October 9, 2017

To,
Department of Corporate Services
BSE Limited
P. J. Towers, Dalal Street
Fort, Mumbai - 400 001
Scrip Code: **BSE - 524500**

To,
Corporate Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, Plot No.C-1, G Block,
BKC, Bandra (E), Mumbai 400 051
Scrip Code: **NSE - KILITCH**

Dear Sirs,

Sub: Annual Report for the Financial Year 2016-17

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of Kilitch Drugs (India) Limited ('the Company'), for the financial year 2016-17, duly approved and adopted by the members of the Company at the 25th Annual General Meeting of the Company held on September 29, 2017.

The above is for your information and record.

Thanking you,

Yours truly,
For **Kilitch Drugs (India) Limited**

Jill Gada
Company Secretary

KILITCH DRUGS (INDIA) LTD.

ISO 9001:2008 13485:2003 WHO CERTIFIED EXPORT HOUSE RECOGNISED BY GOVT. OF INDIA BRAND INDIA Pharmacy of the World

KILITCH DRUGS (INDIA) LTD.

25th ANNUAL REPORT 2016 - 17

कर्मण्येवाधिकारस्ते मा फलेषु कदाचन ।
मा कर्मफलहेतुर्भूर्मा ते सङ्गोऽस्त्वकर्मणि ।।

DICLOFENAC SODIUM
INJECTION IP
KALFEN
75 mg/3 ml
For IM (Intragluteal)
Anti-inflammatory, Analgesic
KILITCH DRUGS (INDIA) LTD.

HPURE
Curcumin Lozenges
For fast relief of
Sore Throat & Cough
5 Lozenges
100% NATURE

pH7
54 Sachets
pH7
Effervescent Granules
pH7

ROIVIT
Fer + Vitamine C
ROIVIT
Calcium + Vitamine C
ROIVIT
Ginseng Plus

ROIPAR
1000
Quick Pain Relief
ROIPAR
500
Soluble Paracétamol Comprimés BP 500 mg
Comprimés Effervescents
Soulage Rapidement La Fièvre | Soulage Rapidement Les Douleurs Fortes
ROIPAR
PLUS
Comprimés Effervescents
de Paracétamol BP 500 mg + Caféine BP 30 mg
Soulage Rapidement | Double Action

FROM THE DESK OF MANAGING DIRECTOR

Dear Valued Shareholders,

On behalf of the Board of Directors

I extend a warm welcome to all of you at the 25th Annual General Meeting of our Company.

Although the money market situation across the world remains sensitive and volatile , I am delighted to share with you all that our exports reached the highest level with business activities in the history of our company touching to Rs. 23.67 Cr during the F.Y. 2016-17 (Against the Export Figure of Rs. 18.64Cr for the F.Y. 2015-16)

With the growing product portfolio, our company now enjoys the number one position in many regions of the African market. New marketing techniques coupled with efficient promotional campaigns have made way for our newly developed products not only in the Africa market but also in other markets across the globe.

You will be happy to note that we have made a substantial progress on our Pharmaceutical plant at Addis Ababa, Ethiopia. For the further development of this plant, our company is going to invest huge amount to establish dedicated Cephalosporin facility in Ethioipia. We should be able to successfully complete this project during the next financial year.

I strongly believe that, with these expanding business horizons we shall be able to achieve greater heights in exports in this financial year. Since all our exports are nearly dollar dominated, there is a probability of this US Dollar volatility affecting our overall profitability. But we assure you we are taking every step to minimize the impact of the same.

Lastly, I intend to reassure our pledge and commitments to all our stakeholders and we shall always thrive for the same.

Thank you all for attending this Annual General Meeting and wishing all of you a Diwali Greeting & Happy New Year.

Mukund P. Mehta
Managing Director

COMPANY INFORMATION

BOARD OF DIRECTORS

Mukund P Mehta	Managing Director
Bhavin M. Mehta	Whole time Director
Mira Mehta	Whole time Director
Mukesh Shah	Independent Director
Pankaj Kamdar	Independent Director
Shailesh Chheda	Independent Director
Hemang Engineer	Independent Director
Ramesh Modi	Independent Director

REGISTERED OFFICE

C-301/2, M.I.D.C. TTC Industrial Area,
Pawane Village, Thane: 400 705.
Tel.: 022-27670322, 27680913, 65144185
Fax: 022-27680912

ADMINISTRATIVE OFFICE

Ujagar Industrial Estate, Unit No. 37,
W.T. Patil Marg, Deonar, Mumbai - 400 088
Tel.: 022-61214100 / Fax: 022-67031658
Website: www.killitch.com
e-mail: info@killitch.com

COMPANY SECRETARY AND COMPLIANCE OFFICER

KEERTI ACHARYA
(Resigned w.e.f. 1st May 2017)

DHARMENDRA MAKWANA
(Appointed w.e.f. 30th May 2017)

AUDITORS

A.M. GHELANI & CO.
Chartered Accountants

BANKERS

The Shamrao Vithal Co-Op Bank Ltd
State Bank of India
Axis Bank Ltd
Kotak Mahindra Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENTS
LINK INTIME INDIA PRIVATE LIMITED

C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Tel No: +91 22 49186000 Fax: +91 22 49186060

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 25TH ANNUAL GENERAL MEETING OF THE MEMBERS OF KILITCH DRUGS (INDIA) LIMITED WILL BE HELD AT C-301/2, MIDC, TTC INDUSTRIAL AREA, PAWANE VILLAGE, THANE-400701, ON FRIDAY, THE 29TH DAY OF SEPTEMBER, 2017 AT 09:00 A.M.TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. **TO CONSIDER AND ADOPT FINANCIAL STATEMENT:-**

   To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors ('the Board') and Auditors thereon.

2. **TO APPOINT A DIRECTOR LIABLE TO RETIRE BY ROTATION:-**

   To appoint a Director in place of Mrs. Mira Bhavin Mehta (DIN: 01902831), who retires by rotation and being eligible, offers herself for re-appointment.

