<u>**BOARD'S REPORT**</u>

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, 2020.

FINANCIAL PERFORMANCE

Key aspects of Company's financial performance for the financial year ended March 31, 2020 are summarized below:

(INR in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Turnover (including other income)	66,966.17	70,144.97
Profit/(Loss) before Tax and Exceptional Items	2,311.89	4,089.47
Exceptional Items	2,256.77	10,222.57
Profit/ (Loss) before tax	55.12	(6,133.10)
Less: Provision for taxation		
(i) Current tax expenses	-	-
(ii) Provision for tax relating to earlier year	-	59.97
(iii) Deferred tax charge/ (credit)	(1,929.15)	(800.88)
Profit/(Loss) after tax	1,948.53	(5,392.19)
Other comprehensive Income/ (Loss)	(32.74)	194.57
Other comprehensive income/(Loss) for the year	1951.53	(5,197.62)
Add: Balance of Profit/ (Loss) & Other comprehensive Income/ (Loss) brought forward from previous year	(33,196.77)	(27,999.15)
Appropriation to:		
General Reserve	-	-
Balance carried over to the Balance Sheet	(31,245.24)	(33,196.77)

DIVIDEND

In view of the inadequate profits, the Board is unable to recommend any dividend for the financial year 2019-20.

BUSINESS PERFORMANCE AND OPERATIONS

The year gone by was once again tough and testing, both in terms of financial performance as well as the management's efforts in getting the Company back on growth and profitability track. Despite the odds, the management is committed to its pledge of implementing industry best practices at all levels and the bright part was that the Company's operations started moving in the right direction, gradually and steadily during the year.

<u>**Financial snapshots:**</u>

- Revenue decreased from INR 70,144.97 lakhs in FY 2018-19 to INR 66,966.17 lakhs in FY 2019-20, a decline of INR 3,178.80 lakhs (4.75%).
- Profit/ (loss) before tax and extraordinary item in FY 2019-20 is INR 55.12 lakhs as compared to INR (6,133.10) lakhs in FY 2018-19.

GLOBAL & DOMESTIC INDUSTRY OUTLOOK AND TRENDS IN ONCOLOGY

Precision medicine developments will change the paradigm of next-generation sequencing

As oncology care continues to advance, numerous groundbreaking precision therapies have gained approval in recent years. The expansion of molecular targets and genomic understanding of carcinogenesis is redefining precision medicine to the extent that protein/gene analysis is being performed for nearly every advanced cancer.

It is expected that this trend shall continue in 2020 and beyond, Immuno Oncology (IO) drug predictive testing will move from Programmed Death Ligand – 1 (PDL-1) expression to Tumour Mutational Burden (TMB) and other gene profiles, an explosion of additional tumour-agnostic treatments will be approved, and a greater understanding of existing biomarkers, e.g., BRCA in Pancreatic cancer, will expand their use in pre-treatment testing. In order to determine the right drug for the right patient at the right time, adoption of earlier use next-generation sequencing testing will be required.

The growing prevalence of cancer is the prime factor that is significantly driving the global oncology drugs market growth, the rise in the geriatric population is also resulting in the increasing number of cancer cases. Accordingly, the Global pharmaceutical spending is predicted to outpace overall health care spending. The top six Worldwide prescription drug sales are expected to rise from USD 900 billion in 2019 to USD 1.2 trillion by 2024. Oncology is expected to remain the dominant therapy segment, growing USD 129 billion in projected worldwide sales over 2017–2024, and reaching USD233 billion by 2024.

Domestic Trend

In line with the global research in the field of Oncology, medical researchers and experts in India are focused and are consistently working on new research in the areas of molecular treatment for varied cancer pathologies. Many R&D institutes are involved in educational and screening efforts to ensure prevention of disease at early stage. Regenerative medicine such as gene therapy and tissue engineering have shown encouraging results with wide range of cancers.

The current pandemic has nudged the Indian Pharma Industry to re-strategize their future, in particular- API (Active Pharmaceutical Ingredients) manufacturing, as most of the Indian Pharma manufacturers are solely dependent on Chinese sources. High dependence on single source can have significant adverse impact in a situation like COVID19. Therefore, Indian Pharma manufactures as well as Government of India are striving to create a favorable financial as well as regulatory/policy ecosystem which would not only make us self-reliant but also enable us to access the global pharma space in a bigger manner.

Indian Pharma industry is expected to grow in the range of 10-12 % in next 3-4 years. With increase in health care spending and better accessibility to the patients, Indian Pharma Companies are in the cusp of robust growth and expansion. As far as the spread of cancer is concerned, Indian Council of Medical Research (ICMR) has predicted that by the year 2020, India will witness more than 17.3 lakhs new cases of cancer and more than 8.8 lakh Indians would die because of it. With global and domestic demand for better and affordable health care facility, demand for quality cancer drugs are bound to grow which provides us huge opportunity to expand our footprints across the globe.

KEY UPDATES

Plants

The Company's plants situated at Kalyani, West Bengal and Kishanpura, Himachal Pradesh, were inspected by US-FDA in the year 2017 where in US-FDA officials brought to the attention of the company's management certain observations, related to investigation procedures through warning letter(s).

The Company has already responded to the observations made by US-FDA. Regular monthly updates are submitted about the remedial and corrective measures implemented at both the plants situated at Baddi and Kalyani, addressing the issues raised in the above-stated warning letters. No feedback is received from USFDA since our request indicating our readiness for an inspection.

During the year under review, the management took various initiatives at all the locations with respect to increasing the employee engagement and morale boosting. Multiple training sessions as well as get togethers/ functions were conducted to ensure that employees felt connected and responsible towards their duties to the Company and to the society.

During the year at Kalyani plant, the Company celebrated the:

i. "World Environment Day-2019" with planting 100 Nos of tree inside the factory premises;
ii. "Road Safety Week"; and
iii. "49th National Safety Week".

Many initiatives towards upgradation of plant processes were also undertaken at the Kalyani plant of the Company during the year under review, which included, *inter-alia, Cremophor Capacity enhancement, Energy Saving, HVAC upgradation, Solar energy and water system upgradation projects*. Also, the Company is continuously working on the Vertical Integration at the manufacturing plants. Production of several new products was initiated from the Baddi and Kalyani plants with completion of validation campaigns for Cabazitaxel, Ribociclib, Side Chain for Paclitaxel and Ropivacaine in Kalyani Plant.

During the year, the Kalyani plant of the Company was also conferred with following awards and accolades:

- **"GOLD MEDAL"** for EHS Sustainability received from IGMC;
- **"ENVIRONMENT AWARD"** as "WINNER" category from Greentech Foundation;
- **"WATER EXCELLENCE AWARD 2019"** certificate has been received from CII; and
- **"SILVER AWARD"** from National Safety Council of India for OH & S system.

During the year under review, the Baddi and Kalyani plants of the Company received Compliance Certification from below mentioned authorities:

Baddi Plant:

i. CDSCO Audit: Inspection conducted, and Compliance Certificate received for 2 years.
ii. State Drugs Controller Audit: Inspection conducted, and Compliance Certificate received for 2 years.
iii. Peru Health Authority: Inspection conducted, and Compliance Certificate received for 5 years.

Kalyani Plant:

i. Therapeutic Goods Administration (TGA), Australia A2 categorization for our GMP status.
ii. MFDS-Korea (for Busulfan facility) inspected and issued the close out report.
iii. COFEPRIS GMP certification received for the products Bicalutamide, Paclitaxel, Docetaxel & Oxaliplatin.

Reduction of Share Capital:

Pursuant to the provisions of Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital) Rules, 2016, Company had submitted an application before Hon'ble National Company Law Tribunal ("NCLT") for reduction of share capital from 17,02,47,857 shares to 16,52,32,882 shares, by extinguishing 50,14,975 shares represented by the public shareholders, by passing the necessary resolutions on October 12, 2018 by the Audit Committee and the Board of Directors and special resolution was passed by the shareholders on November 22, 2018 respectively.

The Hon'ble NCLT vide its order dated February 29, 2020, has confirmed and approved the Capital Reduction undertaken by the Company at the rate of INR 58.40 (Indian Rupees Fifty Eight and Forty paisa only) per share be paid to the Minority Shareholders. The Company has made the payment to minority shareholders in line with NCLT Order by following the due process of law.

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

The Company continues to play a lead role within the generic oncology space. Key strategic elements of this leadership strategy include portfolio extension and management, product differentiation, gaining entry into key institutions, new product development and speedy roll-out - all of this with the focus to provide our customers with safe, convenient and affordable drugs.

'Speed to market', together with 'cost competitiveness' remains one of our key objectives with regard to product development and product launch. This is being achieved by close internal coordination between concerned departments within the Company, like Innovation & Development (I&D), Intellectual Property, Medical Affairs, Regulatory Affairs and others.

Experience gained in generic Oncology drug manufacturing & marketing gives us the competitive advantage for some of the core cytotoxics that are used worldwide. While priority focus is always on roll-out of products via complete backward integration, semi-integrated options too are explored. A diverse product portfolio, thereby, can help us cut down the time taken to launch new products and we can leverage the first-mover advantage.

During the fiscal year 2019 to beginning of 2020, the company has received the market approval from the European Medicines Agency for two key oncology molecules for the treatment of multiple myeloma and non-small cell lung cancer with launch expected in the coming years. Apart from the European business, the company has also successfully rolled-out some established products in additional regions, for instance, pemetrexed and busulfan in Asia Pacific. Especially for the market unit Indonesia, the company is expanding its oncology portfolio with multiple new launches. By focusing on both portfolio extension and speedy regional roll-out, we are confident to further strengthen our market position 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), the ECOP conference (European Society of Oncology Pharmacy) among others.

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

SHARE CAPITAL

During the year under review there is no change in share capital of the Company in comparison to previous financial year 2018-19.

However, as already explained under the heading "Key updates", the Company has, during the year under review, got the approval from the Hon'ble National Company Law Tribunal (NCLT) for reduction of share capital from 17,02,47,857 shares to 16,52,32,882 shares, by extinguishing, pursuant to Section 66 of the Companies Act, 2013, 50,14,975 shares represented by the public shareholders.

BOARD OF DIRECTORS

CESSATION

Mr. Karsten Peter Lerch

Mr. Karsten Peter Lerch had resigned from the position of Non-Executive Director w.e.f. October 31, 2019. The Board placed on record its sincere appreciation towards the valuable contribution made by Mr. Lerch during his tenure as Director of the Company.

APPOINTMENT

Dr. Uday Chandrashekhar Shetty

As already informed in the previous annual report, Dr. Uday Chandrashekhar Shetty has been appointed as Non-Executive Independent Director of the Company w.e.f. May 10, 2019.

DIRECTORS RETIRING BY ROTATION

Dr. Michael Schonhofen

In terms of provisions of Section 152 of the Act, Dr. Michael Schonhofen, Non-Executive Director of the Company, would retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

Dr. Schonhofen has been associated with the Fresenius group since 1991 in various functions and responsibilities. He is currently working as "President – Pharmaceuticals and Devices Division" with Fresenius Kabi AG, Germany, and is also a member of the management board of Fresenius Kabi AG, Germany. Dr. Schonhofen has been associated with the Company since year 2008 as a Non-Executive Director. The Board of Directors recommends his re-appointment.

Ms. Maria Gobbi

In terms of provisions of Section 152 of the Companies Act, 2013, Ms. Maria Gobbi, Non-Executive Director of the Company, would also retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

Ms. Gobbi is a Chemical Engineering and has been associated with the Company since 2014 in different positions. Considering her qualification, international experience and current association with the Company, the Board of Directors recommends her re-appointment.

KEY MANAGERIAL PERSONNEL

Chief Financial Officer (CFO)

Mr. Sandeep Kumar Chotia resigned from the position of CFO w.e.f. August 25, 2019 and Mr. Zankar Pandya was appointed as the new CFO of the Company w.e.f. August 29, 2019.

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 14th Annual General Meeting held on 21st August, 2017 approved the appointment of M/s VMT & Co. LLP, Chartered Accountants (ICAI Registration No. - N500048), as the Statutory Auditors of the Company for a term of 5 year i.e. from the conclusion of 14th Annual General Meeting till the conclusion of 19th Annual General Meeting of the Company.

The Statutory Auditors of the Company, M/s VMT & Co. LLP, Chartered Accountants confirmed their willingness and eligibility for the financial year 2020-21 and accordingly continue to hold the position of statutory auditors 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.

The Report given by M/s VMT & Co. LLP, Chartered Accountants on the financial statements of the Company for the financial year 2019-20 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 2019-20 is given below:

Member Director	Category	Status
Mr. Rajiv Lochan Jain	Non-Executive (Independent)	Chairman
Mr. Steffen Georg Roser	Non-Executive	Member
Dr. Uday Chandrashekhar Shetty	Non-Executive (Independent)	Member

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) Stakeholders' Relationship 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 Stakeholders' Relationship Committee of Directors.

The composition of the Stakeholders' Relationship Committee during FY 2019-20 is given below:

Member Director	Category	Status
Mr. Rakesh Bhargava	Non-Executive	Chairman
Ms. Maria Gobbi	Non-Executive	Member
Mr. Arvind Kumar Sharma	Managing Director	Member

The Stakeholders' Relationship Committee is empowered to perform all the functions of the Board in relation to resolving the shareholders' grievances. It primarily focuses on:

- Review of investors' complaints and their redressal;
- Review and approval of the queries/ requests received from the investors/ shareholders.

c) 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 2019-20 is given below:

Member Director	Category	Status
Dr. Michael Schonhofen	Non-Executive	Chairman
Mr. Rajiv Lochan Jain	Non-Executive (Independent)	Member
Dr. Uday Chandrashekhar Shetty	Non-Executive (Independent)	Member

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.

d) 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.

Composition of the CSR Committee during FY 2019-20 is given below:

Member Director	Category	Status
Ms. Maria Gobbi	Non-Executive	Chairperson
Mr. Rakesh Bhargava	Non-Executive	Member
Mr. Rajiv Lochan Jain	Non-Executive (Independent)	Member

The content of the CSR policy along with the update of CSR projects undertaken and statement of expenses incurred during the FY 2019-20 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 ("Secretarial Auditors") to undertake the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Auditors have successfully carried out and completed the Secretarial Audit of the Company for the FY 2019-20.

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 2019-20, 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.

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 2019-20, 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 ended March 31, 2020, 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:

Financial Year	Location	Date	Time
2016 – 17	Air Force Auditorium, Subroto Park, New Delhi	August 21, 2017	4:00 P.M.
2017 – 18	Air Force Auditorium, Subroto Park, New Delhi	August 9, 2018	10:00 A.M.
2018 – 19	Air Force Auditorium, Subroto Park, New Delhi	August 29, 2019	4:00 P.M.

The Seventeenth Annual General Meeting of the Company shall be held on Tuesday, September 29, 2020 at 10:00 A.M. at 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 Seventeenth Annual General Meeting for the detailed agenda and program.

REGISTRAR AND TRANSFER AGENT (RTA):

The details of RTA are given below:

For transmission/ name deletion/ dematerialization of shares, payment of dividend and any other query relating to the shares of the Company
Link Intime India Private Limited, Registrar and Share Transfer Agent, Noble Heights, 1st 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 Email: delhi@linkintime.co.in Website: www.linkintime.co.in

ADDRESS FOR CORRESPONDENCE:

For queries of Analysts, FIIs, Institutions, Mutual Funds, Banks and Investors assistance
Mr. Nikhil Kulshreshtha, Director & Secretary Fresenius Kabi Oncology Limited, Echelon Institutional Area, Plot No – 11, Sector - 32, Gurugram-122001, Haryana, India, Tel No. +91 124 488 5000 Email: corporatesecretarial.india@fresenius-kabi.com Website: www.fresenius-kabi-oncology.com

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, 2020, there is no fund outstanding and required to be deposited to the Investors Education and Protection Fund (IEPF).

