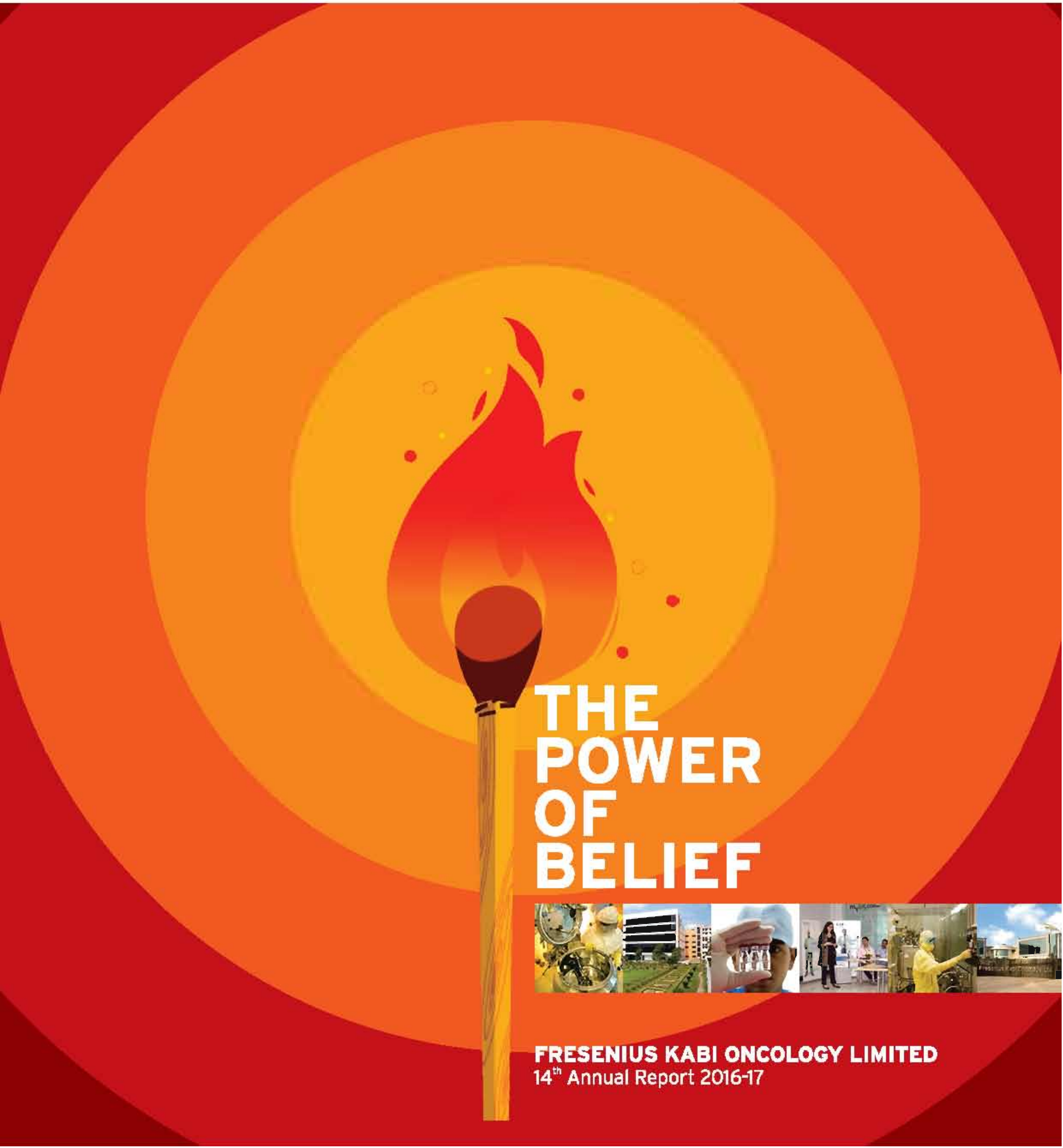
FRESENIUS KABI



THE POWER OF BELIEF

FRESENIUS KABI ONCOLOGY LIMITED

14th Annual Report 2016-17

INSIDE THIS REPORT

CORPORATE OVERVIEW

BOARD'S REPORT AND FINANCIAL STATEMENTS

Caution regarding forward looking statements

Certain statements in this annual report concerning our future growth prospects are forward looking statements, which are subject to a number of underlying risks and uncertainties that could cause actual results to differ materially from those in such forward looking statements. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. Should, known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

'Power of Belief' is central to human endurance, tenacity and will power. It is the driving force for inner self and helps sail through challenges, trials, tribulations and adversities. The Power of Belief sees one through the difficult times and further makes one a winner, who has defeated inner fears and external exigencies.

At Fresenius Kabi Oncology Ltd., we identify with 'Power of Belief', which translates into believing in ourselves, believing in our strengths and believing in a brighter tomorrow. Our belief has helped us sail through one of the most difficult phases of our business journey. During FY 2012-13, our Kalyani facility was inspected by the USFDA and certain observations pertaining to GMP non-confirmations were brought to the notice of Company's management. The Company took various remedial and corrective steps to strengthen its manufacturing and documentation processes. As a precautionary measure, the Company also suspended its production at the plant for implementation of corrective processes. During the entire process, we remained true believer of ourselves and our strengths. We had our fundamentals intact and all we needed was to continue believing in ourselves and work towards a better tomorrow. This was followed by self-introspection which helped us reinforce our innate strengths to augment our growth. 'Speed to Market' remains crucial for any generic pharmaceutical drugs manufacturer, we had that factor in our operations. 'Cost Competitiveness' helps garner larger market share, this is a concept, we had been practicing for a long time. 'Innovation & Development' (I&D) forms the backbone of any pharmaceutical company, we had that deeply ingrained in our DNA since inception. 'Expansive Product Portfolio' keeps one ahead of its competition, we were right there doing just that for our customers. Apart from these virtues, we had a dedicated & talented team, visionary & capable leadership, lineage of our Global Parent – Fresenius Kabi AG, Germany and the long sustained brand value.

With firm belief in our strengths and focussed approach towards long-term objectives, we worked relentlessly to turn the conditions in our favour. Our journey to resurgence was fuelled by strong indications of growth and turnaround during the FY 2016-17. During the year, our revenues grew at a decent rate compared to the previous year. We closed this year with profit before taxes as against loss in the previous year. Innovation and Development is one of the key pillars of our long-term strategy and an important enabler for our success and thus we continued to invest in the same. The I&D expenditure during the year, in percentage terms, was more than 20% of our total turnover. During the year, our facilities also underwent regulatory inspections and reviews. These inspections and reviews were conducted coherently and relevant reports and filings have been duly complied with. We are hopeful to get through these reviews favourably and then can expect steady revenue growth in the years to come.

Our commitment to stakeholder expectations and belief in ourselves has always kept us going. **'The Power of Belief'** worked for us and we continue to believe in our strengths to find answers to our challenges.

ABOUT US

OUR GLOBAL LINEAGE

Fresenius Kabi Oncology Ltd. is a subsidiary of Fresenius Kabi AG, Germany, which is part of the Fresenius SE & Co. KGaA Healthcare Group. The Group has its roots dated back in 1912.

Fresenius Kabi is a global healthcare group that specializes in lifesaving medicines and technologies for infusion, transfusion and clinical nutrition. The Group's products and services are used for the treatment of critically and chronically ill patients. The Group's product portfolio comprises of a comprehensive range of I.V. generic drugs, infusion therapies and clinical nutrition products as well as the medical devices for administering these products. Within transfusion technologies, Fresenius Kabi offers products for whole blood and blood components collection and processing as well as for transfusion medicine and cell therapies. The Group recorded revenues of over Euro 25 billion during the year 2016 and employs over 250,000 employees worldwide, in over 100 countries.

FRESENIUS KABI ONCOLOGY LIMITED, INDIA

Since a humble beginning of our India story, Fresenius Kabi Oncology Ltd. has come a long way today to be well known as a vertically integrated pharmaceutical Company engaged in research, manufacturing and marketing of oncology (anti-cancer) drugs for critically and chronically ill patients. Our product range is widely spread across finished dosage in form of 'injectables', 'cytotoxics', 'cytostatics', 'intermediaries' and 'Active Pharmaceutical Ingredients' (APIs). With our innate strengths, we focus and specialize in generic oncology drugs. Our mission statement - 'Caring for life', and our belief in our strengths have always kept us going to provide quality medicines at reasonable price.

OUR MANUFACTURING INFRASTRUCTURE

Our belief in our growth story for a promising tomorrow had always pushed us to create a larger & better infrastructure to garner all future opportunities. Today we have a world-class manufacturing infrastructure in India which is all geared to deliver excellence in manufacturing and quality. These facilities have been certified with world's leading certification bodies in pharmaceutical industry like MHRA, TGA, MCC, ANVISA, EDQM, COFEPRIS and KFDA among others.

MANUFACTURING PLANTS

- **Baddi (H.P.) - Formulations Unit**
  19, HPSIDC Industrial Area, Baddi, District Solan, Himachal Pradesh – 173 205 (India)
- **Nalagarh (H.P.) - Formulations Unit**
  Village Kishanpura, Tehsil Nalagarh, District Solan, Himachal Pradesh – 174 101 (India)
- **Kalyani (W.B.) - Active Pharmaceutical Ingredients (APIs) Unit**
  D-35, Industrial Area, Kalyani, District Nadia, West Bengal – 741 235 (India)

OUR STRENGTHS:

Comprehensive Product Portfolio: We have more than 40 formulations including cytotoxic and cytostatic in both -oral as well as injectable forms.

Cost effective solutions: We deliver cost effective solutions on the foundation of in-house I&D, oncology market expertise and manufacturing strength.

Speed to market: We monitor, predict and launch products on an existing patent's expiry fairly swiftly. This establishes us strongly as a successful leading generic drugs maker.

Innovation & Development: We have a state-of-the-art I&D centre at Gurgaon, Haryana, having highly skilled and talented pool of scientists.

Strong Market Network: We have strong marketing & distribution networks across all continents of the globe and are able to leverage our global parentage as well.

OUR PRODUCTS

As part of the leading German multinational healthcare corporation Fresenius Kabi AG, Germany, we are committed to excellence in cancer care. We offer one of the widest ranges of products for treatment of cancer. Approved by EU regulatory bodies and other regulatory authorities, our high quality, cost-effective cancer treatments meet world-class standards and are confidently used by healthcare professionals around the globe, from USA through to Asia-Pacific. We are dedicated to achieving excellence in everything we do, from meeting our customers' needs through research and development to supporting professional practice by sharing expertise and knowledge.

OUR PRODUCTS:

Active Pharmaceutical Ingredients (APIs): The single most important ingredient of a finished (ready-to-use) medicine dosage. We manufacture APIs for Anticancer drugs, Anaesthetics, Expectorant Vasodilator, Muscle Relaxant and Drug Intermediate.

Finished Dosage Products: Our ready-to-use finished products are manufactured for and marketed in India, European Union, Australia, US, Canada, Mexico, Russia and other parts of the world including emerging markets.

OUR ACTIONS

FY 2016-17 - KEY OPERATIONAL HIGHLIGHTS

Innovation & Development (I&D) Facility, Gurgaon, Haryana

- Successfully underwent inspection from US FDA without any observations for review of quality systems and related processes.

Baddi (Kishanpura), Himachal Pradesh, Plant:

- Received Compliance Certificate from MHRA
- Received MCC–South Africa approval Certification
- Revamped its micro-lab in line with commitment to US FDA
- Successfully implemented the four shifts working model in filling area post statutory permission

Kalyani, West Bengal Plant:

- Initiated steps to implement automation strategy for plant upgradation
- Underwent audit from TGA, Australia officials. Acceptance status confirmation successfully received

Corporate Developments

- Focus on increased number of ready-to-use injectable formulations aiding safety & convenience for customers
- Entered Indonesia & Korea markets with launch of fresh products
- Launched new products in Europe
- Participated in key industry conferences & meetings like European Society of Medical Oncology (ESMO); European Association of Hospital Pharmacists (EAHP); and International Society of Oncology Pharmacy Practitioners (ISOPP) etc.

OUR VALUES

QUALITY - We demand excellence

We are committed to quality in everything we do. All our business practices and processes are designed to achieve excellence in quality along the entire value chain - from research and development through production to sales and marketing.

CUSTOMER FOCUS - We put customers first

In all aspects of our operations, from product development and production to delivery and customer support, we at Fresenius Kabi are focused on our customers' needs and expectations. Our success is dependent on helping our customers fulfill their mission: the best therapy and care of patients.

INTEGRITY - We are trustworthy

We deliver on our commitments and act with high standards of ethics and compliance. We are committed to dealing fairly and honestly with employees, business partners, government authorities & the general public. Success in our business ventures depends upon maintaining the trust of these essential stakeholders.

COLLABORATION - We work well together

We treat one another as respected partners. Our success is based on a common understanding of our goals as well as the skills and commitment necessary to achieve them together.

CREATIVITY - We deliver solutions

We find better ways to work and deliver better solutions to customer challenges. We apply our unique expertise in medicines and technologies to create products and services that advance the therapy and care of critically and chronically ill patients worldwide.

PASSION & COMMITMENT - We care

We are dedicated to help improving patient outcomes and to create value for our stakeholders. We set clear goals and work with passion to achieve them.

CORPORATE SOCIAL RESPONSIBILITY - INCLUSIVE GROWTH

Inclusive Growth is a belief that is deep entrenched in our DNA and this is how we live our corporate journey. At Fresenius Kabi Oncology Ltd., Corporate Social Responsibility (CSR) has always been central to our strategy, operations and corporate governance. We like to carry our society, surrounding and people with us as we work and grow. More importantly we ensure that through our journey we care for our mother earth and leave minimal or no impact on our environment. We believe that growing inclusively will not only conserve & strengthen the society, people and environment, but it will strengthen the industry, the nation and ourselves in the long-term.

We also discharge our resposibilities towards our end consumers, business customers, investors, bankers, employees and the exchequer. This we do by fulfilling our human, legal, compliance and fair business practices' obligations in spirit. Our story is that of belief and the same being one of the strongest human attribute, keeps us true to our social responsibility.

The CSR policy at Fresenius Kabi Oncology Ltd. has two-layer implementation framework for planning and execution of CSR activities. We have a CSR Committee of the Board of Directors which looks after the planning, monitoring and controlling of CSR activities. This is ably supported and complemented by a CSR Steering Committee for on-ground execution of CSR activities. Employees from across the Corporate Office, Manufacturing Plants and Innovation & Development Center help us roll-out our CSR initiatives.

Inspite of incurring losses, the Company is committed to fulfill its social responsibilities and thus has voluntarily undertaken maintenance of projects adopted by it in the past while remaining committed to promotion of education, research and innovation and helping the society in building a strong base. Since inception, our CSR focus areas have been health and education.

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

Greetings from the Board of Directors of Fresenius Kabi Oncology Ltd. and all its employees! It is my proud privilege to present to you the Company's Annual Report for the Financial Year 2016-17. It gives me immense satisfaction to share that in the year gone by the Company has carried further the positive momentum created in the previous year. This outcome is the result of belief in our core values, persistence of our teams and our courage of conviction. I am very pleased to report that we are able to see the light at the end of the tunnel evident from turnaround in our profit.

During the period under review, we achieved more than 10% growth in our revenues and were able to make a small profit before tax. The Company has significantly strengthened its operations and was able to implement industry's best practices while scaling up the operations to expand its product base. Encouraged with these developments, we are definitely looking at a confident and bright future.

The year 2016-17 was a period of relatively lower growth for the global pharmaceutical industry. The value of global prescription drug market was estimated to be US$ 816 billion in 2016, representing underlying growth of 4.9%. This growth was achieved against the backdrop of considerable political uncertainty, government and media attention on drug pricing, besides an increasing number of biosimilar product approvals. However, we believe that innovation and research will emerge as winner in the longer term. The sector's total I&D investment in the year 2016 was US$ 120 billion, signifying the importance of research in the industry.

Riding on this globally strong industry growth wave, India became the third largest global generic API merchant market and accounted for 7.2 % market share as at the end of year 2016. The Contract Research and Manufacturing Services (CRAMS) industry is estimated to reach US$ 18 billion by 2018 and expected to grow at a CAGR of 18%-20% during the period 2013-2018. Encouraged by these positive trends, the Company is looking forward to focusing and capitalizing on the CRAMS opportunity and transforming itself into a strong Contract Manufacturing Organization (CMO) and Contract Research Organization (CRO). We believe that with our superior technology and world-class infrastructure we will be able to register a rapid growth for the Company.

Coming to the oncology segment, worldwide spending on cancer medicines was approximately US$ 110 billion in 2016. It is likely to exceed US$ 150 billion by 2020, growing at the rate of 7.5% to 10.5%.

The Company has a lead position within the generic oncology space with new product launches especially in emerging markets along with planned launches in Europe which will further fortify the Company's presence in global markets. Rigorous steps have also been planned to augment the Company's export earnings with increase in domestic sales. We believe that this will help the Company exploit all sources and launch its top-line towards a new high.

Given the number of potential policy and regulatory changes anticipated in 2017, life sciences stakeholders - large and small, public and private, are expected and encouraged to pay close attention to five focus areas that have the potential to help or hinder their clinical, financial and operational plans. These include managing cost & pricing, driving clinical innovation, connecting with distributors & customers, transforming business & operating models and meeting regulatory compliance.

We plan to focus on all of above. Our story is that of belief. Believing in our strengths and core values has been our guiding force to successfully overcome challenges in the past. More challenges may come, but we are future ready.

I would like to take this opportunity to thank all our stakeholders for reposing their trust in us and remaining partners in our success story. I look forward to your continuing support and co-operation in future.

Best Regards

Rakesh Bhargava
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders,

It gives me immense pleasure to address you again and present the Company's performance for the Financial Year 2016-17.

We live in an age in which technology is moving at a rapid pace, creating new fields and disrupting existing models and processes. Oncology is no exception and it is witnessing rapid technological breakthroughs. The US FDA approved eight new cancer treatments besides twelve new uses of previously approved cancer therapies between November, 2015 and October, 2016. These new approvals included immunotherapies for bladder cancer, multiple myeloma, targeted treatments for hard-to-treat forms of lung & kidney cancers and chronic lymphocytic leukemia (CLL). The new use approvals have widened the treatment ambit for patients with melanoma, sarcoma, CLL, lymphoma, neuroendocrine tumours and breast, lung, kidney, head and neck cancers. Adding to it the US FDA approved first liquid biopsy test in 2016. These developments encouraged us to focus on I&D and scale up operations, to better equip ourselves as a preferred Contract Manufacturing Organisation (CMO).