3. **TO APPOINT THE STATUTORY AUDITORS OF THE COMPANY, AND TO FIX THEIR REMUNERATION:-**

   To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Sections 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, as amended from time to time, pursuant to the proposals of the audit committee of the Board and recommendation of the Board, M/s. A. M. Ghelani & Co., Chartered Accountants (having Firm Registration No. 103173W) be and is hereby appointed as the statutory auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the fourth consecutive AGM to be held in Calender year 2021 (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis to be agreed upon between the auditors and the Board of Directors."

SPECIAL BUSINESS:

4. **TO APPROVE REAPPOINTMENT OF MR. BHAVIN MEHTA (DIN:00147876) BEING WHOLE-TIME DIRECTOR:-**

   To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and the consent of the members of the Company be and is hereby accorded to the appointment of Mr. Bhavin Mehta [DIN: 00147876] as a Whole-time Director of the Company designated as "Executive Director" for a period of 5 (five) years, with effective from 1st September, 2017, on the terms and conditions of appointment as specified in the Memorandum of Agreement entered between Mr. Bhavin Mehta and the Company, which are as follows:

   Salary per month: not exceeding Rs.7,00,000 /- with such increments as may be decided by the Board of Directors.

   Perquisites and Allowances:

   Category A:

   Medical Reimbursement: Medical expenses actually incurred for self and family shall be reimbursed by the Company under the mediclaim Policy.

   Leave Travel Concession: Company shall provide leave travel fare to the Whole-Time Director and his family once a year, anywhere in India as per the Rules applicable to the Company and per Income Tax Rules.

   The Whole time Director shall be provided with a fully furnished accommodation.

   Category B:

   The Company shall contribute towards Provident Funds/ Superannuation Fund/Annuity Fund, as agreed upon, provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under the IT Act.

   The Company shall pay Gratuity, as agreed upon, at the rate not exceeding half month's salary for each completed year of service.

   Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Company rules.

   Category C:

   The Company shall provide a car with a driver at the cost of the Company for business use of the Company.

   The Whole-Time Director shall be entitled to reimbursement of all expenses incurred in connection with the business of the Company.

   Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be reimbursed.

   Any and all expenditure actually and properly incurred on Company's business shall be reimbursed to the Whole-Time Director.

   The perquisites under this category shall not be included in the computation of ceiling on remuneration.

Sitting Fees:

The Whole-time Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof. He shall, however be reimbursed the actual travelling, lodging and boarding expenses incurred by him for attending meeting of the Board of Directors and the Committees thereof.

General:

The Whole-time Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

The Whole-time Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and conditions of appointment and / or remuneration, subject to limits as specified under section 197, read with Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do such acts, matters, deeds and things as may be necessary and incidental to give effect to this resolution including filing of relevant e-Form(s) with the Ministry of Corporate Affairs [Registrar of Companies, Maharashtra]."

5. **TO APPROVE REVISION IN THE REMUNERATION OF MRS. MIRA MEHTA (DIN: 01902831) BEING THE WHOLE-TIME DIRECTOR:-**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation of the Nomination and Remuneration Committee, approval of the Company be and is hereby accorded for revision in the remuneration of Mrs. Mira Mehta [DIN:01902831], Whole-time Director of the Company, for the remaining period of her tenure, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mrs. Mira Mehta, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution**."**

6. **TO APPROVE RE-PRICING OF OUTSTANDING EMPLOYEE STOCK OPTIONS UNDER KDIL ESOS 2007:-**

To consider and, if thought fit to pass, with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of the Section 42, 62 (1) (b) of the Companies Act, 2013 ("the Act") and the Companies (Share Capital and Debentures) Rules, 2014, Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with Stock Exchanges where the shares of the Company are listed and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time, for the time being in force and subject to the approvals, permissions and sanctions which may be agreed to by Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Compensation Committee of the Board which supervises ESOS), the approval of the Company be and is hereby accorded to the Board to re-price 1,29,535 options from Rs. 47.50 per option to Rs. 10/- which can be granted by the Board or Committee as may be authorized by the Board under KDIL ESOS 2007 which was approved by the Members in their Annual General Meeting held on 29th September, 2007; however, the price shall not be less than the face value of the share.

FURTHER RESOLVED THAT the Board be are is hereby authorized to do all acts, deed, matters and things as it may consider necessary, expedient, usual or proper to give effect to this resolution and/or to settle any question or difficulty that may arise with regard to the re-pricing of the said options.

FURTHER RESOLVED THAT such re-pricing of the options will be done without any change or modification specific terms and conditions under which such options will be granted**."**

7. **TO APPROVE THE INCREASE IN LIMIT OF MAXIMUM NUMBER OF SHARES GRANTED UNDER KDIL ESOS 2007:-**

To consider and, if thought fit to pass, with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of the Section 42, 62 (1) (b) of the Companies Act, 2013 ("the Act") and the Companies (Share Capital and Debentures) Rules, 2014, Memorandum and Articles of Association of the Company, the SEBI (Listing obligations and disclosure requirements), 2015 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time, for the time being in force and subject to the approvals,

permissions and sanctions which may be agreed to by Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Compensation Committee of the Board which supervises ESOS), the approval of the Company be and is hereby accorded to the Board to increase the limit of the maximum number of shares that may be issued under KDIL ESOS 2007 Scheme to an individual eligible participants from 5,000 shares to 1,00,000 shares**."**

8. **TO APPROVE THE AMENDMENT IN CLAUSE 14 OF THE KDIL ESOS 2007:-**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a special Resolution:

"RESOLVED THAT pursuant to provisions of the Section 62 and applicable rules and provisions of the Companies Act, 2013, Memorandum and Articles of Association of the Company, the SEBI (Listing obligations and disclosure requirements), 2015 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time, for the time being in force and subject to the approvals, permissions and sanctions which may be agreed to by Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Compensation Committee of the Board which supervises ESOS), the approval of the Company be and is hereby accorded to the Board to amend Clause 14 of the KDIL ESOS 2007 pertaining to exercise period of options already granted and proposed to be granted in future.