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:

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 2019-20 **(Annexure – II),**
3. Secretarial Audit Report for FY 2019-20 **(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 Directors 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

Place: Italy
August 6, 2020

Maria Gobbi
Chairperson
DIN : 07005222

Annexure – I

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:

<u>Personality, Skills and Knowledge</u>

- 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.

<u>Behaviour & Conduct</u>

- 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.

<u>Independence of Directors</u>

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.

Annexure – II

ANNUAL REPORT ON CSR ACTIVITIES (FY 2019-20)

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, 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 activities 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, 2020

Sr. No.	Name (Designation in the Board)	Designation in the Committee
1.	Ms. Maria Gobbi (Chairperson of the Board)	Chairperson
2.	Mr. Rakesh Bhargava (Non – Executive Director)	Member
3.	Mr. Rajiv Lochan Jain (Non – Executive Independent Director)	Member

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

➢ INR 3,761.11 Lakh

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

➢ INR 75.22 Lakh

5. Details of CSR spend during the financial year (as on March 31, 2020):

a. Total amount to be spent for the financial year : INR 75.22 lakhs
b. Amount unspent, if any : INR 4.42 lakhs
c. 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) Policy, is in compliance with CSR objectives and policy of the Company.'

Manner of CSR expenditure spent during financial year 2019-20										
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"		
1	Support Punjab University with 250 ltrs. Bioreactor: Commissioning & Handover	Promotion of Education	(1) Local area (2) Chandigarh	1300	1300	0	0	0	Direct	Fermenter fitting work has been completed from our side, boiler fitting, compressor fitting and shed work completed. Commissioning Pending due to local COVID-19 challenges.
2	Seed fund for Start-ups at Panjab University	Promotion of Education	(1) Local Area (2) Chandigarh	200	200	0	0	0	Direct	Project completed within financial year.
3	Meal sponsored for the resident students at Paschim Banga Andha Alok Samiti (Blind School)	Promotion of Education	(1) Local Area (2) Dist. - Nadia, West Bengal	180	180	0	0	0	Direct	Project implemented within financial year.
4	Equipment (01 Braille Me & 01 Braille Up writer) donated to visually impaired students at Paschim Banga	Promotion of Education	(1) Local Area (2) Dist - Nadia, West Bengal	50	41	0	0	9	Direct	1. Project implemented within financial year. 2. Objectives achieved by spending less than the budgeted amount because of better negotiation.

	Andha Alok Samiti (Blind School)									
5	Construction of Physics Laboratory at Ghosh Para Sarasvati T.E.V. High School	Promotion of Education	(1) Local Area (2) Dist. - Nadia, West Bengal	670	643	0	0	27	Direct	1. Project implemented within financial year. 2. Objectives achieved by spending less than the budgeted amount because of better negotiation.
6	Scholarship to 15 Meritorious Students at Ghosh Para Sarasvati T.E.V. High School	Promotion of Education	(1) Local Area (2) Dist. - Nadia, West Bengal	100	97	0	0	3	Direct	Project implemented within financial year.
7	Construction of Mid-Day Meal Facility at Vijay Laxmi School-Infrastructure Development	Promotion of Education	(1) Local Area (2) Dist. - Nadia, West Bengal	650	785	0	0	(135)	Direct	Project implemented within financial year.
8	Instruments (Double-beam UV-VIS spectrophotometer) for Chemistry Laboratory at Kalyani University	Promotion on Education	(1) Local Area (2) Dist. - Nadia, West Bengal	800	590	0	0	210	Direct	1. Project implemented within financial year. 2. Objectives achieved by spending less than the budgeted amount because of better negotiation.
9	Construction of Classrooms & Renovation of Drinking water area/Water filter & Cooler at Government Primary/ Middle School in Kishanpura	Promotion of Education	(1) Local area (2) Baddi	1200	1679	0	0	-469	Direct	Project implemented within financial year.

10	Hygiene Initiatives – Procurement & Installation of Hand Driers, Soap Dispensers and Dustbin at Government Primary/ Middle School in Kishanpura									
11	Construction of Computer Lab cum Library at Government Primary/ Middle School in Kishanpura	Promotion of Education	(1) Local area (2) Baddi	1500	1325	0	0	175	Direct	Project implemented with a delay due to COVID-19 Nationwide lockdown
12	50 School benches for two newly constructed classroom & provision of water filter installation at Government Primary/ Middle School in Kishanpura	Promotion of Education	(1) Local area (2) Baddi	624	476	0	0	148	Direct	Project implemented with a delay due to COVID-19 Nationwide lockdown
13	Administrative Expenses			248	204	0	0	44		INR 204 k is booked for Bioreactor project mentioned at Sr. No. 1
	TOTAL			**7522**	**7080**	**0**	**0**	**13**		

Summary:

1. Total Budgeted Amount: INR 7522 K

2. Expenditure incurred till March 31, 2020: INR 7509 K

Annexure – III

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 1ST APRIL 2019 TO 31ST MARCH 2020
[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

I 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 the 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 1st April, 2019 to 31st March, 2020, 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 the books, documents, minutes books, forms and returns filed and other records maintained by the Company for the financial year from 1st April 2019 to 31st March 2020, *inter-alia,* according to the provisions of:

i. The Companies Act, 2013 (the Act) read with the Companies (Amendment) Act, 2017 and the rules made there under;
ii. 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;
iii. Industries Development and Regulation Act, 1951;
iv. The Depositories Act, 1996 read with the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
v. The Income Tax Act, 1961 read with rules;
vi. The Foreign Trade (Development and Regulation) Act, 1992 r/w Foreign Trade Policy & Procedures (EOU);
vii. The Employees Provident Funds and Miscellaneous Provisions Act, 1952 along with the Central Scheme, 1952;
viii. Equal Remuneration Act, 1976;
ix. Factories Act, 1948;
x. Indian Stamp Act, 1999;
xi. Industrial Dispute Act, 1947;

xii. 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;
xiii. Maternity Benefit Act, 1961 read with The Maternity Benefit (Amendment) Act, 2017;
xiv. Minimum Wages Act, 1948;
xv. Payment of Bonus Act, 1965 read with the Payment of Bonus (Amendment) Act, 2015;
xvi. Payment of Wages Act, 1936 read with the Payment of Wages (Amendment) Act, 2017;
xvii. Contract Labour (Regulation and Abolition) Act, 1970 read with CLRA State Rules;
xviii. Payment of Gratuity Act, 1972 read with Payment of Gratuity State Rules and The Payment of Gratuity (Amendment) Act, 2018;
xix. Employees State Insurance Act, 1948 read with Employees State Insurance (Central) Rules, 1950; Employees State Insurance (General) Regulations, 1950;
xx. 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;
xxi. The Public Liability Insurance Act, 1991 read with The Public Liability Insurance Rules, 1991;
xxii. Delhi Shops and Establishments Act, 1954 read with Delhi Shops and Establishments Rules, 1954;
xxiii. Punjab Shops and Commercial Establishments Act, 1958 read with Punjab Shops and Commercial Establishments Rules, 1958;
xxiv. The Indian Boilers Act, 1923 read with The India Boilers (Amendment) Act, 2007 and Indian Boiler Regulations, 1950;
xxv. Hazardous Wastes (Management and Handling) Rules 1989 and Amendment Rules, 2016;
xxvi. The Drugs and Cosmetics Act, 1940 r/w The Drugs and Cosmetics Rules, 1945 and The 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) Destructive Insects and Pests Act, 1914 read with the Plant Quarantine (Regulation of Import into India) Order, 2003;
xxvii. Food Safety and Standards Act, 2006 read with Food Safety and Standards Rules, 2011;
xxviii. The Electricity Act, 2003 read with The Electricity (Amendment) Act, 2007 and Rules and Regulations, made thereunder;
xxix. Motor Vehicles Act, 1988 read with the Motor Vehicles (Amendment) Act, 2019 and rules made there under;
xxx. Legal Metrology Act, 2009, read with Legal Metrology (General) Rules, 2011 and other miscellaneous applicable rules and guidelines made there under;
xxxi. Explosives Act, 1884 read with The Explosive Rules, 2008 & Gas Cylinder Rules, 2016;
xxxii. The Petroleum Act, 1934 read with Petroleum Rules, 1976;
xxxiii. Atomic Energy Act, 1962 read with Atomic Energy (Radiation Protection) Rules, 2004;
xxxiv. Indian Forest Act, 1927;
xxxv. The Information Technology Act, 2000 read with The Information Technology (Amendment) Act, 2008 and applicable rules made there under;

xxxvi. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 along with applicable guidelines issued there under;

xxxvii. 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).

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, Women Director and Independent Directors.

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

- Dr. Uday Chandrashekhar Shetty, DIN: 02924182 was appointed as a Non-Executive Additional Director with effect from May 10, 2019 and thereafter he was regularized as a Non-executive Independent Director in the Annual General Meeting held on August 29, 2019.

- Mr. Sandeep Kumar Chotia resigned as Chief Financial Officer with effect from August 25, 2019.

- Mr. Zankar Himatlal Pandya was appointed as Chief Financial Officer at the Board Meeting held on August 29, 2019.

- Mr. Karsten Peter Lerch, DIN: 07433486 resigned from the Board of the Company with effect from October 31, 2019.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to all the Directors 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 decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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:

The Company had initiated necessary steps to reduce its paid-up share capital under Section 66 of the Act read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 in FY 2018-19.

Pursuant to which the Company proposes to extinguish and cancel in the aggregate approximately 2.95% of the total issued and paid-up share capital of the Company held by public/minority shareholders of the Company. The application for confirmation of the Proposed Reduction ("Application") was filed before the National Company Law Tribunal, New Delhi bench ("Tribunal") on December 17, 2018.

The Hon'ble National Company Law Tribunal reviewed our application and pronounced its order on February 29, 2020 and accordingly disposed-off the objections of the minority shareholders and permitted the Company's application for reduction in share capital at the price of INR 58.40 per share basis the valuation arrived by M/s Deloitte Haskins & Sells, Chartered Accountants.

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.

Place: New Delhi
Date: July 28, 2020

Kiran Sharma & CO.
Company Secretaries

Sd/-
Kiran Sharma
Proprietor

FCS No.: 4942
C P No.: 3116

<u>Annexure –IV</u>

<u>Meetings of the Board of Directors:</u>

The Board of Directors of the Company met five times during FY 2019-20, the details are as below:

a)	Quarter 1 (FY 2019-20)	:	May 10, 2019
b)	Quarter 2 (FY 2019-20)	:	August 29, 2019
c)	Quarter 3 (FY 2019-20)	:	November 26, 2019
d)	Quarter 4 (FY 2019-20)	:	February 13, 2020

<u>Annexure – V</u>

Statement on declaration given by the Independent Directors under sub section (6) of Section 149

Both the Independent Directors i.e. Mr. Rajiv Lochan Jain and Dr. Uday Chandrashekhar Shetty had provided their respective declaration of independence at the beginning of financial year 2019-20 to the Company. Same was taken on record by the Board during its first meeting of FY 2019-20, held on May 10, 2019.

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 glass cabins to control the lights.
- 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.
- Maintained average room temperature in between 23℃ to 25℃ in summer but due to Covid-19, maintained 24℃ to 26℃.
- Currently we are using only one elevator in each side.

Kalyani Plant

- Augmentation of LED type clean room illumination fixtures in Production, Warehouse & DL Lab @ 100 Nos from 70 watt to 30 watt- Investment INR 4.5 Lacs- Saving- INR 2.65 Lacs/Year
- Installation of automatic chilled water and hot water control valves in Air handling units-Investment INR 33 Lacs
- Reduction in water footprint from 600 KL to 350 KL by monitoring & optimizing the consumption. It reduced water effluent load by 20 %. (saving – 2.45 Lac/Year).

Baddi Plant, Kishanpura

- As part of the technology improvement, Existing Oil-fired boiler converted to Gas fired boiler (Dual option of Gas / Oil) currently we are using LPG (liquid petroleum Gas as fuel. This initiative is considered to step into the green Energy initiative implementation and reduction of Carbon generation footprints at Baddi site. Project executed with the budget of 56 Lac INR and calculated ROI (return on investment) of 1.9 Years approx.
- Reduction in Energy consumption by Introduction of Electronic control blowers in B & C Grade AHU's of: Line-1, this project has been implemented with an investment of 32 Lac INR and ROI (return on investment) of 2.0 Years approx.
- Condensate and Flash steam recovery project completed for steam savings initiatives in distribution pipelines with investment of 17 Lac INR and calculated ROI (return on investment) of 1.9 Years approx.
- Upgradation of the softener plant at utility block by investment of 9.0 Lac INR resulting in reduction of NaCl consumption to 2500 Kg/ Month from 5400 Kg / Month and reduction in ETP operational load.

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

- Augmentation of Solar Power 100 KWp-Investment INR 38 Lacs- Saving INR 12.0 Lacs/year.
- Solar power Plant of 100 KW (Kilo Watt Power) Power generation capacity has been installed and energy generation has been started in 2019,
- Further for current year 2020, additional plant of 100 KW (Kilo Watt Power) Power generation Capacity is proposed to be implemented.

c. The capital investment on energy conservation equipment:

Approx. INR 75 Lakh incurred at Kalyani Plant; and
Approx. INR 1.14 Crore incurred at Kishanpura Plant.

(B) TECHNOLOGY ABSORPTION

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

Kalyani Plant

- Datalogging of critical process parameter for MPF Facility
- Document Management system (DMS) implemented at FKOL, Kalyani to enforce controlled processes to create, review, revise & approval of Documents.
- Up-gradation of Development Laboratory. (Investment-142 Lakh)
- New Facility installation for Excipient (Cremophor & Polysorbate) (Investment-227 Lakh)
- Installation of New QC 36 Instruments like HPLC (05 Nos), GC (01 No), Karl Fischer (02 Nos), coulometer (02 Nos), Sonicator (03 Nos), Microbalance etc. (Inventment-460 Lakh).

Baddi Plant

- New automated Packing line installation completed with cartonator in injection packing area and utilization by production started.
- New Nitrogen generation Plant commissioning is under progress, this is having an investment of 36 Lac INR with ROI (return on investment) of 6 months approx.
- SQL based servers implementation for serialization in packing lines and BMS (Building management system) for HVAC operation and control has been implemented.
- All process related SCADA computers upgraded to Window's 10 based workstations.
- New product Thiotepa for injection 100mg/vial & 15mg/vial for transferred from I&D to Baddi successfully for EU market.
- New Product Cladribine injection 10mg/10ml transferred from Baddi-I unit to Baddi-II unit successfully & commercialized for India Market.

I&DC, Gurugram

- Extension of alliance business to cover additional products/ markets.
- Submissions of regulatory dossiers in different countries worldwide.
- Product internationalization.
- Replacement of finished product manufacturing site i.e., Fresenius Kabi Oncology Ltd., Baddi to Fresenius Kabi LLC, Melrose Park or other manufacturing facility (e.g. Letrozole Tablets is transferred to Pharmascience Inc., Canada).
- Implementation of LDMS (Labeling document management system).

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

- 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	2	1
EU	1	3
Emerging countries including Canada	36	24

- Internationalization of the product in different countries will expand the overseas business and improve global competitiveness.
- Regulatory activity has been done to transfer the products from Fresenius Kabi Oncology Ltd., Baddi to other manufacturing facility (e.g. Fresenius Kabi LLC, Melrose Park or Pharma science Inc., Canada), as applicable, for the approved as well as submitted products. This would help in smooth transition of business activities for US market.
- Implementation of LDMS will improve the artwork flow between different stake holders.