In the backdrop of this opportunity landscape, the Company's management moved ahead towards implementing industry best practices in its operations. The channelized efforts and sustained measures in this direction have resulted in decent revenue growth of 13.52% and reduced net loss during FY 2016-17, compared with previous year. The Company also introduced new processes which are likely to result into increased margins going forward.

During the year, the Company's I&D facility at Gurgaon underwent inspection from US FDA for review of quality systems and processes related thereon. The audit concluded successfully without any observations and suggestions put forward have been duly implemented. The Kalyani plant also underwent audit from the TGA, Australia officials for which acceptance status confirmation was successfully received. The Baddi (Kishanpura) Plant of the Company received compliance certificate from MHRA and MCG, South Africa.

The Company's commitment towards achieving sustainable growth through innovation and self-improvement has led us to the commencement of production for several new products post completion of all validations. The Company also initiated steps towards implementation of automation strategy and upgradation of existing processes. A new separate facility for Micronisation commissioning was completed with Microniser for upcoming molecule to expand the technology platform.

The Company continues to play a lead role within the generic oncology space by consolidating its gains in leading markets worldwide. The key strategic elements of this strategy include portfolio extension & management, product differentiation, gaining entry into key institutions, new product development and speedy roll-out. The Company is also focussing on an increased number of ready-to-use injectable formulations.

The Company is relentlessly working towards strengthening its revenue growth by continuously launching new products especially in emerging markets along with planned launches in Europe which will further fortify the Company's presence in global markets. We have strong focus on improving the Company's sales revenues both on domestic and export fronts.

With steadfast belief in our strengths and core values, we are pursuing our journey towards excellence where we can positively impact lives of our end consumers and chronically ill patients. I thank our Shareholders, Investors and Partners for all the support extended and for reposing your trust in us during this journey. I would like to express my gratitude towards the Board of Directors of the Company, Senior Management Personnel and all employees for the continued guidance, support and hard-work.

Sincerely yours

Maria Gobbi
Managing Director

BOARD OF DIRECTORS

Mr. Rakesh Bhargava
Non - Executive Chairman

Ms. Maria Gobbi
Managing Director

Mr. Nikhil Kulshreshtha
Whole - Time Director & Secretary

Mr. Karsten Peter Lerch
Whole - Time Director & CFO

Mr. Dilip G. Shah
Non - Executive Independent Director

Dr. Michael Schönhofen
Non - Executive Director

Mr. Rajiv Lochan Jain
Non - Executive Independent Director

Mr. Steffen Georg Roser
Non - Executive Director

BOARD'S REPORT AND FINANCIAL STATEMENTS

BOARD'S REPORT

Dear Members,

The Board of Directors is pleased to present the report on the Company's business and operations for the financial year ended March 31, 2017.

FINANCIAL PERFORMANCE

Key aspects of Company's financial performance for the financial year ended March 31, 2017 are summarized below:

Amount (₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Turnover (including Other Income)	64,280.48	56,623.16
Profit/(Loss) before Exceptional & Extraordinary items and tax	1,068.99	(8,033.80)
Exceptional items Income/ (Loss)	(854.00)	(1,861.53)
Profit/ (Loss) before tax	214.99	(9,895.33)
Less: Provision for taxation (i) Current	0	0
(ii) Deferred	(456.57)	1,633.53
Profit/ (Loss) for the year	(241.58)	(8,261.80)
Add: Balance of Profit/ Loss brought forward from previous year	(29,695.62)	(21,499.29)
Other comprehensive income for the year	23.14	65.47
Total Loss	(29,914.06)	(29,695.62)
Appropriation to:		
General Reserve	0	0
Balance carried over to the Balance Sheet	(29,914.06)	(29,695.62)

DIVIDEND

In view of the losses incurred by the Company, the Board is unable to recommend any dividend for the financial year ended March 31, 2017.

BUSINESS PERFORMANCE AND OPERATIONS

The management is committed to its pledge of putting in place industry best practices at the operational level. The Company's channelised efforts and sustained measures in this direction have resulted in year-on-year growth in revenues and profit before exceptional & extraordinary items and tax as compared to the previous financial year.

Financial snapshots:

- Revenue increased from ₹ 56,623.16 lakhs in FY 2015-16 to ₹ 64,280.48 lakhs in FY 2016-17, a positive growth of ₹ 7,657.32 lakhs (13.52%).
- Profit before exceptional & extraordinary items and tax in FY 2016-17 was ₹ 1,068.99 lakhs as compared to a loss of ₹ 8,033.80 lakhs in FY 2015-16.
- The net loss for the period under review decreased from ₹ 8,261.80 lakhs in FY 2015-16 to ₹ 241.58 lakhs in FY 2016-17.

GLOBAL & DOMESTIC TRENDS IN ONCOLOGY

Health care is one of the important aspects and indicators of any country's development. The pharmaceutical industry is one of the fastest growing industries in the world and it is one of the biggest contributors to the world economy. The size of world pharmaceutical market in 2014 was around US$ 1.2 trillion and is estimated to reach US$ 1.4 trillion by 2020.

However, the year 2016-17 witnessed a relatively lower growth for the global pharmaceutical industry. The global prescription drug market grew at a moderate 4.9% rate and was valued at US$ 816 billion in 2016. Research and development remained the core focus area for the industry, with this space witnessing a spend of around US$ 120 billion in 2016.

According to the IMS Health report on the amount to be spent on different diseases by 2020, it is estimated that the majority of the spending will be on products used for treating non-communicable diseases which is about 37% of total global spending on pharmaceutical products. The spending on the cancer treatment (therapeutic cancer treatment) will be about 11% of the total spending on global pharmaceutical products during that period. Research indicates more than proportionate increase in the spending on pharmaceutical products compared to increase in overall spend on total health care sector, globally. The worldwide spending on cancer medicines was approximately US$ 110 billion in 2016 and it is likely to exceed US$ 150 billion by 2020, growing at the rate of 7.5% - 10.5%.

The Indian pharmaceutical industry accounts for about 2.4% of the global pharmaceutical industry in value terms and 10% in volume terms. The Indian pharmaceutical industry has an edge over other markets due to cost efficiency, as India's cost of production is approximately 60% lower than that of the US and almost half of that of Europe. The policy environment is also looking positive as the Government of India is working on the 'Pharma Vision 2020', which is aimed at making India a global leader in end-to-end drug manufacturing.

This strong growth wave has worked in India's favour and India has now become the third largest generic API merchant market, globally. India accounted for 7.2% market share as at the end of year 2016. The Contract Research and Manufacturing Services (CRAMS) industry is estimated to reach US$ 18 billion by 2018 and expected to grow at a CAGR of 18%-20% during the period 2013-2018. This presents with immense opportunities for organizations like ours.

While the industry is enjoying an overall positive outlook, there are a few challenges ahead as well. As per the latest report titled 'US Pharma 2017 Outlook' by JP Morgan, "generic price deflation was significantly worse than expected in 2016, ranging down anywhere between 5%-25% and resulted in several manufacturers lowering their performance guidance. Further, the generic drugs environment remains challenging with increased competitive pressures from new entrants and buyers. The recent results suggest that these challenges will continue well into 2017 as well, which we anticipate as another year of high single digit to low double digit price erosion.

KEY UPDATES

During the year, the Company's I&D facility situated at Gurgaon underwent inspection from the US FDA for review of quality systems and processes related thereon. The audit concluded successfully without any observations barring certain suggestions with respect to further strengthening of processes implemented by the Company. The Company's plants situated at Baddi, Himachal Pradesh and Kalyani, West Bengal also underwent inspection by the US FDA post closure of financial year but before the date of this report. The audit concluded with some observations, responses to which have been submitted by the Company for review of the regulator. We are awaiting further directions / advice from its side.

Production of several new products was initiated from the Kalyani plant post completion of all validations. The plant also initiated steps towards implementation of automation strategy and upgradation of key processes.

The Kalyani plant also underwent audit from the TGA, Australia officials for which acceptance status confirmation was successfully received. With a view to strengthen and align internal processes with global benchmarks, the Fresenius global EHS team audited the site and no critical observations were noted. During the year, the plant was also conferred with following awards and accolades:

- Greentech Environment Award – Silver; by the Greentech Foundation
- India Green Manufacturing Challenge – Gold Medal; by the International Research Institute for Manufacturing
- Prashansa Patra by the National Safety Council of India

During the year under review, the Baddi (Kishanpura) plant of the Company received Compliance Certificate from MHRA and also revamped its micro-lab as per commitment to the US FDA. The plant was also reviewed by MCC, i.e. South African regulatory authority and certification towards the same was duly received. The plant successfully implemented the four shifts working model in filling area post the receipt of permissions from the statutory authorities.

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.

'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.

We have focused on an increased number of ready-to-use (RTU) injectable formulations. This is in line with our strategy to augment safety and convenience of our customers while handling cytotoxics.

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.

The Company has a lead position with new product launches especially in emerging markets. Precisely in this direction, the Company entered the Oncology market of Indonesia in 2016 and launched new products in Korea. In Europe, the Company launched a key Oncology molecule for the current treatment options for a specific type of lung cancer. The Company has lined up more launches in Europe and emerging markets in coming years.

In order to further strengthen the Company's image among the international Oncology societies, Fresenius Kabi continues to take active part in various international conferences and scientific meetings relevant to the field of Oncology. Some of these knowledge platforms include the ESMO conference (European Society of Medical Oncoloy), the EAHP conference (European Association of Hospital Pharmacists) and the ISOPP conference (International Society of Oncology Pharmacy Practitioners) 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 was no change in share capital of the Company in comparison to previous financial year 2015-16.

BOARD OF DIRECTORS

Resignations / Vacations

Mr. Karsten Peter Lerch

Mr. Karsten Peter Lerch, Whole Time Director & CFO of the Company, vacated the office of Director & CFO of the Company w.e.f. December 21, 2016, due to personal exigencies in his home country.

Appointments

Mr. Karsten Peter Lerch

Mr. Karsten Peter Lerch was appointed as an Additional Director of the Company w.e.f. February 21, 2017, in accordance with the provisions of Section 161 of the Companies Act, 2013 ('Act'). He was also appointed as a Whole Time Director (with the designation of Director & CFO), liable to retire by rotation, for a tenure of three years, subject to approval of the members.

Brief Profile of Mr. Karsten Peter Lerch

Mr. Karsten Peter Lerch obtained his degree in Economics from Eberhard-Karls-University of Tübingen, Germany in the year 2000. He has experience of around sixteen years at international level. In his professional career, he has handled many critical assignments and obtained extensive hands on experience in handling finance and treasury department.

He has worked with many internationally reputed companies in finance, accounts, controlling and compliance functions. He joined Fresenius group in March, 2014.

In his professional career he has, *inter-alia,* handled many critical assignments related to implementing new organizational structures, improving business processes, leading efficiency gain initiatives etc. Formerly, he held the position of Director & CFO of the Company since February, 2016.

Mr. Karsten Peter Lerch will hold office upto the date of ensuing Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Karsten Peter Lerch's appointment as Director, in the ensuing Annual General Meeting. He is eligible for appointment as a Director and the Board recommends his appointment in the ensuing Annual General Meeting as a Whole Time Director (with the designation of Director & CFO) liable to retire by rotation for a tenure of three years.

Directors Retiring by Rotation

Mr. Rakesh Bhargava

In terms of provisions of Section 152 of the Companies Act, 2013, Mr. Rakesh Bhargava, Non-Executive Director of the Company, would retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Bhargava holds an MBA from the Indian Institute of Management, Ahmedabad and a Bachelor of Technology (Chemical Engineering) from the Indian Institute of Technology, Kanpur. He has more than three decades of overall professional experience and approx. two decades of rich experience in the pharmaceutical industry. Mr. Rakesh Bhargava has been associated with the Company since 2008 as a Non-Executive Director. The Board of Directors recommends his re-appointment.

Key Managerial Personnel

Chief Financial Officer (CFO)

Mr. Karsten Peter Lerch vacated his office as CFO of the Company w.e.f. December 21, 2016 due to personal exigencies at his home country. However, as soon as he was available, Mr. Lerch was again appointed as the CFO w.e.f. February 21, 2017.

STATUTORY AUDITORS

The statutory auditors of the Company, M/s G. Basu & Co., Chartered Accountants were appointed as the first statutory auditors of the Company post incorporation and thereafter each year they were appointed as statutory auditors of the Company. Accordingly M/s G. Basu & Co. have completed the tenure of more than 10 (ten) years and also an additional period of three years as stipulated under Section 139 of the Companies Act, 2013 read with the Companies (Audit & Auditor) Rules, 2014. M/s G. Basu & Co. will be holding the office of statutory auditors up to the conclusion of the forthcoming Annual General Meeting.

The Board of Directors have, on recommendation of the Audit Committee, recommended the appointment of M/s VMT & Co. LLP, Chartered Accountants, having Firm Registration Number N500048 as statutory auditors of the Company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of the 19th Annual General Meeting, subject to ratification of their appointment by members at every Annual General Meeting and to fix their remuneration for the financial year ending March 31, 2018.

Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s. VMT & Co. LLP, Chartered Accountants, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder.

The Board places on record its deep appreciation for the contributions of M/s G. Basu & Co., Chartered Accountants, during their tenure as statutory auditors of the Company.

AUDITOR'S REPORT

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

The Auditor's Report to the members for the year under review does not contain any qualification.

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 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 FY 2016-17 is given below:

Member Director	Category	Status
Mr. Dilip G. Shah	Non-Executive (Independent)	Chairman
Mr. Steffen Georg Roser	Non-Executive	Member
Mr. Rajiv Lochan Jain	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 2016-17 is given below:

Member Director	Category	Status
Mr. Rakesh Bhargava	Non- Executive	Chairman
Mr. Dilip G. Shah	Non-Executive (Independent)	Member
Ms. Maria Gobbi	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/members.

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 2016-17 is given below:

Member Director	Category	Status
Dr. Michael Schonhofen	Non-Executive	Chairman
Mr. Dilip G. Shah	Non-Executive (Independent)	Member
Mr. Rajiv Lochan Jain	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 prepared a policy named "Nomination, 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 2016-17 is given below:

Member Director	Category	Status
Ms. Maria Gobbi	Managing Director	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 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 to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report is annexed as Annexure - III of this report and it does not contain any qualification, reservation or adverse remark.

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 2016-17, 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 has 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 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 Directors of the Company and redressal thereof, and
- Ensure access of the Audit Committee Chairman to the concerned employee/ Director of the Company in exceptional cases.

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

The Company has formed Internal Complaint Committee(s) (ICC) to redress complaint(s) under the Act, if any. This is supported by the Prevention of Sexual Harassment Policy which ensures a free and fair enquiry process.

During the financial year ended March 31, 2017, the Company did not receive any complaint pertaining to sexual harassment at workplace.

General Body Meetings

The last three Annual General Meetings were held at the listed dates:

Financial Year	Location	Date	Time
2013 - 14	Air Force Auditorium, Subroto Park, New Delhi	July 17, 2014	4:00 P.M.
2014 - 15	Air Force Auditorium, Subroto Park, New Delhi	August 20, 2015	10:00 A.M.
2015 - 16	Air Force Auditorium, Subroto Park, New Delhi	August 26, 2016	4:00 P.M.

The Fourteenth Annual General Meeting of the Company shall be held on Monday, August 21, 2017 at 4.00 P.M. at Air Force Auditorium, Subroto Park, New Delhi - 110 010 for approval of the financial statements for FY 2016-17 along with reports of Board and Auditors' thereon.

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

Registrar and Share Transfer Agent (RTA):

The details of RTA are given below:

For share transfer / 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, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi – 110 028 Tel No.: +91 11 41410592 - 94 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, Gurgaon-122001, Haryana, India, Tel No. +91 124 488 5000 Email: complianceofficer.india@fresenius-kabi.com

Transfer of Unpaid Dividend to IEPF (Investor Education and Protection Fund)

In terms of Section 205C of the Companies Act, 1956, read with the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001, during the year ended March 31, 2017, there is no fund outstanding and required to be deposited to the 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 2016-17 and of the profit and loss of the Company for this period;

(c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(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 BOARD'S REPORT

In terms of the requirements of Section 134(3) of the Companies Act, 2013, following documents/ information have also been annexed to the Board's 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. Detail about the policy formulated and implemented by the Company on Corporate Social Responsibility and initiatives taken during the year ***(Annexure – II),***
3. Secretarial Audit Report for FY 2016-17 ***(Annexure - III),***
4. No. of meetings of the Board of Directors ***(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. Extracts 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 gratitude to the Company's customers, vendors, investors and bankers for their continued support during the year. The Directors also thank the employees for the contribution made by them at all levels. Our consistent growth has been made possible by their hard work, solidarity, co-operation and support.

The Directors also thank the Government of India, particularly the Ministry of Corporate Affairs, Department of Pharmaceuticals, the Customs and Excise 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

Sd/-

Rakesh Bhargava

Venice, Italy — **Chairman**

May 30, 2017 — **DIN : 00019822**

Annexures Forming Part of The Board's Report

ANNEXURE - I

NOMINATION, REMUNERATION AND EVALUATION POLICY

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

This Nomination, 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 Companies Act, 2013, 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 Companies Act, 2013 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 Companies Act, 2013 and rules made thereunder, has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management Personnel of the Company to the Nomination and Remuneration Committee which makes nominations & recommendations to the Board.

3. Appointment of Directors and KMPs/Senior Management Personnel

a) Directors

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

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

Personality, Skills and Knowledge

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

Behavior & Conduct

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

Independence of Directors:

Independence of Directors shall be decided on the basis of criteria provided under the relevant provisions of the Companies Act, 2013, 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 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.

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.

<u>Remuneration Structure</u>

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 Committee.

6. Evaluation/ Assessment of Directors:

The evaluation/assessment of the 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:

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) Board Processes:

The quality of board processes 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) Engagement with Management:

How well the board engages with the management to ensure it is well supported and able to meet the needs of its members.

d) Board dynamics:

At the heart are the board dynamics. It is the quality of individual relationships and dialogues that directly influence the quality of decision making and relationships with key stakeholders.

e) Frequency of participation:

The Individual 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.

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/ Non-Independent Directors and Chairman of the Board 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.