FURTHER RESOLVED THAT the Board /Compensation Committee of the Board which supervises ESOS be and is hereby authorized to grant such options which can further be divided into such options to be vested and at such vesting period as may be determined and Options shall be exercisable within a period of 5 years from the date of grant as per the Scheme condition and this amendment shall be applicable for the options already granted and proposed to be granted in future.

FURTHER RESOLVED THAT the Board be are is hereby authorized to do all acts, deed, matters and things as it may consider necessary, expedient, usual or proper to give effect to this resolution and/or to settle any question or difficulty that may arise. **"**

For & on behalf of Board of Directors of
Kilitch Drugs (India) Limited

Sd/-
Mukund Mehta
Managing Director
[DIN: 00147876]

Place: Mumbai
Date: 23rd August 2017

Registered Office:
C-301/2, M.I.D.C. TTC Industrial Area,
Pawane Village, Thane: 400 705.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. A proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on poll.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, September 22, 2017 to Friday, September 29, 2017** (both days inclusive)**.**
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Members who hold shares in electronic form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting to facilitate identification of membership at the AGM.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. For convenience of members, an attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as `proxy'.
8. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 for items of Special Businesses is annexed herewith.
9. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
10. The Annual Report for 2016-17, the Notice of the 25th AGM and instructions for e-voting, along with the Attendance slip and Proxy form, are being sent by electronic mode to all the members whose email address are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy

of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by permitted mode.

11. If the members have any queries on the audited accounts, directors' report & auditor's report, the same should be forwarded to the company in writing at its registered office at least 10 days before the meeting so that the same can be replied at the time of annual general meeting to the members' satisfaction.
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by members.
13. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
14. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules there-under.
15. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting.
16. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with share certificates to the Company.
17. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
18. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Income Tax Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.
19. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to:

UNIT: KILITCH DRUGS (INDIA) LIMITED
C/o. Link Intime India Private Limited
Registrar & Share Transfer Agent
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Tel No: +91 22 49186000 Fax: +91 22 49186060

Instructions for Voting through electronics means:

In compliance with Regulation 44, SEBI (Listing obligations and disclosure requirements), 2015, provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means ("e-Voting") and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The Members may cast their votes through E-voting from a place other than the venue of the AGM (**"Remote E-voting"**).

The Members who have cast their vote by Remote E-voting may also attend the Meeting but shall not be entitled to cast their vote again.

The Remote E-voting facility will commence from **9.00 a.m. on Tuesday**, **26th September, 2017 and will end at 5.00 p.m. on Thursday, 28th September, 2017**. Remote E-voting will not be allowed beyond the aforesaid date and time and the Remote E-voting module shall be disabled by CDSL upon expiry of aforesaid period.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner as on the **cut-off date i.e. Friday, 22nd September, 2017.**

The Members, whose names appear in the Register of Members / list of beneficial owners as on the cut-off date i.e. Friday, 22nd September, 2017 only shall be entitled to vote on the Resolutions set out in this Notice.

The Board of Directors at their meeting held on 14th August, 2017 has appointed Mr. Deep Shukla, Practicing Company Secretary (Membership No. FCS 5652) as the Scrutinizer to scrutinize the E-voting process and voting done through physical ballot paper at the AGM in a fair and transparent manner

The Scrutinizer shall, after scrutinizing the votes cast at the AGM and through Remote E-voting, not later than forty eight hours pursuant to Reg. 44 of SEBI (LODR), 2015, from the conclusion of the AGM, make a consolidated Scrutinizer's report and submit the same to the Chairman/ Managing Director.

The results declared along with the Scrutinizer's Report shall be placed on the website of the Company http://www.kilitch.com and on the website of CDSL and shall also be communicated to BSE Limited and NSE Limited.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. Friday, 29th September, 2017.

The instructions for e-voting are as under:

i. The voting period begins on **Tuesday, September 26, 2017 (09:00 a.m.)** and **ends on Thursday, September 28, 2017 (5:00 p.m.).** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Friday, September 22, 2017**, may cast their vote electronically.

ii. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.

iii. Click on "Shareholders" tab.

iv. Now, select the "**KILITCH DRUGS (INDIA) LIMITED**" from the drop down menu and click on "SUBMIT"

v. Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

vi. Next enter the Image Verification as displayed and Click on Login.

vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

viii. If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form & Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL Letters. Eg. If your name is Rajesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
DOB	Enter the date of Birth as recorded in your demat account or in the company records for the said demat amount or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number of shares held by you as on the cut off date** in the **Dividend Bank details field**.

ix. After entering these details appropriately, click on "SUBMIT" tab.

x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xii. Click on the EVSN for the relevant KILITCH DRUGS (INDIA) LIMITED on which you choose to vote.

xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xviii. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

