiry. The amount of revenue to be recognized is based on the consideration that the company expects to receive in exchange for its goods and services. If a contract contains more than one performance obligation, the consideration is allocated based on the standalone selling price of each performance obligation. The Company presents revenues net of indirect taxes in its statement of Profit and loss.

Revenues are recognized upon satisfaction of each of the performance obligations in the contract and the consideration is allocated based on the standalone selling price of each performance obligation, wherever applicable.

The consideration received in exchange for its goods or services may be fixed or variable. Variable consideration is only recognized when it is highly probable that a significant reversal will not occur. The most common elements of variable consideration are listed below.

- Refunds granted to customers are recorded as a revenue deduction at the time the related sales are recorded. They are calculated on the basis of historical experience and clinical data available for the product, as well as the specific terms in the individual agreements. In cases where historical experience and clinical data are not sufficient for a reliable estimation of the outcome, revenue recognition is deferred until the uncertainty is resolved or until such history is available.
- The Company receives consideration from Fresenius Kabi Deutschland GmbH as an adjustment to the sale price against Revenue from sale of goods. The value of this consideration is determined based on cost of production of the company for the period presented.

The variable consideration amounts recognised at year end are adjusted to actual amounts as refunds and the contingent consideration amounts are finalised /processed. The likelihood of reversal of revenue on account of actualisation is estimated to be immaterial.

Revenues in excess of invoicing are classified as contract assets (referred as ‘unbilled revenue’) while invoicing in excess of revenues are classified as contract liabilities (referred as ‘unearned revenues’).

## **Other Income**

The company has an enduring agreement with Fresenius Kabi Deutschland GmbH (“Commercialisation Agreement”). As per the Commercialisation agreement Fresenius Kabi Deutschland GmbH will reimburse the company for ongoing expenses incurred for maintenance activities incurred in relation to the Intellectual Property owned by the company. The reimbursement comprises of actual expenses incurred by the company on such activities and includes amounts determined based on standard/budgeted rates. The company does not identify such reimbursement as an income arising in the course of ordinary activities of the company. Hence, such reimbursement of expenses have been presented as a part of Other Income.

Other incomes have been recognized on accrual basis in financial statement except for cash flow information.



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**2.3 Property, Plants and Equipment's**

These tangible assets are held for use in production, supply of goods or services or for administrative purposes. These are recognized and carried under cost model i.e. cost less accumulated depreciation and impairment loss, if any.

- a) Cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such costs also include Borrowing Cost if the recognition criteria are met.
- b) Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in the statement of profit and loss.
- c) The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.
- d) Depreciation has been provided on straight line method in terms of expected life span of assets specified in Schedule – II of the Companies Act, 2013 or as determined by management. The residual value and useful life is reviewed annually and any deviation is accounted for as a change in estimate.
- e) Components relevant to fixed assets, where significant, are separately depreciated on straight line basis in terms of their life span assessed by technical evaluation in item specific context.
- f) For new projects, all direct expenses and direct overheads (excluding services of non-exclusion nature provided by employees in company's regular payroll) are capitalized till the assets are ready for intended use.
- g) The treatment of liquidated damages received from the vendors depends on the facts and circumstances. Where the liquidated damages are directly identifiable with the project/item of property, plant and equipment and are received for mitigating extra project costs incurred by the entity which will be capitalised, then such amounts are adjusted with the cost of the item of property, plant and equipment. In other cases, the liquidated damages are accounted for and presented as an item of Other Income.
- h) Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other current /non- current assets as applicable. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.
- i) Bearer Plants: Biological Assets which are held to bear agricultural produce are classified as Bearer plants. Taxus Bacatta bushes which have attained harvestable stage to produce taxus bacatta leaves are recognised as Bearer plants assets. Cost incurred for new plantations and additional costs incurred till the time these bushes attain harvestable age are capitalised. Such cost includes cost of land preparation, new planting and maintenance till maturity. Bearer plants attain a harvestable stage in about 3-5 years.

The matured bearer plants are depreciated over their estimated useful life. Bearer plants assets are carried at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure on bearer assets are expensed unless it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Refer note 2.12 for accounting of taxus bacatta leaves derived from such bearer plants.

**2.4 Non-Current Assets held for sale**

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for





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immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned.

The Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortised

**2.5 Intangible Assets:**

Intangible assets with finite useful life are amortized over the useful economic life on a straight-line basis and are subjected to test of impairment whenever there is an indication that the intangible assets may be impaired. Intangible assets with indefinite useful life are tested for impairment annually.

- Patents and Trade Marks: The useful life is taken to be 10 years.
- Software: The useful life is taken from 3 to 10 years depending on the nature of the software.

**Product Development**

Product development rights that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

**2.6 Impairment of Non-Financial Assets:**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed at each year end.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount.

Impairment losses, other than those recognized on goodwill, that have been recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



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**2.7 Government grant:**

Government Grant is recognized only when there is a reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

- a) Grants related to assets are reduced from the costs of the assets.
- b) Grants related to income are treated as other income in statement of profit & loss subject to due disclosure about the nature of grant.

**Export Incentives**

Export incentives are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the incentives will be received.

The company is entitled to various export incentives

- a) Export entitlements from government authorities under the Merchandise Exports from India Scheme (MEIS), Duty Draw Back and Remission of Duties and Taxes on Export Products (RoDTEP) scheme are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Accordingly, income is recognised based on the sales recognised during the financial year.
- b) Export entitlements from government authorities under the Service Exports from India Scheme (SEIS) are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company. Accordingly, income is recognised only on filing of the claims for availing this benefit with the Directorate General of Foreign Trade.
- c) Duty waived on import of capital goods is not considered in the value of capital assets purchased/acquired by the company.

**2.8 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.

**2.8.1 Financial Assets:**

**Initial Recognition and Measurement**

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset.

Financial assets are classified, at initial recognition, either as financial assets measured at fair value or as financial assets measured at amortized cost.

**Subsequent Measurement**

For purpose of subsequent measurement financial assets are classified in two broad categories: -

- Financial Assets at fair value
- Financial assets at amortized cost

Where assets that measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss or recognized in other comprehensive income.

A financial asset that meets the following two conditions is measured at amortized cost.



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- **Business Model Test:** The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:-

- **Business Model Test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

#### **Derecognition of financial assets**

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 Company's balance sheet) when:

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

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

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.



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**Notes to the financial statements for the year ended 31 March 2024**

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**2.8.2 Financial Liabilities:**

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

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Derecognition**

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

**2.9 Financial Guarantee:**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are measured at their fair values and recognised as income in the Statement of Profit and Loss.

Where guarantees in relation to loans or other payables of group companies are provided for no compensation, the fair value are accounted for as contributions and recognised as part of cost of investment. Consequently, the beneficiary accounts for such guarantee by recognizing a deemed equity contribution and recognising a finance cost for obtaining such a guarantee.

**2.10 Fair value measurement:**

The company measures financial instruments, such as derivatives 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non –financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.





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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:

**Level 1-** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2-** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Level 3-** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the financial statement on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**2.11 Leases:**

**Company as Lessee**

The company's lease asset class primarily consists of lease of land and buildings. The Company assesses whether a contract 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. The contract involves the use of an identified asset.
- ii. The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements may include an option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised /option to terminate the lease will not be exercised.

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.

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, however, in case the ownership of such right-of-use asset transfers to the lessee at the end of the lease term, such assets are depreciated over the useful life of the underlying asset. Right of use assets 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.

The lease liability is initially measured at amortized cost 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 rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liabilities and Right-of-use assets have been separately presented in the balance sheet and respective lease payments have been classified as financing cashflows.

**Company as Lessor**

The Company is not a lessor in any active lease contract. Hence, no further details are being provided.



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**Notes to the financial statements for the year ended 31 March 2024**

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**2.12 Inventories:**

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods and are measured at the lower of cost and net realisable value.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognised as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables, which are used in operating machines or consumed as indirect materials in the manufacturing process. The basis of measurement of cost is as follows:

- a) Raw material, Packing Material; Moving Weighted Average Basis.
- b) Stores & spares: Moving Weighted Average Basis.
- c) Work-in-progress: Cost of input plus overheads upto the stage of completion.
- d) Finished Goods: Cost of input plus appropriate overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Leaves from Taxus Bacatta bushes which have attained required chemical properties, after the point of harvest, are recognized as agriculture produce and recognized, at fair value less cost to sell, as plantation inventory. The company believes that leaves which have not matured does to have any fair value considering the chemical properties contained therein. Any changes in fair value are recognised in the Statement of Profit and Loss in the year in which they arise.

**2.13 Employee Benefits:**

**Short-term employee benefits**

Short-term employee benefits include wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services, are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The liabilities are presented as current employee benefit obligations in the balance sheet.

ESI is provided on the basis of actual liability accrued and paid to authorities.

**Long Term Employee Benefit**

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods.

The Company's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilized compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs as a result of the unused entitlement that has accumulated at the balance sheet date. Such measurement is based on actuarial valuation as at the balance sheet date carried out by a qualified actuary. Remeasurements are recognised in the statement of profit and loss in the period in which they arise.



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**Notes to the financial statements for the year ended 31 March 2024**

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**Defined contribution plans**

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees. The company contributes to a superannuation fund and also makes contribution on account of employee Provident Fund and Employee State Insurance.

**Defined benefit plans**

Gratuity Liability on the basis of actuarial valuation as per Ind AS 19. Liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit expense in the statement of profit and loss. Actuarial gain / loss arising from experience adjustments and changes in actuarial assumptions are credited / debited to "other comprehensive Income" forming part of other equity.

**2.14 Income Tax:**

Income tax expense consists of current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The liability of company on account of Income Tax is estimated considering the provisions of the income Tax Act, 1961.

Deferred tax is provided using balance sheet approach on temporary differences at the reporting date as difference between the tax base and the carrying amount of assets and liabilities. Deferred tax is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The company considers the impact of uncertainty over a tax treatment, for recognizing and measuring deferred and current income tax assets and liabilities. Accruals for uncertain tax positions require management to make judgements of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty.

Tax benefits are not recognised unless the tax positions will probably be accepted by the tax authorities. This is based upon management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.



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**Notes to the financial statements for the year ended 31 March 2024**

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**2.15 Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Restructuring Provisions**

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided.

**Contingent Liabilities**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Disputes, liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Goods and Services Tax, Income Tax Excise etc.) pending in appeal / court for which no reliable estimated can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

**Contingent Assets**

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**2.16 Foreign Currency Translation:**

The company's financial statements are presented in INR, which is also the company's functional currency.

- a) Transactions in foreign currencies are recognized at rate of foreign currency ruling on the date of transactions. Gain / Loss arising on account of rise or fall in foreign currencies vis-à-vis functional currency between the date of transaction and that of payment is charged to Statement of Profit & Loss.
- b) Monetary Assets in foreign currencies are translated into functional currency at the exchange rate ruling at the reporting date and the resultant gain or loss, is accounted for in the Statement of Profit & Loss.
- c) Non-Monetary items which are carried at historical cost denominated in a foreign currency reported using the exchange rate at the date of the transaction.
- d) Impact of exchange fluctuation is separately disclosed in notes to accounts.

**2.17 Operating Segments:**

The Chief Operating Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

- a) Segment revenue includes sales and other income directly identifiable with the segment including inter-segment revenue.





**Fresenius Kabi Oncology Limited**  
**Notes to the financial statements for the year ended 31 March 2024**

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- b) Expenses that are directly identifiable with the segments are considered for determining the segment results. Expenses which relate to the company as a whole and not allocable to segments are included under un-allocable expenditure.
- c) Income which relates to the company as a whole and not allocable to segments is included in un-allocable income.
- d) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the company.
- e) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

**2.18 Earnings Per Share:**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributed to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, if any.