ANNEXURE – II

ANNUAL REPORT ON CSR ACTIVITIES (FY 2016-17)

1. A brief outline of the Company's CSR Policy ("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 and maintenance of toilets and classrooms, scholarships for meritorious students, provision for clean drinking water, provision for lab equipments 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 of 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; and

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, 2017

Sr. No.	Name (Designation in the Board)	Designation in the Committee
1.	Ms. Maria Gobbi (Managing Director)	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

(₹ 11,716 Lakhs)

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

NIL

5. Details of CSR spend during the financial year (as on March 31, 2017):

Pursuant to provisions of Section 135 read with the Companies (Corporate Social Responsibility) Rules, 2014, the Company is required to "spend, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy".

However, since the Company has been incurring losses in its three immediately preceding financial years, the average net profit of the Company, for the prescribed period, stands at negative. Accordingly, the Company, during the period under review, voluntarily undertook the responsibility of only maintaining the existing projects it had undertaken in the past and spent an amount of ₹ 2.23 lakhs towards the same, without incurring any additional expenditure on fresh projects.

Going forward, the Company remains committed to the pledge of meeting its social responsibilities and in view of the same has taken various CSR initiatives after the close of FY 2016-17 and until the date of this Report, including partenering with Panjab University for rendering financial assistance in the areas of research and development, thereby supporting and fostering a culture of research, development and innovation for the industry.

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 of the Company.'

ANNEXURE - III

SECRETARIAL AUDIT REPORT

FORM NO. MR - 3
FOR THE FINANCIAL YEAR FROM APRIL 1, 2016 TO MARCH 31, 2017

[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 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, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year from April 1, 2016 to March 31, 2017, 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, minute books, forms and returns filed and other records maintained by the Company for the financial year from April 1, 2016 to March 31, 2017, inter-alia, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

iii. Securities Contract Regulation Act, 1956

iv. Industries Development and Regulation Act, 1951;

v. The Depositories Act, 1996 read with the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

vi. The Income Tax Act, 1961 read with rules;

vii. The Central Sales Tax Act 1956;

viii. Central Sales Tax (Registration & Turnover) Rules, 1957;

ix. Central Excise Act, 1944 read with rules and regulations;

x. Chapter V of the Finance Act, 1994 read with Rules;

xi. State Value Added Tax Act read with Rules

xii. The Foreign Trade (Development and Regulation) Act, 1992 r/w Foreign Trade Policy & Procedures (EOU)

xiii. The Employees Provident Funds and Miscellaneous Provisions Act, 1952 along with the Central Scheme, 1952;

xiv. Equal Remuneration Act, 1976;

xv. Factories Act, 1948;

xvi. Indian Stamp Act, 1999;

xvii. Industrial Dispute Act, 1947;

xviii. Environment Protection Act, 1986 and other environmental laws;

xix. Maternity Benefits Act, 1961;

xx. Minimum Wages Act, 1948;

xxi. Payment of Bonus Act, 1965;

xxii. Payment of Wages Act, 1936 and all other applicable Labour laws;

xxiii. Contract Labour (Regulation and Abolition) Act, 1970 read with CLRA State Rules;

xxiv. Payment of Gratuity Act, 1972 read with Payment of Gratuity State Rules;

xxv. Employees State Insurance Act, 1948 read with Employees State Insurance (Central) Rules, 1950; Employees State Insurance (General) Regulations, 1950;

xxvi. Delhi Shops and Establishments Act, 1954 read with Delhi Shops and Establishments Rules, 1954;

xxvii. Punjab Shops and Commercial Establishments Act, 1958 read with Punjab Shops and Commercial Establishments Rules, 1958;

xxviii. Hazardous Wastes (Management and Handling) Rules 1989 and Amendment Rules, 2003;

xxix. The Drugs and Cosmetics Act, 1940 r/w The Drugs and Cosmetics Rules, 1945 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 1955;

c) Drugs Pricing Control Order, 1995;

xxx. Prevention of Food Adulteration Act, 1954 read with rules made thereunder;

xxxi. The Electricity Act, 2003 read with Rules and Regulations;

xxxii. Motor Vehicles Act, 1988 read with rules made thereunder;

xxxiii. Legal Metrology Act, 2009, read with applicable rules thereunder;

xxxiv. Indian Forest Act, 1927;

xxxv. The Information Technology Act, 2000 read with applicable rules made thereunder;

xxxvi. Medicinal And Toilet Preparations Excise Duties Act, 1955 r/w Medicinal And Toilet Preparations Excise Duties Rules, 1956;

xxxvii. Customs Act, 1962, Customs Tariff Act, 1975 read with Customs Rules and Regulations;

xxxviii. Research & Development Cess Act, 1986;

xxxix. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

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

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

I further report that during the audit period:

There were no instances of:

a. Public/ Right/ Preferential Issue of shares/debentures/ sweat equity, etc.

b. Redemption/buyback of securities.

c. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.

d. Merger/amalgamation/reconstruction etc.

e. Foreign technical collaborations.

Place: New Delhi
Date: April 28, 2017

Kiran Sharma & Co.
Company Secretaries

Sd/-
Kiran Sharma
Proprietor
FCS No.: 4942
C P No.: 3116

ANNEXURE -IV

MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors of the Company met four times during FY 2016-17, the details are as below:

a)	Quarter 1 (FY 2016-17)	:	May 24, 2016,
b)	Quarter 2 (FY 2016-17)	:	August 26, 2016
c)	Quarter 3 (FY 2016-17)	:	November 24, 2016
d)	Quarter 4 (FY 2016-17)	:	February 21, 2017

ANNEXURE - V

STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS UNDER SUB SECTION (6) OF SECTION 149

Both the Independent Directors i.e. Mr. Dilip G. Shah and Mr. Rajiv Lochan Jain provided their respective declaration of independence at the beginning of financial year 2016-17 to the Company. Same was taken on record by the Board at its first meeting of FY 2016-17, held on May 24, 2016.

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:

- Controlled use of the air conditioning and elevator usage at the Gurgaon location.
- Timely switching of AHUs and lightings of all labs & seating areas at the Gurgaon location.
- Utilization of treated effluent water for gardening at the Gurgaon location.
- Utilization of treated effluent water of STP in flushing system at the Gurgaon location.
- Street light replacement MV (metal vapour) with LED 70 nos. at the Kalyani Plant.
- Floor light replacement SV (sodium vapour) & PL lamps with LED lamps in phase-II 2000 nos. at the Kalyani Plant for energy saving & LUX level improvement.
- Augmentation of new APFC (Auto Power Factor Correction) panel to improvise and maintain power factor at the Kalyani Plant.
- Replacing normal lights with LED light (phase-II) in process area and warehouse block at the Kishanpura Plant.
- Street light lamp replacement with LED lamps to save the power cost at the Kishanpura Plant.
- Reduction in sodium meta-bisulphite consumption by evaluating softener running hours & SOP modification/revision at the Kishanpura Plant.
- Auto control of staff canteen lights with motion sensor at the Kishanpura Plant.
- Emergency Assembly points light are connected with UPS power & controlled with timer at the Kishanpura Plant.
- Fire Hydrant system made functional in auto mode at the Kishanpura Plant.
- Synchronization of HVAC loads on one chiller for period Jan, Feb, Mar 2017 at the Kishanpura Plant.
- Chiller efficiency improvement by chemical cleaning of chilled water header at the Kishanpura Plant.
- Improving condensate recovery & arresting of steam leakages at the Kishanpura Plant.
- Proper functioning of existing boiler scrubber at both the Baddi Plants to reduce environment pollution.
- New Boiler of capacity 800 Kg installed at the Solan Plant adding into energy savings.
- New chiller of 254 TR installed against 300 TR old chillers at Baddi Plant to enhance the energy savings.
- Old transformer replaced at Baddi Plant with OLTC (on line tap changer) will reduce the power losses.

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

The Company is committed to environment sustainance and is thus exploring possibilities for using solar power for street lights at its Kishanpura Plant and the Kalyani Plant.

c. The capital investment on energy conservation equipments:

Approx. ₹ 33 lakhs incurred at Kalyani plant.

(B) TECHNOLOGY ABSORPTION

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

- Variation approval for unfiltered bulk hold time of product Paclitaxel injection 6mg/ml for EU market from 24 hrs to 48 hrs.
- Regulatory assessment was performed to increase the sterile articles hold time from 48 hrs to 72 hrs for implementation.
- Extension of alliance business to cover additional products / markets.

- Submissions of regulatory dossiers including ANDA in US & repeat use MRP in Europe
- Bridging reports of patient information leaflet for new MR/DC procedure based on the other approved generics public assessment report
- Product internationalisation
- Introducing regulatory newsletter. This will provide a summary of information update on important regulatory news, guidance from all over the globe and developments of interest

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

- Approval for increase in hold time obtained so as to eliminate events related to unfiltered bulk hold time and minimize the events related to sterile articles (filling machine parts, rubber stoppers & flip off seals) which may decrease the possibility of product rejections in select foreign markets.
- 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	-
EU	2	34
Emerging countries	6	22

- Bridging study using other generics public assessment report will reduce the cost and time.
- Internationalisation of the product in different countries will expand the overseas business and improve global competitiveness.
- Regulatory newsletter would support in keeping close track to regulatory changes and interpreting its implications on the drug development and authorization process.

3. Imported technology

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

a) Technology Imported : VHP (Vaporized Hydrogen Peroxide)

b) Year of import: 2016

c) Has technology been fully absorbed: Yes

d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: N.A.

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 (₹ in Lakhs)
a.	Capital	1,015.68
b.	Recurring	13,221.43
c.	Total	14,237.11
d.	Total R&D as a percentage of Total Turnover	22.15%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned:

Amount (₹ in Lakhs)

- Foreign Exchange Earnings : 54,529.15
- Foreign Exchange Outgo : 25,834.78

ANNEXURE - VII

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

We are considerate of the fact that identification, management and moderation of risks associated with business and product portfolio is an essential activity for growth. Thus, we continuously strive to foster a high awareness of business risks and internal control, thereby promoting a culture of transparency in our operations. Adhering to our resolution to effectively manage risks applicable to the Company from time to time, we have implemented a Risk Management Framework ("RMF") in consultation with a third party, basis which a standard operating procedure is being 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.

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.

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 and errors; and
5. Accuracy and completeness of the accounting records and timely preparation of reliable financial information.

At Fresenius Kabi Oncology Limited, the internal financial controls system is in place 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 out through the year thereby reinforcing the commitment to adopt best corporate governance practices. Policy and procedure adopted by Fresenius Kabi Oncology Limited 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.

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. We also have 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, Treasury, Legal, Forex, Fixed Assets, Direct and Indirect Tax, R&D, ITGC etc.

Prevention and Detection of Frauds and Errors

Due to the presence of strong Code of Ethics and Whistle Blower Policy, it is generally expected that serious frauds will not take place. In order to prevent and detect frauds and errors, perpetual internal audit activity is carried out with assistance of co-sourced internal audit partners. Action points and suggestions made by them are discussed and presented to the Audit Committee.

Subsequently, follow-up audits are also carried out by in-house internal audit team to ensure implementation of the suggestions.

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

The Company has a very well 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 2016-17, 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, 2017.

Annexure-IX

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2017

[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	:	March 18, 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 E-mail: complianceofficer.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 44, Community Center, 2nd Floor, Naraina Industrial Area, Phase I, Near PVR Naraina, New Delhi - 110028 Phone No.:- 011 - 4141 0592/93/94 Fax No.:- 011 - 4141 0591

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	16%
2	Carboplatin - inj	21002	13%
3	Oxaliplatin – inj	21002	10%
4	R&D Services	72100	21%

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	1000	1500	0.0009	500	1000	1500	0.0009	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	500	3550	0.0021	3050	500	3550	0.0021	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**	**1500**	**5900**	**0.0035**	**4400**	**1500**	**5900**	**0.0035**	**0.0000**

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	
[2]	**Non-Institutions**									
(a)	a) Bodies Corporate									
	i) Indian	91834	36263	128097	0.0752	93119	35763	128882	0.0757	+0.0005
	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	3272967	897080	4170047	2.4494	3281549	891761	4173310	2.4513	+0.0019
	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	725	100	825	0.0005	725	100	825	0.0005	0.0000
	ii) NRI	252238	218007	470245	0.2762	255690	213507	469197	0.2756	-0.0006
	iii) Fresenius Kabi Oncology Limited - Unclaimed Suspense Account	239861	0	239861	0.1409	236861	0	236861	0.1391	-0.0018
	Sub-total (B)(2)	**3857625**	**1151450**	**5009075**	**2.9422**	**3867944**	**1141131**	**5009075**	**2.9422**	**0.0000**
	Total Public Shareholding (B) = (B)(1) + (B)(2)	**3862025**	**1152950**	**5014975**	**2.9457**	**3872344**	**1142631**	**5014975**	**2.9457**	**0.0000**
	TOTAL (A) + (B)	**169094907**	**1152950**	**170247857**	**100.0000**	**169105226**	**1142631**	**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)	**169094907**	**1152950**	**170247857**	**100.0000**	**169105226**	**1142631**	**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			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	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 / Share holding status	Shareholding at the beginning of the year: No. of shares	Shareholding at the beginning of the year: % of total shares of the Company	Cumulative Shareholding during the year: No. of shares	Cumulative Shareholding during the year: % of total shares of the Company
1.	At the beginning of the year	No change in promoters shareholding during the year			
2.	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 Tharani	50000	0.0294	50000	0.0294
2	Shailendra Tyagi	16500	0.0097	16500	0.0097
3	Susheela Basant	14000	0.0082	14000	0.0082
4	Anand G. Pai	12500	0.0073	12500	0.0073
5	Rukmani International Pvt. Ltd.	11987	0.0070	11987	0.0070
6	Sharekhan Financial Services Pvt. Ltd.	10000	0.0059	10000	0.0059
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 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 shareholding 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 Amount (₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,887.90	38,236.80	Nil	42,124.70
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	9.09	166.81	Nil	175.90
Total (i+ii+iii)	**3,896.99**	**38,403.61**	**Nil**	**42,300.60**
Change in Indebtedness during the financial year				
· Addition	Nil	13,238.86	Nil	13,238.86
· Reduction	(2,844.29)	Nil	Nil	(2,844.29)
Net Change	**(2,844.29)**	**13,238.86**	**Nil**	**10,394.57**
Indebtedness at the end of the financial year				
i) Principal Amount	1,046.49	51,033.41	Nil	52,079.90
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	6.21	609.06	Nil	615.27
Total (i+ii+iii)	**1,052.70**	**51,642.47**	**Nil**	**52,695.17**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Amount (₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Ms. Maria Gobbi, Managing Director	Mr. Nikhil Kulshreshtha, Director & Secretary	Mr. Karsten Peter Lerch, Director & CFO*	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25.92	110.56	154.01	290.49
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3.01	0.40	4.59	8.00
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission				
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify – Ex-gratia	Nil	51.79	Nil	51.79
	Total (A)	**28.93**	**162.75**	**158.60**	**350.28**
	Ceiling as per the Act	Not applicable for FY 2016-17. Please refer to the notes mentioned below.			

Notes:

1. During the financial year 2016-17 Company did not earn any profit.
2. Considering the losses, the payment of remuneration to Managing Director and Whole-time Director(s) of the Company was made in terms of provisions contained under Section 197 read with Schedule V of the Companies Act, 2013.

* 3. Mr. Karsten Peter Lerch was Director & CFO of the Company from April 1, 2016 to December 20, 2016 and from February 21, 2017 to March 31, 2017. During this intervening period, he was neither a Director nor CFO so as to classify under the definition of KMP of the Company.

B. Remuneration to other Directors:

Amount (₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Dilip G. Shah	Mr. Rajiv Lochan Jain	
1.	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	 16.00 Nil Nil	 14.00 Nil Nil	 30.00 Nil Nil
	Total (1)	**16.00**	**14.00**	**30.00**
2.	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	 Nil Nil Nil	 Nil Nil Nil	 Nil Nil Nil
	Total (2)	**Nil**	**Nil**	**Nil**
	Total (B)=(1+2)	**16.00**	**14.00**	**30.00**
	Total Managerial Remuneration (A+B)			**380.28**
	Overall Ceiling as per the Act *	Not applicable for FY 2016-17. Please refer to the notes mentioned below.		

Notes:

1. During the financial year 2016-17 company did not earn any profit.
2. 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:

Amount (₹ in Lakhs)

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

* Since both the KMPs are also Whole Time Directors, therefore their remuneration has been disclosed under the heading "Remuneration to Managing Director, Whole-time Directors and/or Manager" at point no. VI (A).

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Independent Auditor's Report

To the Members of Fresenius Kabi Oncology Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Fresenius Kabi Oncology Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularties, selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of 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.

Auditor's Responsibility

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

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

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

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

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March'2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-2 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors as on 31st March'2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March'2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) Our separate report on adequacy of internal financial control system and operating effectiveness of such controls is enclosed in Annexure-1.

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

   a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 37 to the financial statements.

   b. The Company did not have any long-term contract including derivative contract which may lead to any foreseeable loss.

   c. The Company does not have any dues that are required to be transferred to the Investor Education and Protection Fund .

   d. The company has provided requisite disclosure in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period 8th November to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For **G.Basu & Co.**
Chartered Accountants
(Firm's Registration No. 301174E)
S.LAHIRI
Partner
(Membership No. 51717)

Place: Gurgaon
Date: 30th May, 2017

ANNEXURE-1

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, 2017 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". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 **G.Basu & Co.**
Chartered Accountants
(Firm's Registration No. 301174E)
S.LAHIRI
Partner
(Membership No. 51717)

Place: Gurgaon
Date: 30th May, 2017

ANNEXURE -2

TO THE AUDITORS' REPORT AS REFERRED TO IN PARA 1 OF THE SAID REPORT OF EVEN DATE.

1 a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets have been physically verified by the Management at reasonable intervals. No material discrepancies between book records and the physical inventories have been noticed on such verification.

c. The title deeds of immovable properties are held in the name of the Company.

2. The inventories have been physically verified at reasonable intervals during the year by the management. The discrepancies noticed on physical verification between the physical stock and book records were not material and have been properly dealt with in the books of account.

3. The company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under section 189 of the Companies Act,2013.

4. The Company has complied with the provisions of section 185 and 186 of the Companies Act,2013 in respect of Loans to employees. It has made no investment or furnished guarantee within the meaning of section 186 of Companies Act, 2013.

5. The company has not accepted any deposits under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under and as such the question of compliance under the Companies Act or any other directives or orders does not arise.