Kalyani Plant

- Data logging will further help in identifying improvement opportunities in system.
- DMS system help to enforce controlled processes to create, review & approval of documents.

- Safe Operations under LAF by up-gradation of Development Laboartory.
- Capacity up-gradation & smooth operation for Excipient (Cremophor & Polysorbate) in single lot in place of multiple lots solvent handling. Capacity enhance from 15 MT to 32 MT/Year
- Increase overall Quality control efficiency and decrease of Quality control events and Laboratory incidents by replacing old outdated instruments.
- Instruments line Auto-titrator, Karl Fischer and Polarimeter were working with manual operations- After replacement up-graded software version gives better compliance keeping in view of 21 CFR Part 11.

Baddi Plant

- Packaging automation& improved productivity;
- External procurement of nitrogen cylinders will stop in due course of time and benefit in cost saving;
- Reduction in loss of data due to centralized servers;
- Adaptation of latest technology as exiting Operating system (Windows 7) is obsolete;
- New product transfer will increase the market demand & volume for commercialization in future after regulatory approval.

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

In case of imported technology (imported during the last 3 years, reckoned from the beginning of the financial year), following information may be furnished:

a) Technology Imported: Glove Integrity Tester, Serialization
b) Year of import: 2018-19
c) Has technology been fully absorbed: Under Implementation (Russia Serialization & Warehouse KOMPANO solution)
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:

Sr. No.	Particulars	*Amount (INR in lacs)*
a.	Capital	814.91
b.	Recurring	11,226.85
c.	Total	12,041.76
d.	Total R&D as a percentage of total turnover	17.98%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned:

INR in lacs

- Foreign Exchange Earnings : 50,223.89
- Foreign Exchange Outgo : 17,401.41

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.

Annexure – VIII

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

Provisions of the companies act, 2013 require a company to lay down Internal Financial Controls (IFC) and to ensure that these are adequate and operating effectively. Internal financial controls, here, means the procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

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 is in place for the Company and incorporates all the five elements as mentioned 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 2019-20, 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, 2020.

Annexure-IX

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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 Place, New Delhi - 110 066 Phone No.: 011 - 26105570 Fax No.: 011 - 26195965 Email: corporatesecretarial.india@fresenius-kabi.com Website: www.fresenius-kabi-oncology.com
vi)	Whether listed company	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi – 110058 Phone No.:- 011 - 4141 0592/93/94 Fax No.:- 011 - 4141 0591 Email: delhi@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Paclitaxel – inj	21002	14.92%
2	Carboplatin – inj	21002	11.07%
3	API Oncology	21002	13.55%
4	R&D Services	72100	20.30%

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	97.0543	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	0	0	0	0.0000	0	0	0	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
	Sub-Total (A)[1]	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	0.0000
[2]	Foreign									
(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	165232882	0	165232882	97.0543	165232882	0	165232882	97.0543	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
	Sub-Total (A)[2]	**165232882**	**0**	**165232882**	**97.0543**	**165232882**	**0**	**165232882**	**97.0543**	**0.0000**
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**165232882**	**0**	**165232882**	**97.0543**	**165232882**	**0**	**165232882**	**97.0543**	**0.0000**

(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds/UTI	500	0	500	0.0003	500	0	500	0.0003	0.0000
(b)	Banks/ FI	850	0	850	0.0005	850	0	850	0.0005	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)	FIIs	3050	0	3050	0.0018	3050	0	3050	0.0018	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
	Sub-total (B)(1)	**4400**	**00**	**4400**	**0.0026**	**4400**	**00**	**4400**	**0.0026**	**0.0000**
[2]	**Non-Institutions**									
(a)	a) Bodies Corporate									
	i) Indian	72370	27263	99633	0.0586	72185	21238	93423	0.0548	-0.0038
	ii) Overseas	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	b) Individuals-									
	i. Individual shareholders holding nominal share capital upto Rs.1 lakh	3368939	879070	4248009	2.4980	3337509	662497	4000006	2.3495	-0.1485
	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
(c)	Any Other (specify)									
	i) Trust & Foundation	1225	100	1325	0.0008	1225	100	1325	0.0008	0.0000

	ii) NRI	249533	175714	425247	0.2470	254094	157995	412089	0.2420	-0.0050
	iii) Fresenius Kabi Oncology Limited - Unclaimed Suspense Account	236361	0	236361	0.1388	236361	0	236361	0.1388	0.0000
	iv) IEPF	0	0	0	0	394060	0	394060	0.2315	0.2314
	Sub-total (B)(2)	**3928428**	**1082147**	**5010575**	**2.9431**	**3928428**	**1082147**	**5010575**	**2.9431**	**0.0000**
	Total Public Shareholding (B) = (B)(1) + (B)(2)	**3932828**	**1082147**	**5014975**	**2.9457**	**3932828**	**1082147**	**5014975**	**2.9457**	**0.0000**
	TOTAL (A) + (B)	**169165710**	**1082147**	**170247857**	**100.0000**	**169165710**	**1082147**	**170247857**	**100.0000**	**0.0000**
(C)	**Shares held by Custodians for GDRs & ADRs**	0	0	0	0.0000	0	0	0	0.0000	0.0000
	GRAND TOTAL (A)+(B)+(C)	**169165710**	**1082147**	**170247857**	**100.0000**	**169165710**	**1082147**	**170247857**	**100.0000**	**0.0000**

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	% change in shareholding during the year
1	Fresenius Kabi (Singapore) Pte. Ltd.	165232882	97.0543	0	165232882	97.0543	0	0.0000
	Total	**165232882**	**97.0543**	**0**	**165232882**	**97.0543**	**0**	**0.0000**

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	
Share holding status		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No change in promoters shareholding during the year			
	At the End of the year	No change in promoters 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	Haresh Tikam Tharani	50000	0.0294	50000	0.0294
2	Ajay Kumar	34885	0.0205	34885	0.0205
3	Shailendra Tyagi	16500	0.0097	16500	0.0097
4	Susheela Basant Sundesha	14000	0.0082	14000	0.0082
5	Anand G. Pai	12500	0.0073	12500	0.0073
6	Rukmani International Pvt. Ltd.	11987	0.0070	11987	0.0070
7	Lacy Abdul Latheef	10000	0.0059	10000	0.0059
8	Laly Abdul Latheef	10000	0.0059	10000	0.0059
9	Paras Mohanlal Mehta	10000	0.0059	10000	0.0059
10	Naresh Dawanchand Kapoor	8500	0.0050	8500	0.0050

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	20.45	47,444.19	Nil	47,464.64
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	1.07	556.68	Nil	557.74
Total (i+ii+iii)	**21.52**	**48,000.86**	**Nil**	**48,022.38**
Change in Indebtedness during the financial year				
· Addition	Nil	120.09	Nil	120.09
· Reduction	(21.52)	Nil	Nil	(21.52)
Net Change	**(21.52)**	**120.09**	**Nil**	**98.57**
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	47,649.66	Nil	47,649.66
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	471.29	Nil	471.29
Total (i+ii+iii)	**Nil**	**48,120.95**	**Nil**	**48,120.95**

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	155.08	155.01	310.09
	(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 - others, specify…	 Nil Nil	 Nil Nil	 Nil Nil
5.	Others, please specify – Ex-gratia	3.63	33.36	36.99
	Total (A)	**159.11**	**188.77**	**347.88**
	Ceiling as per the Act	Not applicable for FY 2019-20. 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 Directors			Total Amount
		Dr. Uday C. Shetty	Mr. Rajiv Lochan Jain	Mr. Rakesh Bhargava	
1.	Independent Directors · Fee for attending board & committee meetings · Commission · Others, please specify	12.00 Nil Nil	14.00 Nil Nil	- - -	26.00 Nil Nil
	Total (1)	**12.00**	**14.00**	**-**	**26.00**
2.	Other Non-Executive Directors · Fee for attending board & committee meetings · Commission · Others, please specify	- - -	- - -	9.00 Nil Nil	9.00 Nil Nil
	Total (2)	**-**	**-**	**9.00**	**9.00**
	Total (B)=(1+2)	**12.00**	**14.00**	**9.00**	**35.00**
	Total Managerial Remuneration (A+B)				**382.88**
	Overall Ceiling as per the Act *****	Not applicable for FY 2019-20. Please refer to the notes mentioned below.			

<u>Notes</u>:

1. 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. Sandeep Kumar Chotia (April 1, 2019 to August 25, 2019)	Mr. Zankar Pandya (August 29, 2019 to March 31, 2020)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		24.76	38.02	62.78
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		Nil	Nil	Nil
	(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 - others, specify…		 Nil Nil	 Nil Nil	 Nil Nil
5.	Others, please specify: Ex-gratia		34.89	Nil	34.89
	Total		**59.65**	**38.02**	**97.67**

***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					
Punishment			**None**		
Compounding					
DIRECTORS					
Penalty					
Punishment			**None**		
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			**None**		
Compounding					

VMT & Co. LLP
Chartered Accountants

C - 2495, LGF, Sushant Lok, Phase -1
Sector – 43, Gurgaon – 122002
Ph.: + 91 124- 427 5777

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 31st March 2020, and the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows 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) 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

VMT & CO. LLP
FRN N500048
GURGAON

Certified True Copy
For Fresenius Kabi Oncology Limited

Nikhil Kulshreshtha
Director & Secretary

Management's Responsibility 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, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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, Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors 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 system 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

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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, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, 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 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 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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 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, in our opinion and to the best of our information and according to the explanations given to us:

VMT & CO. LLP
FRN : N500048
GURGAON

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 35 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.

For **VMT & Co. LLP**
Firm Registration No. N500048
Chartered Accountants

VMT & CO. LLP
FRN : N500048
GURGAON

Vanit Kumar Mittal
Partner
Membership No. 505709
UDIN: 20505709AAAABD8081

Place: Gurugram
Date: August 6, 2020

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

i.

(a) The Company has maintained proper records showing full, including quantitative details and situation, of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment, are held in the name of the Company.

ii. The management has conducted the physical verification of inventory at reasonable interval during the year by the management and no material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships, or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the company and hence, not commented upon.

iv. In our opinion and according to the information and explanation given to us, the company has not advanced any loans to directors/ to a company in which the director is interested to which the provisions of section 185 of the Companies Act, 2013 apply and hence, not commented upon. As per the information and explanation provided to us, the company has made no loans, investment or furnished guarantee within the meaning of section 186 of the Companies Act, 2013.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the company.

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 specified 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, 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, 2020 for a period more than six months from the date they become payable.

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(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	376.87	2006-07, 2007-08, 2010-11, 2011-12, 2013-14 & 2015-16	CIT (Appeals)
		541.33	2010-11 & 2014-15	Income Tax Appellate Tribunal
	Transfer Pricing Adjustments	1,675.66	2013-14 & 2015-16	CIT (Appeals)
		4,842.10	2010-11 to 2014-15	Income Tax Appellate Tribunal
		145.63	2004-05	High Court, Delhi
Central Excise Act, 1944	CENVAT related	945.70	2013-14 & 2014-15	Commissioner (Appeals)
		5,363.06	1998 to 2005, 2008-09 to 2015-16	CESTAT
	Refund of Rebate claim	535.40	2010-11	CESTAT
		55.70	2010-11	High Court
	Duty on testing sampling	2.49	1999-2001	Commissioner (Appeals)
		413.78	2005-06 to 2017-18	CESTAT
	Utilization of MEIS Scrips against Excise Liability	152.70	2017-17	Commissioner (Appeals)
	Payment against Reverse Charge mechanism on legal consultancy services	103.45	2013 to 2018	Applicability challenged with unfavourable order from Bombay High Court stayed by Supreme Court of India on petition of Bar Council

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a bank. There are no dues which are payable to financial institutions or to government. The Company did not have any debenture holders during the year.

ix. According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Term loans obtained have been applied for the purpose for which those were raised there were no default or delay in repayment of principal and interest thereon.

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FRN: 500048
GURGAON

x. Based on the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by management, we report that no fraud by the company or on the company by the officers or employees of the company has been noticed or reported during the year.

xi. According to the information and explanation given to us by management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company and hence, not commented upon.

xiii. According to the information and explanations given by management, the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given by management, The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company and hence, not commented upon.

xv. According to the information and explanations given by management, the Company has not entered into any non-cash transactions with its directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.

xvi. According to the information and explanations given by management, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **VMT & Co. LLP**
Firm Registration No. N500048
Chartered Accountants

VMT & CO. LLP
FRN : N500048
GURGAON

Vanit Kumar Mittal
Partner
Membership No. 505709
UDIN: 20505709AAAABD8081

Place: Gurugram
Date: August 6, 2020

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 over financial reporting of Fresenius Kabi Oncology Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the 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 issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

VMT & CO. LLP
FRN : N000048
GURGAON

made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **VMT & Co. LLP**
Firm Registration No. N500048
Chartered Accountants

VMT & CO. LLP
FRN : N500048
GURGAON

Vanit Kumar Mittal
Partner
Membership No. 505709
UDIN: 20505709AAAABD8081

Place: Gurugram
Date: August 6, 2020

Fresenius Kabi Oncology Limited
Balance Sheet as at 31st March, 2020
(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	42,646.32	45,646.96
Right-of-use assets	4	1,187.42	-
Capital work-in-progress	5	2,482.61	3,701.69
Other intangible assets	6	906.06	0.75
Financial assets			
(i) Investments	7	3.00	3.00
(ii) Others	8	802.72	722.55
Deferred tax assets (net)	20	3,174.35	1,204.09
Other non-current assets	9	5,517.44	717.61
Total Non-Current Assets		**56,719.92**	**51,996.65**
Current Assets			
Inventories	10	43,912.66	38,601.18
Financial assets			
(i) Trade receivables	11	15,395.76	14,926.88
(ii) Cash and cash equivalents	12	73.34	196.97
(iii) Bank balance other than (ii) above	13	5.00	-
(iv) Loans	14	36.46	30.64
(v) Others	15	165.06	144.24
Other current assets	16	9,587.77	16,953.99
Total Current Assets		**69,176.05**	**70,853.90**
Total Assets		**125,895.97**	**122,850.55**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,652.33	1,702.48
Other equity		38,069.20	38,981.51
Total Equity		**39,721.53**	**40,683.99**
LIABILITIES			
Non-Current Liabilities			
Financial liabilities			
(i) Borrowings	18	30,845.95	30,845.95
(ii) Lease Liability	4	385.16	-
Provisions	19	1,061.78	1,001.92
Other non-current liabilities	21	2,267.32	2,686.76
Total Non-Current Liabilities		**34,560.21**	**34,534.63**
Current Liabilities			
Financial liabilities			
(i) Borrowings	22	16,803.71	15,441.04
(ii) Trade payables	23	24,088.74	22,222.06
(iii) Lease Liabilities	4	622.84	-
(iv) Others	24	8,604.33	8,067.49
Other current liabilities	25	974.72	1,222.14
Provisions	19	475.16	634.47
Current tax liabilities (net)	26	44.73	44.73
Total Current Liabilities		**51,614.23**	**47,631.93**
Total Liabilities		**86,174.44**	**82,166.56**
Total Equity and Liabilities		**125,895.97**	**122,850.55**
Company's Information and Accounting Policy	1 & 2		

The accompanying notes are an integral part of these 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

VMT & CO. LLP
FRN : N500048
GURGAON

Vanit Kumar Mittal
Partner
Membership No.: 505709

Place: Gurugram, India
Date: 6th August 2020

Fresenius Kabi Oncology Ltd.
Echelon Institutional Area, Plot No. 11 Sector-32
Gurgaon-122001 (Haryana)