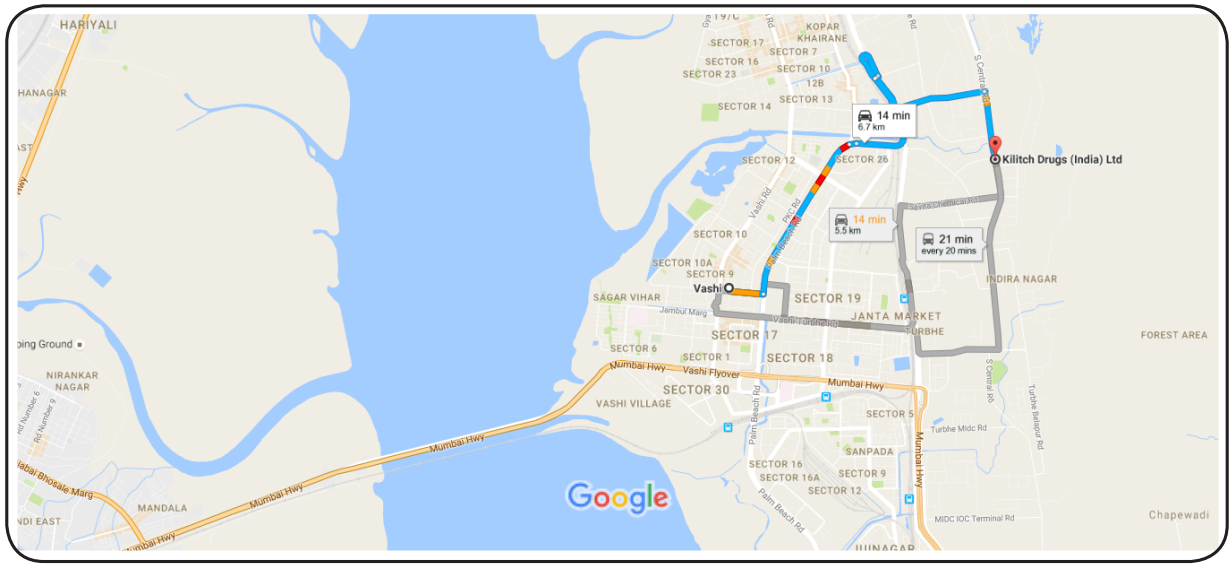
xx. Note for Institutional Shareholders & Custodians:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed tohelpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xxi In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

xxii. The voting rights of the members shall be in proportion to their of paid-up equity share capital of the Company as on relevant date i.e. **Friday, September 22, 2017**.

The route map of the VENUE of the AGM is given herein below



EXPLANATORY STATEMENT PRUSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.4:-

Mr. Bhavin Mehta, aged 41 years is a B.PHARM and has a rich experience of banking and other related financial matters. He was instrumental is signing a Joint Venture MOU with the large trade organizations in various African nations to set up there an ultra-modern manufacturing facilities for manufacturing of pharmaceutical formulations. He is responsible for guiding the Company's management and global operation to its next phase of growth.

In view of the above and taking into consideration the vast experience and able leadership qualities, your Board proposes to reappoint of Mr. Bhavin Mehta, as Whole-time Director of the Company on the remuneration package as detailed below and as recommended and approved by the Nomination and Remuneration Committee.

CATEGORY	PARTICULARS
Basic Salary	Upto maximum Rs. 7,00,000/- (Rupees Seven Lacs Only) per month or Rs. 84,00,000/- (Rupees Eighty Four Lacs Only) per annum based on merit and taking into account the Company's Performance.
Perquisites and Allowances	**Category A** **Medical Reimbursement**: Medical expenses actually incurred for self and family shall be reimbursed by the Company under the mediclaim Policy. **Leave Travel Concession**: Company shall provide leave travel fare to the Whole-Time Director and his family once a year, anywhere in India as per the Rules applicable to the Company and per Income Tax Rules. The Whole time Director shall be provided with a fully furnished accommodation. **Category B** The Company shall contribute towards Provident Funds/ Superannuation Fund/Annuity Fund, as agreed upon, provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under the IT Act. The Company shall pay Gratuity, as agreed upon, at the rate not exceeding half month's salary for each completed year of service. Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Company rules. The perquisites under this category shall not be included in the computation of ceiling on remuneration. **Category C** The Company shall provide a car with a driver at the cost of the Company for business use of the Company. The Whole-Time Director shall be entitled to reimbursement of all expenses incurred in connection with the business of the Company. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be reimbursed. Any and all expenditure actually and properly incurred on Company's business shall be reimbursed to the Whole-Time Director.
Sitting Fees	The Whole-time Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof. He shall, however be reimbursed the actual travelling, lodging and boarding expenses incurred by him for attending meeting of the Board of Directors and the Committees thereof.
General	I. The Whole-time Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board. II. The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors. III. The Whole-time Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

Mr. Bhavin Mehta satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Except Mr. Bhavin Mehta (being himself), Mrs. Mira Mehta (Being Spouse) and Mr. Mukund Mehta (Being Father), no other Director of the Company may be deemed to be concerned or interested in passing of said resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Item No. 5:-

The Nomination and Remuneration committee has completed the annual performance appraisal of all the executive directors of the Company. In view of this there is a recommendation for revision in the remuneration of Mrs. Mira Mehta, whole-time Director of the Company with effect from 1st September, 2017. Hence the Board of Directors is requesting your approval for the revise in the remuneration of Mrs. Mira Mehta, Whole-Time Director of the Company.

In view of the above, your Board proposes for revision of Remuneration of Mrs. Mira Mehta, Whole-time Director of the Company on the remuneration package as detailed below and as recommended and approved by the Nomination and Remuneration Committee.

CATEGORY	PARTICULARS
Basic Salary	Upto maximum Rs. 6,00,000/- (Rupees Six Lacs Only) per month or Rs. 72,00,000/- (Rupees Seventy Two Lacs Only) per annum based on merit and taking into account the Company's Performance.
Perquisites and Allowances	**Category A** **Medical Reimbursement**: Medical expenses actually incurred for self and family shall be reimbursed by the Company under the mediclaim Policy. **Leave Travel Concession**: Company shall provide leave travel fare to the Whole-Time Director and his family once a year, anywhere in India as per the Rules applicable to the Company and per Income Tax Rules. The Whole time Director shall be provided with a fully furnished accommodation. **Category B** The Company shall contribute towards Provident Funds/ Superannuation Fund/Annuity Fund, as agreed upon, provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under the IT Act. The Company shall pay Gratuity, as agreed upon, at the rate not exceeding half month's salary for each completed year of service. Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Company rules. The perquisites under this category shall not be included in the computation of ceiling on remuneration. **Category C** The Company shall provide a car with a driver at the cost of the Company for business use of the Company. The Whole-Time Director shall be entitled to reimbursement of all expenses incurred in connection with the business of the Company. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be reimbursed. Any and all expenditure actually and properly incurred on Company's business shall be reimbursed to the Whole-Time Director.
Sitting Fees	The Whole-time Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof. He shall, however be reimbursed the actual travelling, lodging and boarding expenses incurred by him for attending meeting of the Board of Directors and the Committees thereof.
General	I. The Whole-time Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board. II. The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors. III. The Whole-time Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

Mrs. Mira Mehta satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Except Mrs. Mira Mehta (being herself), Mr. Bhavin Mehta (Being Spouse) and Mr. Mukund Mehta (Being Father-in Law), no other Director of the Company may be deemed to be concerned or interested in passing of said resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No. 6 & 7:-

With a view to provide employees of the Company a share in growth of the Company and to attract, retain and motivate the talent, KDIL ESOS 2007 was introduced pursuant to approval of the members of the Company in meeting held on 29th September, 2007.