**2.19 Borrowing Cost**

Borrowing cost consists of interest and other costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost is recognized as expense in the period in which they are incurred. Borrowing cost that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale.

**2.20 Cash and Cash equivalents**

For the purpose of presentation in the balance sheet, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flow, working capital borrowing, repayable on demand, which form integral part of cash management, has been included in cash and cash equivalent.

**2.21 Exceptional items**

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Also, tax charges related to exceptional items and certain one-time tax effects are considered exceptional. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

**2.22 Recent Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



**Fresenius Kabi Oncology Limited**  
Notes to financial statements for the year ended 31 March 2024  
(All amounts are in Rupees Lakhs, unless otherwise stated)

**3 Property, Plant and Equipment and Capital work in progress**

Particulars	Freehold Land	Buildings	Plant, Machinery & Equipment*	Vehicles	Furniture Fixtures	Office Equipments	Computers	Bearer Plants	Total	Capital Work in Progress **
<b>Gross Block</b>										
At 1 April 2022	625.75	14,839.67	49,579.95	207.56	2,272.58	1,196.41	2,294.61	618.33	71,634.86	3,877.92
Additions	-	358.72	2,740.00	103.13	24.99	45.54	256.47	-	3,528.85	13,408.03
Disposals / other adjustment	-	(1.16)	(1,417.03)	(70.65)	(76.02)	(29.54)	(54.89)	-	(1,649.29)	(3,764.16)
<b>At 31 March 2023</b>	<b>625.75</b>	<b>15,197.23</b>	<b>50,902.92</b>	<b>240.04</b>	<b>2,221.55</b>	<b>1,212.41</b>	<b>2,496.19</b>	<b>618.33</b>	<b>73,514.42</b>	<b>13,521.79</b>
Additions	-	145.54	2,277.26	212.46	58.54	55.22	291.11	-	3,040.13	5,461.06
Disposals / other adjustment	-	-	(764.58)	(64.46)	(9.09)	(4.95)	(45.43)	-	(888.51)	(3,203.36)
<b>At 31 March 2024</b>	<b>625.75</b>	<b>15,342.77</b>	<b>52,415.60</b>	<b>388.04</b>	<b>2,271.00</b>	<b>1,262.68</b>	<b>2,741.87</b>	<b>618.33</b>	<b>75,666.04</b>	<b>15,779.49</b>
<b>Accumulated Depreciation &amp; Impairment</b>										
At 1 April 2022	-	4,951.10	25,885.82	81.92	1,539.79	867.86	1,391.76	139.55	34,857.80	-
Charge for the year	-	483.84	3,145.98	26.67	125.08	89.69	341.83	70.20	4,283.29	-
Disposals / other adjustment	-	(0.35)	(1,175.17)	(46.76)	(65.10)	(27.27)	(49.16)	-	(1,363.81)	-
<b>At 31 March 2023</b>	<b>-</b>	<b>5,434.59</b>	<b>27,856.63</b>	<b>61.83</b>	<b>1,599.77</b>	<b>930.28</b>	<b>1,684.43</b>	<b>209.75</b>	<b>37,777.28</b>	<b>-</b>
Charge for the year	-	491.23	3,135.06	42.15	108.01	82.06	312.68	52.77	4,223.96	-
Impairment charge for the year (Refer note 42)	-	37.16	20.89	-	7.74	-	-	355.81	421.60	73.09
Impairment Utilised during the year	-	-	(5.61)	-	(0.02)	-	-	-	(5.63)	-
Disposals / other adjustment	-	-	(517.99)	(38.55)	(8.30)	(3.90)	(42.55)	-	(611.29)	-
<b>At 31 March 2024</b>	<b>-</b>	<b>5,962.98</b>	<b>30,488.98</b>	<b>65.43</b>	<b>1,707.20</b>	<b>1,008.44</b>	<b>1,954.56</b>	<b>618.33</b>	<b>41,805.92</b>	<b>73.09</b>
<b>Net Block</b>										
At 31 March 2023	625.75	9,762.64	23,046.29	178.21	621.78	282.13	811.76	408.58	35,737.14	13,521.79
At 31 March 2024	625.75	9,379.79	21,926.62	322.61	563.80	254.24	787.31	-	33,860.12	15,706.40

**Notes:**

\* Includes plant, machinery, laboratory equipments, hydraulic and pipeline works.

\*\* Includes Bearer plant in progress of Rs. Nil (previous year of Rs. 73.09).

Refer note no. 42 for movement in impairment provision during the year.

**Capital work in progress:- ageing schedule**

	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Years	
Projects in progress (as at 31 March 2024)	4,362.72	10,226.95	1,075.24	41.48	15,706.40
Projects in progress (as at 31 March 2023)	11,491.71	1,575.00	304.18	150.90	13,521.79
Projects temporarily suspended (as at 31 March 2024)	-	-	-	-	-
Projects temporarily suspended (as at 31 March 2023)	-	-	-	-	-

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.



**Fresenius Kabi Oncology Limited**

Notes to financial statements for the year ended 31 March 2024

(All amounts are in Rupees Lakhs, unless otherwise stated)

**4 Right-of-use assets and Lease Liabilities****Leases as lessee****(i) The carrying amount of right to use assets is as follows:**

Particulars	Land #	Buildings	Total
Balance as at 1 April 2022	270.80	1,789.57	2,060.37
Additions during the year	-	-	-
Depreciation expense for the year	(0.28)	(722.77)	(723.05)
<b>Balance as at 31 March 2023</b>	<b>270.52</b>	<b>1,066.80</b>	<b>1,337.32</b>
Additions during the year	-	98.48	98.48
Depreciation expense for the year	(0.28)	(724.11)	(724.39)
<b>Balance as at 31 March 2024</b>	<b>270.24</b>	<b>441.17</b>	<b>711.41</b>

# Title deeds of immovable properties not held in name of the Company, refer note 41 (ii).

**(ii) The movement in lease liabilities during the year**

Particulars	For the period ended 31 March 2024	For the year ended 31 March 2023
Opening Balance	1,134.59	1,851.53
Additions during the year	98.48	-
Finance costs incurred during the year	45.55	86.50
Payments of lease liabilities	(803.57)	(803.44)
<b>Closing Balance</b>	<b>475.05</b>	<b>1,134.59</b>

**(iii) Maturity analysis of lease liabilities**

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Maturity Analysis of contractual undiscounted cash flows</b>		
Less than one year	413.90	792.97
One to five years	74.68	389.18
More than five years	6.05	-
<b>Total undiscounted lease liability</b>	<b>494.63</b>	<b>1,182.15</b>
<b>Balances of lease liabilities</b>		
Non-Current lease liability	71.59	384.45
Current lease liability	403.46	750.14
<b>Total lease liability</b>	<b>475.05</b>	<b>1,134.59</b>

**(iv) Amount Recognised in Statement of Profit & Loss Account during the Year**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation expense for right-of-use assets (Refer Note 30)	724.39	723.05
Interest expense on lease liabilities (Refer Note 29)	45.55	86.50
Expense relating to short-term leases (Refer Note 31)	11.90	32.23
<b>Total Expenses</b>	<b>781.84</b>	<b>841.78</b>

**(v) Amounts recognised in Statement of Cash Flows**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on lease liability - Financing Activity	45.55	86.50
Payment of lease liability - Financing Activity	758.02	716.94
Short term / low value lease payments	11.90	32.23



**Fresenius Kabi Oncology Limited****Notes to financial statements for the year ended 31 March 2024***(All amounts are in Rupees Lakhs, unless otherwise stated)***5 Intangible assets**

Particulars	Product Development	Patent/ Product Rights	Softwares	Total
<b>Gross Block</b>				
At 1 April 2022	180.80	100.05	2,026.81	2,307.66
Additions	-	-	239.46	239.46
Disposals / other adjustment		(0.12)	(8.57)	(8.69)
At 31 March 2023	180.80	99.93	2,257.70	2,538.43
Additions			163.24	163.24
Disposals / other adjustment				-
At 31 March 2024	180.80	99.93	2,420.94	2,701.67
<b>Accumulated Amortization</b>				
At 1 April 2022	180.80	98.53	591.23	870.56
Amortization for the year		1.15	399.14	400.29
At 31 March 2023	180.80	99.68	990.37	1,270.85
Amortization for the year			443.66	443.66
At 31 March 2024	180.80	99.68	1,434.03	1,714.51
<b>Net Block</b>				
At 31 March 2023	-	0.25	1,267.33	1,267.58
At 31 March 2024	-	0.25	986.91	987.16

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**Fresenius Kabi Oncology Limited**

Notes to financial statements for the year ended 31 March 2024

(All amounts are in Rupees Lakhs, unless otherwise stated)

**Non current assets****6 Financial Assets- Investments**

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unquoted</i>		
<i>Investments in Equity Instruments carried at FVTPL</i>		
Investments - Shivalik Waste Management Limited [30,000 (previous year 30,000) Equity Shares of Rs. 10 each]	3.00	3.00
<b>Total</b>	<b>3.00</b>	<b>3.00</b>

**7 Financial Assets- Other**

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured, considered good</i>		
Bank deposits given as security / margin money	16.10	16.79
Security deposits	78.10	393.29
Accrued interest on fixed deposits	10.79	8.89
<b>Total</b>	<b>104.99</b>	<b>418.97</b>

**8 Other non current Assets**

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured, considered good</i>		
Balances with government authorities *	2,074.12	5,511.34
Prepaid Expenses	41.95	20.10
Advance payment of income tax (net of provision Rs. 10,864.68 (previous year Rs. 10,864.68))	787.72	728.17
<b>Total</b>	<b>2,903.79</b>	<b>6,259.61</b>

Note :

\* Includes the following:

(a) Rs. 623.09 (previous year Rs. 426.43) paid under protest in respect of tax litigation matters.

(b) Amounts towards GST refund out of which Rs. Nil (previous year Rs. 1,584.79) for which company filed writ petition with the Hon'ble High Court and Rs. Nil (previous year 1,689.24) for which an appeal filed with Commissioner Appeals, GST Department.





Current assets

9 Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials including packaging materials (Refer Note 1 below)	15,215.88	17,303.00
Stores and spare parts	3,811.54	3,572.04
Work-in-process	37,711.83	32,099.52
Finished goods	3,129.27	5,243.43
<b>Total</b>	<b>59,868.52</b>	<b>58,217.99</b>

Notes :

1. Includes raw material-in-transit Rs 577.05 (previous year Rs. 655.82) .
2. The closing stock of inventory is net off provision of Rs. 169.27 (previous year Rs. 246.82).
3. Owing to the technical and complex nature of inventory items, the above inventory classification is based on management estimate and analysis.

10 Financial assets- Trade Receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables considered good - unsecured	35,179.29	38,472.88
Less : Allowance for expected credit loss*	(135.89)	(322.32)
Trade receivables credit impaired - unsecured	194.77	47.19
Less: Allowance for credit impairment *	(194.77)	(47.19)
<b>Total</b>	<b>35,043.40</b>	<b>38,150.56</b>

\* Refer Note 35 for details of change in allowance for credit losses. Refer Note 36 for dues from related parties.