6. On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in respect of products of `the company' covered under the rules under said section have been made and maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.

7. a) According to information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, custom duty, excise duty, value added tax, cess and any other statutory dues to the extent applicable to it.

According to the information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March,2017 for a period of more than six months from the date of becoming payable.

b) The dues on account of Income Tax, Sales Tax, Service Tax,custom duty, Excise Duty and Value Added Tax disputed by the company and not being paid, visa vis forums where such disputes are pending are mentioned below :-

Nature of Statute	Nature of the dues	Period	Amount (Rs. in Lacs)	Forum Where the Dispute is pending
Excise Duty	Sterility Samples, Duty Free clearances / Input Dispute	2004-05 to 2015-16	833.66 4,268.42 1,154.53	High Court Tribunals Commission-ers
Service Tax	Payment under Reverse Charge mechanism on legal Consultancy Services	2013 to 2017	97.97	Applicability challenged with unfavorable order from Bombay High Court being stayed by Apex Court against petition of Bar Council
Income Tax	Addition on account of Transfer Pricing Adjustment	2005-06 To 2016-17	155.20 0.23	Income Tax Appellate Tribunal AY 2005-06,2007-08,2008-2009,2010-11. High Court AY 2006-07.
Customs Author-ity	Concessional rate of duty on Imported API's and Non fulfillment of export obligation imposed against Advance License for duty free import	2014-15 & 2015-16	405.00	DGFT

c) Regarding due on account of service tax referred to in (b) above, read with Note 20(i) of financial statements, we have relied on legal opinion obtained by the company enjoining absence of obligation of company to pay relevant service tax due pending judgment on the issue by Apex Court.

8. Based on our audit procedures and the information and explanations given by the management, there are no loans or borrowings from a financial institution, government or Debenture holders. we are of the opinion that the company has not defaulted in repayment of loans or borrowings to any Bank.

9. Based on our audit procedures and the information and explanations given by the management no money was raised by way of 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.

10. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

11. The Managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V of the Act.

12. The Company is not a Nidhi Company accordingly paragraph 3 (xii) of the order is not applicable.

13. All the transactions with related parties are in compliance with section 177 and 188 of Companies Act,2013 and the details of related parties transactions have been disclosed in the Financial statements as required by the applicable accounting standard.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. The Company has not entered into any non - cash transactions with Directors.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank Of India Act,1934.

For **G.Basu & Co.**
Chartered Accountants
(Firm's Registration No. 301174E)

S.LAHIRI
Partner
(Membership No. 51717)

Place: Gurgaon
Date: 30th May, 2017

Balance Sheet

as at 31st March, 2017

(₹ in Lakhs)

Description	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3	49,325.52	52,046.45	51,689.72
Capital Work-in-Progress	4	4,464.06	3,038.80	5,520.14
Other Intangible Assets	5	100.91	188.12	274.49
Financial Assets				
(i) Investments	6	3.00	3.00	3.00
(ii) Loans	7	54.16	52.65	173.59
(iii) Others	8	454.16	1,475.27	1,627.78
Other Non-Current Assets	9	517.76	189.40	227.63
Total Non Current Assets		**54,919.57**	**56,993.69**	**59,516.35**
Current Assets				
Inventories	10	39,950.19	38,440.61	34,018.16
Financial Assets				
(i) Trade Receivables	11	14,274.42	13,333.21	11,937.76
(ii) Cash and Cash Equivalents	12	824.96	56.41	84.52
(iii) Bank Balance other than (ii) above	13	1.13	177.70	-
(iv) Loans	14	308.12	296.54	271.80
(v) Others	15	293.89	282.36	600.81
Current Tax Assets (Net)	16	616.29	616.00	611.93
Other Current Assets	17	10,809.64	7,697.69	8,886.24
Total Current Assets		**67,078.64**	**60,900.52**	**56,411.22**
TOTAL ASSETS		**121,998.21**	**117,894.21**	**115,927.57**

Balance Sheet

as at 31st March, 2017

(₹ in Lakhs)

Description	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	18	1,702.48	1,702.48	1,702.48
Other Equity		42,132.57	42,351.01	50,547.34
Total Equity		**43,835.05**	**44,053.49**	**52,249.82**
Liabilities				
Non Current Liabilities				
Financial Liabilities				
(i) Borrowings	19	30,845.95	17,038.23	9,866.64
Provisions	20	715.24	667.60	708.74
Deferred tax Liabilities (Net)	21	471.63	3.03	1,602.53
Other Non-Current Liabilities	22	2,929.74	3,153.37	3,668.08
Total Non Current Liabilities		**34,962.56**	**20,862.23**	**15,845.99**
Current Liabilities				
Financial Liabilities				
(i) Borrowings	23	21,233.95	25,086.47	25,081.81
(ii) Trade Payables	24	18,401.09	19,760.38	19,458.92
(iii) Others	25	1,584.74	1,268.76	1,054.21
Other Current Liabilities	26	1,136.56	5,713.38	1,200.29
Provisions	20	745.01	1,050.25	937.28
Current Tax Liabilities (Net)	27	99.25	99.25	99.25
Total Current Liabilities		**43,200.60**	**52,978.49**	**47,831.76**
Total Liabilities		**78,163.16**	**73,840.72**	**63,677.75**
TOTAL EQUITY AND LIABILITIES		**121,998.21**	**117,894.21**	**115,927.57**
Companies 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 and on Behalf of the **Board of Directors of FRESENIUS KABI ONCOLOGY LIMITED**

FOR G. BASU & CO
Chartered Accountants
Firm Registration No. 301174E

RAKESH BHARGAVA
Chairman
DIN: 00019822

MARIA GOBBI
Managing Director
DIN:07005222

KARSTEN LERCH
Director & CFO
DIN: 07433486

NIKHIL KULSHRESHTHA
Director & Secretary
DIN: 07178027

S. LAHIRI
Partner
Membership No. 51717

Place: Venice, Italy
Date: 30th May, 2017

Place: Gurgaon, India
Date: 30th May, 2017

Statement of Profit and Loss

For the Year Ended 31st March, 2017

(₹ in Lakhs)

Description	Note No.	For The Year Ended 31st March, 2017	For The Year Ended 31st March, 2016
Revenue			
Revenue From Operations	**28**	63,467.25	55,345.99
Other Income	**29**	813.23	1,277.17
Total Income		**64,280.48**	**56,623.16**
Expenses			
Cost Of Materials Consumed		23,362.91	27,115.50
Purchase Of Traded Goods		275.66	295.24
Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade	**30**	2,221.30	(3,242.95)
Excise Duty		1,065.78	1,189.89
Employee Benefits Expenses	**31**	12,442.77	11,560.73
Finance Costs	**32**	3,663.11	2,921.31
Depreciation And Amortization Expenses	**33**	4,870.92	5,210.14
Other Expenses	**34**	15,309.04	19,607.10
Total Expenses		**63,211.49**	**64,656.96**
Profit/(Loss) Before Exceptional Items And Tax		**1,068.99**	**(8,033.80)**
Exceptional Items Income / (Loss)	**48**	(854.00)	(1,861.53)
Profit/ (Loss) Before Tax		**214.99**	**(9,895.33)**
Tax Expense:	**35**		
Current Tax		-	-
Deferred Tax		(456.57)	1,633.53
A. Profit/ (Loss) For The Year		**(241.58)**	**(8,261.80)**
B. Other Comprehensive Income			
Gain/(Loss) On Re-measurement Of Defined Benefit Plans		35.39	100.12
Less: Income Tax Related To Actuarial Gain/(Loss) On Employee Benefits		(12.25)	(34.65)
		23.14	**65.47**
(A+B)Total Comprehensive Income/(Loss) For The Year		**(218.44)**	**(8,196.33)**
Earnings Per Equity Share	**36**		
Basic		(0.14)	(4.85)
Diluted		(0.14)	(4.85)

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 and on Behalf of the **Board of Directors of**
FRESENIUS KABI ONCOLOGY LIMITED

FOR G. BASU & CO
Chartered Accountants
Firm Registration No. 301174E

RAKESH BHARGAVA
Chairman
DIN: 00019822

MARIA GOBBI
Managing Director
DIN:07005222

KARSTEN LERCH
Director & CFO
DIN: 07433486

NIKHIL KULSHRESHTHA
Director & Secretary
DIN: 07178027

S. LAHIRI
Partner
Membership No. 51717

Place: Venice, Italy
Date: 30th May, 2017

Place: Gurgaon, India
Date: 30th May, 2017

Statement of Changes in Equity

For the Year Ended 31st March, 2017

(₹ in Lakhs)

(a) Equity Share Capital	As at 31 March 2017		As at 31 March 2016		As at 1st April 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	170,247,857	1,702.48	170,247,857	1,702.48	170,247,857	1,702.48
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the year	**170,247,857**	**1,702.48**	**170,247,857**	**1,702.48**	**170,247,857**	**1,702.48**

(₹ in Lakhs)

(b) Other Equity	Attributable to the equity holders of the parent				
	Reserves & surplus				
Description	**Capital Reserve**	**Securities Premium Account**	**General Reserve**	*** Retained Earnings**	**Total Equity**
Balance at 1st April, 2015	**180.00**	**19,455.21**	**52,411.42**	**(21,752.91)**	**50,293.72**
Impacts due to Ind AS adjustments	-	-	-	253.62	253.62
Restated balance at the beginning of the reporting period	**180.00**	**19,455.21**	**52,411.42**	**(21,499.29)**	**50,547.34**
Profit/(Loss) for the year	-	-	-	(8,261.80)	(8,261.80)
Other Comprehensive Income for the year	-	-	-	65.47	65.47
Total Comprehensive Income/(Loss) for the year	**-**	**-**	**-**	**(8,196.33)**	**(8,196.33)**
Balance at 31st March, 2016	**180.00**	**19,455.21**	**52,411.42**	**(29,695.62)**	**42,351.01**
Impacts due to Ind AS adjustments	-	-	-	-	-
Restated balance at the beginning of the reporting period	**180.00**	**19,455.21**	**52,411.42**	**(29,695.62)**	**42,351.01**
Profit/(Loss) for the year	-	-	-	(241.58)	(241.58)
Other Comprehensive Income/(Loss) for the year	-	-	-	23.14	23.14
Total Comprehensive Income/(Loss) for the year	**-**	**-**	**-**	**(218.44)**	**(218.44)**
Balance at 31st March, 2017	**180.00**	**19,455.21**	**52,411.42**	**(29,914.06)**	**42,132.57**

*Note: Gain/ (Loss) on re-measurement of defined benefit plan is included in Retained Earnings.

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 and on Behalf of the **Board of Directors of FRESENIUS KABI ONCOLOGY LIMITED**

FOR G. BASU & CO
Chartered Accountants
Firm Registration No. 301174E

RAKESH BHARGAVA
Chairman
DIN: 00019822

MARIA GOBBI
Managing Director
DIN:07005222

KARSTEN LERCH
Director & CFO
DIN: 07433486

NIKHIL KULSHRESHTHA
Director & Secretary
DIN: 07178027

S. LAHIRI
Partner
Membership No. 51717

Place: Venice, Italy
Date: 30th May, 2017

Place: Gurgaon, India
Date: 30th May, 2017

Statement of Cash Flows

For the Year Ended 31st March, 2017

Statement of Cash Flows (Pursuant To Ind AS-7)

(₹ in Lakhs)

Description		For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
A.	**Cash Flows from Operating Activities**		
	Net Profit Before Tax	**214.99**	**(9,895.33)**
	Adjustment for :-		
	Depreciation And Amortization Expenses	4,870.92	5,210.14
	Loss On Sale of Property, Plant and Equipment	242.86	728.63
	Loss / (Gain) in Foreign Exchange Lying Unrealized	(1,426.38)	182.47
	Finance Costs	3,503.98	2,921.31
	Interest Income	(170.14)	(203.48)
	Operating Profit Before Working Capital Changes	**7,236.23**	**(1,056.26)**
	Movements in Working Capital :-		
	(Increase)/ Decrease in Inventories	(1,509.58)	(4,422.45)
	(Increase)/ Decrease in Trade Receivables	(1,355.23)	(913.18)
	(Increase)/ Decrease in Other Assets	(2,103.70)	1,909.13
	Increase / (Decrease) in Trade Payables	22.04	902.14
	Increase / (Decrease) in Other Payable	(5,142.14)	4,393.58
	Cash Generated From/ (Used in) Operations	**(2,852.38)**	**812.96**
	Tax Paid	(37.41)	(20.28)
	Net Cash Generated From /(Used in) Operating Activities (A)	**(2,889.79)**	**792.68**
B.	**Cash Flows From Investing Activities**		
	Payment Against Acquisition of Fixed Assets	(3,996.86)	(3,743.74)
	Proceeds From Sale of Fixed Assets	46.14	55.36
	Net Movement in other Bank Balances	176.57	(177.70)
	Interest Received	158.38	(50.06)
	Net Cash Generated from / (Used in) Investing Activities (B)	**(3,615.76)**	**(3,916.14)**
C.	**Cash Flows from Financing Activities**		
	Net Proceeds/(Repayment) of Long Term Borrowings	13,807.72	6,000.00
	Net Proceeds/(Repayment) of Short Term Borrowings	4,000.00	(7,900.01)
	Interest Paid	(3,064.60)	(2,857.93)
	Net Cash Generated from / (Used in) Financing Activities (C)	**14,743.12**	**(4,757.94)**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**8,237.57**	**(7,881.40)**

Statement of Cash Flows

For the Year Ended 31st March, 2017

Statement of Cash Flows (Pursuant To Ind AS-7)

(₹ in Lakhs)

Description		For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
	Cash and Cash Equivalents at the Beginning of the Year	(21,030.06)	(13,097.29)
	Unrealised Foreign Currency Gain / (Loss)	383.50	(51.38)
	Cash and Cash Equivalents at the End of the Year	**(12,408.99)**	**(21,030.06)**

Reconciliation of Cash and Cash Equivalents in Balance Sheet vis - a - Vis Statement of Cash Flows

Cash and Cash Equivalent as Per Balance Sheet (Refer Note No 12)	824.96	56.41
Balance with Bank in CC Accounts	7,003.25	11,324.77
Balance with Bank in PCFC Account	6,230.70	9,761.70
Cash and Cash Equivalent as per Statement of Cash Flows	**(12,408.99)**	**(21,030.06)**

Cash and Cash equivalent include credit balance against cash credit & packing credit amounting to ₹ 7,003.25 Lakhs (previous year ₹ 11,324.77 Lakhs) & ₹ 6,230.70 Lakhs (previous year ₹ 9,761.70 Lakhs) respectively. Use of facility (including undrawn Limit) exclusive relates to supporting need based working capital requirement and the segment of packing credit there in relates only to finance against export order.

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 and on Behalf of the **Board of Directors of FRESENIUS KABI ONCOLOGY LIMITED**

FOR G. BASU & CO
Chartered Accountants
Firm Registration No. 301174E

RAKESH BHARGAVA
Chairman
DIN: 00019822

MARIA GOBBI
Managing Director
DIN:07005222

KARSTEN LERCH
Director & CFO
DIN: 07433486

NIKHIL KULSHRESHTHA
Director & Secretary
DIN: 07178027

S. LAHIRI
Partner
Membership No. 51717

Place: Venice, Italy
Date: 30th May, 2017

Place: Gurgaon, India
Date: 30th May, 2017

Notes to the Financial Statements

for the year ended 31st March, 2017

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 - 110066 is direct subsidiary of Fresenius Kabi (Singapore) Pte, a body Corporate incorporated in Singapore, which owns 97.05% stake in the Company. 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 three manufacturing facilities in the country, two at Baddi, Himachal Pradesh and one at Kalyani, West Bengal. Its Research & Development Centre is situated in the premises of Head Office Export constitutes lion's share of annual turnover which is organized /supported by group entities located across the length and breadth of the World.

2.1 Significant Accounting Policies

2.1.1 Basis for Preparation of Accounts

The accounts have been prepared in accordance with Ind-AS and Disclosures thereon comply with requirements of Ind-AS, stipulations contained in Schedule- III (division-II) as applicable under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, MSMED Act 2006, other pronouncement of ICAI and provisions of the Companies Act and Rules. Up to financial year ended on 31st March 2016, the company has prepared the accounts according to the Previous GAAP. The financial statements for the year ended 31st March 2017 are the first to have been prepared in accordance with IND AS. Opening balance sheet as on 1st April 2015 and 31st March 2016 have been presented as comparatives. The transition was carried out retrospectively as on the transition date which is 1st April 2015, and for any variation in the amounts represented in the comparative balance sheet vis-à-vis earlier presentation, reconciliation is given as part of notes.

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.

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 year, the financial statement relate to. 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 incorporation of revision.

2.1.3 First Time Adoption of Ind-AS

a) As authorized under Ind AS 101, carrying values for all of its Property, Plant & Equipments (PPEs) and Intangible Assets as at the date of transition to IND AS, measured as per previous GAAP have been treated as their deemed costs as at the date of transition.

b) Retrospective impacts of transition from previous GAAP to Ind-AS on assets and liabilities, have been adjusted against "Other Equity" on 1st April 2015.

2.2 Recognition of Income and Expenses

a) Sales have been recognized with the transfer of significant risk and rewards of ownership of the goods, with the Company losing effective control, right to managerial involvement thereon and revenue (representing future economic benefit associated with the transaction) including cost incurred or to be incurred in respect of the transaction are measurable reliably.

b) Revenue from Services are recognized when the stage of completion of transaction at the end of reporting period, cost incurred in the transaction including same to complete the transaction and revenue (representing economic benefit associated with the transaction) can be measured reliably.

c) Sales are measured at the fair value of consideration received or receivable. Sales recognized is net of sales tax, service tax, VAT intermediary sales, rebates and discount but gross of excise duty.

d) Dividend for distribution is accounted for at the point of payment with due disclosure in financial statements of dividend declared / recommended/ proposed pending distribution.

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

f) Dividend Income is accounted for when the Company's right to receive the payment is established, which is generally when the shareholders approve the dividend.

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 which is akin to recognition criteria under erstwhile GAAP.

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) When a major inspection /repair occurs, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of previous inspection /repair is derecognized.

c) 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. The residual value and useful life is reviewed annually and any deviation is accounted for as a change in estimate.

d) 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.

e) 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.

f) During sales of fixed assets any profit earned / loss sustained towards excess / shortfall of sale value over carrying cost of asset is accounted for in Statement of Profit & Loss.