The Pricing formula in KDIL ESOS 2007 is Rs. 47.50 per option as approved by the members on 31st May, 2010 at the Extra Ordinary Meeting of Shareholders.

Disclosure as required under Clause 7.4 Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is as under:

1. Details of variation: Re-pricing of options at such price as may be decided by the Board at the time of each grant instead of Rs. 47.50 per share.
2. Rationale for re-pricing: To give flexibility to Directors to price the options. This will enable Directors to grant option and make the same attractive enough to the employees so that the objective of retention and attraction of Talent is achieved.
3. Details of Employees:

Sr. No.	Particulars	Options
A.	Scheme Size	3,50,000
B.	Options granted & re-priced @ Rs. 47.50 (options granted to 303 employees)	3,29,700
C.	(less) Options Exercised	29,706
D.	(B – C)	2,99,994
E.	(less) Options re-priced at the AGM held on 30th Sep, 2013	1,90,759
F.	Balance	1,09,235
G.	Pool available (Scheme size - Options granted) i.e. 3,50,000 – 3,29,700	20,300
H.	Options Outstanding (F + G) available for re-issue & proposed to be re-priced	1,29,535

Existing pricing formula: Rs. 47.50 per option

New Pricing Formula:

The Options will be priced by Directors at such discount to the market price as they may deem fit. However, the price shall not be less than face value of the shares. The proposed re-pricing is in conformity with SEBI guidelines.

The Directors, also propose to increase the limit of the maximum number of shares that may be issued under KDIL ESOS 2007 to an individual eligible participants from 5,000 shares to 1,00,000 shares.

The Company may identify certain employee/s to whom it may be necessary to grant option exceeding the limit set out in the KDIL ESOS 2007 to ensure continuity of their service with the Company.

The Board of Directors sought to take approval of the shareholders to increase the limit of the maximum number of shares that may be issued under KDIL ESOS 2007 Scheme.

None of the Directors of the Company is, in a way, concerned or interested in the resolution, except to the extent of the securities that have been offered to them under KDL ESOS 2007.

The Board recommends the Special Resolution set out at Item No. 6 & 7 of the Notice for approval by the shareholders.

Item No. 8:-

The Board of Directors proposes to amend clause 14 of the KDIL ESOS 2007 which was approved by the members of the Company in meeting held on 29th September, 2007 pertaining to exercise period of options already granted and proposed to be granted in future.

Sr. No.	No. of Options Granted	Exercise period
1	600	After one year from the date of grant of option
2	200	After two year from the date of grant of option
3	2400	After three year from the date of grant of option

Due to increase in limit of maximum number of options that may be granted to the identified grantees, limit to exercise the vested options shall also stand changed.

The Board of Directors sought to take approval of the shareholders to approve the change in the limit to exercise the option/s vested during a particular period. The Board/Compensation Committee of the Board which supervises ESOS shall have discretion to grant such options which can further be divided into such options to be vested & at such vesting period as may be determined. Options shall be exercisable within a period of 5 years from the date of grant as per the Scheme condition. This amendment shall be applicable for the options already granted and proposed to be granted in future.

None of the Directors of the Company is, in a way, concerned or interested in the resolution, except to the extent of the securities that have been offered to them under KDL ESOS 2007.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

For & on behalf of Board of Directors of
Kilitch Drugs (India) Limited

Sd/-
Mukund Mehta
Managing Director
[DIN: 00147876]

Place: Mumbai
Date: 23rd August 2017

Registered Office:
C-301/2, M.I.D.C. TTC Industrial Area,
Pawane Village, Thane: 400 705.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting

[In pursuance of Clause 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

Sr. No.	Particulars	Mr. Bhavin Mehta	Mrs. Mira Mehta
(a)	A brief resume of the director;	B.Pharm	B.Com
(b)	Nature of his expertise in specific functional areas;	Vast experience of 16 years in pharmaceutical industry and having good command over export markets.	9 Years in Pharmaceutical industry.
(c)	Disclosure of relationships between directors inter-se;	Son of Mr. Mukund Mehta, Spouse of Mrs. Mira Mehta	Daughter-in-law of Mr. Mukund Mehta, Spouse of Mr. Bhavin Mehta
(d)	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board; [Other than Kilitch Drugs (I) Ltd]; and	NIL	NIL
(e)	Shareholding of Director.	1,03,300	NIL

DIRECTORS' REPORT

To,

The Members,

KILITCH DRUGS (INDIA) LIMITED

Your Directors have pleasure in presenting their 25th Annual Report on the business and operations of your Company for the year ended March 31, 2017.

1. **FINANCIAL RESULTS:**

The summarized financial performance of the Company for the FY 2016-17 and FY 2015-16 is given below:

[Amount in Rs. Lacs]

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Gross Income	2927.69	2375.66	2979.04	2376.98
Profit Before Tax, Interest & Depreciation	(124.02)	(87.71)	(165.91)	(158.13)
Finance Charges	NIL	NIL	NIL	NIL
Provision for Depreciation	131.88	161.25	975.50	1004.74
Net Profit/ (Loss) Before Tax	(255.90)	(248.96)	(1141.40)	(1162.87)
Provision for Tax	56.14	43.61	56.34	43.78
Net Profit/ (Loss) After Tax	(199.76)	(205.35)	(1085.07)	(1119.09)
Balance of Profit brought forward	5983.17	6188.52	5069.03	6178.13
Balance available for appropriation	5783.41	5983.17	3973.97	5069.03
Proposed Dividend on Equity Shares	NIL	NIL	NIL	NIL
Tax on proposed Dividend	NIL	NIL	NIL	NIL
Transfer to General Reserve	NIL	NIL	NIL	NIL
Surplus carried to Balance Sheet	5783.41	5983.17	3973.97	5069.03

2. **REVIEW OF OPERATIONS:**

Standalone: -

During the year under review, the Company has posted total Income of Rs. 2927.69 Lacs as against Rs.2375.66 Lacs for the corresponding previous year.