Ageing for trade receivable outstanding as at 31 March 2024:

Particulars	Considered Good	Significant Credit Risk	Credit Impaired	Total as at 31 March 2024
<b>Undisputed Trade receivables:</b>				
Not Due	33,310.77	-	-	33,310.77
Over Due : Less than 6 Months	1,590.88	-	-	1,590.88
Over Due : 6 Months to 1 year	195.62	-	-	195.62
Over Due : 1 to 2 Years	1.83	-	-	1.83
Over Due : 2 to 3 years	74.33	-	147.50	221.83
Over Due : More than 3 years	5.86	-	33.48	39.34
<b>Sub-total A</b>	<b>35,179.29</b>	<b>-</b>	<b>180.98</b>	<b>35,360.27</b>
<b>Disputed Trade receivables:</b>				
Not Due	-	-	-	-
Over Due : Less than 6 Months	-	-	-	-
Over Due : 6 Months to 1 year	-	-	-	-
Over Due : 1 to 2 Years	-	-	-	-
Over Due : 2 to 3 years	-	-	-	-
Over Due : More than 3 years	-	-	13.79	13.79
<b>Sub-total B</b>	<b>-</b>	<b>-</b>	<b>13.79</b>	<b>13.79</b>
<b>Less: Allowance for credit losses C</b>				<b>(330.66)</b>
<b>Total A+B+C</b>				<b>35,043.40</b>

Ageing for trade receivable outstanding as at 31 March 2023

Particulars	Considered Good	Significant Credit Risk	Credit Impaired	Total as at 31 March 2023
<b>Undisputed Trade receivables:</b>				
Not Due	37,197.56	-	-	37,197.56
Over Due : Less than 6 Months	985.98	-	-	985.98
Over Due : 6 Months to 1 year	6.81	-	-	6.81
Over Due : 1 to 2 Years	267.32	-	0.31	267.63
Over Due : 2 to 3 years	8.87	-	-	8.87
Over Due : More than 3 years	6.33	-	33.09	39.42
<b>Subtotal A</b>	<b>38,472.88</b>	<b>-</b>	<b>33.40</b>	<b>38,506.28</b>
<b>Disputed Trade receivables:</b>				
Not Due	-	-	-	-
Over Due : Less than 6 Months	-	-	-	-
Over Due : 6 Months to 1 year	-	-	-	-
Over Due : 1 to 2 Years	-	-	-	-
Over Due : 2 to 3 years	-	-	-	-
Over Due : More than 3 years	-	-	13.79	13.79
<b>Subtotal B</b>	<b>-</b>	<b>-</b>	<b>13.79</b>	<b>13.79</b>
<b>Less: Allowance for credit losses C</b>				<b>(369.51)</b>
<b>Total A+B+C</b>				<b>38,150.56</b>



**11 Financial assets- Cash and cash equivalents**

Particulars	As at 31 March 2024	As at 31 March 2023
Cash in hand	-	0.06
Deposits with original maturity within three months	14,615.00	3,400.00
Balances with banks in current accounts *	411.38	473.27
Cheques, drafts on hand	4.15	-
Others (debit balance in cash credit accounts)	1,878.19	2,022.23
<b>Total</b>	<b>16,908.72</b>	<b>5,895.56</b>

\* Includes balance of Rs. 386.60 (previous year Rs. 392.08) earmarked for payment to shareholders pursuant to the reduction of equity share capital undertaken in accordance with the provisions of section 66 of the Companies Act, 2013.

**12 Financial assets- Other Bank Balance**

Particulars	As at 31 March 2024	As at 31 March 2023
Deposits with original maturity after three months but before one year given as security / margin money	144.83	22.18
<b>Total</b>	<b>144.83</b>	<b>22.18</b>

**13 Financial assets- Loans**

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured &amp; Considered Good</i>		
Loans to employees	28.81	30.57
<b>Total</b>	<b>28.81</b>	<b>30.57</b>

**14 Other Financial assets**

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured &amp; Considered Good</i>		
Security deposit	482.64	176.85
Accrued interest but not due on fixed deposits	33.34	8.25
<b>Total</b>	<b>515.98</b>	<b>185.10</b>

**15 Other current assets**

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured &amp; Considered Good</i>		
Trade advances	1,866.83	2,090.54
Capital advances	301.84	298.81
Balances with government authorities [net of allowance of Rs. 2.78 (previous year Rs. 2.78 )]*	14,528.68	13,904.01
Export incentives receivable [net of allowance of Rs. 345.60 (previous year Rs. 345.60 )]	1,236.27	1,200.52
Prepaid expenses	426.54	526.65
Other receivables	280.90	210.17
Other deposits**	246.03	246.03
<b>Total</b>	<b>18,887.09</b>	<b>18,476.73</b>

\* Rs. Nil (previous year Rs. 2,583.80) towards GST refund for which the Company had filed writ petition with the Hon'ble High Court (favourable order received).

\*\* Represents amount deposited with Hon'ble High Court of Delhi in respect of a civil suit for which the proceedings are yet to be concluded.



**16 Equity Share Capital**

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(a) Authorised :</b>		
500,000,000 (previous year 500,000,000) Equity shares of Rs. 1/- each	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Paid up:</b>		
480,427,326 (previous year 480,427,326 ) Equity Shares of Rs. 1/- each	4,804.27	4,804.27
	<b>4,804.27</b>	<b>4,804.27</b>
<b>Reconciliation of number of Equity shares outstanding at the beginning and end of the year :</b>		
Outstanding at the beginning of the year	480,427,326	480,427,326
Add: Issue of Equity share of Rs. 1/- each	-	-
Outstanding at the end of the year	<b>480,427,326</b>	<b>480,427,326</b>

**(b) Terms / Rights attached to Equity shares**

The Company has only one class of equity shares having par value of Rs. 1/- . Each holder of one equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of shares shall be entitled to remaining assets of the company, after distribution of all preferential amounts.

**(c) Shareholders holding more than 5% equity shares in the Company :**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Percentage	No. of Shares	Percentage
Fresenius Kabi (Singapore) Pte Ltd.	480,427,326	100.00%	480,427,326	100.00%

Note : Above share include 6 shares are held by 6 individual shareholders in India (one share each) in the capacity as nominee shareholders on behalf of Fresenius Kabi (Singapore) Pte Ltd.

**d) Aggregate number of bonus share allotted, share allotted pursuant to contract without payment being received in cash and share bought back during the period of five years immediately preceding the reporting date is NIL**

**e) Disclosure of Shareholding of Promoters**

**Disclosure of shareholding of promoters as at 31 March 2024 is as follows:**

Particulars	As at 31 March 2024		As at 1 April 2023	
	No. of Shares	Percentage	No. of Shares	Percentage
Fresenius Kabi (Singapore) Pte Ltd.	480,427,326	100.00%	480,427,326	100.00%

Note : Above share include 6 shares are held by 6 individual shareholders one each in the capacity as nominee shareholders on behalf of Fresenius Kabi (Singapore) Pte Ltd.

There is no change in the percentage of the promoter shareholding during the year ended 31 March 2024.

**Disclosure of shareholding of promoters as at 31 March 2023 is as follows:**

Particulars	As at 31 March 2023		As at 1 April 2022	
	No. of Shares	Percentage	No. of Shares	Percentage
Fresenius Kabi (Singapore) Pte Ltd.	480,427,326	100.00%	480,427,326	100.00%

Note : Above share include 6 shares are held by 6 individual shareholders in India (one share each ) in the capacity as nominee shareholders on behalf of Fresenius Kabi (Singapore) Pte Ltd.

There was no change in the percentage of the promoter shareholding during the year ended 31 March 2023.





**Non current liabilities**

**17 Financial Liabilities - Borrowings**

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured</i>		
Term loan from related party (Refer Note 36)	2,900.00	15,074.72
<b>Total</b>	<b>2,900.00</b>	<b>15,074.72</b>

- a. There is no default in repayment of principal loan or interest thereon.  
b. No guarantee or bond has been furnished against the above borrowings by any third party including directors.

**Terms of Loan and Repayment Schedule**

Terms and conditions of outstanding borrowings are as follows:

Particulars	Rate	Years of maturity	As at 31 March 2024	As at 31 March 2023
Term loan from Fresenius Finance Ireland PLC - Euro (refer note 20)	Euribor + 1.331	2024-25	12,761.54	12,174.72
Term loan from Fresenius Kabi AG - INR	Mibor + 140.0 BPT	2025-26	2,900.00	2,900.00

**18 Provisions**

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non current Provisions:</b>		
Provision for compensated absences (Refer Note 37)	791.68	807.05
Provision for gratuity (Refer Note 37)	514.43	277.50
<b>Total Non current Provisions</b>	<b>1,306.11</b>	<b>1,084.55</b>
<b>Current Provisions:</b>		
Provision for compensated absences (Refer Note 37)	188.95	170.94
Other provisions (Refer Notes (i) & (ii) below)	349.97	349.97
<b>Total Current Provisions</b>	<b>538.92</b>	<b>520.91</b>

**Notes:**

**(i) Movement in Other Provisions**

Particulars	Service Tax on Lawyer's Fees	Vendor Claim
<b>As at 31 March 2023</b>	103.45	246.52
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
<b>As at 31 March 2024</b>	<b>103.45</b>	<b>246.52</b>
<b>Grand Total</b>		<b>349.97</b>

Particulars	Service Tax on Lawyer's Fees	Vendor Claim
<b>As at 31 March 2022</b>	103.45	246.52
Provisions made during the year	-	-
Provisions used during the year	-	-
Provisions reversed during the year	-	-
<b>As at 31 March 2023</b>	<b>103.45</b>	<b>246.52</b>
<b>Grand Total</b>		<b>349.97</b>

**(ii) Information about other provisions**

Particulars	Service Tax on Lawyer's Fees	Vendor Claim
Expected timing of outflow	31st March 2025	31st March 2025
Any expected reimbursement	-	-
Asset, if any, recognized for reimbursement	-	-



**19 Deferred tax assets (Net)**

A. Amounts recognised in statement of profit and loss	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Current tax expense</b>		
Current year	-	-
Tax relating to earlier year	-	-
<b>Deferred Tax Expense / (Income)</b>		
Property, plant and equipment	87.45	(371.40)
Allowances for trade receivables	9.77	3.61
Provision for compensated absences	(0.66)	15.95
Provision for gratuity	(70.82)	(77.33)
Other Provisions	(1.51)	-
Unabsorbed tax losses and depreciation	1,767.15	1,302.97
Expenses disallowed under Income Tax Act	20.78	19.84
Lease Liabilities	166.01	180.45
Right of Use Assets	(157.54)	(181.99)
<b>Tax Expenses / (Income) recognized in the statement of profit and loss</b>	<b>1,820.63</b>	<b>892.10</b>
<b>Other Comprehensive Income / Retained Earnings</b>		
Tax Expense on remeasurement of defined benefit liability	11.19	93.35
<b>Tax Expense / (Income) recognised in Equity</b>	<b>11.19</b>	<b>93.35</b>

B. Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Amount recognised in Other Comprehensive Income</b>		
Loss/(Gain) on remeasurements of defined benefit plans	(44.44)	(370.88)
<b>Before tax</b>		
Tax Expense/ (Income)	11.19	93.35
	<b>(33.25)</b>	<b>(277.53)</b>

**C. Reconciliation of effective tax expense**

The following is a reconciliation of the Company's effective tax expenses :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	7,240.70	5,421.21
Enacted income tax rate (%) applicable to the Company	25.17%	25.17%
Computed expected tax expense	1,822.49	1,364.52
<b>Effect of:</b>		
Effect of expenses that are not deductible	116.23	96.59
Interest Carried Forward under section 94B Claimed in Current Year	-	(761.76)
Other items	(118.09)	192.75
<b>Income tax expense</b>	<b>1,820.63</b>	<b>892.10</b>