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

Maria Gobbi
Chairperson
DIN: 07005222

Arvind Kumar Sharma
Managing Director
DIN: 08144338

Nikhil Kulshreshtha
Director & Secretary
DIN: 07178027

Zankar Pandya
Chief Financial Officer

Place: Gurugram, India
Date: 6th August 2020

Fresenius Kabi Oncology Limited
Statement of Profit and Loss for the Year Ended 31st March, 2020
(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Note No.	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Income			
Revenue from operations	27	63,342.20	65,956.77
Other income	28	3,623.97	4,188.20
Total income		**66,966.17**	**70,144.97**
Expenses			
Cost of materials consumed		30,900.39	26,863.79
Purchase of stock-in trade		1,586.82	628.34
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(8,140.28)	(568.16)
Employee benefits expenses	30	14,839.23	14,347.05
Finance costs	31	3,988.80	3,643.12
Depreciation and amortization expenses	32	6,145.46	5,462.45
Other expenses	33	15,333.86	15,678.91
Total Expenses		**64,654.28**	**66,055.50**
Profit before exceptional items and tax		**2,311.89**	**4,089.47**
Exceptional items	45	2,256.77	10,222.57
Profit/ (Loss) before tax		**55.12**	**(6,133.10)**
Tax expense:			
Current tax expense		-	-
Tax relating to earlier year		-	59.97
Deferred tax credit	20	(1,929.15)	(800.88)
A. Profit/ (Loss) for the year		**1,984.27**	**(5,392.19)**
B. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(Gain)/Loss on remeasurement of defined benefit plans	39	43.75	(299.06)
Tax expense / (Income) on remeasurement on defined benefit plan	20	(11.01)	104.49
		32.74	**(194.57)**
(A+B)Total comprehensive income/(loss) for the year		**1,951.53**	**(5,197.62)**
Earnings per equity share	34		
Basic /Diluted earning per share		1.17	(3.17)

The accompanying notes are an integral part of these 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**

Fresenius Kabi Oncology Ltd. Echelon Institutional Area, Plot No. 11 Sector-32 Gurgaon-122001 (Haryana)

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

VMT & CO. LLP FRN : N500048 GURGAON

Vanit Kumar Mittal
Partner
Membership No.: 505709

Maria Gobbi
Chairperson
DIN: 07005222

Arvind Kumar Sharma
Managing Director
DIN: 08144338

Nikhil Kulshreshtha
Director & Secretary
DIN: 07178027

Zankar Pandya
Chief Financial Officer

Place: Gurugram, India
Date: 6th August 2020

Place: Gurugram, India
Date: 6th August 2020

Fresenius Kabi Oncology Limited
Statement of Changes in Equity for the Year Ended 31st March, 2020
(All amounts are in Rupees Lakhs, unless otherwise stated)

(a) Equity Share Capital	As at 31st March 2020		As at 31st March 2019	
	No. of shares	Amount	No. of shares	Amount
Balance at the begininning of the reporting year	170,247,857	1,702.48	170,247,857	1,702.48
Less: Amount payable to Shareholders pursuant to capital reduction (Refer Note 17(e))	(5,014,975)	(50.15)	-	-
Balance at the end of the reporting period	**165,232,882**	**1,652.33**	**170,247,857**	**1,702.48**

(b) Other Equity	Other Components of Equity						
	Reserves and Surplus & Other Comprehensive Income						
Particulars	**Capital Reserve**	**Securities Premium Account**	**General Reserve**	**Deemed Equity Contribution**	**Other Comprehensive Income**	**Retained Earnings**	**Total Equity**
Balance at 1st April 2018	**180.00**	**19,455.21**	**52,411.42**	**67.08**	**45.13**	**(28,044.28)**	**44,114.56**
Profit / (Loss) for the year	-	-	-	-	-	(5,392.19)	(5,392.19)
Financial guarantee issued by intermediate holding company without consideration	-	-	-	64.57	-	-	64.57
Gain/ (loss) on remeasurement of defined benefit Obligation (net of tax)	-	-	-	-	194.57	-	194.57
Balance at 31st March 2019	**180.00**	**19,455.21**	**52,411.42**	**131.65**	**239.70**	**(33,436.47)**	**38,981.51**
Transition impact of Ind AS 116 (net of tax)	-	-	-	-	-	(56.06)	(56.06)
Profit / (Loss) for the year	-	-	-	-	-	1,984.27	1,984.27
Financial guarantee issued by intermediate holding company without consideration	-	-	-	70.83	-	-	70.83
Amount payable to Shareholders pursuant to capital reduction (Refer Note 17(e))	-	-	(2,878.60)	-	-	-	(2,878.60)
Gain/ (loss) on remeasurement of defined benefit Obligation (net of tax)	-	-	-	-	(32.74)	-	(32.74)
Balance at 31st March 2020	**180.00**	**19,455.21**	**49,532.82**	**202.48**	**206.96**	**(31,508.26)**	**38,069.20**

The accompanying notes are an integral part of these 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

VMT & CO. LLP
FRN : N500048
GURGAON

Vanit Kumar Mittal
Membership No.: 505709

Place: Gurugram, India
Date: 6th August 2020

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

Maria Gobbi
Chairperson
DIN: 07005222

Arvind Kumar Sharma
Managing Director
DIN: 08144338

Fresenius Kabi Oncology Ltd.
Echelon Institutional Area, Plot No. 11 Sector-32
Gurgaon-122001 (Haryana)

Nikhil Kulshreshtha
Director & Secretary
DIN: 07178027

Sankar Pandya
Chief Financial Officer

Place: Gurugram, India
Date: 6th August 2020

Fresenius Kabi Oncology Limited
Statement of Cash Flows for the Year Ended 31st March, 2020
(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
A. Cash flow from operating activities		
Profit / (Loss) before tax	55.12	(6,133.10)
Adjustments for :-		
Depreciation and amortization expenses	6,145.46	5,462.45
Impairment of property, plant and equipment and CWIP (net)	1,519.58	1,029.75
Government grant income - Grants related to Assets	(354.74)	(351.41)
Loss / (Profit) on sale & disposal of property, plant & equipment (net)	78.87	(6.22)
Financial Guarantee charges	70.83	64.57
Unrealised foreign exchange differences	1,141.46	(57.90)
Interest on borrowings	3,576.55	3,418.95
Lease interest	100.13	-
Allowance for export incentive receivable	-	84.91
Liabilities and provisions written back	(411.67)	(629.28)
Provision for inventory	(440.88)	19.17
Allowance for doubtful debts	228.18	45.26
Dividend income	(0.53)	(0.45)
Interest income	(60.08)	(57.86)
Operating profit before working capital changes	**11,648.28**	**2,888.84**
Movements in working capital :-		
(Increase)/ Decrease in Inventories	(4,870.60)	(397.15)
(Increase)/ Decrease in Trade receivables	122.74	923.29
(Increase)/ Decrease in Other assets	2,435.03	(1,321.63)
Increase / (Decrease) in Trade payables	271.83	6,178.71
Increase / (Decrease) in Provisions	268.47	543.63
Increase / (Decrease) in Other Payable	(2,159.64)	1,372.76
Cash generated from operations	**7,716.11**	**10,188.45**
Income tax paid, net	(5.56)	(345.93)
Net cash generated from operating activities (A)	**7,710.55**	**9,842.52**
B. Cash flow from investing activities		
Payment against purchase of property, plant and equipment	(4,855.83)	(5,503.63)
Proceeds from sale of property, plant and equipment / CWIP	208.83	56.28
Investment in/(Proceeds from) Term Deposits	(9.75)	147.51
Loans to employees	(5.82)	(1.95)
Dividend received	0.53	0.45
Interest received	28.36	78.02
Net cash used in investing activities (B)	**(4,633.68)**	**(5,223.32)**
C. Cash flow from financing activities		
Net proceeds/(repayment) of short term borrowings (Refer note 22)	899.27	(1,017.00)
Repayment of lease liability	(574.18)	-
Interest paid	(3,522.45)	(3,305.48)
Interest on lease liability	(100.13)	-
Net cash used in financing activities (C)	**(3,297.49)**	**(4,322.48)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(220.62)**	**296.72**
Cash and cash equivalents at the beginning of the year	(1,038.87)	(1,335.59)
Cash and cash equivalents at the end of the year	**(1,259.49)**	**(1,038.87)**

Reconcilation 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 12)	73.34	196.97
Balance with bank in cash credit accounts (refer note (i) below)	(1,332.83)	(1,235.84)
Cash and cash equivalent as per Statement of Cash Flows	**(1,259.49)**	**(1,038.87)**

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. This credit drawdown includes cash credit (Refer note 22) amounting to Rs. 1,332.83 (previous year Rs. 1,235.84).

(ii) The above Cash Flow Statement 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

VMT & CO. LLP
FRN : N500048
GURGAON

Vanit Kumar Mittal
Partner
Membership No.: 505709
Place: Gurugram, India
Date: 6th August 2020

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

Maria Gobbi
Chairperson
DIN: 07005222

Arvind Kumar Sharma
Managing Director
DIN: 08144338

Nikhil Kulshreshtha
Director & Secretary
DIN: 07178027
Place: Gurugram, India
Date: 6th August 2020

Zankar Pandya
Chief Financial Officer

Fresenius Kabi Oncology Ltd.
Echelon Institutional Area, Plot No. 11 Sector-32
Gurgaon-122001 (Haryana)

1) **Company information**

Fresenius Kabi Oncology Ltd. ("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 the premises of Head Office. 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 or elected for early adoption at the Company's annual reporting date, 31st March 2020. These financial statements were authorised for issuance by the Company's Board of Directors on 6th August, 2020.

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 enjoins 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 result 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
- Note 2.21 — Biological Assets;

2.1.3 New Standards and Interpretations not yet Adopted

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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 (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to 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

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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.

2.3 Property, Plants and Equipments

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.

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 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.

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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:

Patent/ Product Rights

Patents and 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.

Product Development

Intangible assets with finite useful life are subjected to test of impairment whenever there is an indication that the intangible assets may be impaired. Intangible assets with infinite useful life are tested for impairment annually.

Intangible assets with finite useful life are amortized over the useful economic life on a straight-line basis. In case of Patents and Trade Marks, the useful life is taken to be 10 years and in case of Software, the useful life is taken from 3 to 10 years depending on the nature of the software.

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.

2.7 Government subsidy / 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.

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a) Subsidies related to assets are recognized as deferred income which is recognized in the statement of profit & loss on systematic basis over the useful life of the assets.
b) Purchase of assets and receipts of related grants are separately disclosed in statement of cash flow.
c) Grants related to income are treated as other income in statement of profit & loss subject to due disclosure about the nature of grant.
d) Duty waived on import of capital goods is added to the cost of capital assets and said grant (amount of duty waived) is accounted for as deferred income amortizable during life span of the concerned asset on straight line basis.

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) and Duty Draw Back 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 added to the cost of capital assets and said grant (amount of duty waived) is accounted for as deferred income amortizable during life span of the concerned asset on straight line basis.

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 recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial assets.

Financial assets are classified, at initial recognition, 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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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:

Ind AS 116 "Leases" has introduced a single, on-balance sheet accounting model for lessees. As a result, the company, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the ***modified retrospective approach***. Consequently, For leases that were classified as ***finance lease*** under Ind AS 17, the company has recognised the carrying amount of the right-of-use asset and the lease liability as at April 1, 2019 as the carrying amount of the lease asset and lease liability immediately before that date measured applying Ind AS 17.

For ***other leases***, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

The cumulative effect of initially applying the new standard has been recognised as an adjustment to the opening balance of retained earnings as at April 1, 2019. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under Ind AS 17.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term or low value asset as on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Company as Lessor

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

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.

Accounting policy under Ind AS 17

Refer note 2.10, for the policy as per Ind AS 17 - Significant accounting policies-Leases, in the Annual Financial Statements of the company for the year ended March 31, 2019.

2.12 <u>Inventories:</u>

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 overhead upto the stage of completion.

d) Finished Goods: Cost of input plus appropriate overhead.

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

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Taxus Baccata Leaves which are matured and plucked are classified as planation inventory in the financial statements, are designated as agricultural produce as per Ind AS 41 and are measured at their fair value less cost to sell as at each reporting date. Any changes in fair value are recognised in the Statement of Profit and Loss in the year in which they arise

The fair valuation so arrived at becomes the cost of Inventory under Ind AS 2.

2.13 <u>Employee Benefits:</u>

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.

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 <u>Income Tax:</u>

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.

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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.

Appendix C to Ind AS 12, "Uncertainty over Income Tax Treatments"

On 30 March 2019, the Ministry of Corporate Affairs (MCA) made certain amendments to Ind AS 12, Income taxes by including Appendix C, Uncertainty over Income Tax Treatments. This appendix clarifies how the recognition and measurement requirements of Ind AS 12 are applied where there is uncertainty over income tax treatments. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

Appendix C explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the applicable tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under applicable tax law. The interpretation provides specific guidance in several areas where previously Ind AS 12 was silent. Appendix C applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. 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.

The Company applied the interpretation effective 1 April 2019 using the modified retrospective approach.

The adoption of Appendix C did not have any material impact on the financial statements of the Company.

2.15 Provision Contingent Liability 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.

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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.

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 unallocable expenditure.

c) Income which relates to the company as a whole and not allocable to segments is included in unallocable 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. Unallocable assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

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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 Biological Assets

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 biological 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 is depreciated over their estimated useful life. Bearer biological 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.

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.

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3 Property, plant and equipment

Particulars	Freehold Land	Leasehold Land *	Buildings	Plant, Machinery & Equipment	Vehicles	Furniture Fixtures	Office Equipments	Computers	Bearer Plants	Total
Gross Block										
At 1st April 2018	**625.75**	**365.44**	**12,888.05**	**45,412.08**	**299.49**	**2,069.43**	**810.00**	**1,074.83**	**326.09**	**63,871.16**
Purchase of assets	-	-	4.74	32.78	51.09	85.67	76.03	270.81	-	521.12
Transfer from CWIP	-	-	283.78	3,818.93	-	-	-	-	-	4,102.71
Disposals / scrap	-	-	-	(44.02)	(61.63)	(2.16)	-	(0.75)	-	(108.56)
At 31st March 2019	**625.75**	**365.44**	**13,176.57**	**49,219.77**	**288.95**	**2,152.94**	**886.03**	**1,344.89**	**326.09**	**68,386.43**
Purchase of assets	-	-	4.03	-	-	-	2.28	6.47	-	12.78
Transfer from CWIP	-	-	562.59	3,235.39	35.13	108.98	196.39	300.22	-	4,438.70
Assets transferred to Right of use assets (Refer Note 4)	-	(278.09)	-	-	-	-	-	-	-	(278.09)
Reclassification	-	(87.35)	87.35	-	-	-	-	-	-	-
Disposals / scrap	-	-	(0.08)	(1,204.56)	(31.59)	(59.13)	(8.91)	(29.61)	-	(1,333.88)
At 31st March 2020	**625.75**	**-**	**13,830.46**	**51,250.60**	**292.49**	**2,202.79**	**1,075.79**	**1,621.97**	**326.09**	**71,225.94**
Accumulated Depreciation & Impairment										
At 1st April 2018	**-**	**45.37**	**2,636.27**	**12,488.05**	**95.42**	**886.59**	**348.46**	**518.98**	**24.98**	**17,044.12**
Charge for the year	-	16.09	519.19	4,211.61	40.56	288.19	108.28	206.73	27.78	5,418.43
Impairment charge for the year #	-	-	-	334.58	-	32.12	2.59	0.26	-	369.55
Disposals / scrap	-	-	-	(41.50)	(48.37)	(2.05)	-	(0.71)	-	(92.63)
At 31st March 2019	**-**	**61.46**	**3,155.46**	**16,992.74**	**87.61**	**1,204.85**	**459.33**	**725.26**	**52.76**	**22,739.47**
Charge for the year	-	12.53	499.54	4,308.19	38.75	146.56	226.10	245.93	27.85	5,505.45
Impairment charge for the year #	-	-	149.13	1,657.29	-	4.92	4.46	-	-	1,815.80
Impairment Reversal during the year #	-	-	-	(295.34)	-	(0.86)	(0.02)	-	-	(296.22)
Disposals / Scrap	-	-	(0.07)	(1,076.11)	(25.67)	(57.08)	(8.34)	(17.61)	-	(1,184.88)
Reclassification	-	(73.99)	73.99	-	-	-	-	-	-	-
At 31st March 2020	**-**	**-**	**3,878.05**	**21,586.77**	**100.69**	**1,298.39**	**681.53**	**953.58**	**80.61**	**28,579.62**
Net Block										-
At 31st March 2019	**625.75**	**303.98**	**10,021.11**	**32,227.03**	**201.34**	**948.09**	**426.70**	**619.63**	**273.33**	**45,646.96**
At 31st March 2020	**625.75**	**-**	**9,952.41**	**29,663.83**	**191.80**	**904.40**	**394.26**	**668.39**	**245.48**	**42,646.32**

Notes:

* Leasehold Land relates to 61.943 acres of Land at Kalyani taken on operating lease for 999 years from 11th January 1989. The same has been reclassified to right of use assets on transition to Ind AS 116 w.e.f. 1st April 2019.