Further, Net Loss after tax for the year under review was Rs. (199.76) Lacs as against Net Loss of Rs. (205.35) Lacs for the corresponding previous year.

Consolidated: -

During the year under review, the Company has posted total Income of Rs. 2979.04 Lacs as against Rs. 2376.98 Lacs for the corresponding previous year.

Further, Net Loss after tax for the year under review was Rs. (1085.07) Lacs as against Net Loss of Rs. (1119.09) Lacs for the corresponding previous year.

3. **STATEMENT OF AFFAIRS AND FUTURE OUTLOOK:**

Today's world is driven by more and more demanding health care agenda, the environment in which the Pharmaceutical & Life science companies operate is increasingly becoming challenging. There is a global need for innovative, cost effective medicines Whilst the health care provider, patients, payers inclusive of regulators are demanding greater value for money, more transparency and access to information on the product.

This global competition to our company has continued to be significant factor which is to be taken care of while formulating the growth plan & strategies. Given its strong technological base, wide market range of products, we are getting well equipped to meet these challenges.

We are working tirelessly to create an environment of innovation and learning. This objective enables us to help our customers across the world gain access to affordable healthcare. We are a growing organization, with products across the pharmaceutical value chain designed to offer solutions for unmet medical needs and better access to existing medicines. Our offerings cover branded formulations, generic drugs, OTC products and specialty products.

With the back up of the seasoned professional management, we shall soon successfully complete the project in Ethiopia where we are setting up a dedicated Cephalosporin plant which shall cater to the entire nation of Ethiopia and shall also cater to the nearby East African markets.

We are about to complete the up-gradation of our manufacturing unit in Mumbai with the state of art machineries and technologies which will give us an additional reach to conquer the markets across the globe.

With this belief and your support, we hope to achieve all time highest export sales of our company.

4. **DIVIDEND AND RESERVES:**

In view of Loss incurred by the Company, your Directors are unable to recommend any dividend for the financial year under review.

5. **SHARE CAPITAL:**

The Paid-up Equity Share Capital of the Company as on 31st March, 2017 is Rs. 1323.18 Lacs, comprising of 13231828 Equity Shares of Rs. 10/- each. During the year under review, the Company has not issued any Equity Shares.

The Board of Directors at their meeting held on 25th July 2017 proposed the preferential issue of equity shares, subject to the approval of the Members of the Company.

In this regard, it was proposed to conduct Postal Ballot to seek approval of the Members of the Company for such Postal Ballot.

6. **EMPLOYEE STOCK OPTION SCHEME:**

As per Employee stock option Scheme (Kilitch ESOS 2007), each option is convertible into one equity shares of Rs.10/- each at exercise price of Rs.47.50 per share. Your company has instituted Stock Option Plans to enable its employees to participate in your Companies growth and financial success. Your Company provides its employees a platform for participating in important decision making and instilling long term commitment towards growth of the Company by way of rewarding them through Stock Options. In terms of the Compensation and Benefit Policy of the Company, employees are granted options as part of Annual Performance Review process based on their performance as well as to ensure their retention, and to hire the best talent for its senior management and key positions. The Employee Stock Option Plans are administered by the Nomination & Remuneration Committee of the Board of the Company.

During the year, all new grants have been made in w.e.f. February 13, 2017. The Schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. Source of shares are primary in nature, since your Company has been issuing new equity shares upon exercise of options.

Options granted for a term of 3 years (inclusive of the vesting period) and are settled with equity shares being allotted to the beneficiary upon exercise.

No stock options were issued to the Directors of your Company

Further at the meeting held on 23rd Aug, 2017, Directors of the Company proposed to re-price the options at such discount to the market price as they may deem fit. However, the price shall not be less than face value of the shares. The proposed re-pricing is in conformity with SEBI guidelines.

Also The Directors propose to increase the limit of the maximum number of shares that may be issued under KDIL ESOS 2007 to an individual eligible participants from 5,000 shares to 1,00,000 shares.

7. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

At the 24th Annual General Meeting held on September 30, 2016, Mr. Deepu Kesavan Panankattil was re-appointed as the Director of the Company liable to retire by rotation.

Also, Mr. Mukund Mehta was re-appointed as the Managing Director of the Company w.e.f. 30th September, 2016 for a period of 5 years.

Further, Mr. Deepu Kesavan Panankattil resigned as Director of the Company w.e.f. 30th November, 2016.

Also, Mr. Shailesh Mirgal appointed as the Chief Financial Officer of the Company w.e.f. 24.08.2016

Further, Mr. Dharmendra Makwana was appointed as the Company Secretary in Whole time in employment w.e.f. 30th May, 2017 and, Ms. Keerti Acharya tendered her resignation as the Company Secretary with effect from 1st May, 2017.

In accordance with section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company Mrs. Mira Mehta (DIN: 01902831), Whole-Time Director of the Company, retires by rotation and being eligible; offers herself for re-appointment at the forthcoming 25th Annual General Meeting. The Board recommends the said reappointment for shareholders' approval.

8. **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2103, the Board of Directors of the Company hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

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

(e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. **PARTICULARS OF EMPLOYEES AN RELATED DISCLOSURE**

The information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company, is enclosed as **Annexure I** and forms part of this Report.

Further, no employee of the Company is earning more than the limits as prescribed pursuant to Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company.

Further, the names of top ten employees in terms of remuneration drawn are disclosed in **Annexure II** and forms part of this Report.