**D. Movement in deferred tax balances**

Particulars	As at 31 March 2023	Recognized in P&L	Recognized in OCI /Retained Earnings	As at 31 March 2024
<b>Deferred Tax Assets</b>				
Impairment of trade receivables	93.00	(9.77)	-	83.23
Provision for compensated absences	246.16	0.66	-	246.82
Provision for gratuity	69.84	70.82	(11.19)	129.47
Other provisions	86.58	1.51	-	88.09
Unabsorbed tax losses and depreciation	3,814.46	(1,767.15)	-	2,047.31
Disallowance of expenses under Income Tax Act	156.21	(20.78)	-	135.43
Lease Liabilities	285.58	(166.01)	-	119.57
<b>Total Deferred Tax Assets (a)</b>	<b>4,751.83</b>	<b>(1,890.72)</b>	<b>(11.19)</b>	<b>2,849.92</b>

Particulars	As at 31 March 2023	Recognized in P&L	Recognized in OCI /Retained Earnings	As at 31 March 2024
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment	2,480.31	87.45	-	2,567.76
Right of Use Assets	266.61	(157.54)	-	109.07
<b>Total Deferred Tax Liabilities (b)</b>	<b>2,746.92</b>	<b>(70.09)</b>	<b>-</b>	<b>2,676.83</b>
<b>Net Deferred Tax Assets / (Liability) (a-b)</b>	<b>2,004.91</b>	<b>(1,820.63)</b>	<b>(11.19)</b>	<b>173.09</b>



**Fresenius Kabi Oncology Limited**  
**Notes to financial statements for the year ended 31 March 2024**  
*(All amounts are in Rupees Lakhs, unless otherwise stated)*

Particulars	As at 31 March 2022	Recognized in P&L	Recognized in OCI /Retained Earnings	As at 31 March 2023
<b>Deferred Tax Assets</b>				
Impairment of trade receivables	96.61	(3.61)	-	93.00
Provision for compensated absences	262.11	(15.95)	-	246.16
Provision for Gratuity	85.86	77.33	(93.35)	69.84
Other provisions	86.58	-	-	86.58
Unabsorbed tax losses	5,117.43	(1,302.97)	-	3,814.46
Disallowance of expenses under Income Tax Act	176.05	(19.84)	-	156.21
Lease Liability	466.03	(180.45)	-	285.58
<b>Total Deferred Tax Assets</b>	<b>6,290.67</b>	<b>(1,445.49)</b>	<b>(93.35)</b>	<b>4,751.83</b>
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment	2,851.71	(371.40)	-	2,480.31
Right of Use Assets	448.60	(181.99)	-	266.61
<b>Total Deferred Tax Liabilities</b>	<b>3,300.31</b>	<b>(553.39)</b>	<b>-</b>	<b>2,746.92</b>
<b>Net Deferred Tax Assets / (Liability)</b>	<b>2,990.36</b>	<b>(892.10)</b>	<b>(93.35)</b>	<b>2,004.91</b>

**Notes:**

- The Company does not have any unrecognized deferred tax liabilities as on 31 March 2024 and 31 March 2023.
- In assessing whether the deferred tax assets will be realised, management considers whether some portion or all of the deferred tax assets will not be realised. The ultimate realisation of the deferred income tax assets and tax loss carry forwards is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will realise the benefits of those recognised deductible differences and tax loss carry forwards. Recoverability of deferred tax assets is based on estimates of future taxable income. Any changes in such future taxable income would impact the recoverability of deferred tax assets.
- Operating loss carry forward consists of business losses and unabsorbed depreciation. A portion of this total loss can be carried indefinitely and the remaining amounts expire at various dates ranging upto 31 March 2024.

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**Current liabilities**

**20 Financial Liabilities- Borrowings**

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured</i>		
Current maturities of Long Term Borrowing from related party- Fresenius Finance Ireland PLC (Refer Note 36)	12,761.54	-
<b>Total</b>	<b>12,761.54</b>	<b>-</b>

**Notes:**

- a. The company uses cash credits for cash management purposes, and such cash credits have been classified as cash and cash equivalents for the purposes of reporting under Ind AS 7 - Statements of Cash Flows.  
b. Disclosure for changes in liabilities arising from financing activities:

Particulars*	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Short-term borrowings</b>		
Opening balance	-	-
Additional loans taken during the year	700.00	8,147.73
Repayment during the year	(700.00)	(8,147.73)
Non - cash changes: acquisition/foreign exchange movement/fair value changes	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

\*For details of changes in Lease Liabilities classified as financing activity, refer note 4.

**21 Financial Liabilities- Trade payables**

Particulars	As at 31 March 2024	As at 31 March 2023
Due to Micro, Small & Medium enterprises (Refer Note 40)	661.52	622.43
Other creditors (For amounts payable to related parties, Refer Note 36)	26,859.63	28,341.83
<b>Total</b>	<b>27,521.15</b>	<b>28,964.26</b>

**Trade Payables Ageing Schedule**

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Due to Micro, Small &amp; Medium enterprises - Undisputed :</b>		
Not Due	652.08	612.74
Over Due : Less than 1 year	9.43	9.68
Over Due : 1 to 2 Years	-	-
Over Due : 2 to 3 years	-	-
Over Due : More than 3 years	-	-
<b>Sub-total</b> <b>A</b>	<b>661.51</b>	<b>622.42</b>
<b>Other creditors - Undisputed:</b>		
Not Due	2,242.77	4,769.94
Over Due : Less than 1 year	1,839.28	1,140.46
Over Due : 1 to 2 Years	233.39	6.06
Over Due : 2 to 3 years	1.80	221.05
Over Due : More than 3 years*	22,542.40	22,204.33
<b>Sub-total</b> <b>B</b>	<b>26,859.64</b>	<b>28,341.84</b>
<b>Total</b> <b>A + B</b>	<b>27,521.15</b>	<b>28,964.26</b>

There are no disputed dues to Micro, Small & Medium enterprises and Other Creditors.

\* Includes an amount of Rs.22,196.44 overdue payables to Fresenius Kabi Deutschland GmbH (Intermediate Holding Entity) for which the Company is taking necessary steps / approval for remittance of such overdue payables. The Company expects to clear these dues in the ensuing financial year.



**Fresenius Kabi Oncology Limited**  
**Notes to financial statements for the year ended 31 March 2024**  
*(All amounts are in Rupees Lakhs, unless otherwise stated)*

**22 Other Financial Liabilities**

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured</i>		
Interest accrued (For related parties payable refer note 36)	148.77	117.50
Creditors for capital goods (Refer Note 40)	159.92	1,015.18
Employee related dues	1,591.78	1,455.06
Bonus payable	236.61	262.73
Other accruals for expenses	3,050.51	2,717.36
Payable to shareholders pursuant to capital reduction	386.60	392.08
Other payables	783.56	167.23
<b>Total</b>	<b>6,357.75</b>	<b>6,127.14</b>

**23 Other Current Liabilities**

Particulars	As at 31 March 2024	As at 31 March 2023
Advances from customers (Refer Note 43)	41.78	34.48
Other Advances	6.98	17.03
Deferred Revenue (Refer Note 43)	24.33	24.33
Statutory dues	344.66	528.78
<b>Total</b>	<b>417.75</b>	<b>604.62</b>

**24 Current tax liabilities (net)**

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for income tax [net of advance tax Rs. 2,836.14 (previous year Rs 2,836.14)]	44.73	44.73
<b>Total</b>	<b>44.73</b>	<b>44.73</b>

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**25 Revenue from operations**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Sale of products and Services*</b>		
Sale of goods	65,065.94	60,379.09
Sale of services:		
Contract R&D services	11,490.94	9,707.50
Other services	1,487.09	1,222.03
<b>Total</b>	<b>78,043.97</b>	<b>71,308.62</b>
<b>B. Other operating income</b>		
Scrap sales	237.34	167.29
Government Grant- Export incentives	317.23	186.14
Others	44.08	51.64
<b>Total</b>	<b>598.65</b>	<b>405.07</b>
<b>Total</b>	<b>78,642.62</b>	<b>71,713.69</b>

\* Refer Note 43 for details of disaggregation of revenue, contract balances and performance obligations.

**26 Other income**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Reimbursement of expenses	2,230.59	2,858.02
Liabilities and provisions written back	28.28	498.00
Interest income on fixed deposits and security deposits	495.22	199.09
Foreign Exchange gain	-	79.26
Dividend income	0.60	0.60
Reversal of impairment on trade receivables	38.84	240.80
Miscellaneous income	55.16	29.53
<b>Total</b>	<b>2,848.69</b>	<b>3,905.30</b>

**27 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Opening stock:</b>		
Finished goods	5,243.43	2,793.68
Work-in-process	32,099.52	31,491.58
Stock in trade	-	-
<b>Closing stock:</b>		
Finished goods	3,129.27	5,243.43
Work-in-process	37,711.83	32,099.52
Stock in trade	-	-
<b>Changes in inventories:</b>		
Finished goods	2,114.16	(2,449.75)
Work-in-process	(5,612.31)	(607.94)
Stock in trade	-	-
<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(3,498.15)</b>	<b>(3,057.69)</b>

**28 Employee benefits expense**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	16,219.16	14,353.53
Contribution to provident and other funds	1,019.02	1,018.83
Workmen and staff welfare expenses	1,089.46	1,099.83
<b>Total</b>	<b>18,327.64</b>	<b>16,472.19</b>

**29 Finance cost**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest cost on financial liabilities measured at amortized cost:		
Interest on borrowings	425.82	327.78
Finance charge on finance leases in the nature of interest expense	45.55	86.50
Exchange differences regarded as an adjustment to borrowing cost	49.70	465.87
Others:		
Financial guarantee charges	97.50	97.50
Interest on late deposit of taxes	23.51	-
<b>Total</b>	<b>642.08</b>	<b>977.65</b>



30 Depreciation and amortization expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (including impairment charge)	4,718.65	4,283.29
Depreciation on right of use assets	724.39	723.05
Amortization of intangible assets	443.66	400.29
<b>Total</b>	<b>5,886.70</b>	<b>5,406.63</b>

31 Other Expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Power and fuel	3,111.83	3,031.99
Stores & spares consumed	1,384.38	1,014.94
Repairs and maintenance-Building	185.55	109.04
Repairs and maintenance-Plant & Machinery	1,485.57	1,632.90
Repairs and maintenance-Others	65.07	99.70
Plantation expenses	60.40	58.00
Testing charges	386.89	783.97
Freight charges	1,110.17	1,555.66
Short-term lease expenses	11.90	32.23
Rates and taxes	170.68	102.34
Regulatory fees expenses	88.54	145.09
Insurance	569.34	496.40
Printing & stationery	92.97	128.25
Travel expenses	352.93	296.12
Legal and professional *	628.92	1,806.30
Communication expenses	117.42	120.65
Security expenses	192.75	197.98
Director's sitting fees	13.00	11.00
Information technology expenses	1,231.03	1,132.69
House keeping expenses	902.75	859.08
Recruitment and training expenses	172.40	151.71
Reimbursement of Expenses	0.03	-
Books and periodicals	173.10	149.22
Allowance for doubtful debts	-	226.48
Bank charges	30.42	20.32
Loss on sale / disposal of Property, Plant and Equipment (net)	72.77	111.41
Foreign exchange loss (net)	489.49	-
Miscellaneous expenses (refer note 39(i))	287.72	297.72
<b>Total</b>	<b>13,388.02</b>	<b>14,571.19</b>

\* Payment to Auditors (excluding Goods & Service Tax)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Audit fee	21.00	21.00
Certification fee	-	0.60
Reimbursement of expenses	1.56	2.11
<b>Total</b>	<b>22.56</b>	<b>23.71</b>

32 Earnings per share (EPS)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year (A)	5,420.07	4,529.11
Basic earning per equity share - weighted average number of equity shares outstanding (B)	480,427,326	480,427,326
Effect of dilutive common equivalent shares- partly paid shares	-	-
Weighted average number of equity shares of Rs. 1/- each (for Diluted EPS) (C)	480,427,326	480,427,326
EPS - Basic (A) / (B)	1.13	0.94
EPS - Diluted (A) / (C)	1.13	0.94



**33 Contingent Liabilities & Commitments**

The Company is involved in disputes, lawsuits, claims, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business. Often, these issues are subject to uncertainties and therefore the probability of a loss, if any, being sustained and an estimate of the amount of any loss is difficult to ascertain. Consequently, for a majority of these claims, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of the proceedings.