\# Refer note 45 C for details of impairment charge / reversal made during the year.

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4 Leases

Transition to Ind AS 116 'Leases'

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' assets of ₹ 1,763.03 (including reclassification of leasehold land, refer section on Finance Lease below), and lease liability of ₹ 1,571.10. The cumulative effect of applying the standard, amounting to ₹ 56.06 was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax and earnings per share for the year.

The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

On application of Ind AS 116, the nature of expenses has changed from lease rent to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 6.33%.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the company has chosen to apply the practical expedient as per the standard.

The company does not have any lease restrictions and commitment towards variable rent as per the lease contracts.

Finance Lease

The company has a land acquired on lease, that was classified as finance leases applying Ind AS 17. For such land, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of Rs. 278.09 has been reclassified from property, plant and equipment to right-of-use assets. There was no amount recognised as finance lease obligation under Ind AS 17, hence no lease liability has been recognised on the date of transition to Ind AS 116.

The Company has applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to those contracts that were previously identified as leases under Ind AS 17.

A. Leases as lessee

(i) The carrying amount of right to use assets is as follows:

Particulars	Land	Building	Total
Balance as at April 1, 2019	-	1,484.94	1,484.94
Reclassified on account of adoption of Ind AS 116 (Refer Note 3)	278.09	-	278.09
Additions during the year	-	11.08	11.08
Disposals/adjustments/transfers during the year	-	-	-
Depreciation expense for the year	(6.73)	(579.96)	(586.69)
Balance as at 31st March, 2020	**271.36**	**916.06**	**1,187.42**

(ii) The movement in Lease liabilities during the year

Particulars	For the year ended 31st March 2020
Balance as at April 1, 2019	1,571.10
Additions during the year	11.02
Finance costs incurred during the year	100.13
Deletions/disposal during the year	-
Payments of lease liabilities	(674.25)
Balance as at 31st March, 2020	**1,008.00**

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(iii) Maturity analysis of lease liabilities

Particulars	As at 31st March 2020
Maturity Analysis of contractual undiscounted cash flows	
Less than one year	676.42
One to five years	397.66
More than five years	-
Total undiscounted Lease Liability	1,074.08
Balances of Lease Liabilities	
Non Current Lease Liability	385.16
Current Lease Liability	622.84
Total Lease Liability	**1,008.00**

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

Particulars	For the year ended 31st March 2020
Depreciation expense for right-of-use assets (Refer Note 32)	586.69
Interest expense on lease liabilities (Refer Note 31)	100.13
Expense relating to short-term leases (Refer Note 33)	12.53
Expense relating to leases of low-value assets	-
Variable lease payments	-
Total Expenses	**699.35**

(v) Amounts recognised in statement of cash flows

Particulars	For the year ended 31st March 2020
Interest on lease liability - Financing Activity	100.13
Repayment of lease liability - Financing Activity	574.18
Short term / low value lease payments	12.53

(vi) Reconciliation of operating lease commitments to lease liabilities

Particulars	As at 1st April 2019
Lease commitments as per Ind AS 17 as on 31st March 2019	**2,393.63**
Less : Interest Expenses	(164.30)
Less : Exemption of short-term leases	(6.87)
Less : Other Adjustments	(651.36)
Lease Liabilities as on 1st April 2019	**1,571.10**

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5 Capital work-in-progress

Particulars	PPE & Other Intangible	Bearer Plantation in progress [2]	Total
At 1st April 2018	**3,484.98**	**269.89**	**3,754.87**
Additions	4,721.65	44.56	4,766.21
Capitalized during the year [3]	(4,102.70)	-	(4,102.70)
Discard / scrap	(56.49)	-	(56.49)
Impairment charge for the year [1]	(660.20)	-	(660.20)
At 31st March 2019	**3,387.24**	**314.45**	**3,701.69**
Additions	4,293.28	18.39	4,311.67
Capitalized during the year [3]	(5,392.05)	-	(5,392.05)
Discard / scrap	(138.70)	-	(138.70)
Impairment charge for the year (net of reversal) [1]	-	-	-
At 31st March 2020	**2,149.77**	**332.84**	**2,482.61**

Note:

1. Refer note 45 of the financial statements.
2. Refer note 46 of the financial statements.
3. Refer "additions" in note 3 & 6.

6 Other intangible assets

Particulars	Product Development	Patent/ Product Rights	Softwares	Total
Gross Block				
At 1st April 2018	**180.80**	**94.78**	**-**	**275.58**
Additions	-	-	-	-
At 31st March 2019	**180.80**	**94.78**	**-**	**275.58**
Additions	-	5.27		5.27
Transfer from CWIP			953.35	953.35
At 31st March 2020	**180.80**	**100.05**	**953.35**	**1,234.20**
Accumulated Amortization and Impairment				
At 1st April 2018	**150.66**	**80.15**	**-**	**230.81**
Amortization for the year	30.14	13.88	-	44.02
At 31st March 2019	**180.80**	**94.03**	**-**	**274.83**
Amortization for the year	-	0.91	52.41	53.32
At 31st March 2020	**180.80**	**94.94**	**52.41**	**328.15**
Net Block				
At 31st March 2019	**-**	**0.75**	**-**	**0.75**
At 31st March 2020	**-**	**5.11**	**900.94**	**906.05**

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Non current assets

7 Financial Assets- Investments

Particulars	As at 31st March 2020	As at 31st March 2019
Unquoted		
Investments in Equity Instruments carried at FVTPL		
Investments - Shivalik Waste Management Limited [30,000 (Previous year 30,000) Equity Shares of Rs. 10 each]	3.00	3.00
Total	**3.00**	**3.00**

8 Financial Assets- Other

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		
Bank deposits given as security / margin money	349.46	344.71
Security deposits	277.66	377.84
Accrued interest on fixed deposits	175.60	-
Total	**802.72**	**722.55**

9 Other non current Assets

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		
Balances with government authorities #	4,792.35	-
Prepaid Expenses	38.05	36.13
Advance payment of income tax (net of provision Rs. 10,864.68 (Previous year Rs. 10,864.68)	687.04	681.48
Total	**5,517.44**	**717.61**

includes Rs. 251.80 paid under protest and Rs. 2,574.10 towards GST refund for which company has filed an appeal with GST authorities.

Current assets

10 Inventories

Particulars	As at 31st March 2020	As at 31st March 2019
Raw materials (refer note 1 below)	11,608.04	14,676.08
Stores and spare parts	2,870.15	2,601.28
Work-in-process	26,543.95	15,240.53
Stock in trade	-	3.71
Finished goods	2,890.52	6,049.95
Plantation (plucked leaves)	-	29.63
Total	**43,912.66**	**38,601.18**

Note :

1. Includes raw material-in-transit Rs 76.13 (previous year 178.27).
2. The total closing stock of inventory is net off provision of Rs. 172.92 (previous year 613.80).
3. Entire inventory was hypothecated to IDBI bank against credit facility availed. The credit facility with IDBI bank has been closed during financial year 2019-20.
4. Owing to the technical and complex nature of inventory items, the above inventory classification is based on management estimate and analysis.

11 Financial assets- Trade Receivables

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured Considered Good		
Trade receivables from third parties	2,444.53	2,352.88
Trade receivables from related parties (Refer Note 38)	12,951.23	12,574.00
Unsecured Considered Doubtful		
Trade receivables from third parties	789.24	725.21
Less: Allowance for credit losses*	(789.24)	(725.21)
Total	**15,395.76**	**14,926.88**

* Refer Note 37 for details of change in allowance for credit loses

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12 Financial assets- Cash and cash equivalents

Particulars	As at 31st March 2020	As at 31st March 2019
Cash in hand	0.26	0.19
Balances with banks in current accounts	73.08	196.78
Total	**73.34**	**196.97**

13 Financial assets- Other Bank Balance

Particulars	As at 31st March 2020	As at 31st March 2019
Deposits with original maturity after three month but before one year given as security / margin money	5.00	-
Total	**5.00**	-

14 Financial assets- Loans

Particulars	As at 31st March 2020	As at 31st March 2019
(Unsecured & Considered Good)		
Loans to employees	36.46	30.64
Total	**36.46**	**30.64**

15 Other Financial assets

Particulars	As at 31st March 2020	As at 31st March 2019
(Unsecured & Considered Good)		
Security deposit	165.06	-
Accrued interest but not due on fixed deposits	-	143.88
Other receivables	-	0.36
Total	**165.06**	**144.24**

16 Other current assets

Particulars	As at 31st March 2020	As at 31st March 2019
(Unsecured & Considered Good)		
Trade advances	781.35	938.64
Capital advances	160.76	233.16
Balances with government authorities #	6,775.70	13,051.81
Export incentives receivable	1,436.43	2,272.58
Advance to employees*	-	22.39
Prepaid expenses	433.53	435.41
Total	**9,587.77**	**16,953.99**

includes amount paid under protest Rs Nil (Previous Year Rs 291.15).
* There are no dues from director and / or from officers of the Company.

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17 Equity Share Capital

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Authorised :		
180,000,000 (Previous Year 180,000,000) Equity shares of Rs.1/- each	1,800.00	1,800.00
	1,800.00	**1,800.00**
Issued, Subscribed and Paid up:		
170,247,857 (Previous Year 170,247,857) Equity Shares of Rs.1/- each	1,702.48	1,702.48
Less: Amount payable to Shareholders pursuant to capital reduction (Refer note 17 (e))	(50.15)	-
	1,652.33	**1,702.48**
Reconciliation of number of Equity shares outstanding at the beginning and end of the year :		
Outstanding at the beginning of the year	170,247,857	170,247,857
Less: Reduced pursuant to capital reduction (Refer note 17 (e))	(5,014,975)	-
Outstanding at the end of the year	**165,232,882**	**170,247,857**

(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 31st March 2020		As at 31st March 2019	
	No. of Shares	Percentage	No. of Shares	Percentage
Fresenius Kabi (Singapore) Pte Ltd.	165,232,882	100.00%	165,232,882	97.05%

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) The reduction of equity share capital of the Company is being undertaken in accordance with the provisions of Section 66 of the Companies Act, 2013, as amended and the rules made thereunder, which permit a Company to undertake a reduction of share capital.

The Board of Directors of the Company, in a meeting held on October 12th 2018, resolved to reduce all the shares held by the minority shareholders of the Company. Subsequently, the company's shareholders also passed a special resolution by way of e-voting and postal ballots, with consent being given by shareholders representing 99.89% of the shareholding from amongst those who participated in the voting.

Subsequently, on an application for capital reduction made by the company, the Honourable National Company Law Tribunal, New Delhi Bench (NCLT) vide its Order dated February 29th, 2020, has confirmed/approved the reduction in share capital of the Company from Rs. 170,247,857 consisting of 170,247,857 equity shares of Rs. 1/- each to Rs. 165,232,882 consisting of 165,232,882 equity shares of Rs. 1/- each held by the public shareholders of the company i.e. the holders of the equity shares of the company other than the promoter shareholders of the company. The NCLT has also approved a consideration of Rs. 58.40 per share to be paid the shareholders in lieu of cancellation of equity shares held by them in the company.

The company had set July 1st, 2020 as the record date for the purpose of determining the names of the registered shareholders who shall be paid the consideration for cancellation of shares held by them. The closure of register of members was scheduled for July 30th, 2020, and subsequently consideration for cancellation is to be transferred to the shareholders. The process of reduction of share capital is pending for procedural compliances.

For effecting the reduction of share capital, General Reserve has been deducted by the value of difference between the amount to be paid to the shareholders and the face value of the share capital proposed to be extinguished. There is no impact on the statement of profit and loss, and computation of weighted average number of equity shares outstanding during the year 2019-20, resulting from the payment to be made to the shareholders for cancellation of shares.

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Non current liabilities

18 Financial Liabilities - Borrowings

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured		
Term loan from related party- Intermediate holding entity- Fresenius Kabi AG (Refer note 38)	30,845.95	30,845.95
Total	**30,845.95**	**30,845.95**

a. There is no default in repayment of principal loan or interest thereon.
b. No guarantee bond has been furnished against any loan by any third party including directors.
c. Changes in Liabilities (Non current borrowing) classified as financing activity is Rs. Nil (Previous year Nil).

Terms of Loan and Repayment Schedule

Terms and conditions of outstanding borrowings are as follows:

Particulars	Rate	Years of maturity	As at 31st March 2020	As at 31st March 2019
Other holding company- INR	Mibor +138.5 BPT	2021-22	19,800.00	19,800.00
Other holding company- INR	Mibor + 138.5 BPT	2022-23	11,045.95	11,045.95

19 Provisions

Particulars	As at 31st March 2020	As at 31st March 2019
Non current Provisions:		
Provision for leave encashment (refer note 39)	763.67	657.91
Provision for gratuity (refer note 39)	298.11	344.01
Total Non current Provisions	**1,061.78**	**1,001.92**
Current Provisions:		
Provision for leave encashment (refer note no. 39.)	131.19	103.59
Other Provisions (refer note (i) & (ii) below)	343.97	530.88
Total Current Provisions	**475.16**	**634.47**

Note

(i) Movement in Other Provisions

Particulars	Restructuring Provision	Service Tax on Lawyer's Fees	Vendor Claim	Infringement of Patents matters
As at 31 March 2019	159.91	103.45	240.52	27.00
Provisions made during the year	-	-	-	-
Provisions used during the year	(39.61)	-	-	-
Provisions reversed during the year	(120.30)	-	-	(27.00)
As at 31 March 2020	-	**103.45**	**240.52**	-
Grand Total				**343.97**

Particulars	Restructuring Provision	Service Tax on Lawyer's Fees	Vendor Claim	Infringement of Patents matters
As at 31 March 2018	289.88	103.45	240.52	27.00
Provisions made during the year	-	-	-	-
Provisions used during the year	(36.39)	-	-	-
Provisions reversed during the year	(93.58)	-	-	-
As at 31 March 2019	**159.91**	**103.45**	**240.52**	**27.00**
Grand Total				**530.88**

(ii)Information about other provisions

Particulars	Restructuring Provision	Service Tax on Lawyer's Fees	Vendor Claim	Infringement of Patents matters
Expected timing of outflow	-	31st March 2021	31st March 2021	-
Any expected reimbursement	-	-	-	-
Asset, if any, recognized for reimbursement	-	-	-	-

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20 Deferred tax liabilities

A.