2.4 Areas Under Plantation

Cultivation of input has been undertaken on leasehold land, leasehold right therein lying with a party who is engaged in joint-operation with the Company of plantation activities within the meaning of Clause -20, Ind-AS 111.

Total areas under plantation are divided in few segments development where-of including sapling have commenced/to commence at different points of time with consequent yield there-from at different points of time in commercial term. Total accumulation of cost in segment of land specific context till date of its achieving the status of giving yield in commercial term is capitalized which is amortized on straight line method over the residual period of lease.

2.5 Intangible Assets:

a) In case the assets are acquired separately then at cost.

b) In case the assets are internally generated then development costs are capitalized subject to satisfaction of criteria of recognition (identifiability, control and future economic benefit) laid down from clause 11 to 17 of Ind-AS 38.

c) Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss. Research costs are recognized as expense in the period in which it is incurred.

d) 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 including goodwill are tested for impairment annually.

e) 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 Ten years and in case of Software, the useful life is taken as Five years.

2.6 Impairment of Non Financial Assets:

a) An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigencies towards impairment.

b) Recoverable value is the higher of the 'Value in Use' and fair value-reduced by cost of disposal.

c) Test of impairment of PPE is undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets, same is undertaken in asset specific context.

d) Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information outlined in clause – 12 & Ind-AS-36.

e) Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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.

a) Subsidy 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.

Purchase of assets and receipts of related grants are separately disclosed in Statement of Cash Flow.

b) Grants related to income are treated as other income in Statement of Profit & Loss subject to due disclosure about the nature of grant.

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:

(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.

- **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 are 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 investment for which the entity has elected irrevocable option to present value changes in OCI.

Impairment of Financial Assets

The Company assesses impairment based on Expected Credit Losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

  depending upon whether there has been a significant increase in credit risk since intial recognition.

  However, for trade receivables, the Company does not tract the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(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 (FYTPL). 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.

2.9 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 Group.

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 Group 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.

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 (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statement on a recurring basis, the Group 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.

The Group's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement , such as assets held for distribution in discontinued operations.

2.10 Lease Assets:

a) Any transfer under an arrangement of lease virtually endowing the lessee to utilize the property as if his own property for a specified period (including renewal thereon by convention or express stipulation in lease agreement itself is treated as finance lease.

b) In case of finance lease, the value of concerned non-current assets / liability is determined at the point of commencement of lease by way of adding initial payment with discounted value of future lease installment during life span of lease in terms of fair rate of interest implicit in the lease or incremental borrowing rate, if the former is not practicable to determine.

c) Expenses / Income under operating lease are recognized as an expenses / income on straight line basis over the lease term.

d) Depreciation on leasehold assets is provided on straight line method over the period of lease.

2.11 Inventories:

Inventories are valued at the lower of cost or net realizable value. Cost includes purchase price, duties, transport & handing costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition.

The basis of determination of cost remains as follows:

a)	Raw material, Packing Material;	Moving Weighted Average Basis.
b)	Stores & spares:	Standard cost which approximates the cost.
c)	Work-in-progress:	Cost of input plus overhead upto the stage of completion.
d)	Finished Goods:	Cost of input plus appropriate overhead.
e)	Plantation Inventory:	Net selling price less selling expenses.

2.12 Employee Benefits:

Liabilities in respect of employee benefits to employees are provided for as follows:

a) Short Term Employee Benefit

i) Liabilities for 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 recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

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

b) Long Term Employee Benefit Plan

The expected cost of accumulating compensateable 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 compensateable absences is recognized in the period in which the absences occur.

c) Post Separation Employee Benefit Plan

i) Defined Benefit Plan

- 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 actuaries 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 are credited / debited to "Other Comprehensive Income" forming part of Other Equity.

ii) Defined Contribution Plans:

- Liability for superannuation fund is provided on the basis of the premium paid to insurance company in respect of employees covered under Superannuation Fund Policy.
- Company's liability on account of Provident Fund and Employee State Insurance are provided in terms of accrual which are deposited to respective authorities.

2.13 Income Tax and Deferred Tax:

The liability of company on account of Income Tax is estimated considering the provisions of the income Tax Act, 1961.

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

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

Deferred tax relating to items recognized outside profit or loss 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.

2.14 Provision Contingent Liability and Contingent Assets:

Disputes liabilities and claims against the Company including claims raised by fiscal authorities (e.g. Sales 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.

However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation , is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability.

No contingent asset is recognized but disclosed by way of Notes to Accounts.

2.15 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 overseas currency ruling on the date of transactions. Gain / Loss arising on account of rise or fall in overseas 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.

2.16 Operating Segments:

The Chief Operational 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) Expense that are directly identifiable with the segments are considered for determining the segment results. Expenses which relate to the Group 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 Group.

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 Group as a whole and not allocable to any segment.

2.17 Earnings Per Share:

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.

2.18 Borrowing Cost

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. Borrowing cost consist of interest and other costs also includes 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 are recognized as expense in the period in which they are incurred.

2.19 Cash and Cash Equivalent

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.

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Vehicles	Furniture Fixtures	Office Equipments	Computers	Bearer Plants	Total
Gross Block										
At 1st April, 2015	**625.75**	**359.27**	**10,923.07**	**37,316.49**	**211.73**	**1,439.72**	**436.69**	**377.00**	**-**	**51,689.72**
Purchase of Assets	-	-	-	1,212.36	83.15	9.31	63.37	173.41	-	1,541.60
Other Adjustments	-	-	1,375.80	2,225.82	-	225.33	11.39	104.63	107.72	4,050.68
Disposals	-	-	-	(50.21)	(37.07)	(7.19)	(18.37)	(5.65)	-	(118.49)
At 31st March, 2016	**625.75**	**359.27**	**12,298.87**	**40,704.46**	**257.81**	**1,667.16**	**493.08**	**649.38**	**107.72**	**57,163.51**
Purchase of Assets	-	6.16	15.83	1,050.02	4.78	55.78	110.95	179.24	-	1,422.77
Other Adjustments			6.59	599.84	-	22.06	124.69	38.93	-	792.11
Disposals	-		(0.56)	(145.16)	(11.78)	(8.91)	(1.21)	(1.81)	-	(169.43)
At 31st March, 2017	**625.75**	**365.43**	**12,320.73**	**42,209.16**	**250.81**	**1,736.09**	**727.51**	**865.74**	**107.72**	**59,208.95**
Depreciation										**-**
At 1st April, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the Year	-	14.55	480.29	3,952.75	43.03	291.30	150.44	182.44	7.69	5,122.48
Disposals	-	-	-	(1.55)	(1.28)	(0.26)	(1.61)	(0.73)	-	(5.43)
At 31st March, 2016	**-**	**14.55**	**480.29**	**3,951.20**	**41.75**	**291.04**	**148.83**	**181.71**	**7.69**	**5,117.05**
Charge for the year	-	14.64	467.69	3,654.31	41.20	300.95	111.54	190.80	2.57	4,783.71
Disposals	-	-	(0.02)	(14.13)	(2.13)	(0.33)	(0.62)	(0.11)	-	(17.34)
At 31st March, 2017	**-**	**29.19**	**947.96**	**7,591.39**	**80.82**	**591.66**	**259.75**	**372.40**	**10.26**	**9,883.43**
Net Block										**-**
At 1st April, 2015	**625.75**	**359.27**	**10,923.07**	**37,316.49**	**211.73**	**1,439.72**	**436.69**	**377.00**	**-**	**51,689.72**
At 31st March, 2016	**625.75**	**344.72**	**11,818.58**	**36,753.26**	**216.06**	**1,376.13**	**344.25**	**467.67**	**100.03**	**52,046.45**
At 31st March, 2017	**625.75**	**336.25**	**11,372.77**	**34,617.77**	**169.99**	**1,144.43**	**467.76**	**493.35**	**97.46**	**49,325.52**

Footnote:

1) Leasehold Land relates to:
   a) 61.943 acres of Land at Kalyani taken on operating lease for 999 years from 11th January 1989.

4: CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	PPE (Others)	Plantation in progress	Intangible Assets under Development	Total
At 1st April, 2015	**4,624.98**	**450.95**	**444.21**	**5,520.14**
Additions	2,201.38	71.47	-	2,272.85
Transfer	(3,862.73)	(187.95)	-	(4,050.68)
Discard	(259.30)	-	(444.21)	(703.51)
At 31st March, 2016	**2,704.33**	**334.47**	**-**	**3,038.80**
Additions	2,104.70	154.05	-	2,258.75
Transfer	(792.11)	-	-	(792.11)
Discard	(41.38)	-	-	(41.38)
At 31st March, 2017	**3,975.54**	**488.52**	**-**	**4,464.06**
Ind AS Adjustments	-	-	-	-
At 31st March, 2017	**3,975.54**	**488.52**	**-**	**4,464.06**

5: OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Product Development	Patent/ Product Rights	Total
Gross Block			
At 1st April, 2015	**180.80**	**93.69**	**274.48**
Additions	-	-	-
At 31st March, 2016	**180.80**	**93.69**	**274.48**
Additions	-	-	-
At 31st March, 2017	**180.80**	**93.69**	**274.48**
Amortization and Impairment			
At 1st April, 2015	**-**	**-**	**-**
Amortization for the year	60.39	27.90	88.29
At 31st March, 2016	**60.39**	**25.98**	**86.37**
Amortization for the year	60.14	27.07	87.21
At 31st March, 2017	**120.53**	**53.05**	**173.58**
Net Block			
At 1st April,2015	**180.80**	**93.69**	**274.49**
At 31st March, 2016	**120.41**	**67.71**	**188.12**
AT 31st March, 2017	**60.27**	**40.64**	**100.91**

NON CURRENT ASSETS

6: FINANCIAL ASSETS- INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unquoted			
Investments in Equity Instruments Carried at FVTPL			
Investments - Shivalik Waste Management Limited (30,000; previous year 30,000; Number of Equity Shares of Rs. 10 Each)	3.00	3.00	3.00
Total	**3.00**	**3.00**	**3.00**

7: FINANCIAL ASSETS- LOANS

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security Deposits	54.16	52.65	173.59
Total	**54.16**	**52.65**	**173.59**

8: OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, Considered Good			
Bank Deposits maturing after 12 Months	554.42	1,647.52	1,722.86
Less: Accrued Interest on Fixed Deposits	(100.26)	(172.25)	(95.08)
Total	**454.16**	**1,475.27**	**1,627.78**

9: OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, Considered Good			
Capital Advances	456.29	144.87	199.07
Advance Payment of Income Tax (Net of Provision Nil, Previous year Nil)	61.47	44.53	28.56
Total	**517.76**	**189.40**	**227.63**

CURRENT ASSETS

10: INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Finished Goods	8,188.61	8,748.09	7,000.13
Raw Materials	18,003.96	12,728.51	12,548.53
Stores and Spare Parts	2,074.80	3,675.79	2,703.10
Work-in-Progress	11,599.57	13,261.39	11,766.40
Plantation	83.25	26.83	-
Total	**39,950.19**	**38,440.61**	**34,018.16**
Raw Material-in-Transit	725.24	28.99	152.68

Entire inventory are hypothecated to IDBI Bank against credit Facility availed.

11: FINANCIAL ASSETS- TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured			
Considered Good	15,568.18	14,945.55	12,753.13
Less: Allowance for Bad and Doubtful Debts	(1,293.76)	(1,612.34)	(815.37)
Total	**14,274.42**	**13,333.21**	**11,937.76**

12: CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Cash in Hand	0.43	1.07	1.66
Balance with Banks :			
Deposits maturing within 3 Months	867.83	-	84.84
Less: Accrued Interest on Fixed Deposits	(192.23)	-	(32.55)
	675.60	**-**	**52.29**
Balances in Current Accounts	148.93	55.34	30.56
Total	**824.96**	**56.41**	**84.52**

13: BANK BALANCE OTHER THAN (II) ABOVE

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Deposits maturing after three month but before one year	1.45	286.50	-
Less: Accrued Interest on Fixed Deposits	(0.32)	(108.80)	-
Total	**1.13**	**177.70**	**-**

14: LOANS

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(Unsecured & Considered Good)			
Security Deposit	293.04	277.85	249.65
Loans to Employees	15.08	18.69	22.15
Total	**308.12**	**296.54**	**271.80**

15: OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(Unsecured & Considered Good)			
Accrued Interest on Fixed Deposits	292.81	281.05	127.63
Other Receivables	1.08	1.31	473.18
Total	**293.89**	**282.36**	**600.81**

16: CURRENT TAX ASSET (NET)

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance payment of Income Tax (net of Provision) ₹ 5944.49 for 2017, ₹ 5944.49 for 2016, ₹ 7668.84 for 2015	616.29	616.00	611.93
Total	**616.29**	**616.00**	**611.93**

17: OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advances to Suppliers	955.58	1,593.78	2,169.54
Balances with Government Authorities	9,149.99	5,375.53	5,596.73
Export Subsidy Receivable	318.37	250.78	424.53
Advance to Employee	68.22	106.84	81.86
Prepaid Expenses	306.36	337.41	558.00
Prepaid Lease Rentals	11.12	33.35	55.58
Total	**10,809.64**	**7,697.69**	**8,886.24**
Due from Directors	-	0.70	192.00
Due From Officers	-	-	0.67

18: EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
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	**1,800.00**	**1,800.00**
Issued and Subscribed and Paid up:			
170,247,857 (Previous Year 170,247,857) Equity Shares of Rs.1/- each	1,702.48	1,702.48	1,702.48
	1,702.48	**1,702.48**	**1,702.48**
Reconciliation of number of Shares Outstanding at the Beginning and End of the Year :			
Equity Share :			
Outstanding at the Beginning of the Year	170,247,857	170,247,857	170,247,857
Equity Shares Issued in Cash	-	-	-
Outstanding at the End of the Year	**170,247,857**	**170,247,857**	**170,247,857**

Terms / Rights Attached to each Classes of Shares

Terms / Rights Attached to Equity Shares

The Company has only one class of equity shares referred to as equity shares having par value of ₹ 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.

Shareholders Holding More Than 5% Equity Shares in the Company is set out below :

Particulars	Equity shares					
	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
Fresenius Kabi (Singapore) Pte Ltd.	165,232,882	97.05%	165,232,882	97.05%	165,232,060	97.05%

Footnote:

The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. Right, Preference, repayment & restriction, if any, on equity shares: Shares of the Company are ordinarily transferable provided;

i) Instrument of transfer is in form prescribed under the act & duly stamped and executed by / on behalf of transferor and transferee.

ii) Transferee consenting or replying affirmatively within specified period of his receipt of notice under section 56 (1) of the Companies Act, 2013 issued by the Company in respect of application of transfer of registration of partly paid shares made by the transferor.

iii) Transferee is not of unsound mind.

iv) Company does not have any lien on shares under application of transfer.

NON CURRENT LIABILITIES

19: FINANCIAL LIABILITIES- BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured			
Term Loan from Related Party			
Holding Company (Foreign Currency)	-	11,126.94	9,979.16
Less: Interest Accrued but not Due on Borrowings	-	(88.71)	(112.52)
	-	**11,038.23**	**9,866.64**
Ultimate Holding Company	31,415.25	6,058.50	-
Less: Interest Accrued but not due on Borrowings	(569.30)	(58.50)	-
	30,845.95	**6,000.00**	**-**
Total	**30,845.95**	**17,038.23**	**9,866.64**

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

Terms of Loan and Repayment Schedule
Terms and Conditions of Outstanding Borrowings are as Follows:

(₹ in Lakhs)

Particulars	Rate*	Years of maturity	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Holding Company (Foreign Currency) - EURO	Euribor + 200.0 BPT	2018-19	-	11,038.23	9,866.64
Ultimate Holding Company- INR	Mibor + 138.5 BPT	2018-19	19,800.00	-	-
Ultimate Holding Company-INR	Mibor + 138.5 BPT	2021-22	11,045.95	6,000.00	-

* Rate is Nominal Interest Rate as on 31st March, 2017

20: PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non Current Provisions			
Provision for Leave Encashment	715.24	667.60	708.74
Total Non Current Provisions	**715.24**	**667.60**	**708.74**
Current Provisions			
Provision for Leave Encashment	71.60	93.04	86.98
Provision for Gratuity	548.45	636.28	505.15
Other Provisions	124.97	320.93	345.15
Total Current Provisions	**745.01**	**1,050.25**	**937.28**

Legal Claim

(i) Movement in Other Provisions

(₹ in Lakhs)

Particulars	Service Tax on Lawyer's Fees	Vendor Claim	Infringement of Patents matters	Total
As at 31st March 2016	80.41	240.52	-	320.93
Provisions made during the year	17.56	-	27.00	44.56
Provisions used during the year	-	-	-	-
Provisions reversed during the year	-	240.52	-	240.52
As at 31st March 2017	**97.97**	**-**	**27.00**	**124.97**

(₹ in Lakhs)

Particulars	Service Tax on Lawyer's Fees	Vendor Claim	Infringement of Patents matters	Total
As at 31st March 2015	51.09	240.52	-	291.61
Provisions Made During the Year	29.32	-	-	29.32
Provisions Used During the Year	-	-	-	-
Provisions Reversed During the Year	-	-	-	-
As at 31st March 2016	**80.41**	**240.52**	**-**	**320.93**

(ii) Information About Other Provisions

Particulars	Service Tax on Lawyer's Fees	Vendor Claim	Infringement of Patents matters
Expected timing of outflow	**31st March 2018**	**31st March 2018**	**31st March 2018**
Any expected reimbursement	-	-	-
Asset if any recognised raised in next reimbursement	-	-	-

21: DEFERRED TAX LIABILITIES

A. Amounts Recognised in Profit or Loss

(₹ in Lakhs)

Particulars	31st March 2017	31st March 2016
Current Tax Expense		
Current Year	-	-
	-	-
Deferred Tax Expense / (Income)		
Property, Plant and Equipment	170.92	759.72
Lease Equalisation Reserve	34.00	19.43
Impairment of Trade Receivables	110.26	(275.83)
Provision for Leave Encashment	(9.06)	12.14
Inventories	-	(163.30)
Provision for Gratuity	30.40	(45.39)
Other Provisions	67.82	8.39
Unabsorbed Loss	52.23	(1,948.69)
	456.57	**(1,633.53)**
Other Comprehensive Income		
Tax (Expense)/ Income on Re-measurement of Defined Benefit Liability	**(12.25)**	**(34.65)**
Total Tax Expense	**444.32**	**(1,668.18)**