Although, there can be no assurance regarding the outcome of any of the legal proceedings or investigations referred to in this note, the Company does not expect them to have a materially adverse effect on its financial position, as it believes that the likelihood of loss in excess of amounts accrued (if any) is not probable. However, if one or more of such proceedings were to result in judgments against the Company, such judgments could be material to its results of operations in a given period. In these cases, the Company discloses information with respect to the nature and facts of the case. The significant matters are discussed below:

(i) Particulars	Estimated timing of settlement	As at 31 March 2024	As at 31 March 2023
<b>Claims against the company not acknowledged as debts</b>			
a) Excise duty in disputes	Un-certain	7,310.01	7,313.64
b) Income tax in disputes	Un-certain	10,025.51	10,354.98
c) Service Tax in disputes	Un-certain	-	3,078.45
d) Others :			
-Legal and administrative matters	Un-certain	124.30	124.30
-Shortfall on export obligations under advance authorisation	Un-certain	76.42	76.42
-Utilization of MEIS scrips	Un-certain	305.39	305.39
-SEIS scrips claim	Un-certain	78.35	78.35

**Commitments**

(ii) Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,401.21	1,809.97

**34 (i) CIF Value of Imports**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw materials (including packing material)	23,905.38	25,085.92
Stores & spares	862.46	766.50
Capital goods	720.48	8,615.30
<b>Total</b>	<b>25,488.32</b>	<b>34,467.72</b>

**(ii) Earnings in Foreign Exchange:**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of goods (on FOB basis)	50,262.34	48,708.93
Sale of services	12,978.03	10,929.53
Reimbursement of expenses	2,230.59	2,858.02
Other operating income	44.08	51.64
<b>Total</b>	<b>65,515.04</b>	<b>62,548.11</b>

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### 35 Financial instruments – Fair values and risk management

#### I Fair value measurements

Particulars	As at 31 March 2024 Carrying Amount	As at 31 March 2023 Carrying Amount
<b>Financial assets measured at Fair Value</b>		
<b>Non-current</b>		
Investments in Equity Instruments	3.00	3.00
<b>Financials Assets measured at Amortized Cost</b>		
<b>Non-current</b>		
Other financial assets	104.99	418.97
<b>Current</b>		
Trade Receivables	35,043.40	38,150.56
Cash and cash equivalents	16,908.72	5,895.56
Bank balances other than Cash and cash equivalents	144.83	22.18
Loans (Short Term)	28.81	30.57
Other financial assets	515.98	185.10
	<b>52,749.73</b>	<b>44,705.94</b>
<b>Financial liabilities measured at Amortized Cost</b>		
<b>Non-current</b>		
Borrowings (Long Term)	2,900.00	15,074.72
Lease Liabilities	71.59	384.45
<b>Current</b>		
Borrowings (Short Term)	12,761.54	-
Trade Payables	27,521.15	28,964.26
Lease Liabilities	403.46	750.14
Other current financial liabilities	6,357.75	6,133.14
	<b>50,015.49</b>	<b>51,306.71</b>

#### Fair Value Hierarchy

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. The company does not have any investments which are categorised as Level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The company does not have any investments which are categorized as Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in unlisted equity securities.

#### Note:

- There are no transfers between level 1 and level 2 during the year.
- The fair value of financial assets and liabilities approximate their carrying amount measured under Level 3 hierarchy.
- Long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Accordingly, such long-term debt are carried at amortized cost which approximates fair value.
- For financial assets measured at fair value, carrying value is equivalent to fair value.

#### II Financial risk management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.



**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, cash and cash equivalents, bank balances, security deposits, loans to employees.

**Trade and other receivables**

Related parties: Majority of the debtors are related parties; being subject to global monitoring by the group, no material credit risk is expected in this regard. Accordingly, no provision for impairment has been created.

Third parties: The company has established a credit policy under which each new customer is analysed individually for evaluation of credit worthiness before offering company's terms and conditions of payment and delivery. The company limits its exposure to credit risk by establishing maximum payment period of 300 days. Emphasis is laid to deal with countries which have stable economic conditions.

The Company computes an allowance for impairment of trade receivables from third parties based on a simplified approach, that represents its expected credit losses. The Company uses an allowance matrix to measure the expected credit loss of trade receivables. Loss rates are based on actual credit loss experienced over the past 3 years. These loss rates are adjusted with scalar factors to reflect differences between current and historical economic conditions and the management's view of economic conditions over the expected lives of the receivables. Based on the industry practice and business environment in which the entity operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

**Reconciliation of loss allowance provision – Trade and other receivables**

	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	369.50	383.82
Allowances made during the year	147.19	226.48
Trade receivables written off during the year	-	-
Allowances reversed during the year / collection	(186.04)	(240.80)
<b>Closing balance</b>	<b>330.66</b>	<b>369.50</b>

**Cash and cash equivalents, deposits with banks and other financial instruments**

Credit risk from balances with banks and other financial instruments is managed by Company's treasury department in accordance with Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management, for periodic updation.

Impairment on cash and cash equivalents, deposits and other financial instruments has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of counterparties.

**Concentration of significant credit risk**

There is no concentration of customer risk so far transactions with third parties are concerned.

**Exposure to credit risk:**

The gross carrying amount of financial assets, net of impairment losses recognized represent the maximum credit exposure. The maximum exposure to credit risk as at 31 March 2024 and 31 March 2023 was as follows:

Particulars	31 March 2024	31 March 2023
Trade receivables	35,043.40	38,150.56
Cash and cash equivalents*	16,908.72	5,895.56
Bank balances other than Cash and cash equivalents	144.83	22.18
Loans	28.81	30.57
Bank deposit given as security / margin money*	16.10	16.79
Security Deposits	560.74	570.14
Other financial assets	44.13	17.14
	<b>52,746.73</b>	<b>44,702.94</b>

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

\* Credit risk on Cash and cash equivalents is limited as these are generally held or invested in deposits with banks and financial institutions with good credit ratings.



**ii Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled in cash or exchange of another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficiency of 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 mitigates liquidity risk by way of formulation of cash budget and comparison of actual cash flows with budget on a continuous basis.

**(a) Financing arrangements**

As at 31 March 2024 and 31 March 2023, the Company had unutilised credit limits from banks of Rs. 38,567.57 and Rs. 38,534.40 respectively.

**(b) Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

Particulars	Contractual cash flows			
	31 March 2024	< 1 year	2 to 5 Years	5 years <
<b>Non-derivative financial liabilities</b>				
Borrowings (Long Term)	2,900.00	-	2,900.00	-
Borrowings (Short Term)	12,761.54	12,761.54	-	-
Trade Payables	27,521.15	27,521.15	-	-
Lease Liabilities	475.05	403.46	71.59	-
Other current financial liabilities	6,357.75	6,357.75	-	-
<b>Total non-derivative liabilities</b>	<b>50,015.49</b>	<b>47,043.90</b>	<b>2,971.59</b>	<b>-</b>

Particulars	Contractual cash flows			
	31 March 2023	< 1 year	2 to 5 Years	5 years <
<b>Non-derivative financial liabilities</b>				
Borrowings (Long Term)	15,074.72	-	15,074.72	-
Borrowings (Short Term)	-	-	-	-
Trade Payables	28,964.26	28,964.26	-	-
Lease Liabilities	1,134.59	750.14	384.45	-
Other current financial liabilities	6,133.14	6,133.14	-	-
<b>Total non-derivative liabilities</b>	<b>51,306.71</b>	<b>35,847.54</b>	<b>15,459.17</b>	<b>-</b>

**iii. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company does not use derivatives to manage market risks.

**a. Foreign currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar (USD) and Euro (EUR). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

Majority of the currency risk on receivables for the company is confined to group transactions only. A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee depreciates relative to these foreign currencies, the Company's revenues measured in Indian Rupees may increase.

Transaction currency --	As at 31 March 2024		As at 31 March 2023	
	Euro	USD	Euro	USD
<b>Financial assets</b>				
Trade receivables	27,589.41	3,195.81	31,866.70	3,423.06
<b>Financial liabilities</b>				
Borrowings	12,761.54	-	12,174.72	-
Trade payables	13,169.90	12,250.53	12,976.10	12,157.16
Other Payable	143.10	9.91	452.94	423.02
<b>Net statement of financial position exposure</b>	<b>1,514.87</b>	<b>(9,064.63)</b>	<b>6,262.94</b>	<b>(9,157.12)</b>
<b>Conversion Rates</b>	<b>89.87</b>	<b>83.41</b>	<b>89.52</b>	<b>82.11</b>

Transaction currency --	As at 31 March 2024		As at 31 March 2023	
	GBP		GBP	
<b>Financial assets</b>				
Trade receivables		14.05		-
<b>Financial liabilities</b>				
Borrowings		-		-
Trade payables		113.78		682.24
Other Payable		-		-
<b>Net statement of financial position exposure</b>		<b>(99.73)</b>		<b>(682.24)</b>
<b>Conversion Rates</b>		<b>105.03</b>		<b>101.77</b>



**Sensitivity analysis**

As below, possible strengthening/ weakening of INR against USD, EURO & GBP at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss (net of tax) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or (loss) after tax	
	Strong	Weak
<b>31 March 2024</b>		
USD (2% movement)	135.66	(135.66)
EUR(2%movement)	(22.67)	22.67
GBP(2%movement)	1.28	(1.28)
<b>31 March 2023</b>		
USD (2% movement)	137.05	(137.05)
EUR(2%movement)	(93.73)	93.73
GBP(2%movement)	8.98	(8.98)

**b. Interest rate risk**

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Any rise in market rate of interest affecting valuation of financial instruments, financial assets and financial liabilities have been regularly analysed for mitigational measure.

**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments is as follows

Particulars	Amount	
	31 March 2024	31 March 2023
<b>Financial liabilities</b>		
<b>Variable-rate instruments</b>		
Short Term Borrowings	12,761.54	-
Long term borrowings	2,900.00	15,074.72
<b>Fixed-rate instruments</b>		
Lease Liabilities	475.05	1,134.59
<b>Financial Assets</b>		
<b>Fixed-rate instruments</b>		
Fixed Deposits	14,775.93	3,438.97
Security Deposit	560.74	570.14

**Sensitivity analysis**

For the years ended 31 March 2024 and 31 March 2023, every 50 BPS increase or decrease in the floating interest rate component would affect the Company's net profit as follows

**Profit or (loss), net of tax**

Particulars	50 bp increase	50 bp decrease
<b>31 March 2024</b>		
Variable-rate instruments	(58.60)	58.60
<b>31 March 2023</b>		
Variable-rate instruments	(56.40)	56.40

**Fair value sensitivity analysis for fixed-rate instruments**

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**iv Commodity rate risk**

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases of the raw material components for active pharmaceutical ingredients that includes purchases of platinum. These are commodity products, whose prices may fluctuate significantly over short periods of time. The cost of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms a large portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of 31 March 2024, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.