Amounts recognised in statement of profit and loss	**For the Year 31st March 2020**	**For the Year 31st March 2019**
Current tax expense		
Current year	-	-
Tax relating to earlier year	-	59.97
	-	**59.97**
Deferred Tax Expense / (Income)		
Property, plant and equipment	(3,018.12)	(173.42)
Impairment of trade receivables	54.74	91.18
Provision for leave encashment	40.83	8.84
Provision for gratuity	(71.36)	75.68
Other Provisions	98.91	43.23
Unabsorbed tax losses	264.26	(38.23)
Expenses disallowed under Income Tax Act	696.32	(808.16)
Lease Liabilities	(223.61)	-
Right of Use Assets	228.88	-
	(1,929.15)	**(800.88)**
Tax expense/ (Income) recognized in the statement of profit and loss	**(1,929.15)**	**(740.91)**
Other Comprehensive Income / Retained Earnings		
Tax expense / (Income) on remeasurement of defined	(11.01)	104.49
Tax expense Tax expense / (Income) recognised in Retained Earnings on transition to Ind AS 116	(30.10)	-
Tax Expense / (Income) recognised in Equity	**(41.11)**	**104.49**

B.

Particulars **Amount recognised in Other Comprehensive Income**	**For the Year Ended 31st March 2020**	**For the Year Ended 31st March 2019**
Loss/(Gain) on remeasurements of defined benefit plans	43.75	(299.06)
Before tax		
Tax Expense/ (Income)	(11.01)	104.49
	32.74	**(194.57)**

C. Reconciliation of effective tax expense

The following is a reconciliation of the Company's effective tax expenses for the years ended 31 March 2020 and 31 March 2019:

Particulars	**For the Year Ended**	**For the Year Ended**
Profit before tax	55.12	(6,133.10)
Enacted income tax rate (%) applicable to the Company	25.17%	34.94%
Computed expected tax expense	13.87	(2,142.90)
Effect of:		
Unrecognized deferred tax assets	130.82	902.55
Recognition of previously unrecognized DTA	(2,054.88)	-
Tax losses Utilized	(287.91)	(203.51)
Income exempt from income taxes	(5.62)	(7.62)
Effect of expenses that are not deductible	63.43	381.57
Tax Expenses related to prior years	-	59.97
Change in Tax Rate	336.69	4.87
Other items	(125.56)	264.16
Income tax expense	**(1,929.15)**	**(740.91)**

D Movement in deferred tax balances

Particulars	**As at 31st March 2019**	**Recognized in P&L**	**Recognized in OCI /Retained Earnings**	**As at 31st March 2020**
Deferred Tax Assets				
Impairment of trade receivables	253.39	(54.74)	-	198.65
Provision for leave encashment	266.07	(40.83)	-	225.24
Provision for Gratuity	(7.34)	71.36	11.01	75.03
Other provisions	185.49	(98.91)	-	86.58
Unabsorbed tax losses	5,745.07	(264.26)	-	5,480.81
Disallowance of expenses under Income Tax Act	808.16	(696.32)	-	111.84
Lease Laibility	-	223.61	30.10	253.71
Total Deferred Tax Assets	**7,250.84**	**(860.09)**	**41.11**	**6,431.86**

Particulars	**As at 31st March 2019**	**Recognized in P&L**	**Recognized in OCI /Retained Earnings**	**As at 31st March 2020**
Deferred Tax Liabilities				
Property, plant and equipment	6,046.75	(3,018.12)	-	3,028.63
Right of Use Assets	-	228.88	-	228.88
Total Deferred Tax Liabilities	**6,046.75**	**(2,789.24)**	-	**3,257.51**
Net Deferred Tax Assets (Liability)	**1,204.09**	**1,929.15**	**41.11**	**3,174.35**

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Particulars	As at 31st March 2018	Recognized in P&L	Recognized in OCI /Retained Earnings	As at 31st March 2019
Deferred Tax Assets				
Impairment of trade receivables	344.57	(91.18)	-	253.39
Provision for leave encashment	274.91	(8.84)	-	266.07
Provision for Gratuity	172.83	(75.68)	(104.49)	(7.34)
Lease Equalization Reserve	-	-	-	-
Other provisions	228.72	(43.23)	-	185.49
Unabsorbed tax losses	5,706.84	38.23	-	5,745.07
Disallowance of expenses under Income Tax Act	-	808.16	-	808.16
Total Deferred Tax Assets	**6,727.87**	**627.46**	**(104.49)**	**7,250.84**
Deferred Tax Liabilities				
Property, plant and equipment	6,220.17	(173.42)	-	6,046.75
Total Deferred Tax Liabilities	**6,220.17**	**(173.42)**	**-**	**6,046.75**
Net Deferred Tax Assets (Liability)	**507.70**	**800.88**	**(104.49)**	**1,204.09**

Notes:

1. The Company does not have any unrecognized deferred tax liabilities as on 31 March 2020 and 31 March 2019.
2. 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, unabsorbed depreciation and unabsorbed interest carry-forwards. A portion of this total loss can be carried indefinitely and the remaining amounts expire at various dates ranging from 2021 through 2024.

Deferred tax Assets amounting to as on 31st March 2020 : Rs. 4,097.52 (previous year ended 31st March 2019 : Rs. 7,809.97) against unabsorbed Tax loss / Unabsorbed depreciation / interest have not been recognised in the absence of convincing evidence as per Ind AS 12.

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21 Other Non-Current Liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred income	2,267.32	2,686.76
Total	**2,267.32**	**2,686.76**

Current liabilities

22 Financial Liabilities- Borrowings

Particulars	As at 31st March 2020	As at 31st March 2019
Secured		
Cash credits	-	20.46
Unsecured		
Cash credits	1,332.83	1,215.38
Packing credit laons	6,470.88	3,105.20
Working capital demand loan	9,000.00	11,100.00
Total	**16,803.71**	**15,441.04**

Notes:

a. There is no default in repayment of principal loan or interest thereon.

b. Secured component of cash credit from one bank is covered by hypothecation of inventories.

c. Unsecured Loans from four banks are covered by guarantee bond furnished by ultimate holding company.

d. Packing credit loans comprises of Euro denominated loans carrying interest rates of EURIBOR plus 80 to 135 bps (previous year EURIBOR plus 80 bps). These are repayable within 6 months from the date of drawdown.

e. 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.

f. Disclosure for changes in liabilities arising from financing activities:

Particulars*	For the year ended 31st March 2020	For the year ended 31st March 2019
Short-term borrowings		
Opening balance	14,205.20	15,248.00
Additional loans taken during the year	93,222.99	35,353.80
Repayment during the year	(92,323.72)	(36,370.80)
Non - cash changes: acquisition/foreign exchange movement/fair value changes	366.41	(25.80)
Closing Balance	**15,470.88**	**14,205.20**

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

23 Financial Liabilities- Trade payables

Particulars	As at 31st March 2020	As at 31st March 2019
Due to Micro, Small,& Medium enterprises (Refer note 42)	133.98	264.40
Other creditors (For amounts payable to related parties, refer note 38)	23,954.76	21,957.66
Total	**24,088.74**	**22,222.06**

24 Other Financial Liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Interest accrued but not due on borrowings (For related parties payable refer note no. 38)	1,179.26	1,125.16
Creditors for capital goods	203.33	718.05
Employee related dues	1,717.53	678.85
Bonus payable	275.08	270.01
Accruals for expenses	2,212.75	5,253.02
Payable to shareholders pursuant to capital reduction (Refer note 17e)	2,928.75	-
Other payables	87.63	22.40
Total	**8,604.33**	**8,067.49**

25 Other current liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Advances from customers (Refer note 47)	41.30	-
Other Advances	17.56	162.48
Statutory dues	583.52	708.25
Deferred income	332.34	351.41
Total	**974.72**	**1,222.14**

26 Current tax liabilities (net)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision of Income tax (net of advance tax Rs. 2,836.14 (previous year Rs.2,836.14)	44.73	44.73
Total	**44.73**	**44.73**

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27 Revenue from operations

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
A. Sales of products and Services *		
Sale of goods	47,702.48	51,051.73
Sale of services:		
Contract R&D services	12,379.87	11,450.52
Other services	887.78	753.28
Total	**60,970.13**	**63,255.53**
B. Other operating income		
Scrap sales	419.06	264.05
Government grant		
- Export incentives	1,598.27	2,085.78
- Others	354.74	351.41
Total	**2,372.07**	**2,701.24**
Total	**63,342.20**	**65,956.77**

* Refer note 47 for details of disaggregation of revenue, contract balances and performance obligations

28 Other Income

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Reimbursement of expenses	2,951.28	2,744.07
Liabilities and provisions written back	411.67	629.28
Interest income on fixed deposits and security deposits	60.08	57.86
Foreign Exchange gain	-	724.10
Profit on sale of fixed assets	-	6.22
Dividend income	0.53	0.45
Reversal of impairment on trade receivables	164.15	-
Miscellaneous income	36.26	26.22
Total	**3,623.97**	**4,188.20**

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

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Opening Stock:		
Finished goods	6,049.95	8,073.58
Work-in-process	15,240.53	12,595.60
Stock in trade	3.71	56.85
Closing Stock:		
Finished goods	2,890.52	6,049.95
Work-in-process	26,543.95	15,240.53
Stock in trade	-	3.71
Changes In Inventories:		
Finished goods	3,159.43	2,023.63
Work-in-process	(11,303.42)	(2,644.93)
Stock in trade	3.71	53.14
Changes in inventories of finished goods and work in progress	**(8,140.28)**	**(568.16)**

30 Employee benefits expense

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Salaries, wages and bonus	12,873.84	12,387.09
Contribution to provident and other funds	920.97	860.21
Workmen and staff welfare expenses	1,044.42	1,099.75
Total	**14,839.23**	**14,347.05**

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31 Finance cost

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Interest on borrowings	3,576.55	3,418.95
Interest on leases	100.13	-
Financial Guarantee charges	70.83	64.57
Interest on late deposit of taxes	0.98	61.77
Exchange differences on foreign currency borrowings	240.31	97.83
Total	**3,988.80**	**3,643.12**

32 Depreciation and amortization expense

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Depreciation on property, plant and equipment	5,505.46	5,418.43
Depreciation on Right to Use Assets	586.69	-
Amortization of intangible assets	53.31	44.02
Total	**6,145.46**	**5,462.45**

33 Other Expenses

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Power and fuel	2,857.93	3,011.23
Stores & spares consumed	1,167.00	2,705.88
Repairs and maintenance-Building	176.33	181.09
Repairs and maintenance-Plant & Machinery	1,446.09	1,152.79
Repairs and maintenance-Others	102.40	99.07
Plantation expenses	24.52	55.48
Testing expenses	1,425.72	350.19
Freight charges	1,110.41	1,140.43
Lease expenses	12.53	717.33
Rates and taxes	619.78	191.54
Regulatory fees expenses	351.46	527.77
Insurance	375.56	324.63
Printing & stationery	149.34	97.08
Travel expenses	908.89	949.18
Legal and professional *	574.88	821.67
Communication expenses	140.80	116.99
Security expenses	199.08	200.15
Directors' sitting fees	35.00	29.00
Marketing expense	-	353.86
Information technology expenses	911.92	819.43
House keeping expenses	799.63	686.73
Recruitment and training expenses	291.13	332.14
Books and periodicals	67.37	123.86
Allowance for doubtful debts #	228.18	45.26
Bank charges	35.74	36.42
Loss on sale / disposal of assets	78.87	-
Foreign exchange loss	845.23	-
Allowance for export incentive receivable	-	84.91
Miscellaneous expenses	398.07	524.80
Total	**15,333.86**	**15,678.91**

The Company has written off trade receivables as bad debts amounting to Rs. Nil (previous year Rs. 315.63) against allowance for doubtful debts created in earlier years.

*** Payment to Auditors (Excluding Goods & Service Tax)**

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Audit fee	20.15	18.33
Certification Fee	0.40	11.50
Reimbursement of expenses	1.15	0.75
Total	**21.70**	**30.58**

34 Earnings per share (EPS)

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Profit/(Loss) for the year	1,984.27	(5,392.19)
Weighted average number of equity shares of Rs. 1/- each	170,247,857	170,247,857
EPS - Basic / Diluted	1.17	(3.17)

Note: There are no potentially dilutive instrument issued by the Company, hence Basic and Diluted Earning per share is same.

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35 Contigent Liabilities

The Company is involved in disputes, lawsuits, claims, governmental and/or regulatory inspections, 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 more significant matters are discussed below.

(i)

Particulars	Estimated timing of Settlement	As at 31st March 2020	As at 31st March 2019
A) Claims against the company not acknowledged as debts			
a) Excise duty in dispute	Un-certain	7,356.53	8,182.46
b) Income tax in dispute	Un-certain	7,581.60	4,371.93
c) Other			
Legal and Administrative Matters	Un-certain	119.30	311.04
Import Duty demand against export obligation	Un-certain	-	9.00
Shortfall on export obligations under EPCG Licenses	Un-certain	76.42	-
Utlilisation of MEIS Scrips	Un-certain	152.70	-
B) Guarantee furnished by company to govt agencies	Un-certain	937.06	1,595.35

(ii) In November 2014, Fresenius Kabi Oncology Limited (FKOL) received a subpoena from the U.S. Department of Justice (DOJ), U.S Attorney for the District of Nevada. The subpoena requests documents in connection with the January 2013 inspection by the U.S Food and Drug Administration (FDA) of FKOL's plant for Active Pharmaceutical Ingredients (API) in Kalyani, West Bengal , India. The Inspection resulted in a warning letter from the FDA in July 2013. The subpoena marks the DOJ's criminal and/or civil investigation in this connection and seeks information from throughout the Fresenius Group. Through an ancillary subpoena of January 2016, the DOJ had requested additional historic information and data. Through further ancillary subpoenas of June 2016, and November 2016, the DOJ has requested further information from Fresenius Kabi USA and Fresenius Kabi AG without changing the focus of the investigation. Fresenius Kabi fully cooperates with the governmental investigation. Fresenius Kabi has entered into a Tolling Agreement with the DOJ, thereby waiving its statute of limitation defense until July 2018. The tolling agreement has now been extended by mutual agreement until September 2, 2020.

As per management, the company is not in position to quantify the impact, if any, of settlement with DOJ, since the investigation is not yet concluded with authorities.

(iii) The Company had received a warning letter from the U.S. FDA in July, 2013 following inspection of site carried out in January 2013 relating to current Good Manufacturing Practice ("cGMP") deviations at its active pharmaceutical ingredient ("API") manufacturing facility at D-35, Industrial Area , Kalyani , District Nadia, West Bengal (India). The company again received warning letter dated December 4, 2017 following re-inspection of this site during May-17. The contents of the warning letter arose from Form 483 observations by U.S. FDA.

The warning letter does not restrict production or shipment of the Company's products from the Kalyani facility and do not stipulate the import alert impacting the supplies of the approved products to the US market. However, the new products regulatory application approvals are still under hold due to the pending clearance of Kalyani site's GMP status. Subsequent to the issuance of the warning letter, the Company promptly instituted corrective actions and submitted a comprehensive remediation response to the warning letter to the U.S. FDA, followed by periodic written updates and regular meetings with the U.S. FDA.

Also, Company's drug manufacturing facility at Kishanpura Village, Baddi, Gurumajra, Himachal Pradesh, India received warning letter dated December 18, 2017 following inspection of this site during April 2017 relating to deviation from current Good Manufacturing Practice ("cGMP"). The company has stopped manufacturing products for the US market. Consquently the Company has withdrawn the facility establishment registration of the Baddi plant with USFDA in terms of GUDUFA self-identification information, facility establishment registration with US FDA, and also as a consequence, all approved products from Baddi will be placed in the discontinued section of the orange book.