B. Amounts Recognised in Other Comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended 31st March 2017			For the year ended 31st March 2016		
	Before tax	Tax Expense/ (Income)	Net of tax	Before tax	Tax Expense/ (Income)	Net of tax
Re-measurements of Defined Benefit Liability	35.39	(12.03)	23.36	100.12	(34.03)	66.09
	35.39	**(12.03)**	**23.36**	**100.12**	**(34.03)**	**66.09**

C. Reconciliation of Effective Tax Rate

(₹ in Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Profit Before Tax from Continuing Operations	**214.99**	**(9,895.33)**
Tax using the Company's Domestic Tax Rate	-	-
Increase in Tax Rate:		
Tax Effect of amounts which are not deductable (taxable) in calculating taxable income		
Property, Plant and Equipment	170.92	759.72
Lease Equalisation Reserve	34.00	19.43
Impairment of Trade Receivables	110.26	(275.83)
Provision for Leave Encashment	(9.06)	12.14
Inventories	-	(163.30)
Provision for Gratuity	30.40	(45.39)
Other Provisions	67.82	8.39
Unabsorbed Loss	52.23	(1,948.69)
	456.57	**(1,633.53)**

D. Movement in Deferred Tax Balances

(₹ in Lakhs)

Particulars	As at 31st March 2016	Recognized in P&L	Recognized in OCI	As at 31st March 2017
Deferred Tax Assets				
Impairment of Trade Receivables	558.03	(110.26)	-	447.77
Provision for Leave Encashment	263.26	9.06	-	272.32
Provision for Gratuity	220.22	(30.40)	-	189.82
Lease Equalisation Reserve	51.00	(34.00)	-	17.00
Other Provisions	111.07	(67.82)	-	43.25
Unabsorbed Loss	5,848.12	(52.23)	-	5,795.89
Re-measurement of Defined Benefit Obligation	(34.03)	-	(12.03)	(46.06)
Total Deferred Tax Assets	**7,017.67**	**(285.65)**	**(12.03)**	**6,719.99**
Deferred Tax Liabilities				
Inventories	-	-	-	-
Property, Plant and Equipment	7,020.70	170.92	-	7,191.62
Total Deferred Tax Liabilities	**7,020.70**	**170.92**	**-**	**7,191.62**
Net Deferred Tax Assets/(Liability)	**(3.03)**	**(456.57)**	**(12.03)**	**(471.63)**

Particulars	As at 1st April 2015	Recognized in P&L	Recognized in OCI	As at 31st March 2016
Deferred Tax Assets				
Impairment of Trade Receivables	282.20	275.83	-	558.03
Provision for Leave Encashment	275.40	(12.14)	-	263.26
Provision for Gratuity	174.83	45.39	-	220.22
Lease Equalisation Reserve	70.43	(19.43)	-	51.00
Other Provisions	119.46	(8.39)	-	111.07
Unabsorbed Loss	3,899.43	1,948.69	-	5,848.12
Re-measurement of Defined Benefit Obligation	-	-	(34.03)	(34.03)
Total Deferred Tax Assets	**4,821.75**	**2,229.95**	**(34.03)**	**7,017.67**

Particulars	As at 1st April 2015	Recognized in P&L	Recognized in OCI	As at 31st March 2016
Deferred Tax Liabilities				
Inventories	163.30	(163.30)	-	-
Property, Plant and Equipment	6,260.98	759.72	-	7,020.70
Total Deferred Tax Liabilities	**6,424.28**	**596.42**	**-**	**7,020.70**
Net Deferred Tax Assets/(Liability)	**(1,602.53)**	**1,633.53**	**(34.03)**	**(3.03)**

• The Company does not have any unrecognised deferred tax liabilities as on 31st March 2017, 31st March 2016 and 1st April 2015.

• Deferred Tax Assets amounting to as on 31st March 2017 : ₹ 9,577.90 Lakhs, 31st March 2016 : ₹ 9,577.90 Lakhs and 31st March 2015 : ₹ 8,780.60 Lakhs against unabsorbed cash loss have not been recognised as a major of prudece with the meaning of IND AS 8.

22: OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Lease Equalisation	-	49.12	147.36
Deferred Income	2,929.74	3,104.25	3,520.72
Total	**2,929.74**	**3,153.37**	**3,668.08**

CURRENT LIABILITIES

23: FINANCIAL LIABILITIES- BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured			
Cash Credits	1,052.70	3,896.99	3,660.87
Less: Interest Accrued but not due on Borrowings	(6.21)	(9.09)	-
	1,046.49	**3,887.90**	**3,660.87**
Unsecured Loan			
Cash Credits	5,981.83	7,452.29	3,950.28
Less: Interest Accrued but not due on Borrowings	(25.07)	(15.42)	-
	5,956.76	**7,436.87**	**3,950.28**
Packing Credit (Foreign Currency)	6,245.39	9,765.88	5,570.66
Less: Interest Accrued but not due on Borrowings	(14.69)	(4.18)	-
	6,230.70	**9,761.70**	**5,570.66**
Working Capital Demand Loan	8,000.00	4,000.00	11,900.00
Total	**21,233.95**	**25,086.47**	**25,081.81**

Footnote:

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 five banks are covered by guarantee bond furnished by ultimate holding company.

24: TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Acceptance	648.98	1,438.33	1,689.86
Other Creditors	17,752.11	18,322.05	17,769.06
Total	**18,401.09**	**19,760.38**	**19,458.92**

25: OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Interest Accrued but not due on borrowings	615.28	175.90	112.52
Creditors for Capital items	298.56	428.44	701.52
Employee Related Dues	370.75	383.24	156.84
Bonus Payable	275.31	254.56	53.03
Other Payables	24.84	26.62	30.30
Total	**1,584.74**	**1,268.76**	**1,054.21**

26: OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advances from Customers	108.19	4,400.93	65.58
Statutory Dues	399.81	634.77	749.29
Deferred Income	579.44	579.44	329.28
Lease Equalisation - Current	49.12	98.24	56.14
Total	**1,136.56**	**5,713.38**	**1,200.29**

27: CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Income Tax (Net of Advance Tax ₹ 6,900.68; previous year ₹ 6,900.68)	99.25	99.25	99.25
Total	**99.25**	**99.25**	**99.25**

28: REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
A. Sales of Products and Services		
Sale of Goods	45,398.21	39,962.02
Sale of Services	15,870.18	13,988.51
Sub Total	**61,268.39**	**53,950.52**
B. Other Operating Income		
Scrap Sales	111.00	61.24
Government Grant	300.41	367.62
Export Incentives	1,787.45	966.60
Sub Total	**2,198.86**	**1,395.47**
Total	**63,467.25**	**55,345.99**

29: OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Dividend Income	0.30	0.30
Reversal of Impairment on Trade Receivables	1.00	94.47
Trade Payable Written Back	-	820.91
Provision Other Written back	240.52	53.03
Interest Income	170.14	203.48
Miscellaneous Income	44.02	104.98
Exchange Gain	357.25	-
Total	**813.23**	**1,277.17**

30: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Opening Stock:		
Finished Goods	8,748.09	7,000.13
Work-in-Progress	13,261.39	11,766.40
Less:		
Closing Stock:		
Finished Goods	8,188.61	8,748.09
Work-in-Progress	11,599.57	13,261.39
Changes In Inventories:		
Finished Goods	559.48	(1,747.96)
Work-in-Progress	1,661.82	(1,494.99)
Changes in Inventories of Finished Goods and Work in Progress	**2,221.30**	**(3,242.95)**

31: EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Salaries, Wages and Bonus	10,802.41	10,079.80
Contribution to Provident and Other Funds	749.94	694.66
Workmen and Staff Welfare Expenses	890.42	786.27
Total	**12,442.77**	**11,560.73**

32: FINANCE COST

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Interest	3,503.98	2,723.21
Bank Charges	133.13	154.00
Currency Fluctuation Effect on Borrowing Cost	26.00	44.10
Total	**3,663.11**	**2,921.31**

33: DEPRECIATION AND AMORTIZATION EXPENSE (NET)

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Depreciation on Property, Plant and Equipment	4,783.71	5,122.48
Amortization of Intangible Assets	87.21	87.66
Total	**4,870.92**	**5,210.14**

34: OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Manufacturing Expenses:		
Power and fuel	3,233.32	3,415.72
Stores & Spares Consumed	2,044.11	2,780.91
Repairs and Maintenance-Building (includes material consumed 2016-17: ₹ 0.02 , previous year: ₹ 3.53)	137.14	204.88
Repairs and Maintenance-Machinery (includes material consumed 2016-17: ₹ 4.58 , previous year: ₹ Nil)	592.85	704.17
Repairs and Maintenance-Others (includes material consumed 2016-17: ₹ 3.49 , previous year: ₹ 0.24)	135.35	147.26
Testing Expenses	305.39	727.30
Freight Charges	1,104.03	1,385.95
Rent	709.06	705.97
Rates and Taxes	254.07	272.35
Product Filing Expenses	434.38	570.92
Insurance	207.59	201.71
Printing & Stationary	112.73	160.60
Travel Expenses	734.68	947.65
Legal and Professional	693.69	112.87
Telecommunication	88.39	70.18
Security Expenses	192.51	171.41
Miscellaneous Expenses	1,287.57	1,211.22
Directors' Sitting Fees	30.00	34.11
Payment to Auditors (Refer Note Below)	34.94	49.11
Scientific Research & Development Expenses	478.86	673.88
Business Promotion	662.12	538.12
Computer Expenses	527.11	434.77
House Keeping Expenses	688.50	663.78
Recruitment Expenses	118.40	97.63
Reimbursement of Expenses	-	0.52
Selling & Administrative	21.06	16.89
Allowance for Doubtful Debts	238.33	891.44
Bad debt Written Off	-	156.11
Bad Advance Written off	-	464.78
Loss on Sale of Assets	121.13	476.25
Fixed Assets Discarded	121.73	252.38
Exchange Loss	-	1,066.26
Total	**15,309.04**	**19,607.10**

(i) Payment to Auditors

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Audit Fee (Inclusive Service Tax)	28.75	28.65
Reimbursement of Expenses (Inclusive Service Tax)	4.37	7.74
Other Matters	1.82	12.72
Total	**34.94**	**49.11**

35: INCOME TAXES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Current Tax Expense	-	-
Deferred Tax Expense	(456.57)	1,633.53
Total	**(456.57)**	**1,633.53**

36: EARNING PER SHARE

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Basic Earning per Share	(0.14)	(4.85)
Profit/(Loss) for the year	(241.58)	(8,261.80)
Weighted Average Number of Equity Shares of Rs. 1/- each	170,247,857	170,247,857
EPS - Basic	(0.14)	(4.85)
Diluted earning per share		
Profit/(Loss) for the year	(241.58)	(8,261.80)
Weighted Average Number of Equity Shares of Rs. 1/- each - Diluted	170,247,857	170,247,857
EPS - Diluted	(0.14)	(4.85)

37: CONTINGENT LIABILITIES AND COMMITMENTS

37 (A) Contingent Liabilities

((₹ in Lakhs)

	Particulars	Estimated Timing of Settlement	Possibility of any Re-imbursement	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
i)	Claims Against the Company not acknowledged as Debts					
	a) Excise Duty in Dispute	Un-Certain	Remote	6,256.61	5,796.42	5,117.20
	b) Income Tax in Dispute	Un-Certain	Remote	1,514.09	1,514.09	1,514.09
	c) Other					
	Legal and Administrative Matters	Un-Certain	Remote	297.20	762.93	239.75
	Import Duty Demand Matter	Un-Certain	Remote	540.00	36.05	36.05
ii)	Guarantee Furnished by Company for Advance License to Customs Authority	Un-Certain	Remote	4,966.03	6,990.73	5,568.52

37 (B) Commitments

(₹ in Lakhs)

	Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Estimated Amount of Contracts Remaining to be Executed on Capital Account and not Provided for.	1,351.09	795.98	1,096.13

38: (i) Expenditure in Foreign Currency

(₹ in Lakhs)

Particulars	For the year Ended 31st March 2017	For the year Ended 31st March 2016
Professional & Consultation Fees	2622.08	2,326.45
Salary	92.51	5.33
Traveling & Conveyance	352.70	249.38
Advertisement & Commission	608.80	433.20
Administration Charges	177.45	648.62
Interest	56.03	317.24
Others	404.58	257.83
Total	**4,314.15**	**4,238.05**

38: (ii) CIF Value of Imports

(₹ in Lakhs)

Particulars	For the year Ended 31st March 2017	For the year Ended 31st March 2016
Raw Materials	17,807.56	16,675.33
Stores & Spares (Including Packing Material)	3,062.37	3,984.55
Capital Goods	650.70	1,005.03
Total	**21,520.63**	**21,664.91**

38: (iii) Earning in Foreign Exchange:

(₹ in Lakhs)

Particulars	For the year Ended 31st March 2017	For the year Ended 31st March 2016
Sale of Goods	38,695.11	31,776.82
Sale of Services	15,834.04	13,856.26
Total	**54,529.15**	**45,633.08**

39: (i) Breakup of Sales: (Inclusive of Excise Duty)

(₹ in Lakhs)

Particulars	For the year Ended 31st March 2017	For the year Ended 31st March 2016
Injection	29,132.12	37,279.70
Tablets	11,656.53	733.88
Bulk Drugs	4,646.67	3,333.55
Total	**45,435.32**	**41,347.13**
Less: Sales Return	(37.11)	(1,385.11)
Net Sales	**45,398.21**	**39,962.02**

39: (ii) Income of Services

(₹ in Lakhs)

Particulars	For the year Ended 31st March 2017	For the year Ended 31st March 2016
R&D Services Provided	13,786.85	13,031.53
Other Services	2,083.33	956.98
Total	**15,870.18**	**13,988.51**

39: (iii) Inventories Written Down

(₹ in Lakhs)

Particulars	For the year Ended 31st March 2017	For the year Ended 31st March 2016
Raw Material	264.11	120.89
Store and Spare	4.76	74.19
Work in Progress	687.29	622.92
Finished Goods	780.26	1,358.70
Total	**1,736.42**	**2,176.70**

40: Pursuant to Sec. 135 of the Companies Act 2013, the Company has incurred ₹ 2.23 Lakhs (Previous year ₹ 53.78 Lakhs) in specified channels as per schedule VII of the Companies Act, 2013 towards its obligation of corporate social responsibility in due cognizance off expenses to be included in aforesaid results under law.

(₹ in Lakhs)

Particulars	Forming part of Note	For the year Ended 31st March 2017	For the year Ended 31st March 2016
General Expenses	Establishment expenses Note 34	2.23	53.78
Total		**2.23**	**53.78**

41: As required by MCA Notification number G.S.R. 308 (E) dated 30th March 2017, the details of the Specified Bank Notes ('SBN') held and transacted during the period 8th November 2016 to 30th December 2016 as provided in the table below:-

(Value in ₹)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 8th November 2016	26,000	4,272	30,272
(+) Withdrawal from bank accounts	-	55,000	55,000
(+) Receipts for permitted transactions	10,500	-	10,500
(+) Receipts for non-permitted transactions(if any)	-	-	
(-) Paid for permitted transactions	-	(25,840)	(25,840)
(-) Paid for non-permitted transactions(if any)	-	-	
(-) Amount deposited in banks	(36,500)	-	(36,500)
Closing Cash in Hand as on 30th December 2016	**-**	**33,432**	**33,432**

42: FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

I. Fair Value Measurements

(₹ in Lakhs)

Particulars	As at 31st March 2017 Carrying Amount	As at 31st March 2016 Carrying Amount	As at 1st April 2015 Carrying Amount
Financial Assets Measured at Fair Value			
Non-current			
Investments in Equity Instruments	3.00	3.00	3.00
Financial Assets Measured at Amortized Cost			
Non-Current			
Loans (Long Term)	54.16	52.65	173.59
Other non-current financial assets	454.16	1,475.27	1,627.78
Current			
Trade Receivables	14,274.42	13,333.21	11,937.76
Loans (Short Term)	824.96	56.41	84.52
Cash and cash equivalents	1.13	177.70	-
Bank balances other than above	308.12	296.54	271.80
Other current financial assets	293.89	282.36	600.81
	16,213.84	**15,677.14**	**14,699.26**
Financial Liabilities Measured at Amortized Cost			
Non-current			
Borrowings (Long Term)	30,845.95	17,038.23	9,866.64
Current			
Borrowings (Short Term)	21,233.95	25,086.47	25,081.81
Trade Payables	18,401.09	19,760.38	19,458.92
Other current financial liabilities	1,584.74	1,268.76	1,054.21
	72,065.73	**63,153.84**	**55,461.58**

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 III 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.

Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk and
- Fiscal Risk

i. Risk Management Framework

The Company's Audit Committee has overall responsibility for the establishment and oversight of the Company's risk management framework ('RMF'). As per RMF company has laid down an organisation structure for identifying, prioritising and mitigating the risk. A stock pile of major risks faced by the company top 20 risk and mitigation plans are in place. These risks and mitigation plans are monitored periodically for updation of risks and mitigational measure.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions 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's Audit Committee oversees how management monitors compliance with the Company's risk management framework, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ii. 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.

Unrelated 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 180 days. Emphasis is laid to deal with countries which have stable economic conditions.

The Company computes an allowance for impairment of trade receivables for unrelated 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 360 days past due.