10. **NUMBER OF BOARD MEETINGS**

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, 4 (Four) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

11. **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The Directors expressed satisfaction with the evaluation process. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

12. **INDEPENDENT DIRECTORS**

The Independent Director(s) have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their appointment as Independent Director, under the provisions of section 149 of the Companies Act, 2013 as well as Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. **NOMINATION AND REMUNERATION POLICY**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are provided as **Annexure- VII** to this Report and also available on the website of the Company www.kilitch.com.

14. **EXTRACT OF ANNUAL RETURN:**

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure III** and forms part of this Report.

15. **DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES**

The Statement **AOC-1** pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 regarding Subsidiary Company is enclosed as **Annexure IV** to this Report.

16. **STATUTORY AUDIT**

As per the provisions of the Act, the period of office of M/s A. M. Ghelani & Co., Chartered Accountants, Statutory Auditors of the Company, expires at the conclusion of the ensuing Annual General Meeting.

It is proposed to appoint M/s A. M. Ghelani & Co., Chartered Accountants for another term of 3 (Three) consecutive years. M/s A. M. Ghelani & Co., Chartered Accountants, have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

17. **SECRETARIAL AUDIT**

In terms of Section 204 of the Act and Rules made there under, M/s. Deep Shukla, Practicing Company Secretary, have been appointed Secretarial Auditors of the Company. The Secretarial Audit Report is enclosed as **Annexure VI** to this report.

EXPLANATION(S)/ COMMENT(S) PURSUANT TO SECTION 134(3)(f)(ii), OF THE COMPANIES ACT, 2013:

1. The Company is in the process to file form MGT-14 with respect to the appointment of secretarial auditor, internal auditor and investment made by the Company.
2. The Company is in process to file Form MGT-10 for change in shareholding

18. **COST AUDIT**

As per the Cost Audit Orders and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Cost Audit is not applicable to our Company.

19. **INTERNAL AUDIT & CONTROLS**

The Company has in place adequate internal financial controls with reference to the financial statement. The Audit Committee of the Board periodically reviews the internal control systems with the management, Statutory Auditors. Significant internal audit findings are discussed and follow-ups are taken thereon.

Further, Milind Mehta & Co., Chartered Accountants, having Membership No. 47739 were appointed as Internal Auditors of the Company.

20. **COMPOSITION OF AUDIT COMMITTEE**

Your Company has formed an Audit Committee as per the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. All members of the Audit Committee possess strong knowledge of accounting and financial management.

Further, the Audit Committee is functional as per the provision of Section 177 of Companies Act, 2013 and Rules made thereunder and as per Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The other details of the Audit Committee are given in the Corporate Governance Report, appearing as a separate section in this Annual Report.

21. **VIGIL MECHANISM**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.kilitch.com. The employees of the Company are made aware of the said policy at the time of joining the Company.

22. **RISK MANAGEMENT POLICY**

The Company has laid down the procedure to inform the Board about the risk assessment and minimization procedures. These procedures are reviewed by the Board annually to ensure that there is timely identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting.

23. **DEPOSITS**

The Company has neither accepted nor renewed any fixed deposits during the year under review under Section 76 of the Companies Act, 2013. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2017.

24. **LOANS & GUARANTEES**

During the year under review, the Company has not provided any loan, guarantee, security or made any investment covered under the provisions of Section 186 of the Companies Act, 2013 to any person or other body corporate.

25. **INSURANCE**

The properties/assets of the Company are adequately insured.

26. **RELATED PARTY TRANSACTIONS**

During Financial Year 2016-17, the Company entered into certain Related Party Transactions which are in the ordinary course of business and at arm's length basis, with approval of the Audit Committee. The Audit Committee grants omnibus approval for the transactions which are of foreseen and repetitive nature. A detailed summary of Related Party Transactions is placed before the Audit Committee and the Board of Directors for their review every quarter.

There are no materially significant Related Party Transactions executed between the Company and its Promoters, Directors, key Managerial Personnel or other designated persons, that may have a potential conflict with the interest of the Company at large.

Since all Related Party Transactions entered into by the Company were in ordinary course of business and were on an arm's length basis, Form AOC-2 is applicable to the Company and is enclosed a **Annexure V** to this report.

27. **CORPORATE GOVERNANCE CERTIFICATE**

In compliance with Regulation 34(3) read with Schedule V(C) of the SEBI (LODR) Regulations, 2015, a Report on Corporate Governance forms part of this Annual Report. The Certificate as issued by Practicing Company Secretary certifying compliance with the conditions of corporate governance as prescribed under Schedule V(E) of the SEBI (LODR) Regulations, 2015, is annexed to the Corporate Governance Report.

28. **CORPORATE SOCIAL RESPONSIBILITY**

The Company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee and frame a policy thereof.

29. **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report, which gives a detailed state of affairs of the Company's operations forms part of this Annual Report.

30. **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

(A) Conservation of Energy:

i. steps taken or impact on conservation of energy;

The use of energy is being optimized through improved operational methods. Continuous efforts are being made to optimize and conserve energy by improvement in production process. Even though its operations are not energy-intensive, significant measures are taken to reduce energy consumption by using energy-efficient equipment. The Company regularly reviews power consumption patterns in its all locations and implements requisite improvements/changes in the process in order to optimize energy/ power consumption and thereby achieve cost savings.

ii. steps taken for utilizing alternate sources of energy;

The steps taken by the Company for utilizing alternate sources of energy: The Company is using electricity as the main source of energy and is currently not exploring any alternate source of energy.

iii. capital investment on energy conservation equipments;

Our Company firmly believes that our planet is in dire need of energy re-sources and conservation is the best policy.

(B) Absorption of Technology:

i. The efforts made towards technology absorption:

The Company values innovation and applies it to every facet of its business. This drives development of distinctive new products, ever improving quality standards and more efficient processes.

The Company has aug`mented its revenues and per unit price realization by deploying innovative marketing strategies and offering exciting new products. The depth of designing capabilities was the core to our success over the years.