(iv)

Particulars	As at 31st March 2020	As at 31st March 2019
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for.	821.42	1,199.25

36 (i)

CIF Value of Imports	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Particulars		
Raw Materials (including packing material)	15,150.53	15,150.56
Stores & Spares	1,050.47	1,378.88
Capital Goods	1,200.41	2,162.64
Total	**17,401.41**	**18,692.08**

(ii)

Earnings in Foreign Exchange (on FOB basis):	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Particulars		
Sale of goods	36,956.24	43,674.23
Sale of services	13,267.65	12,203.81
Total	**50,223.89**	**55,878.04**

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37 Financial instruments – Fair values and risk management

I. Fair value measurements

Particulars	As at 31 March 2020 Carrying Amount	As at 31 March 2019 Carrying Amount
Financial assets measured at Fair Value		
Non-current		
Investments in Equity Instruments	3.00	3.00
Financials Assets measured at Amortized Cost		
Non-current		
Other financial assets	802.72	722.55
Current		
Trade Receivables	15,395.76	14,926.88
Cash and cash equivalents	73.34	196.97
Bank balances other than Cash and cash equivalents	5.00	-
Loans (Short Term)	36.46	30.64
Other financial assets	165.06	144.24
	16,481.34	**16,024.28**
Financial liabilities measured at Amortized Cost		
Non-current		
Borrowings (Long Term)	30,845.95	30,845.95
Lease Liability	385.16	-
Current		
Borrowings (Short Term)	16,803.71	15,441.04
Trade Payables	24,088.74	22,222.06
Lease Liabilities	622.84	-
Other current financial liabilities	8,604.33	8,067.49
	81,350.73	**76,576.54**

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:

a. There are no transfers between level 1 and level 2 during the year.
b. The fair value of financial assets and liabilities approximate their carrying amount measured under Level 3 hierarchy.
c. 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.
d. For financial assets measured at fair value, carrying value is equivalent to fair value.

Fair Value Measurement-Agricultural Produce

Agricultural produce is the harvested produce of the entity's Biological Assets (Bearer Plants) at the point of Harvest. Taxus Bacatta Leaves (at the point of plucking) falls within the definition of Agricultural Produce at the point of Harvest.

The Company uses a valuation technique that is appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximizing the use of relevant observable inputs. Accordingly, the Company follows a Market Approach as permitted under Indian Accounting Standard Ind AS-113- 'Fair Value Measurement'. The Company believes that leaves at or before the point of plucking does not have any fair value considering the desired chemical properties.

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.

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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 scalor 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 31st March 2020	For the Year Ended 31st March 2019
Opening balance	725.21	995.58
Allowances made during the year	228.18	45.26
Trade receivables written off during the year	-	(315.63)
Allowances reversed during the year / collection	(164.15)	-
Closing balance	789.24	725.21

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 31st March 2020 and 31st March 2019 was as follows:

Particulars	31st March 2020	31st March 2019
Trade receivables	15,395.76	14,926.88
Cash and cash equivalents*	73.34	196.97
Bank balances other than Cash and cash equivalents	5.00	-
Loans	36.46	30.64
Bank deposit given as security / margin money*	349.46	344.71
Security Deposits	442.72	377.84
Other financial assets	175.60	144.24
	16,478.34	16,021.28

* 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.

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

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 comparion of actual cash flows with budget on a continous basis.

(a) Financing arrangements

As at 31 March 2020 and 31 March 2019, the Company had unutilised credit limits from banks of Rs. 11,938.40 and Rs. 11,063.10 respectively.

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(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			
	31st March 2020	< 1 year	2 to 5 Years	5 years <
Non-derivative financial liabilities				
Borrowings (Long Term)	30,845.95	-	30,845.95	-
Borrowings (Short Term)	16,803.71	16,803.71	-	-
Trade Payables	24,088.74	24,088.74	-	-
Lease Liabilities	1,008.00	622.84	385.16	-
Other current financial liabilities	8,604.33	8,604.33	-	-
Total non-derivative liabilities	**81,350.73**	**50,119.62**	**31,231.11**	-

Particulars	Contractual cash flows			
	31st March 2019	< 1 year	2 to 5 Years	5 years <
Non-derivative financial liabilities				
Borrowings (Long Term)	30,845.95	-	30,845.95	-
Borrowings (Short Term)	15,441.04	15,441.04	-	-
Trade Payables	22,222.06	22,222.06	-	-
Lease Liabilities	-	-	-	-
Other current financial liabilities	8,067.49	8,067.49	-	-
Total non-derivative liabilities	**76,576.54**	**45,730.59**	**30,845.95**	-

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 uses 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.

Amount in Rs. Lakhs

	As at 31 March 2020		As at 31 March 2019	
Transaction currency -->	**Euro**	**USD**	**Euro**	**USD**
Financial assets				
Trade receivables	8,715.62	2,772.94	9,226.80	3,826.20
Financial liabilities				
Borrowings	6,470.88	-	3,105.20	-
Trade payables	12,165.17	9,427.29	11,194.37	7,585.24
Net statement of financial position exposure	**(9,920.43)**	**(6,654.35)**	**(5,072.77)**	**(3,759.04)**
Conversion Rates	82.96	75.46	77.63	69.15

Amount in Rs. Lakhs

	As at 31 March 2020		As at 31 March 2019	
Transaction currency -->	**GBP**	**CHF**	**GBP**	**CHF**
Financial assets				
Trade receivables	-	-	-	-
Financial liabilities				
Borrowings	-	-	-	-
Trade payables	157.65	-	53.47	1.20
Net statement of financial position exposure	**(157.65)**	-	**(53.47)**	**(1.20)**
Conversion Rates	92.92	-	90.37	69.42

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Sensitivity analysis

As below, possible strengthening/ weakening of INR against USD, EURO ,GBP & CHF at 31st 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**
31st March 2020		
USD (2% movement)	99.59	(99.59)
EUR(2%movement)	148.47	(148.47)
GBP(2%movement)	2.36	(2.36)
CHF(2%movement)	-	-
31st March 2019		
USD (2% movement)	51.72	(51.72)
EUR(2%movement)	69.80	(69.80)
GBP(2%movement)	0.74	(0.74)
CHF(2%movement)	0.02	(0.02)

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 effective effecting 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**	
	31st March 2020	**31st March 2019**
Financial liabilities		
Variable-rate instruments		
Short Term Borrowings	16,803.71	15,441.04
Long term borrowings	30,845.95	30,845.95
Fixed-rate instruments		
Lease Liabilities	1,008.00	-
Financial Assets		
Fixed-rate instruments		
Fixed Deposits	354.46	344.71
Security Deposit	442.72	377.84

Sensitivity analysis

For the years ended 31 March 2020 and 31 March 2019, 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**
31st March 2020		
Variable-rate instruments	(178.28)	178.28
31st March 2019		
Variable-rate instruments	(159.23)	159.23

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 March 31, 2020, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

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38 Related party disclosures:

Name of related party and nature of related party relationship where control exists:		
Ultimate Holding Entity	Fresenius SE & Co. KGaA	
Immediate Holding Entity	Fresenius Kabi (Singapore) Pte.Ltd.	
Intermediate Holding Entities	Fresenius Kabi AG Fresenius Kabi Austria GmbH	Fresenius Kabi Deutschland GmbH
Other related parties with whom transactions have taken place during the year / previous year:		
Fellow Subsidiaries	Fresenius Kabi Latin America Fresenius Kabi Chile Ltda. Fresenius Kabi S.A ,Argentina Hyginus Publisher GmbH Fresenius Kabi Asia Pacific Ltd. Fresenius Netcare GmbH Germany Calea U.K. Ltd Fresenius Kabi Italia S.r.l Fresenius Kabi Norge AS Fresenius Kabi (WUHAN) PT Ethica industri Faemasi	Fresenius Kabi Brazil Ltda. Fresenius Kabi Oncology Plc UK Fresenius Kabi México S.A. de C.V. Fresenius Kabi Ilac San.ve Tic.Ltd. Fresenius Kabi India Private Ltd. Fresenius Kabi USA LLC Labesfal - Laboratórios Almiro, S.A. (Portugal) Pt. Fresenius Kabi Indonesia Fresenius Kabi Colombia S.A.S Fresenius Kabi iPSUM Fresenius Kabi Malaysia Sdn Bhd
Key management personnel	Arvind Sharma, Managing Director (w.e.f. 1 July, 2018) Maria Gobbi, Managing Director (upto 30 June, 2018) Nikhil Kulshreshtha, Company Secretary & Director Sandeep Chotia, CFO (upto 25th August 2019) Zankar Pandya, CFO (w.e.f. 29th August 2019)	
Directors	Maria Gobbi, Chairperson (w.e.f from 1st July, 2018) Rakesh Bhargava, Chairman (upto 30th April, 2018). Subsequently appointed as Non-Executive Director (w.e.f 1st May, 2018) Dilip G.Shah, Non-Executive Independent Director (upto 22nd February, 2019) Rajiv Lochan Jain, Non-Executive Independent Director Michael Schonhofen, Non-Executive Director Steffen Georg Roser, Non-Executive Director Karsten Lerch, Non-Executive Director (upto 31st October, 2019) Dr. Uday Chandrashekhar Shetty, Non-Executive Director (w.e.f. 10th May, 2019)	

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

A Transactions during the year:

Particulars		**For the Year Ended 31st March 2020**	**For the Year Ended 31st March 2019**
Sale of Goods / (Sales Return)			
Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	21,890.70	7,556.59
Fresenius Kabi Oncology Plc UK	Fellow Subsidiary	(181.39)	16,303.33
Fresenius Kabi Asia Pacific Ltd	Fellow Subsidiary	4,525.90	10,124.22
Fresenius Kabi India Pvt. Ltd.	Fellow Subsidiary	6,953.65	4,304.79
Fresenius Kabi USA, LLC	Fellow Subsidiary	2,279.16	2,390.56
Fresenius Kabi Chile Ltda.	Fellow Subsidiary	1,666.04	1,919.66
Other Fellow Subsidiaries	Fellow Subsidiaries	3,185.27	1,859.05
Total		**40,319.33**	**44,458.21**
Service provided			
Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	13,267.66	12,183.21
PT Ethica Industri Faemasi	Fellow Subsidiary	-	20.59
Total		**13,267.66**	**12,203.80**
Scrap Sales			
Fresenius Kabi USA, LLC	Fellow Subsidiary	-	28.98
Fresenius Kabi India Pvt. Ltd.	Fellow Subsidiary	-	0.21
Total		**-**	**29.19**
Purchases			
Fresenius Kabi India Pvt. Ltd.	Fellow Subsidiary	-	0.37
Fresenius Kabi Italia S.r.l	Fellow Subsidiary	5.24	-
Fresenius Kabi Austria GmbH	Intermediate Holding Entity	0.20	1.93
Fresenius Kabi USA, LLC.	Fellow Subsidiary	20.76	17.62
Total		**26.20**	**19.92**
Purchase of Property Plant & Equipment / Intangible Assets			
Fresenius Kabi Oncology Plc UK	Fellow Subsidiary	71.85	-
Fresenius Kabi Netcare., GmbH	Fellow Subsidiary	5.27	-
Total		**77.12**	**-**
Receiving of Services			
Fresenius Kabi Deutschland GmbH #	Intermediate Holding Entity	3,151.33	6,783.48
Fresenius Kabi Netcare., GmbH	Fellow Subsidiary	668.62	756.20
Other Fellow Subsidiaries	Fellow Subsidiaries	134.22	190.27
Total		**3,954.17**	**7,729.95**

does not include Rs. Nil (Previous year Rs. 1,915.37) towards accrual of expenses made at year end.

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Particulars		For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Receipt of Reimbursement for Expenses incured (Other income)			
Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	2,951.27	2,744.06
Total		**2,951.27**	**2,744.06**
Receipt of Reimbursement for Expenses incured (net off from Other Expenses)			
Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	61.26	203.35
Fresenius Kabi AG	Intermediate Holding Entity	21.73	-
Fresenius Kabi Netcare., GmbH	Fellow Subsidiary	38.00	65.88
FRESENIUS KABI iPSUM S.r.l.	Fellow Subsidiary	26.95	10.89
Other Fellow Subsidiaries	Fellow Subsidiaries	3.56	19.63
		151.50	**299.75**
Payment for Reimbursement of Expenses			
Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	8.57	14.57
Fresenius Kabi Austria GmbH	Intermediate Holding Entity	-	38.85
Fresenius Kabi Asia Pacific Ltd	Fellow Subsidiary	25.70	7.88
Fresenius Kabi India Pvt. Ltd.	Fellow Subsidiary	12.11	17.30
Fresenius Kabi iPSUM S.r.l.	Fellow Subsidiary	17.88	-
Fresenius Kabi Oncology Plc UK	Fellow Subsidiary	-	256.83
Fresenius Kabi Colombia S.A.S	Fellow Subsidiary	-	17.56
Other Fellow Subsidiaries	Fellow Subsidiaries	3.47	6.94
Total		**67.74**	**359.93**
Liabilities written back			
Fresenius Kabi Oncology Plc UK	Fellow Subsidiary	61.20	-
Total		**61.20**	**-**
Remuneration of Key Management Personnel			
Salaries, wages and bonus (refer Note below)		450.98	344.30
Contribution to provident and other funds		24.45	16.75
Directors Sitting Fees		35.00	29.00
Total		**510.43**	**390.05**
Interest Expense			
Fresenius Kabi AG	Intermediate Holding Entity	2,416.06	2,550.78
Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	108.95	98.66
Total		**2,525.01**	**2,649.44**

	Balance Outstanding:		As at 31st March 2020	As at 31st March 2019
B	**Loan Outstanding**			
	Fresenius Kabi AG	Intermediate Holding Entity	30,845.95	30,845.95
	Total		**30,845.95**	**30,845.95**
	Account Receivable			
	Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	6,115.69	4,716.41
	Fresenius Kabi Austria GmBH	Intermediate Holding Entity	0.15	-
	Fresenius Kabi Asia Pacific Ltd	Fellow Subsidiary	1,550.00	3,035.60
	Fresenius Kabi India Pvt. Ltd.	Fellow Subsidiary	2,770.91	1,637.45
	Fresenius Kabi Mexico S.A De C.V.	Fellow Subsidiary	862.70	152.05
	Fresenius Kabi Chile Ltda.	Fellow Subsidiary	761.69	689.81
	Fresenius Kabi Oncology PLC	Fellow Subsidiary	-	691.87
	Fresenius Kabi USA, LLC	Fellow Subsidiary	213.48	1,062.15
	Fresenius Kabi Colombia S.A.S	Fellow Subsidiary	509.77	400.54
	Fresenius Kabi Latin America	Fellow Subsidiary	85.69	127.60
	Other Fellow Subsidiaries	Fellow Subsidiaries	81.16	60.52
	Total		**12,951.24**	**12,573.99**
	Accounts Payable			
	Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	20,490.82	16,633.08
	Fresenius Kabi Austria GmbH	Intermediate Holding Entity	0.21	1.40
	Fresenius Kabi Netcare., GmbH	Fellow Subsidiaries	127.68	103.96
	Other Fellow Subsidiaries	Fellow Subsidiaries	86.46	180.29
	Total		**20,705.17**	**16,918.73**
	Interest Payable			
	Fresenius Kabi AG	Intermediate Holding Entity	468.45	541.77
	Fresenius Kabi Deutschland GmbH	Intermediate Holding Entity	707.97	567.43
	Total		**1,176.42**	**1,109.20**
	Guarantees furnished by Holding Entity against bank loans obtained by the Company		20,185.93	19,704.41

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 employees of the Company. Proportionate amounts of gratuity / Leave accrued under the Company's Gratuity Plan / Leave Policy have not been separately computed or included in the above disclosure.