Reconciliation Of Loss Allowance Provision – Trade And Other Receivables

(₹ in Lakhs)

Particulars	31st March 2017	31st March 2016
Opening balance	**1,612.34**	**815.37**
Changes in loss allowance	238.32	1,047.55
Bad debt written Off	(555.90)	(156.11)
Reversal of Impairment on Trade Receivables	(1.00)	(94.47)
Closing balance	**1,293.76**	**1,612.34**

Expected Credit Loss Under Simplified Approach For Trade Receivables And Interest & Other Charges Recoverable From Customers

(₹ in Lakhs)

Ageing	Not due	0-90	91-180	181-270	271-365	360<	Total
As at 31st March 2017							
Expected loss rate	10.48%	19.10%	27.35%	43.45%	72.92%	100%	
Gross carrying amount	1,677.49	592.97	143.82	147.47	298.64	827.17	3,687.56
Expected credited losses (Loss allowance provision)	158.29	101.95	35.41	57.67	195.98	744.46	1,293.76
Net Carrying amount	**1,519.20**	**491.02**	**108.41**	**89.80**	**102.66**	**82.71**	**2,393.80**

Ageing	Not due	0-90	91-180	181-270	271-365	360<	Total
As at 31st March 2016							
Expected loss rate	8.00%	13.23%	17.50%	32.74%	62.66%	100%	
Gross carrying amount	760.09	628.05	389.63	752.27	717.95	722.14	3,970.13
Expected credited losses (Loss allowance provision)	54.75	74.77	61.38	221.67	404.89	649.93	1,467.39
Net Carrying amount	**705.34**	**553.28**	**328.25**	**530.60**	**313.06**	**72.21**	**2,502.74**
As at 1st April 2015							
Expected loss rate	6.72%	12.29%	20.44%	40.51%	79.51%	100%	
Gross carrying amount	2,397.00	542.10	621.55	248.11	36.68	260.60	4,106.05
Expected credited losses (Loss allowance provision)	144.90	59.94	114.34	90.45	26.25	234.54	670.43
Net Carrying amount	**2,252.10**	**482.16**	**507.20**	**157.66**	**10.43**	**26.06**	**3,435.62**

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 non-related 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 2017, 31st March 2016 and 1st April 2015 was as follows:

(₹ in Lakhs)

Particulars	31st March 2017	31st March 2016	1st April 2015
Trade receivables	14,274.42	13,333.21	11,937.76
Cash and cash equivalents	824.96	56.41	84.52
Bank balances other than above	1.13	177.70	-
Loans	362.28	349.19	445.39
Other financial assets	748.05	1,757.63	2,228.59
Total	**16,210.84**	**15,674.14**	**14,696.26**

iii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled in cash or exchange of another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficiency of liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The company mitigates liquidity risk by way of formulation of cash budget and comparison of actual cash flows with budget on a continuous basis.

(a) Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(Bank Overdraft, Bank Guarantee and Other Facilities)			
ECB Loan	-	13,800.00	-
IDBI Bank Ltd.	4,493.60	116.10	439.20
The HSBC Ltd.	782.70	701.60	1,023.40
The RBS N.V.	-	-	962.50
Deutsche Bank AG	482.60	1,068.10	275.30
Credit Agricol CIB	266.60	18.50	399.10
Citi Bank NA	3,633.60	2,927.50	-
TOTAL	**9,659.10**	**18,631.80**	**3,099.50**

The above mentioned amounts are INR equivalent and have been calculated at the closing exchange rate as at the Balance Sheet date.

(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.

(₹ in Lakhs)

Particulars	31st March 2017	Contractual cash flows			
		Total	< 1 year	2 to 5 Years	5 years <
Non-derivative financial liabilities					
Borrowings (Long Term)	31,415.25	31,415.25	-	31,415.25	-
Borrowings (Short Term)	21,279.92	21,279.92	21,279.92	-	-
Trade Payables	18,401.09	18,401.09	18,401.09	-	-
Other current financial liabilities	969.46	969.46	969.46	-	-
Total non-derivative liabilities	**72,065.72**	**72,065.72**	**40,650.47**	**31,415.25**	**-**

Particulars	31st March 2016	Contractual cash flows			
		Total	< 1 year	2 to 5 Years	5 years <
Non-derivative financial liabilities					
Borrowings (Long Term)	17,185.44	17,185.44	-	11,126.94	6,058.50
Borrowings (Short Term)	25,115.16	25,115.16	25,115.16	-	-
Trade Payables	19,760.38	19,760.38	19,760.38	-	-
Other current financial liabilities	1,092.86	1,092.86	1,092.86	-	-
Total non-derivative liabilities	**63,153.84**	**63,153.84**	**45,968.40**	**11,126.94**	**6,058.50**

Particulars	1st April 2015	Contractual cash flows			
		Total	< 1 year	2 to 5 Years	5 years <
Non-derivative financial liabilities					
Borrowings (Long Term)	9,979.16	9,979.16		9,979.16	-
Borrowings (Short Term)	25,081.81	25,081.81	25,081.81	-	-
Trade Payables	19,458.92	19,458.92	19,458.92	-	-
Other current financial liabilities	941.69	941.69	941.69	-	-
Total non-derivative liabilities	**55,461.58**	**55,461.58**	**45,482.42**	**9,979.16**	**-**

iv. 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.

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 and therefore has no bearing in global context on the group. Further, hedging policy against import commitments is under formulation. Also, during the last year, the movement in reporting currency has been favourable vis-a-vis other overseas currencies.Accordingly, the impact on profit and loss is favourable.

(₹ in Lakhs)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
Transaction Currency -->	**Euro**	**USD**	**Euro**	**USD**	**Euro**	**USD**
Financial Assets						
Trade receivables	9,767.85	3,300.85	7,912.63	4,208.82	5,479.80	4,821.49
Financial Liabilities						
Borrowings	6,230.70	-	20,799.93	-	13,874.97	1,562.63
Trade Payables	10,599.51	916.88	9,882.29	157.00	7,150.49	780.39
Net Statement of Financial Position Exposure	**(7,062.36)**	**2,383.97**	**(22,769.59)**	**4,051.82**	**(15,545.66)**	**2,478.47**
Conversion Rates	**69.23**	**64.83**	**75.09**	**66.33**	**67.12**	**62.51**

(₹ in Lakhs)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
Transaction Currency -->	**GBP**	**SEK**	**GBP**	**SEK**	**GBP**	**SEK**
Financial Assets						
Trade receivables	-	-	144.94	-	144.94	-
Financial Liabilities						
Borrowings	-	-	-	-	-	-
Trade Payables	135.10	32.98	125.20	37.03	125.57	438.43
Net Statement of Financial Position Exposure	**(135.10)**	**(32.98)**	**19.74**	**(37.03)**	**19.37**	**(438.43)**
Conversion Rates	**80.95**	**7.25**	**95.14**	**8.14**	**92.34**	**7.22**

Sensitivity Analysis

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

(₹ in Lakhs)

Particulars	Profit or Loss After Tax	
	Strong	**Weak**
31st March 2017		
USD (2% movement)	31.18	(31.18)
EUR(2%movement)	(92.36)	92.36
GBP(2%movement)	(1.77)	1.77
SEK(2%movement)	(0.43)	0.43

(₹ in Lakhs)

Particulars	Profit or Loss After Tax	
	Strong	Weak
31st March 2016		
USD (2% movement)	52.99	(52.99)
EUR(2%movement)	(297.78)	297.78
GBP(2%movement)	0.26	(0.26)
SEK(2%movement)	(0.48)	0.48

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 Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(₹ in Lakhs)

Particulars	Nominal Amount		
	31st March 2017	31st March 2016	1st April 2015
Financial Liabilities			
Variable-Rate Instruments			
Short Term Borrowings	21,233.95	25,086.47	25,081.81
Long term borrowings	30,845.95	17,038.23	9,866.64
Financial Assets			
Fixed-Rate Instruments			
Fixed Deposits	1,130.89	1,652.97	1,680.07
	50,949.01	**40,471.73**	**33,268.38**

Profit or Loss, Net of Tax

Particulars	50 BP Increase	50 BP Decrease
31st March 2017		
Variable-rate instruments	170.28	(170.28)
31st March 2016		
Variable-rate instruments	137.73	(137.73)

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.

v. Fiscal Risk

The Company does not foresee any material fiscal risk pertaining to its overseas transactions with related parties in respect of which its application for advance pricing agreement is pending before fiscal authorities for years even though authorities make any upward revision of prices. Though overseas transactions with related parties for many years are conducted as per application made for advance pricing agreement, impact of any upward revision of prices of any of the items of out- put is unlikely to give rise to any additional financial liability considering huge carry forward loss and unabsorbed depreciation as per Company's income tax return.

43: RELATED PARTY DISCLOSURES

A) 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.	
Other Holding Entities	Fresenius Kabi AG,	Fresenius Kabi Deutschland GmbH
	Fresenius Kabi Austria GmbH	
Fellow Subsidiaries	Fresenius Kabi Australia GmbH	Fresenius Kabi Brazil Ltda.
	Fresenius Kabi Chile Ltda.	Fresenius Kabi Horatev CZ s.r.o.
	Fresenius Kabi Ltd. UK	Fresenius Kabi México S.A. de C.V.
	Fresenius Kabi Wuhan China	Fresenius Kabi Argentina SA
	Fresenius Kabi Asia Pacific Ltd.	Fresenius Kabi India Private Ltd.
	Fresenius Netcare GmbH Germany	Fresenius Kabi USA LLC
	Fresenius Kabi Malaysia	Fresenius Kabi AB Sweden
	Fresenius Kabi Oncology Plc UK	Hygieneplan GmbH Germany
	Fresenius Kabi Norge AS	Fresenius Kabi Colombia S.A.S
	Fresenius Kabi Portugal Lda.	Fresenius Kabi Anti -Infectives
	PT Ethica industri Faemasi	Fresenius Kabi Ilac Sanayi ve
B) Other Related Parties In Transactions		
Key management personnel	Maria Gobbi, Managing Director	
	Nikhil Kulshreshtha, Director & Secretary	
	Karsten Lerch, CFO (From 1st January, 2016)	
Directors	Dilip G. Shah & Rajeev Lochan Jain	

A. Transaction during the year:

(₹ in Lakhs)

Particulars	Relationship	For the year ended 31st March 2017	For the year ended 31st March 2016
Sale of Goods			
Fresenius Kabi Deutschland GmbH	Other/ Immediate Holding Entity	4,405.98	1,372.21
Fresenius Kabi Oncology Plc UK	Fellow Subsidiary	14,704.68	13,370.06
Fresenius Kabi India Private Ltd.	Fellow Subsidiary	5,696.10	5,918.46
Fresenius Kabi USA LLC	Fellow Subsidiary	3,771.35	5,636.91
Fresenius Kabi Asia Pacific Ltd	Fellow Subsidiary	6,587.78	4,835.10
Other	Fellow Subsidiaries	3,355.48	2,910.21
Total		**38,521.37**	**34,042.95**
Service provided			
Fresenius Kabi Deutschland GmbH	Other/ Immediate Holding Entity	15,416.27	13,101.77
PT Ethica Industri Faemasi	Fellow Subsidiary	326.56	371.52
Other	Fellow Subsidiaries	127.41	515.22
Total		**15,870.24**	**13,988.51**
Purchase			
Fresenius Kabi India Pvt. Ltd.	Fellow Subsidiary	0.52	1.30
Total		**0.52**	**1.30**
Receiving of Services			
Fresenius Kabi Deutschland GmbH	Other/ Immediate Holding Entity	1,277.08	1,529.11
Fresenius Kabi Netcare	Fellow Subsidiary	448.01	267.03
Other	Fellow Subsidiaries	182.53	65.93
Total		**1,907.62**	**1,862.07**

(₹ in Lakhs)

Particulars	Relationship	For the year ended 31st March 2017	For the year ended 31st March 2016
Reimbursement of Expenses Received			
Fresenius Kabi Deutsschland GmbH	Other/ Immediate Holding Entity	98.63	1.78
Fresenius Kabi AG	Other/ Immediate Holding Entity	0.81	-
Fresenius Kabi USA LLC	Fellow Subsidiary	130.34	291.98
Fresenius Kabi Brasil Ltda	Fellow Subsidiary	77.37	52.48
Fresenius Kabi Netcare	Fellow Subsidiary	81.19	22.82
Other	Fellow Subsidiaries	18.81	29.47
Total		**407.15**	**398.53**
Reimbursement of Expenses Paid			
Fresenius Kabi Deutschland GmbH	Other/ Immediate Holding Entity	87.81	135.89
Fresenius Kabi Austria GmbH	Other/ Immediate Holding Entity	6.94	-
Fresenius Kabi Oncology Plc UK	Fellow Subsidiary	172.74	163.07
Fresenius Kabi Australia	Fellow Subsidiary		80.35
Other	Fellow Subsidiaries	131.30	48.21
Total		**398.79**	**427.52**
Remuneration of Key Management Personnel			
Short term employee benefits		307.77	477.83
Post- employment benefits		55.43	45.04
Long- term employee benefits		-	4.51
Employee share based payments		-	-
Total		**363.20**	**527.38**
Interest Paid			
Fresenius Kabi AG	Other/ Immediate Holding Entity	2,179.85	65.00
Fresenius Kabi (Singapore) Pte.Ltd.	Immediate Holding Entity	9.32	228.28
Total		**2,189.17**	**293.28**
Loan Taken			
Fresenius Kabi AG	Other/ Immediate Holding Entity	13,800.00	6,000.00
Total		**13,800.00**	**6,000.00**

B. Balance Outstanding

(₹ in Lakhs)

Particulars	Relationship	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 1st April 2015
Loan Outstanding				
Fresenius Kabi AG	Other/ Immediate Holding Entity	30,845.95	6,000.00	-
Fresenius Kabi (Singapore) Pte.Ltd.	Other/ Immediate Holding Entity	-	11,038.23	9,866.64
Total		**30,845.95**	**17,038.23**	**9,866.64**
Account Receivable		12,040.67	10,831.08	6,398.49
Advance from Customers		-	4,372.76	-
Account Payable		10,411.89	10,028.69	6,097.83
Interest Payable		587.50	147.21	84.89
Guaranties furnished against bank loan obtained by company Holding Entity		21,664.50	21,198.57	21,420.94
Note : All outstanding balances are unsecured and repayable/receivable in cash.				

44: 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 ₹ 298.15 Lakhs (Previous year ₹ 283.34 Lakhs) is recognized as an expense and included in Employee Benefit expenses Note No 31.

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.

The Company makes contributions to LIC, through a trust which is funded defined benefit plan for qualifying employees.

Expected contributions to gratuity plans for the year 2017-18 are ₹ 111.61 Lakhs.

(iii) Long-Term Employee Benefit Plan

Leave Encashment

Employee is entitled to leave encashment to the extent of accumulated leave for a period not exceeding 60 days for employee at middle management category and 120 for those under senior management category. Quantum of benefit remains in terms of salary and concerned employee at the point of availment of benefit on his part.

Reconciliation of Present value of Defined Benefit Obligation

(₹ in Lakhs)

A.	Particulars	Gratuity (Funded)		Leave Encashment	
		31st March 2017	31st March 2016	31st March 2017	31st March 2016
	Change in the Present value of obligation				
	Balance at the beginning of the year	**1,329.89**	**1,241.24**	**760.64**	**795.72**
	Benefits paid	(147.18)	(95.08)	(119.86)	(98.67)
	Current service cost	216.54	202.98	208.76	199.46
	Interest cost	114.83	93.11	55.34	58.22
	Past Service Gain	-	-	-	-
	Actuarial (gains) losses recognised in profit and loss:				
	-Changes in demographic assumptions	-	-	-	-
	Actuarial (gains) losses recognised in OCI:				
	-Changes in demographic assumptions	48.77	-	(31.50)	-
	-Changes in financial assumptions	(23.02)	5.08	(11.73)	2.61
	-Experience adjustments	(56.06)	(117.44)	(74.81)	(196.70)
	Balance at the end of the year	**1,483.76**	**1,329.89**	**786.84**	**760.64**

(₹ in Lakhs)

B.	Particulars	Gratuity (Funded)		Leave Encashment	
		31st March 2017	31st March 2016	31st March 2017	31st March 2016
	Change in the fair value of plan asset				
	Balance at the beginning of the year	**693.61**	**736.09**	**-**	**-**
	Contributions paid into the plan	330.06	6.05	-	-
	Benefits paid	(147.18)	(95.08)	-	-
	Expected Return on Plan Asset	53.75	58.78	-	-
	Actuarial Gain/(Loss) on Planned Assets	5.07	(12.23)	-	-
	Balance at the end of the year	**935.31**	**693.61**	**-**	**-**
	Net Defined Benefit (Liability)	**548.45**	**636.28**	**786.84**	**760.64**

(₹ in Lakhs)

C.	Particulars	Gratuity (Funded)		Leave Encashment	
		31st March 2017	31st March 2016	31st March 2017	31st March 2016
	i. Expense Recognized in Profit or Loss				
	Current service cost	216.54	202.98	208.76	199.46
	Interest cost	114.83	93.11	55.34	58.22
	Actuarial (Gain)/Loss	-	-	(118.04)	(194.09)
	Expected Return on plan assets	(53.75)	(58.78)	-	-
	Total	**277.62**	**237.31**	**146.06**	**63.59**

	Particulars	Gratuity (Funded)		Leave Encashment	
		31st March 2017	31st March 2016	31st March 2017	31st March 2016
	ii.Re-measurements Recognised in Other Comprehensive Income:				
	Actuarial (gains) losses recognised in OCI:				
	-changes in demographic assumptions	48.77	-	-	-
	-changes in financial assumptions	(23.02)	5.08	-	-
	-Experience adjustments	(56.06)	(117.44)	-	-
	Return on plan assets excluding interest income	(5.07)	12.23	-	-
	Total	**(35.39)**	**(100.12)**	**-**	**-**

(₹ in Lakhs)

D.	Particulars	Gratuity (Funded)		Leave Encashment	
		31st March 2017	31st March 2016	31st March 2017	31st March 2016
	Amount recognised in the balance sheet (A - B)				
	Short term provision	-	-	71.60	93.04
	Long term provision	548.45	636.28	715.24	667.60
	Total	**548.45**	**636.28**	**786.84**	**760.64**

Plan Assets

Plan Assets comprise of the following:

	Particulars	31st March 2017	31st March 2016	1st April 2015
	Equities	0%	0%	0%
	Bonds	0%	0%	0%
	Gilts	0%	0%	0%
	Pooled assets with an insurance company	0%	0%	0%
	Others	100%	100%	100%
	Total	**100%**	**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 2017 is ₹ 935.31 Lakhs with a funding ratio of 63% which is higher than the industry average of 50%.

F. Actuarial Assumptions

	Gratuity (Funded)			Leave Encashment		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Economic assumptions:						
Discount Rate (Per annum)	7.00%	7.75%	7.80%	7.00%	7.75%	7.80%
Future Salary increase	14.00%	15.00%	15.00%	14.00%	15.00%	15.00%
Demographic assumptions:						
Retirement Age(Years)	60	60	60	60	60	60
Mortality rates inclusive of provision for disability**	IALM (2006-08)					
Withdrawal Rate (%)	12.00%	13.00%	13.00%	12.00%	13.00%	13.00%

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7.71 years (31st March 2016: 7.22 years).