**Fresenius Kabi Oncology Limited**
**Notes to financial statements for the year ended 31 March 2024**
*(All amounts are in Rupees Lakhs, unless otherwise stated)*
**36 Related party disclosures:**

Name of related party and nature of related party relationship where control exists:		
Immediate Holding Entity	Fresenius Kabi (Singapore) Pte.Ltd.	
Intermediate Holding Entities	Fresenius Kabi AG	Fresenius Kabi Deutschland GmbH
	Fresenius Kabi Austria GmbH	
Ultimate Holding Entity	Fresenius SE & Co. KGaA	
Other related parties with whom transactions have taken place during the year / previous year:		
Fellow Subsidiaries	Fresenius Kabi Latin America	Fresenius Digital Technology GmbH
	Fresenius Kabi Chile Ltda.	Fresenius Kabi South Africa Ltd.
	Fresenius Kabi S.A.	Labesfal - Laboratórios Almiro S.A
	Hyginus Publisher GmbH	Fresenius Kabi Colombia S.A.S
	Fresenius Kabi Asia Pacific Ltd.	Fresenius Kabi India Private Ltd.
	Fresenius Kabi Swissbiosim gmbh	Fresenius Kabi (Thailand) Ltd
	Calca U.K. Ltd.	Fresenius Kabi España, S.A.U.
	Fresenius Kabi Italia S.r.l	Fresenius Kabi Brasil Ltda
	Fresenius Kabi Norge AS	Fresenius Kabi (China) Co Ltd.
	Fresenius Kabi Baltics UAB	Fresenius Kabi Australia Pty Limited
	Fresenius Kabi s.r.o	Fresenius Kabi Malaysia Sdn Bhd
	Fresenius Kabi Polska Sp. z o.o.	Fresenius Kabi Nederland B.V.
	Fresenius Finance Ireland PLC	Fresenius Kabi iPSUM
	Fresenius Kabi Mexico S.A.de C.V	Fresenius Kabi d.o.o. Beograd
	Fresenius Kabi Hong Kong Limited	Pt. Fresenius Kabi Indonesia
	Fresenius Kabi NV Belgium	Fresenius Digital Technology India
	Fresenius Kabi USA, LLC	Fresenius Kabi Scientific Office Egypt, Lda
	Fresenius Kabi Espana S.A.U	PT Ethica Industri Farmasi
	Fresenius kabi peru S.A.	Fresenius Netcare GmbH Germany
	Fresenius Kabi Romania S.R.L.	Fresenius Kabi Denmark
Key Management Personnel	Arvind Kumar Sharma, Managing Director	
	Nikhil Kulshreshtha, Company Secretary & Director	
Directors	Rahul Sharma, CFO (w.e.f. 7 March 2022)	
	Dr. Uday Chandrashekhar Shetty, Non-Executive Independent Director	

Note: The above parties have been identified by the management.

**A Transactions during the year:**

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Sale of Goods / (Sales Return)</b>			
Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	27,025.22	28,098.21
Fresenius Kabi (Singapore) Pte Ltd	Immediate Holding Entity	9,234.52	3,695.36
Fresenius Kabi India Private Ltd.	Fellow Subsidiary	6,197.57	5,290.40
Fresenius Kabi Chile Ltda.	Fellow Subsidiary	1,828.70	1,942.94
Fresenius Kabi Colombia S.A.S	Fellow Subsidiary	1,824.07	1,947.14
Fresenius Kabi South Africa	Fellow Subsidiary	1,788.35	382.75
Labesfal - Laboratórios Almiro S.A	Fellow Subsidiary	1,680.74	548.65
Fresenius Kabi Norge AS	Fellow Subsidiary	1,328.72	1,090.97
Fresenius Kabi Mexico S.A.de C.V	Fellow Subsidiary	724.42	329.06
Fresenius Kabi Asia Pacific Ltd.	Fellow Subsidiary	-	5,510.18
Other Fellow Subsidiaries	Fellow Subsidiaries	1,091.73	2,835.33
<b>Total</b>		<b>52,724.04</b>	<b>51,670.99</b>
<b>Sale of Services</b>			
Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	12,918.59	10,929.53
Fresenius Kabi Swissbiosim GmbH	Fellow Subsidiaries	59.44	-
<b>Total</b>		<b>12,978.03</b>	<b>10,929.53</b>
<b>Miscellaneous Income</b>			
Fresenius Kabi USA, LLC	Fellow Subsidiary	12.53	1.94
Labesfal - Laboratórios Almiro S.A	Fellow Subsidiary	1.49	-
<b>Total</b>		<b>14.02</b>	<b>1.94</b>
<b>Purchases</b>			
Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	0.17	-
Fresenius Kabi USA, LLC	Fellow Subsidiary	28.38	476.07
Fresenius Kabi Italia S.r.l	Fellow Subsidiary	11.81	8.00
Labesfal - Laboratórios Almiro S.A	Fellow Subsidiary	2.83	3.45
Other Fellow Subsidiaries	Fellow Subsidiaries	0.63	1.93
<b>Total</b>		<b>43.82</b>	<b>489.45</b>





**Fresenius Kabi Oncology Limited**  
**Notes to financial statements for the year ended 31 March 2024**  
*(All amounts are in Rupees Lakhs, unless otherwise stated)*

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Receiving of Services</b>		
Fresenius SE & Co. KGaA Ultimate Holding Entity	-	0.31
Fresenius Kabi Deutschland GmbH Intermediate Holding Entity	682.95	1,326.96
Fresenius Digital Technology GmbH Fellow Subsidiary	721.61	595.45
Hyginus Publisher GmbH Fellow Subsidiary	-	123.83
<b>Total</b>	<b>1,404.56</b>	<b>2,046.56</b>
<b>Receipt of Reimbursement for Expenses incurred (Other income)</b>		
Fresenius Kabi Deutschland GmbH Intermediate Holding Entity	2,186.29	2,858.02
Fresenius Kabi (Thailand) Ltd Fellow Subsidiaries	44.30	-
<b>Total</b>	<b>2,230.59</b>	<b>2,858.02</b>
<b>Receipt of Reimbursement for Expenses incurred (net off from Other Expenses)</b>		
Fresenius Kabi Deutschland GmbH Intermediate Holding Entity	314.11	264.78
Fresenius Kabi Austria GmbH Intermediate Holding Entity	3.98	7.80
Fresenius Kabi South Africa Fellow Subsidiary	17.36	8.21
Calea U.K. Ltd. Fellow Subsidiary	13.90	-
Fresenius Kabi Romania S.R.L. Fellow Subsidiary	11.77	-
Fresenius Kabi Baltics UAB Fellow Subsidiary	7.57	-
Fresenius Kabi Hong Kong Limited Fellow Subsidiary	7.49	-
Fresenius Kabi Espana S.A.U. Fellow Subsidiary	7.27	-
Fresenius Kabi USA, LLC Fellow Subsidiary	6.58	56.12
Fresenius Kabi s.r.o. Fellow Subsidiary	5.85	-
Fresenius Kabi Colombia S.A.S. Fellow Subsidiary	5.23	28.91
Fresenius Kabi Latin America Fellow Subsidiary	5.21	6.77
Fresenius Kabi Italia S.r.l. Fellow Subsidiary	4.16	-
Other Fellow Subsidiaries Fellow Subsidiaries	10.53	43.87
<b>Total</b>	<b>421.01</b>	<b>416.47</b>
<b>Payment for Reimbursement of Expenses</b>		
Fresenius Kabi Deutschland GmbH Intermediate Holding Entity	-	83.10
Fresenius Kabi Austria GmbH Intermediate Holding Entity	-	24.05
Fresenius Kabi Asia Pacific Ltd. Fellow Subsidiary	-	0.49
Fresenius Kabi NV Belgium Fellow Subsidiary	0.31	-
<b>Total</b>	<b>0.31</b>	<b>107.63</b>
<b>Liabilities written back</b>		
Fresenius Kabi Deutschland GmbH Intermediate Holding Entity	-	23.18
<b>Total</b>	<b>-</b>	<b>23.18</b>
<b>Remuneration of Key Management Personnel</b>		
Salaries, wages and bonus (Refer Note below)	507.34	487.07
Contribution to provident and other funds	31.43	28.58
Directors Sitting Fees	13.00	11.00
<b>Total</b>	<b>551.77</b>	<b>526.65</b>
<b>Interest Expense</b>		
Fresenius Kabi AG Intermediate Holding Entity	252.15	186.37
Fresenius Finance Ireland PLC Fellow Subsidiary	172.61	124.27
<b>Total</b>	<b>424.76</b>	<b>310.65</b>
<b>Fee in respect of financial Guarantee issued against the borrowing of the company (Non cash transaction)</b>		
Fresenius Kabi AG Intermediate Holding Entity	97.50	97.50
<b>Total</b>	<b>97.50</b>	<b>97.50</b>
<b>Draw Down of Long Term Borrowing/(Repayment of Borrowing)</b>		
Fresenius Finance Ireland PLC Fellow Subsidiary	-	11,231.7
<b>Total</b>	<b>-</b>	<b>11,231.70</b>



**B Balance Outstanding:**

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Loans Outstanding</b>			
Fresenius Kabi AG	Intermediate Holding Entity	2,900.00	2,900.00
Fresenius Finance Ireland PLC	Fellow Subsidiary	12,761.54	12,174.72
<b>Total</b>		<b>15,661.54</b>	<b>15,074.72</b>
<b>Trade Receivable</b>			
Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	19,797.08	24,004.22
Fresenius Kabi (Singapore) Pte Ltd	Immediate Holding Entity	4,476.75	3,758.61
Fresenius Kabi India Private Ltd.	Fellow Subsidiary	3,050.13	2,338.39
Labesfal - Laboratórios Almiro S.A	Fellow Subsidiary	1,119.65	554.84
Fresenius Kabi Norge AS	Fellow Subsidiary	953.42	659.24
Fresenius Kabi Colombia S.A.S	Fellow Subsidiary	883.96	788.24
Fresenius Kabi Chile Ltda.	Fellow Subsidiary	763.61	989.28
Fresenius Kabi Mexico S.A.de C.V	Fellow Subsidiary	338.15	181.17
Fresenius Kabi South Africa	Fellow Subsidiary	298.53	23.24
Fresenius Kabi S.A.	Fellow Subsidiary	168.95	194.27
Fresenius Kabi Swissbiosim gmbh	Fellow Subsidiary	58.39	-
Fresenius kabi peru S.A.	Fellow Subsidiary	48.55	-
Fresenius Kabi Latin America	Fellow Subsidiary	43.53	83.46
Other Fellow Subsidiaries	Fellow Subsidiaries	42.04	2,482.35
<b>Total</b>		<b>32,042.74</b>	<b>36,057.31</b>
<b>Trade Payable</b>			
Fresenius SE & Co. KGaA	Ultimate Holding Entity	-	0.77
Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	22,898.02	23,510.70
Fresenius Digital Technology GmbH	Fellow Subsidiary	186.12	177.23
Labesfal - Laboratórios Almiro S.A	Fellow Subsidiary	2.81	-
Fresenius Kabi Italia S.r.l.	Fellow Subsidiary	2.23	4.46
Fresenius Kabi India Private Ltd.	Fellow Subsidiary	0.22	0.77
Fresenius Kabi Polska Sp. z o.o.	Fellow Subsidiary	-	0.32
<b>Total</b>		<b>23,089.40</b>	<b>23,694.26</b>
<b>Creditors for Capital Goods</b>			
Fresenius Digital Technology GmbH	Fellow Subsidiary	-	2.17
<b>Total</b>		<b>-</b>	<b>2.17</b>
<b>Accrued Interest</b>			
Fresenius Kabi AG	Intermediate Holding Entity	5.66	5.66
Fresenius Finance Ireland PLC	Fellow Subsidiary	143.10	111.85
<b>Total</b>		<b>148.76</b>	<b>117.50</b>
<b>Guarantees furnished against bank loans obtained by the Company</b>			
Fresenius Kabi AG	Intermediate Holding Entity	-	-

Note : All outstanding balances are unsecured and repayable/receivable in cash.