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39 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. 439.43 (Previous year Rs.475.43) and superannuation Rs. 77.45 (Previous year Rs. 50.13) is recognized as an expense and included in Employee Benefit expenses Note No 30

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

(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)		Leave Encashment(Unfunded)	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Change in the Present value of obligation				
Balance at the beginning of the year	**1,840.21**	**1,830.79**	**761.50**	**794.31**
Benefits paid	(97.67)	(78.81)	(148.70)	(102.01)
Current service cost	238.98	263.81	153.62	188.95
Interest cost	123.16	132.35	49.90	56.83
Past Service cost	-	-	-	-
Actuarial (gains) losses recognised in profit and loss:				
-Changes in demographic assumptions	-	-	-	(50.88)
-Changes in financial assumptions	-	-	(10.20)	(76.28)
-Experience adjustments	-	-	88.74	(49.42)
Actuarial (gains) losses recognised in OCI:				
-Changes in demographic assumptions	0.82	(109.31)	-	-
-Changes in financial assumptions	(18.05)	(188.24)	-	-
-Experience adjustments	58.88	(10.38)	-	-
Balance at the end of the year (a)	**2,146.33**	**1,840.21**	**894.86**	**761.50**

B.

Particulars	Gratuity (Funded)		Leave Encashment(Unfunded)	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Change in the fair value of plan asset				
Balance at the beginning of the year	**1,496.21**	**1,264.85**	-	-
Contributions paid into the plan	344.81	223.55	-	-
Benefits paid	(97.67)	(78.81)	-	-
Expected Return on Plan Asset	106.97	95.50	-	-
Acturial Gain/(Loss) on Planned Assets	(2.10)	(8.88)	-	-
Balance at the end of the year (b)	**1,848.22**	**1,496.21**	-	-
Net Defined Benefit (Liability) (a-b)	**298.11**	**344.00**	**894.86**	**761.50**

C.

Particulars	Gratuity (Funded)		Leave Encashment(Unfunded)	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
i.Expense recognized in profit or loss				
Current service cost	238.98	263.81	153.62	188.95
Interest cost	123.16	132.35	49.90	56.83
Acturial (Gain)/Loss	-	-	78.54	(176.58)
Expected Return on plan assets	(106.97)	(95.50)	-	-
Total	**255.17**	**300.66**	**282.06**	**69.20**

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Fresenius Kabi Oncology Limited
Notes to financial statements for the Year Ended 31 March 2020
(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	Gratuity (Funded)		Leave Encashment(Unfunded)	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
ii.Remeasurements recognised in other comprehensive income:				
Actuarial (gains) losses recognised in OCI:				
-changes in demographic assumptions	0.82	(109.31)	-	-
-changes in financial assumptions	(18.05)	(188.24)	-	-
-Experience adjustments	58.88	(10.38)	-	-
Return on plan assets excluding interest income	2.10	8.88	-	-
Total	**43.75**	**(299.05)**	-	-

D.

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Amount recognised in the balance sheet (A – B)				
Short term provision	-	-	131.19	103.58
Long term provision	298.11	344.00	763.67	657.91
Total	**298.11**	**344.00**	**894.86**	**761.49**

Plan Assets
Plan Assets comprise of the following:

Particulars	31st March 2020	31st March 2019
Pooled assets with an insurance company	100%	100%
Total	**100%**	**100%**

E. Plan Assets

Fresenius Kabi Oncology Limited assets are managed by the Life Insurance Corporation of India, the total assets held as on 31st March 2020 is Rs 1,848.22 (previous year Rs. 1,496.21) with a funding ratio of 86.11% (previous year 81.36%) which is higher that the industry average of 50%.

F.

Actuarial Assumptions	Gratuity (Funded)		Leave Encashment(Unfunded)	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Economic assumptions:				
Discount Rate (Per annum)	6.40%	7.15%	6.40%	7.15%
Future Salary increase	11.00%	12.00%	11.00%	12.00%
Demographic assumptions:				
Retirement Age(Years)	60	60	60	60
Mortality rates inclusive of provision for disability**	IALM (2006-08)			
Withdrawal Rate (%)	14.00%	14.00%	14.00%	14.00%

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 6.67 years (31 March 2019: 6.70 years).

G. Sensitivity analysis of the defined benefit obligation

a) Impact of the change in discount rate

Particulars	Gratuity		Leave Encashment(Unfunded)	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Present Value of Obligation at the end of the period	2,146.33	1,840.21	894.86	761.50
a) Discount rate-100 basis points	2,317.17	1,962.99	969.00	823.97
b) Discount rate+100 basis points	1,996.85	1,731.11	830.53	707.61

b) Impact of the change in salary increase

Particulars	Gratuity		Leave Encashment(Unfunded)	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Present Value of Obligation at the end of the period	2,146.33	1,840.21	894.86	761.50
a) Rate-100 basis points	2,003.33	1,734.69	834.59	710.65
b) Rate+100 basis points	2,305.72	1,956.27	963.50	819.26

The above sensitivity analyses 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 liabiltiy recognised in the balance sheet.

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

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 in 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

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
	Gratuity (funded)	Gratuity (funded)
Year 1	248.88	235.42
Years 2-5	987.84	840.20
Beyond 5	931.78	829.19

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40 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 / she 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 Mangement 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 31st March 2020				For the Year Ended 31st March 2019			
	Bulk Drug	Formulation	Contract R&D	Total	Bulk Drug	Formulation	Contract R&D	Total
Revenue:								
External Revenue	8,319.72	41,075.30	13,059.36	**62,454.37**	6,935.70	46,092.07	12,198.40	**65,226.17**
Inter-segment Revenue	18,016.07	(17,850.24)	(165.83)	-	17,760.71	(16,860.41)	(900.30)	-
Total Revenue from operations	**26,335.79**	**23,225.06**	**12,893.53**	**62,454.37**	**24,696.41**	**29,231.66**	**11,298.10**	**65,226.17**
Results:								
Segment result	726.13	4,250.40	3,370.87	**8,347.40**	428.22	5,087.23	3,349.04	**8,864.49**
Unallocated Corporate income				1,209.91				1,521.25
Unallocated corporate expenses				4,083.03				3,534.39
Operating profit				**5,474.29**				**6,851.35**
Unallocated Finance Charges				3,162.39				2,761.88
Profit from Ordinary activities				**2,311.90**				**4,089.47**
Less: Exceptional Items	264.30	1,992.47		2,256.77	3,543.41	5,831.91	847.25	10,222.57
Profit/(Loss) before tax				**55.13**				**(6,133.10)**
Tax Expense (Current & Deferred)				1,929.14				740.91
Profit/(Loss) after tax				**1,984.27**				**(5,392.19)**

Other information:

Particulars	For the Year Ended 31st March 2020				For the Year Ended 31st March 2019			
	Bulk Drug	Formulation	Contract R&D	Total	Bulk Drug	Formulation	Contract R&D	Total
Other information:								
Segment assets	48,851.01	55,553.11	12,060.36	116,464.48	49,219.56	57,332.04	11,363.94	117,915.54
Unallocated corporate assets				9,431.48				4,935.03
Total assets				**125,895.96**				**122,850.57**
Segment liabilities	27,963.78	11,507.91	2,900.29	42,371.98	28,885.44	11,919.10	2,213.38	43,017.91
Corporate Liability				43,802.46				39,148.67
Total Liabilities				**86,174.44**				**82,166.58**
Capital Expenditure *	2,210.31	1,110.15	814.91	4,135.36	2,105.15	1,569.40	1,494.77	5,169.32
Unallocated Capital Expenditure *				194.34				118.27
Depreciation *	1,996.81	2,403.14	1,044.05	5,444.00	1,655.86	2,524.86	1,139.37	5,320.09
Unallocated depreciation				114.77				98.35
Amortisation of intangible assets		0.91		0.91		44.02		44.02

* Excluding right-of-use assets

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

B. Geographical Information

The bulk drug, formulation and Contract R&D segments are managed 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, Netherlands, UK, 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.

i) **Revenue from operations**	**For the Year Ended 31st March 2020**	**For the Year Ended 31st March 2019**
India (A)	12,049.94	9,071.82
Other Countries :		
Germany	35,158.36	16,135.42
United States of America	2,279.16	5,994.94
United Kingdom	(170.18)	16,303.34
Hong Kong	4,630.59	8,981.82
Pakistan	1,084.19	1,399.79
Chile	1,666.04	1,919.66
Taiwan	5.97	1,172.68
Colombia	897.92	783.03
Others	5,740.21	4,194.27
Total other Countries (B)	51,292.26	56,884.95
Total (A+B)	**63,342.20**	**65,956.77**

ii) **Non-current assets**	**As at 31st March 2020**	**As at 31st March 2019**
India	56,719.91	51,996.67
Other Countries :	-	-
Total	**56,719.91**	**51,996.67**

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. 35,158.36 which is more than 10% of the company's total revenue from operations.

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41(i) The Company has incurred an amount of Rs. 83.35 ((31 March 2019: Rs. 74.05) towards corporate social responsibility as per section 135 of the Companies Act, 2013 and is included in Miscellaneous expenses under Other expenses.

Particulars	As at 31st March 2020		As at 31st March 2020	
	In-cash	Yet to be Paid in cash	In-cash	Yet to be Paid in cash
Amount required to be spent by the Company during the year	75.22	-	-	-
Amount spent during the year	42.45	40.90	71.17	2.88

(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 March 31st, 2020

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

During the year, the Company has carried out an extensive study to identify 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 in their invoices / challans as mandated for them under Statute.

The interest amount computed based on the provisions under Section 16 of the MSMED is Rs. NIL (31 March 2019: Rs. NIL) is remaining unpaid as of 31 March 2020

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 2019: Rs. Nil).

The list of undertakings covered under MSMED was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

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43 Restructuring Programme

During the financial year 2017-18, the company had announced a restructuring program and had recognized provisions for severance payments and related employment termination costs related to affected employees amounting to Rs 289.88 and the same was presented as 'Exceptional items – Restructuring Provisions Below is the movement of restructuring provision during the year:

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
Opening balance	159.91	289.88
Utilised during the year	(39.61)	(36.39)
Reversed during the year (due to change in estimate) - disclosed under "Exceptional Items"	(120.30)	(93.58)
Closing balance	-	159.91

44 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 31st March 2020	For the Year Ended 31st March 2019
Opening balance	2,322.03	1,952.48
Additional provision created during the year due to revision in estimates of recoverable value of assets	91.77	369.55
Utilised during the year - assets sold/ scrapped	(618.13)	-
Provision written back during the year - assets considered usable	(296.22)	-
Closing balance	**1,499.45**	**2,322.03**

B During the financial year 2017-18, the company had impaired certain items of Capital Work in Progress ("CWIP") of KETO Project amounting to Rs. 519.07 owing to lack of commercial feasibility of the project. During the previous year 2018-19, the company could identify some vendors for purchases of these assets for consideration of Rs. 155.01 and re-capitalized assets of Rs. 32.04. The provision for impairment had been reversed during the previous year amounting to Rs. 187.05. The same was presented as "Exceptional Items".

C During the previous year 2018-19, the company had impaired certain items of Capital Work in Progress ("CWIP") of Temozolamide Project amounting to Rs. 847.25 owing to lack of commercial feasibility of the project. The same was presented as "Exceptional Items".

D The Company has an Oral Solid Dosage facility based out of Baddi, Himachal Pradesh. The company intends to discontinue using this facility during the year 2020-21 owing to lack of commercial feasibility. This exercise planned by the company triggers an internal indicator of Impairment as this decision affects the manner in which these assets will be used by the company. The resulting impairment will cause 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 has been determined by an independent valuer. The company believes that value in use does not materially exceed its fair value less cost to sell because the future cash flows from the continuing use of the assets (and terminal value), until the disposal of assets is not expected to be significant as the plant is expected to scrapped/ disposed off during FY 2020-21. Thus, fair value less cost of disposal is being taken as the recoverable value as at March 31, 2020. The recoverable amount of the assets has been assessed at Rs. 349.09 and accordingly, the Company has recognized an impairment loss of Rs. 1,724.03 and the same has been presented as 'Exceptional items - Impairment of Property, plant and equipment' in the Statement of Profit and Loss.

45 Exceptional items

	Particulars	For the Year Ended 31st March 2020		For the Year Ended 31st March 2019	
		Expenses/ (Credits)	Expenses/ (Credits)	Expenses/ (Credits)	Expenses/ (Credits)
a)	Aggregate cost incurred during the year - Remedial measures (consultancy cost including related expenses towards same)				
	- Kalyani unit	264.31		3,730.47	
	- Baddi unit	489.50	753.81	5,555.93	9,286.40
b)	Restructuring provision - Charge / (Reversal) (Refer note no 43)		(120.30)		(93.58)
c)	Impairment Charge				
	- Impairment of Property Plant & Equipment resulting from restructuring (Refer note no 44 A)	91.77		369.55	
	- Reversal of Impairment of PPE (Refer Note 44 A)	(296.22)		-	
	- Reversal of Impairment of CWIP (Refer Note 44 B)	-		(187.05)	
	- Impairment of CWIP (Temozolamide) (Refer Note 44 C)			847.25	
	- Impairment of Property Plant & Equipment resulting from restructuring (Refer note 44 D)	1,724.03	1,519.58	-	1,029.75
d)	Dismantling cost incurred due to shifting of one plant in Baddi		103.68		-
	Total		**2,256.77**		**10,222.57**

46 Capital work in progress : Bearer plantation

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Sapling	Amount	No. of Sapling	Amount
Plantation in progress (forming part of CWIP in note 5):				
Phase-4 Plantation (2012)	128,000	153.52	128,000	147.26
Phase-4 Plantation (2013)	93,000	119.02	93,000	114.12
Cutting activity	155,000	60.30	155,000	53.06
Total		**332.84**		**314.44**

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47 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 31st March, 2020	For the Year Ended 31st March, 2019
Revenue from sale of goods		
API	8,192.83	6,778.26
Formulation	39,509.65	44,273.46
Revenue from sale of services		
R&D	12,379.87	11,450.52
Others	887.78	753.29
Total Revenue from sale of products and services	**60,970.13**	**63,255.53**

Geography

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Asia	17,075.42	19,117.84
Europe	36,503.18	33,306.66
North America	3,685.53	6,472.64
South America	2,955.53	3,281.90
Africa	750.47	1,076.49
Total Revenue	**60,970.13**	**63,255.53**

Timing of Revenue Recognition

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Transferred at the point in time	47,702.48	51,051.73
Transferred Over time	13,267.65	12,203.80
Total	**60,970.13**	**63,255.53**

Information about major customers:

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Related Parties	53,586.99	56,662.00
Third parties	7,383.14	6,593.53
Total	**60,970.13**	**63,255.53**

B. Contract balances:

Contract liabilities	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Advance from customers	41.30	-
Total	**41.30**	-

1 The company does not have any contract assets as on 31st March 2019 and 31st March 2020.

2 The company has receivables from Contract with cutomers. Refer Note 11 for Receivable for contract with customers.

3 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

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

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48 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, impairment of assets, write-down of inventory and impact on sales and purchase contracts. There is no significant impact on the financial statements due to COVID-19; however the actual impacts may differ from that estimated as at the date of approval of these financial statements.

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

VMT & CO. FRN : N500048 GURGAON

Vanit Kumar Mittal
Partner
Membership No. : 505709

Place: Gurugram, India
Date: 6th August 2020

Fresenius Kabi Oncology Ltd. Echelon Institutional Area, Plot No. 11 Sector-32 Gurgaon-122001 (Haryana)

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

Maria Gobbi
Chairperson
DIN:07005222

Arvind Kumar Sharma
Managing Director
DIN:08144338

Nikhil Kulshreshtha
Director & Secretary
DIN: 07178027

Zankar Pandya
Chief Financial Officer

Place: Gurugram, India
Date: 6th August 2020

Certified True Copy
For Fresenius Kabi Oncology Limited

Nikhil Kulshreshtha
Director & Secretary