G. Sensitivity analysis of the defined benefit obligation

a) Impact of the change in discount rate

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Present Value of Obligation at the end of the period	1,483.76	1,329.89	786.84	760.64
a) Discount rate-100 basis points	1,614.43	1,439.33	853.40	816.64
b) Discount rate+100 basis points	1,370.35	1,234.41	728.99	711.41

b) Impact of the change in salary increase

Particulars	Gratuity		Leave Encashment	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Present Value of Obligation at the end of the period	1,483.76	1,329.89	786.84	760.64
a) Rate-100 basis points	1,375.99	1,239.31	733.02	715.81
b) Rate+100 basis points	1,604.71	1,431.02	848.46	812.40

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 liability 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, LIC on an annual basis requests for contributions to the fund, while the contribution requested may not be on the same interest rate as the bond yields provided, basis the past experience it is low risk.

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.

Longevity Risk-Since the gratuity payment happens at the retirement age of 60, longevity impact is very low at this age, hence this is a non risk.

Salary Risk-The liability is calculated taking into account the salary increase, basis our past experience with Fresenius-Kabi salary increases with the assumptions used, they are in line, hence this risk is low.

I. Maturity Profile of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2017
	Gratuity (funded)	Leave Encashment
Year 1	111.61	71.60
Year 2-5	551.63	301.82
Year 6-10	638.89	331.66

45: 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' operating results are reviewed regularly by the Company's Managing Director to make decisions about resources to be allocated to the segments and assess their performance.

The Company has 3 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: (₹ in Lakhs)

Reportable Segments	Operations
Bulk Drug	Producing bulk drugs, considerable share of which is for captive consumption
Formulation	Producing generic products
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 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 Management reviews the operating results of "Manufacturing of Bulk Drugs, Formulation and Research and Development activities" at Company level to assess its performance. Accordingly, there are 3 Reportable Segments for the Company which are "Formulation","Bulk Drug", and "R &D",hence specific disclosures have been made.

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017				For the Year Ended 31st March 2016			
	Formulation	Bulk Drug	R&D	Total	Formulation	Bulk Drug	R&D	Total
Revenue:								
External Revenue	42,571.90	4,742.93	13,799.27	61,114.10	36,894.44	3,433.41	13,157.63	53,485.48
Inter-segment Revenue	(20,663.88)	20,663.88	-	-	(22,677.34)	22,677.34	-	-
Total Revenue	**21,908.02**	**25,406.81**	**13,799.27**	**61,114.10**	**14,217.10**	**26,110.75**	**13,157.63**	**53,485.48**
Results:								
Segment result	2,224.15	2,211.74	2,230.43	6,666.32	(3,405.12)	339.54	2,705.90	(359.68)
Unallocated Corporate income				2,508.72				2,026.71
Unallocated corporate expenses				5,333.28				7,137.49
Operating profit				**3,841.76**				**(5,470.46)**
Finance Charges				2,772.76				2,563.34
Profit from ordinary activities				**1,068.99**				**(8,033.80)**
Exceptional (loss) / income				(854.00)				(1,861.53)
Net Profit				**214.99**				**(9,895.33)**
Income tax (Current & Deferred)				(456.57)				1,633.53
Net Profit (After Tax)				**(241.58)**				**(8,261.80)**

Other information:

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2017				For the Year Ended 31st March 2016			
	Formulation	Bulk Drug	R&D	Total	Formulation	Bulk Drug	R&D	Total
Other information:								
Segment assets	66,122.33	41,650.23	9,043.61	116,816.16	64,254.27	41,994.17	7,717.20	113,965.64
Unallocated corporate assets				5,182.05				3,928.57
Total assets				**121,998.21**				**117,894.21**
Segment liabilities	6,514.80	22,800.45	2,087.09	31,402.34	7,409.45	23,875.75	7,036.45	38,321.65
Corporate Liability				46,760.82				35,519.07
Total Liabilities				**78,163.16**				**73,840.72**
Capital Expenditure	1,874.37	483.24	1,015.68	3,373.25	758.74	1,531.24	1,430.65	3,720.62
Unallocated Capital Expenditure				308.27				93.82
Depreciation	2,194.56	1,464.30	953.58	4,612.45	2,114.60	1,793.82	817.45	4,725.87
Unallocated Depreciation				171.26				243.12
Non cash expenses other than depreciation (amortisation of Intangible assets)	87.21			87.21	95.98	-	-	95.98

(₹ in Lakhs)

Particulars	For the Year Ended 1st April 2015			
	Formulation	Bulk Drug	R&D	Total
Other information:				
Segment assets	58,150.78	44,571.86	5,291.40	108,014.04
Unallocated corporate assets				7,913.53
Total assets				**115,927.57**
Segment liabilities	8,489.83	21,804.42	1,863.99	32,158.24
Corporate Liability				31,519.51
Total Liabilities				**63,677.75**

B. Geographical Information

The formulation, bulk drug and 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.

(₹ in Lakhs)

i)	Revenues	31st March 2017	31st March 2016
	India (A)	6,739.30	7,737.99
	Other Countries:		
	Germany	19,822.25	14,487.50
	USA	3,927.20	4,477.87
	UK	14,704.68	13,534.25
	Thailand	3,093.30	2,133.18
	Others	12,981.66	11,579.73
	Total Other Countries (B)	**54,529.09**	**46,212.53**
	Total (A+B)	**61,268.39**	**53,950.52**

(₹ in Lakhs)

ii)	Non-current assers	31st March 2017	31st March 2016	1st April 2015
	India	54,919.58	56,993.70	59,516.35
	Other Countries:	-	-	-
	Total	**54,919.58**	**56,993.70**	**59,516.35**

* Non-current assets exclude financial instruments, deferred tax assets and post employment benefit assets.

C. Major Customer- Details of Revenue from Single customer exceeding 10% of Total Revenue of the Company

Revenue from one customer of the Company's formulation segment based in UK is ₹ 14,704.71 Lakhs which is more than 10% of the Company's Total Revenue.

46: LEASES

A. The Company's significant leasing arrangements are in respect of operating leases of premises for offices and residential accommodation. These leasing arrangements, which are not non-cancellable, are typically for a period of 5 months to 142 months and are usually renewable on mutually agreeable terms. The future minimum lease payable is:

(₹ in Lakhs)

Future Minimum Lease Payment	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Up to 1 year	682.88	684.14	615.74
Later than one year and not later than 5 years	353.99	361.34	1,060.87
Later than 5 years	41.00	47.00	53.00
Total	**1,077.87**	**1,092.48**	**1,729.61**

During the year, the Company has recognised ₹ 709.06 Lakhs (Previous year ₹ 705.97 Lakhs) relating to all leases in the Statement of Profit and Loss.

B. The company has taken 61.943 acres land on lease in Kalyani for 999 years.The Company has made an upfront payment of amount ₹278.99 Lakhs and no further annual rentals are paid.

47: DUE TO MICRO & SMALL ENTERPRISES WITHIN THE MEANING OF MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 SHOWN UNDER CREDITORS FOR GOODS

The Company identifies suppliers belonging to Micro and Small category under MSMED Act, 2006 on the basis of declaration to the effect made by such parties in their invoices / challans as mandated for them under Statute. Considering absence of such declaration from any of the vendors, due towards such parties have been deemed as Nil (previous year Nil).

48: EXCEPTIONAL ITEM

(₹ in Lakhs)

	Particulars	2016-17	2015-16
		Expenses	**Expenses**
a)	Aggregate cost incurred during the year on account of upgradation of Kalyani unit (consultancy cost including allied expenses towards same)	854.00	1,547.98
b)	Demurrage paid on the material return	-	313.55
	Total Expenses	**854.00**	**1,861.53**

49: RECONCILIATIONS BETWEEN PREVIOUS GAAP AND IND AS

Ind AS 101 requires an entity to reconcile Equity, total Comprehensive Income and Cash Flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of Total Equity as at 31st March 2016 and 1st April 2015 (₹ in Lakhs)

Particulars	Notes to first-time adoption	31st March 2016	1st April 2015
Total Equity (Shareholder's Funds) as per previous GAAP		**42,141.15**	**50,293.72**
Adjustments:			
Straightlining of lease rental	*a*	56.14	(203.51)
Discounting of security deposits	*b*	3.30	(13.35)
Government Grant - DSIR Benefit			
- Increase in depreciation	*e*	(38.34)	-
- Amortisation of deferred income	*e*	38.34	-
Government Grant - EPCG			
- Increase in depreciation	*e*	(329.28)	-
- Amortisation of deferred income	*e*	329.28	-
Impairment of Financial Assets - ECL	*f*	398.26	135.39
Netting-off discount from purchase	*g*	(471.83)	471.83
Re-measurements of post-employment benefit obligations	*c*	(100.12)	-
Other Comprehensive Income	*c*	100.12	-
Tax effects of adjustments	*d*	(29.62)	(136.75)
Total adjustments		**(43.75)**	**253.62**
Net impact brought forward from Opening balance sheet		253.62	
Total Equity as per Ind AS		**42,351.01**	**50,547.34**

Reconciliation of Total Comprehensive Income for the year ended 31st March 2016

Particulars	Notes to First-Time Adoption	Amount
Profit after tax under Indian GAAP		**(8,228.57)**
Adjustments		
Straightlining of lease rental	*a*	56.14
Discounting of security deposits	*b*	3.30
Re-measurements of post-employment benefit obligations	*c*	(100.12)
Government Grant - DSIR Benefit		
- Increase in depreciation	*e*	(38.34)
- Amortisation of deferred income	*e*	38.34
Government Grant - EPCG		
- Increase in depreciation	*e*	(329.28)
- Amortisation of deferred income	*e*	329.28
Impairment of Financial Assets - ECL	*f*	398.26
Netting-off discount from purchase	*g*	(471.83)
Tax effects of adjustments	*d*	81.02
Total adjustments		**(33.23)**
Profit after tax as per Ind AS		**(8261.80)**
Other Comprehensive Income	*c*	100.12
Tax effects on OCI	*c*	(34.65)
Total Comprehensive Income for the year		**(8,196.33)**

D: Notes to first-time adoption:

a. Straightlining of Lease Rental

Under previous GAAP, the Company has been recognizing the expense for assets taken on operating lease on an actual basis. Under Ind AS 17, operating lease rentals are to be recognized on a straight-line basis (if increase is not in line with general inflation). Since the escalations in lease rental are not in line with general inflation, therefore as per Ind AS 17 the expense for assets taken on operating lease has been charged on a straightline basis over the lease term. Accordingly a Lease Equalisation Reserve of ₹ 203.50 Lakhs has been recognized on the date of transition.

b. Discounting of Security Deposits

Under previous GAAP the Company had carried Security deposits at its transaction value. As per Ind AS these are financial assets which are required to be measured at amortised cost using the fair rate of interest method less any impairment losses, if any.

The Company has applied fare interest rate method to deposits retrospectively which has resulted in Prepaid Rental Expense of ₹ 55.57 Lakhs

c. Re-measurements of Post-Employment Benefit Obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of Profit or Loss. Under the previous GAAP, these re-measurements were forming part of the Profit or Loss for the year. As a result of this change, the loss for the year ended 31st March, 2016 increased by ₹ 66.09 Lakhs. There is no impact on the Total Equity as at 31st March, 2016.

d. Deferred Tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

e. Government Grant - DSIR/ EPCG

Under the previous GAAP, grant received from government on account of waiver of custom duty on import of capital goods was netted off from the cost of the assets purchased. Under Ind AS, the cost of the asset has been grossed-up with the amount of custom duty waiver (grant received) and the amount of waiver is recognized as deferred income on the date of transition. Consequently, deferred income of ₹ 269.28 Lakhs (due to DSIR) and ₹ 3,580.70 Lakhs (due to EPCG) has been created on the date of transition. The deferred income is required to be amortized on the basis of useful life of the asset.

f. Impairment of Financial Assets - ECL

As per Ind AS 109, the group is required to apply Expected Credit Loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts decreased by ₹ 398.25 Lakhs as at 31st March 2016 (Increase by ₹ 135.39 Lakhs at 1st April 2015). Consequently, the Total Equity as at 31st March 2016 increased by ₹ 398.25 Lakhs (decreased by ₹ 135.39 at 1st April 2015)

g. Netting-off discount from purchase

Under IGAAP, quantity discount received from customer was recognized as an income. Under Ind AS, the same has been deducted from the purchase expenses. In this case since the purchase belonged to 2014-15 and the discount has been recognized as income in 2015-16. Consequently the Total Equity as at 1st April 2015 has been increased by ₹ 471.83 Lakhs.

50: THE COMPANY HAS ENTERED INTO CONTRACTUAL ARRANGEMENT WITH A CO-VENTURER FOR CULTIVATION OF AGRO BASED INPUT. THE COMPANY'S INVESTMENT IN SAID VENTURE IS DISCLOSED BELOW:

(₹ in Lakhs)

	Particulars	As on 31st March 2017		As on 31st March 2016		As on 1st April 2015	
		No. Of Sapling	Amount	No. Of Sapling	Amount	No. Of Sapling	Amount
1	**Fixed Assets**						
	a) Plantation - 1 (Forming part of Property, Plant and Equipment in Note 3)		97.46		100.03		0.00
	b) Furniture & Fixtures plantation (Forming part of Property, Plant and Equipment in Note 3)		34.24		41.49		33.64
	c) Building (Forming part of Property, Plant and Equipment in Note 3)		60.33		65.26		0.00
	d) Plant & Machinery (Forming part of Property, Plant and Equipment in Note 3)		40.52		43.53		0.00
2	**Capital Work in Progress**						
A	Plantation in progress (forming part of Capital Work in Progress in Note 4):						
	Phase-1 Plantation (2008-09)	-	-	-	-	119,000	107.72
	Phase-2 Plantation (2010)	100,000	81.88	100,000	81.88	98,000	65.80
	Phase-3 Plantation (2011)	139,000	136.49	139,000	92.23	137,000	69.88
	Phase-4 Plantation (2012)	128,000	129.24	128,000	88.48	126,000	67.89
	Phase-4 Plantation (2013)	60,000	102.72	60,000	37.38	-	-
	Sapling in nursery procured in 2010	-	-	-	-	-	-
	Sapling in nursery procured in 2011	-	-	-	-	-	-
	Sapling in nursery procured in 2012	-	-	-	-	-	-
	Sapling in nursery procured in 2013	33,000	12.28	33,000	12.27	100,000	37.20
	Cutting	155,000	22.23	155,000	22.23	155,000	37.20
	Total		**484.84**		**334.47**		**385.69**
B	Capital work in progress – (Furniture & Fixture) pending for installation (forming part of Capital Work in Progress in Note 4)		3.70		-		65.26
3	Advance to co-venturer (forming part of Other Current Assets in Note 17)		-		31.63		38.85
4	Plantation Inventory		83.25		26.83		-
5	Charged to revenue: During the year						
	i) Rent (forming part of Other Expenses in Note 34)		6,00		6.00		6.00
	ii)Fixed Assets Discarded (Sapling Damage)		-		24.92		-
	iii) Depreciation (Forming part of Depreciation & Amortization Expense in Note 33)		15.11		12.38		12.82
	iv) Amortization (Forming part of Depreciation & Amortization Expense in Note 33)		2.57		7.69		-

51: SCIENTIFIC RESEARCH & DEVELOPMENT EXPENDITURE

a) Scientific Research & Development expenditure charged to Statement of Profit & Loss include followings:-

(₹ in Lakhs)

Particulars	Forming part of Statement /Note	For the year ended	
		31st March 2017	31st March 2016
Consumption of Raw Material & Chemicals	Statement of Profit & Loss Account	4,601.36	5,236.09
Excise Duty	Statement of Profit & Loss Account	29.19	19.77
Salary	Employee Benefits Note 31	3,240.54	2,864.95
Financial Expenses	Finance Cost Note 32	7.10	9.92
Depreciation and Amortization Expenses	Depreciation and amortization expenses Note 33	953.58	855.79
Power & Fuel	Other Expenses Note 34	235.99	246.92
Stores & Spares	Other Expenses Note 34	628.89	409.79
Repair- Plant & Machinery, Building and Others	Other Expenses Note 34	423.68	367.04
Rates & Taxes	Other Expenses Note 34	291.80	412.66
Rent	Other Expenses Note 34	549.89	520.31
Printing & Stationery	Other Expenses Note 34	18.66	18.87
Travel	Other Expenses Note 34	387.70	232.19
General Expenses	Other Expenses Note 34	1,069.12	827.15
Research & Development	Other Expenses Note 34	744.24	833.57
Loss on sale / written off Fixed Assets	Other Expenses Note 34	39.69	717.27
Total		**13,221.43**	**13,572.29**

b) Capital Expenditure incurred on account of Scientific Research and Development forming part of Property, Plant and Equipment Note No. 3 and Capital Work in Progress Note No. 4:-

(₹ in Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Leasehold Improvements	6.16	-
Plant & Machinery	813.49	1,135.04
Computer	80.72	102.38
Vehicle	11.49	44.72
Office Equipment	119.40	4.26
Furniture & Fixtures	20.41	-
Capital Work in Progress	(35.99)	144.25
Total	**1,015.68**	**1,430.65**

52: NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, ‘Statement of cash flows’and Ind AS 102, ‘Share based payments’.These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, ‘Statement of cash flows’ and Ind AS 102, ‘Share based payments’. The amendments are applicable to the company from 1st April 2017.

Amendments to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

53: ALL MONETARY FIGURES ARE EXPRESSED IN RS. LAKHS UNLESS STATED OTHERWISE.

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 and on Behalf of the **Board of Directors of FRESENIUS KABI ONCOLOGY LIMITED**

FOR G. BASU & CO
Chartered Accountants
Firm Registration No. 301174E

RAKESH BHARGAVA
Chairman
DIN: 00019822

MARIA GOBBI
Managing Director
DIN:07005222

KARSTEN LERCH
Director & CFO
DIN: 07433486

NIKHIL KULSHRESHTHA
Director & Secretary
DIN: 07178027

S. LAHIRI
Partner
Membership No. 51717

Place: Venice, Italy
Date: 30th May, 2017

Place: Gurgaon, India
Date: 30th May, 2017

CORPORATE INFORMATION

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CO-SOURCINQ PARTNERS FOR INTERNAL AUDIT
Ernst & Young LLP

SECRETARIAL AUDITOR
M/s Kiran Sharma & Co., Company Secretaries

COMPANY SECRETARY
Mr. Nikhil Kulshreshtha

BANKERS
IDBI Bank Ltd.
The HSBC Ltd.
Deutsche Bank AG
Credit Agricol Corporate & Investment Bank
Punjab National Bank
State Bank of India
Citi Bank NA

FRESENIUS KABI

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