Some of the Key Management Personnel of the Company are also covered under the Company's Gratuity Plan / company's leave policy along with the other

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37 Disclosure in respect of employee benefits under Indian Accounting Standard (Ind AS) – 19 “Employee Benefits” are given below:

**i) Defined contribution plan**

Employers' contribution towards provident fund amounting to Rs. 493.35 (Previous year Rs. 450.53) and superannuation Rs. 39.87 (Previous year Rs. 53.94) is recognized as an expense and included in Employee Benefit expenses Note No 28.

**ii) Defined benefit plan**

**Gratuity**

The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company fully contributes all ascertained liabilities to Life Insurance Corporation ("LIC") which manages the fund on behalf of the Gratuity Fund Trust created by the company for this purpose.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

Expected contributions to gratuity plans for the year 2024-25 are Rs. 297.36 Lakhs.

**(iii) Long-term employee benefit plan**

**Compensated Absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. 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. Expense on non accumulating compensated absences is recognized in the period in which the absences occur.

A. Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Change in the Present value of obligation				
Balance at the beginning of the year	2,793.67	2,863.81	977.99	1,041.34
Benefits paid	(276.04)	(178.00)	(196.03)	(198.35)
Current service cost	279.04	298.21	141.35	159.13
Interest cost	189.64	180.31	64.79	63.84
Actuarial (gains) / losses recognised in profit and loss:				
-Changes in demographic assumptions	-	-	(18.29)	39.39
-Changes in financial assumptions	-	-	(8.24)	(129.66)
-Experience adjustments	-	-	19.06	2.30
Actuarial (gains) / losses recognised in OCI:				
-Changes in demographic assumptions	(32.38)	88.69	-	-
-Changes in financial assumptions	(24.77)	(378.22)	-	-
-Experience adjustments	9.05	(81.13)	-	-
<b>Balance at the end of the year (a)</b>	<b>2,938.21</b>	<b>2,793.67</b>	<b>980.63</b>	<b>977.99</b>

B. Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Change in the fair value of plan asset				
Balance at the beginning of the year	2,516.17	2,522.67	-	-
Contributions paid into the plan	1.37	-	-	-
Benefits paid	(276.04)	(178.00)	-	-
Expected Return on Plan Asset	185.94	171.29	-	-
Actuarial Gain/(Loss) on Planned Assets	(3.66)	0.21	-	-
<b>Balance at the end of the year (b)</b>	<b>2,423.78</b>	<b>2,516.17</b>	<b>-</b>	<b>-</b>
<b>Net Defined Benefit (Liability) (a-b)</b>	<b>514.43</b>	<b>277.50</b>	<b>980.63</b>	<b>977.99</b>

C. Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
i. Expense recognized in profit or loss				
Current service cost	279.04	298.21	141.35	159.13
Interest cost	189.64	180.31	64.79	63.84
Actuarial (Gain)/Loss	-	-	(7.47)	(87.97)
Expected Return on plan assets	(185.94)	(171.29)	-	-
<b>Total</b>	<b>282.74</b>	<b>307.23</b>	<b>198.67</b>	<b>135.00</b>





Particulars	Gratuity (Funded)	
	31 March 2024	31 March 2023
<b>ii. Remeasurements recognised in other comprehensive income:</b>		
Actuarial (gains) / losses recognised in OCI:		
-changes in demographic assumptions	(32.38)	88.69
-changes in financial assumptions	(24.77)	(378.22)
-Experience adjustments	9.05	(81.13)
Return on plan assets excluding interest income	3.66	(0.21)
<b>Total</b>	<b>(44.44)</b>	<b>(370.87)</b>

Particulars	Gratuity (Funded)		Compensated Absences (Unfunded)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Amount recognised in the balance sheet (A – B)</b>				
Short term provision	-	-	188.95	170.94
Long term provision	514.43	277.50	791.69	807.05
<b>Total</b>	<b>514.43</b>	<b>277.50</b>	<b>980.64</b>	<b>977.99</b>

**Plan Assets**

Plan Assets comprise of the following:

Particulars	31st March 2024	31st March 2023
Pooled assets with an insurance company	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**E. Plan Assets**

Company's assets are managed by the Life Insurance Corporation of India, the total assets held as on 31 March 2024 is Rs 2,423.79 (previous year Rs. 2,516.18) with a funding ratio of 82.49% (previous year 90.07%) which is higher than the industry average of 50%.

Actuarial Assumptions	Gratuity (Funded)		Compensated Absences (Unfunded)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Economic assumptions:</b>				
Discount Rate (Per annum)	7.19%	7.39%	7.19%	7.39%
Future Salary increase	Next year 7%, thereafter 9%	9.00%	Next year 7%, thereafter 9%	9.00%
<b>Demographic assumptions:</b>				
Retirement Age (Years)	60	60	60	60
Mortality rates inclusive of provision for disability**	IALM (2012-14) Ultimate			
Withdrawal Rate (%)	14.00%	12.00%	14.00%	12.00%

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6.52 years (previous year 7.44 years).

**G. Sensitivity analysis of the defined benefit obligation**

**a) Impact of the change in discount rate**

Particulars	Gratuity		Compensated Absences (Unfunded)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Present Value of Obligation at the end of the period	2,938.21	2,793.67	980.63	977.99
a) Discount rate-100 basis points	3,095.60	2,962.54	1,032.73	1,036.85
b) Discount rate+100 basis points	2,795.99	2,642.50	933.62	925.40

**b) Impact of the change in salary increase**

Particulars	Gratuity		Compensated Absences (Unfunded)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Present Value of Obligation at the end of the period	2,938.21	2,793.67	980.63	977.99
a) Rate-100 basis points	2,783.66	2,631.15	929.50	921.43
b) Rate+100 basis points	3,106.05	2,971.86	1,036.22	1,040.11

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

**H. Risk Exposure**

**Investment Risk** - The funds are invested by LIC and they provide returns basis the prevalent bond yields. The returns on the investments may be lower than the interest on the obligation of the entity. However basis the past experience, the risk is assessed as low.

**Interest Risk** - LIC does not provide market value of assets, rather maintains a running statement with interest rates declared annually. The fall in interest rate is not therefore offset by increase in value of bonds, hence may pose a risk.

**Salary Risk** - The liability is calculated taking into account expected salary increase basis past experience, the risk is assessed as low.

**I. Maturity Profile of defined benefit obligation (Undiscounted)**

Particulars	As at 31 March 2024	As at 31 March 2023
	Gratuity (funded)	Gratuity (funded)
Year 1	518.55	454.88
Years 2-5	1,482.61	1,322.41
Beyond Year 5	2,588.81	2,940.46



**38 Segment Reporting**

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's components, and for which discrete financial information is available. All operating segments' and operating results are reviewed regularly by the company's Managing Director to make decisions about the resources to be allocated to the segments and assess their performance.

The company has three reportable segments, as described below which are the company's strategic business units. These business units offer different products and services and are managed separately because they require different technology and marketing strategies. For each of the business units, the Managing Director conducts monthly/quarterly review of the consolidated MIS which consists of the discrete financial information in respect of each of the business units.

The following summary describes the operations in each of the reportable segments:

Reportable Segments	Operations
Bulk Drug	Producing bulk drugs, considerable share of which is for captive consumption
Formulation	Producing generic products
Contract R&D	Developing next generation cytotoxic, cytostatic and targeted therapies

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

The company's Managing Director has been identified as the Chief Operating Decision Maker ('CODM'), since he is responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, alliance, joint venture, merger and acquisition, and expansion of any new facility.

The Management reviews the operating results of "manufacturing of Bulk drugs, formulation and research and development activities" at Company level to assess its performance. Accordingly, there are three Reportable Segments for the Company which are "Formulation", "Bulk Drug", and "Contract R & D", hence specific disclosures have been made.

Particulars	For the year ended 31 March 2024				For the year ended 31 March 2023			
	Bulk Drug	Formulation	Contract R&D	Total	Bulk Drug	Formulation	Contract R&D	Total
<b>Revenue:</b>								
External Revenue	12,767.27	52,852.45	11,535.02	77,154.74	10,617.44	50,107.15	9,766.12	70,490.71
Inter-segment Revenue	22,212.50	(22,074.59)	(137.91)	-	24,381.06	(24,351.21)	(29.85)	-
<b>Total Revenue from operations</b>	<b>34,979.77</b>	<b>30,777.86</b>	<b>11,397.11</b>	<b>77,154.74</b>	<b>34,998.50</b>	<b>25,755.94</b>	<b>9,736.27</b>	<b>70,490.71</b>
<b>Results:</b>								
Segment result	1,024.28	6,028.61	2,829.79	9,882.68	842.11	4,670.54	2,270.37	7,783.02
Unallocated Corporate income				1,487.89				1,222.97
Unallocated corporate expenses				3,522.69				3,139.23
<b>Operating profit</b>				<b>7,847.88</b>				<b>5,866.77</b>
Unallocated Finance Charges				607.18				445.56
<b>Profit from Ordinary activities</b>				<b>7,240.70</b>				<b>5,421.21</b>
<b>Profit/(Loss) before tax</b>				<b>7,240.70</b>				<b>5,421.21</b>
Tax Expense (Current & Deferred)				1,820.63				892.10
<b>Profit/(Loss) after tax</b>				<b>5,420.07</b>				<b>4,529.11</b>

**Other information:**

Particulars	For the Year Ended 31 March 2024				For the Year Ended 31 March 2023			
	Bulk Drug	Formulation	Contract R&D	Total	Bulk Drug	Formulation	Contract R&D	Total
<b>Other information:</b>								
Segment assets	59,138.67	88,205.64	20,629.15	167,973.46	58,699.85	86,431.23	18,391.58	163,522.66
Unallocated corporate assets				17,873.85				18,006.35
<b>Total assets</b>				<b>185,847.31</b>				<b>181,529.01</b>
Segment liabilities	20,173.16	10,461.27	2,940.23	33,574.66	21,830.39	10,812.33	2,855.71	35,498.43
Corporate Liability				18,748.34				18,057.09
<b>Total Liabilities</b>				<b>52,323.00</b>				<b>53,555.52</b>
Capital Expenditure *	1,158.57	2,099.03	2,094.19	5,351.79	1,208.91	10,738.23	1,334.43	13,281.57
Unallocated Capital Expenditure *				109.28				126.46
Depreciation & Amortisation	1,769.10	2,225.48	1,524.45	5,519.03	1,731.53	1,813.17	1,540.30	5,085.01
Unallocated depreciation				367.66				321.62

\* Excluding right-of-use assets



**Fresenius Kabi Oncology Limited****Notes to financial statements for the year ended 31 March 2024***(All amounts are in Rupees Lakhs, unless otherwise stated)***B. Geographical Information**

The bulk drug, formulation and Contract R&D segments are manufactured in India but majority of the revenue from sale of good and services is generated from abroad. Major customers and vendors are located in Germany, Singapore, Chile etc.

The geographical information analyses the company's revenues and non-current assets by the company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of assets.

<b>i) Revenue from operations</b>	<b>For the year ended 31 March 2024</b>	<b>For the year ended 31 March 2023</b>
India (A)	14,116.64	10,304.06
Other Countries :		
Germany	39,943.81	39,027.75
Singapore	9,234.52	3,695.36
Chile	1,828.70	1,942.94
Colombia	1,824.07	1,947.14
South Africa	1,788.35	382.75
Pakistan	1,717.23	1,292.74
Portugal	1,680.74	548.65
Hong Kong	-	5,510.18
Others	6,508.56	7,062.13
<b>Total other Countries (B)</b>	<b>64,525.98</b>	<b>61,409.63</b>
<b>Total (A+B)</b>	<b>78,642.62</b>	<b>71,713.69</b>
<b>ii) Non-current assets</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
India	54,449.96	60,550.32
Other Countries :	-	-
<b>Total</b>	<b>54,449.96</b>	<b>60,550.32</b>

**C. Major Customer- Details of Revenue from Single customer exceeding 10% of total revenue of the company**

Revenue from one customer (intermediate holding company) of the company's formulation segment based in Europe is Rs. 39,943.81 (Previous Year Rs. 39,027.75) which is more than 10% of the company's total revenue from operations.

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**Fresenius Kabi Oncology Limited****Notes to financial statements for the year ended 31 March 2024***(All amounts are in Rupees Lakhs, unless otherwise stated)*

- 39(i) The Company has incurred an amount of Rs. 63.75 (31 March 2023: Rs. 67.56) towards corporate social responsibility as per section 135 of the Companies Act, 2013 and is included in Miscellaneous expenses under Other expenses (Refer Note 31).

Particulars	As at 31 March 2024	As at 31 March 2023
	In-cash	In-cash
Amount required to be spent by the Company during the year	-	-
Amount spent during the year	-	-
i) Construction of any asset	19.14	-
ii) Other purposes	44.61	67.56
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	N.A.	N.A.
Nature of CSR activities	Education, Enviromental sustainability & Vocational skills for women	Education, Enviromental sustainability & Food
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

The Company does not wish to carry forward any excess amount spent during the year.

- (ii) The process of receiving balance confirmation from trade receivables/ trade payables and their reconciliation is an ongoing process. The balances of certain trade receivables and trade payables are subject to reconciliation and confirmation as at 31 March 2024. In the opinion of the management, the unconfirmed balances will not have any material impact on the financial statements of the company.

**40 Due to Micro & Small enterprises within the meaning of Micro, Small & Medium Enterprises Development Act, 2006 shown under creditors for goods**

The Company identifies suppliers belonging to Micro and Small category under MSMED Act, 2006 on the basis of information available with the company or declaration to the effect made by such parties as required under the Statute.

The interest amount computed based on the provisions under Section 16 of the MSMED is Rs. NIL (31 March 2023: Rs. NIL) is remaining unpaid as of 31 March 2024.

The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act is Rs. Nil (31 March 2023: Rs. Nil).

**Details of MSME payable**

Particulars	As at	As at
	31 March 2024	31 March 2023
Trade payable	661.52	622.43
Payable for capital items	66.54	100.94
<b>Total</b>	<b>728.06</b>	<b>723.37</b>

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**Fresenius Kabi Oncology Limited**  
**Notes to financial statements for the year ended 31 March 2024**  
*(All amounts are in Rupees Lakhs, unless otherwise stated)*

**41 (i) Additional regulatory information -**

The MCA vide notification dated March 24, 2021, amended Schedule III of Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from April 1, 2021. The Company has incorporated the changes as per the said amendment in the financial statements and has also changed comparative numbers wherever applicable.

**Other Statutory Information:**

- (i) There are no proceedings initiated or pending against the Company as at March 31, 2024, under Benami Property Transactions Act, 1988 (as amended in 2016).
- (ii) The Company is not declared a willful defaulter by any bank or financial Institution or other lender.
- (iii) There are no previously unrecorded incomes and related assets that were considered during the year, no unrecorded incomes were identified as income for tax assessments.
- (iv) The Company has not entered into any transaction with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- (v) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding, whether recorded in writing or otherwise, that the Company shall whether directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- vii) The Company does not have any borrowings from banks or financial institutions against security of its current assets.
- (viii) The loan, if any, has been utilized for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- (ix) The Company have not traded or invested in Crypto currency or virtual currency during the year.

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(ix) Ratios:

Particulars	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	Variance in (%)	Explanation for change above 25%
Current ratio (in Times)	Total Current assets	Total Current liabilities	2.73	3.27	-17%	
Debt-equity ratio (in Times)	Total debt (including lease liabilities)	Shareholder's Equity	0.12	0.13	-6%	
Debt service coverage ratio (in Times)	Net profit after taxes + Non-cash operating expenses + Interest + Other adjustments like loss on sale of fixed assets etc	Interest and Lease Payments + Principal Repayments	11.50	11.63	-1%	
Return on equity (in %)	Net profits after taxes	Average Shareholder's Equity	4.1%	3.6%	15%	
Inventory turnover ratio (in Times)	Sales of goods	Average Inventory	1.10	1.11	0%	
Trade receivables turnover ratio (in Times)	Sales of products and Services	Average Trade Receivable	2.13	1.94	10%	
Trade payables turnover ratio (in Times)	Total Purchases (Net of Returns) + Certain Other Expenses	Average Trade Payables	1.84	2.08	-12%	
Net capital turnover ratio (in Times)	Revenue From Operations	Working Capital	0.94	0.85	10%	
Net profit ratio (in %)	Net profit	Revenue from Operations	6.9%	6.3%	9%	
Return on capital employed (lin %)	Earning before interest and taxes	Tangible Net Worth + Non-Current Borrowing + Non-Current Lease Liability	5.8%	4.5%	29%	Current year profit and term loan reclassified to current being re-payable in FY 2024-25.
Return on investment (in %)	Income generated from investments	Time weighted average investments	20.0%	20.0%	0%	

41 (ii) Title deeds of Immovable Properties not held in name of the Company

Details of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not

Description of item of property	Relevant line item in the Balance sheet	Gross carrying value	Title deeds held in the name of the name of	Whether title deed holder is a promoter, director #	Period Held	Reason for not being held in the name of the Company
Right of use land at Kalyani, West Bengal	Right-of-use assets	278.09	Dabur Pharma Ltd.	No	22 March 2005 to 26 February 2008	The Company was formerly known as Dabur Pharma Ltd.

# Includes relative of promoter / director or employee of promoter/director



**42 Disclosure as per Ind AS 36 - Impairment of Assets**

As required by Ind AS 36, an assessment of impairment of assets was carried out and based on such assessment, the Company has accounted impairment losses as under:

- A During the financial year 2017-18, the Company had recognized an impairment loss of Rs. 1,952.48 due to shifting of one plant in Baddi. Movement of impairment provision due to sale/ scrapping of assets and change of estimates is presented as below.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	1,481.18	1,498.92
Utilised during the year - assets sold/ scrapped	(0.69)	(17.74)
<b>Closing balance</b>	<b>1,480.49</b>	<b>1,481.18</b>

- B The Company had an Oral Solid Dosage facility based out of Baddi, Himachal Pradesh which was discontinued during the previous year 2020-21 owing to lack of commercial feasibility. This had resulted in the impairment of the Property, Plant and Equipment to be measured at the higher of fair value less cost to sell or its value in use (representing the recoverable value). The fair value less cost to sell was determined by an independent valuer and was taken as the recoverable value as at March 31, 2021. As per management estimates, there is no significant change in assets physical conditions or market indicators which can trigger the change in impairment loss or fair value estimates for the year ended 31 March 2024. Accordingly, the Company has recognized an impairment loss of Rs. Nil (previous year Rs. Nil).

*Movement of impairment provision due to sale/ scrapping of assets and change of estimates is presented as below.*

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	1,478.39	1,724.54
Utilised during the year - assets sold/ scrapped	(4.95)	(246.15)
<b>Closing balance</b>	<b>1,473.44</b>	<b>1,478.39</b>

- C The company has been maintaining a plantation site wherein taxus bacatta plants are cultivated to harvest taxus bacatta leaves which were being used as raw material in the production process of the company. Such taxus bacatta plants have been capitalised as 'Bearer Plants' by the company. In the recent past, the company has not been able to generate desired output and yield out of taxus bacatta leaves. During the year, the management has decided to discontinue with the plantation site. This had resulted in the impairment of the Bearer Plants and related Property, Plant and Equipment (including capital work in progress) at the plantation site, to be measured at the higher of fair value less cost to sell or its value in use (representing the recoverable value). Due to remote geographical location of such assets, recoverable value is estimated to be nil due to absence of active market and alternative use. Hence, the fair value to sell or value in use is considered to be Nil. Accordingly, the Company has recognized an impairment loss of Rs. 494.69 (previous year Rs. Nil).

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43 Revenue from Contracts with Customers:

A. Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers by nature of goods and services, geography, timing of revenue recognition and type of customers.

Nature of goods and services

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from sale of goods		
Active Pharmaceutical Ingredient	12,584.22	10,428.63
Formulation	52,481.72	49,950.46
Revenue from sale of services		
R&D	11,490.94	9,707.50
Others	1,487.09	1,222.03
<b>Total Revenue from sale of products and services</b>	<b>78,043.97</b>	<b>71,308.62</b>

Geography

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Asia	26,691.07	21,843.16
Europe	43,134.12	40,959.58
North America	1,097.54	2,671.30
South America	4,422.45	4,458.03
Africa	2,698.79	1,376.56
<b>Total Revenue</b>	<b>78,043.97</b>	<b>71,308.62</b>

Timing of Revenue Recognition

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Transferred at the point in time	65,065.94	60,379.09
Transferred Over time	12,978.03	10,929.53
<b>Total</b>	<b>78,043.97</b>	<b>71,308.62</b>

Information about major customers:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Related Parties	65,702.07	62,600.52
Third parties	12,341.90	8,708.10
<b>Total</b>	<b>78,043.97</b>	<b>71,308.62</b>

B. Contract balances:

Contract liabilities	For the year ended 31 March 2024	For the year ended 31 March 2023
Advance from customers	41.78	34.48
Deferred Revenue	24.33	24.33
<b>Total</b>	<b>66.11</b>	<b>58.81</b>

- The company does not have any contract assets as on 31 March 2024 and 31 March 2023.
- The company has receivables from Contract with customers. Refer Note 10 Receivable for contract with customers.
- The payment terms of revenue contracts of the company does not have any significant financing component as the credit period generally varies upto 300 days. The duration of the contracts of the company is generally less than one year.

C. Performance obligation

The company's revenue contracts have only one performance obligation which is fulfilled either upon shipment or upon delivery in case of sale of goods and in case of services performance obligations are satisfied as the services are rendered.





#### 44 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

Refer Note 41 for the Debt-Equity ratio of the company.

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Long Term Borrowings (including current maturities)</b>	<b>15,661.54</b>	<b>15,074.72</b>
Equity Share Capital	4,804.27	4,804.27
Reserves and Surplus	128,720.04	123,169.22
<b>Equity</b>	<b>133,524.31</b>	<b>127,973.49</b>
<b>Total</b>	<b>149,185.85</b>	<b>143,048.21</b>

#### 45 Previous Year Comparatives

Previous year's figures have been regrouped/ reclassified, wherever necessary, to correspond with the current year classification/ disclosure.


For VMT & Co. LLP  
Chartered Accountants  
Firm Registration Number :N500048

  
**Vanit Kumar Mittal**  
Partner  
Membership No. : 505709



Place: Gurugram, India  
Date: 04 June 2024

For and on behalf of the Board of Directors of  
**Fresenius Kabi Oncology Limited**

  
**Dr. Marc-Alexander Mahl**  
Chairman  
DIN: 10279843

  
**Nikhil Kulshreshtha**  
Director & Secretary  
DIN: 07178027

Place: Gurugram, India  
Date: 04 June 2024

  
**Arvind Kumar Sharma**  
Managing Director  
DIN:08144338

  
**Rahul Sharma**  
Chief Financial Officer