The Company uses the service of in-house designers as well as those of free-lancers in developing product designs as per the emerging market trends. The Company uses innovation in design as well as in technology to develop new products.

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

As a result of the above, the following benefits have been achieved:

a. Better efficiency in operations,

b. Reduced dependence on external sources for technology for developing new products and upgrading existing products,

c. Expansion of product range and cost reduction,

d. Greater precision,

e. Retention of existing customers and expansion of customer base,

f. Lower inventory stocks resulting in low carrying costs.

iii. The Company has not imported any technology during the year under review;

iv. The Company has not expended any expenditure towards Research and Development during the year under review.

(C) FOREIGN EXCHANGE EARNING AND OUTGO:

(I) **Earnings in Foreign Currency**

(Rs. in Lacs)

Particulars	2016-17	2015-16
Export Sales	1723.39	1460.81

(II) **Expenditure in foreign currency**

(Rs. in Lacs)

Particulars	2016-17	2015-16
Business Promotion & Travelling	56.87	30.70
Export Registration	42.63	147.09
Export Expenses	1.62	0.06

31. **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

As per the provision of Section 125 of the Companies Act, 2013 read with rule 4 of Companies (Declaration and Payment of Dividend) Rules, 2014, Dividend which remain unclaimed for the period of seven years are required to be transferred to the Investor Education Protection Fund administered by the Central Government.

Dates of declaration of dividends since 2008-09 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government are given in the below table.

Financial Year Ended	Date of declaration of Dividend	Amount Remaining unclaimed/ Unpaid as on 31.03.2017 (Rs.)	Last date for claiming unpaid dividend amount (before)	Last date for transfer to IEPF
2009-2010	20/10/2010	3,81,280	31.07.2018	30.09.2018
2010-2011	10/09/2011	4,75,219	31.07.2019	30.09.2019
2011-2012	29/09/2012	86,76,450	31.07.2020	30.09.2020

Members are requested to note that after completion of seven years, no claims shall lie against the said fund or company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claims.

32. **GENERAL**

During the year ended 31st March, 2017, there were no cases filed /reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company confirms that it has paid the Annual Listing Fees for the year 2017-18 to BSE and NSE where the Company's Shares are listed.

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

During the year under review, there have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

33. **HUMAN RESOURCES**

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

34. **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There are no significant and material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

35. **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**:

The Board of Directors at their meeting held on 25th July 2017 proposed the preferential issue of equity shares, subject to the approval of the Members of the Company.

In this regard, it was proposed to conduct Postal Ballot to seek approval of the Members of the Company for such Postal Ballot.

36. **ACKNOWLEDGEMENT**

The Directors would like to thank all shareholders, customers, bankers, medical professionals, business associates, suppliers, distributors and everybody else with whose help, cooperation and hard work the Company is able to achieve the results. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Mukund Mehta [DIN: 00147876] **Managing Director**	**Bhavin Mehta** [DIN: 00147895] **Whole-Time Director**

Place: Mumbai
Date: 14th August, 2017

Annexure I

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

i. **The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and**

ii. **The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2016-17.**

Name & Designation	Remuneration of each Director & KMP for the FY 2016-17 (Rs.)	& Increase / Decrease in Remuneration in the FY 2016-17	Ratio of Remuneration of each Directors to median remuneration of employees
A. Directors			
Mukund P. Mehta - Managing Director	24,00,000/-	NIL	200.00%
Bhavin M. Mehta - Executive Director	12,00,000/-	NIL	100.00%
Mira Bhavin Mehta - Whole Time Director	12,00,000/-	NIL	100.00%
Mukesh Shah - Independent Director	NIL	NIL	NIL
Shailesh H. Cheda - Independent Director	NIL	NIL	NIL
Hemang Engineer - Independent Director	NIL	NIL	NIL
Pankaj O. Kamdar - Independent Director	NIL	NIL	NIL
Ramesh B. Modi - Independent Director	NIL	NIL	NIL
*Deepu K Panankattil - Whole-Time Director	22,48,500/-	NIL	187.38%
B. Key Managerial Personnel			
**Shailesh Mirgal - CFO & Compliance officer	2,80,000/-	NIL	23.33%
***Keerti Acharya- CS	2,40,000/-	NIL	20.00%

CFO – Chief Financial Officer; CS - Company Secretary.

Notes:

a. Median remuneration of all the employees of the Company for the financial year 2016-17 is Rs. 2,46,840/-.

b. *Resigned W.E.F. 30.11.2016

c. **Appointed w. e. f. 24.08.2016.

d. ***Resigned w. e. f. 1st May, 2017.

iii. **The percentage increase in the median remuneration of employees in the financial year 2016-17**

Particulars	Financial Year 2016 - 17 (Rs.)	Financial Year 2015 - 16 (Rs.)	Increase (%)
Median remuneration of all employees	2,46,840/-	190680/-	29.45%

Note: The calculation of % increase in the median remuneration has been done based on comparable employees.

iv. **The number of permanent employees on the rolls of Company.**

There were 67 permanent employees on the rolls of Company as on March 31, 2017.

v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

The average increase of 9.35% in the salaries of employees was in line with the market projection, the performance of the Company in the financial year 2016-17, the individual performance of the employees, the criticality of the roles they play and skills set they possess. There is no increase in the salary of the Managing Director during the year under review.

vi. **Affirmation that the remuneration is as per the Remuneration Policy of the Company**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Mukund Mehta
[DIN: 00147876]
Managing Director

Bhavin Mehta
[DIN: 00147895]
Whole-Time Director

Place: Mumbai
Date: 14th August, 2017

Annexure II

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(2)(a) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

Name of the Employees	Designation / Nature of Duties	Remuneration Received (Rs.) P.A. in Lacs	Qualification	Experience in years	Age in Years	Date of Commencement of employment	Last employment held	% of share holding
Mukund Mehta	Managing Dircetor	24,00,000/-	B.COM, BGL	32	64	12.05.1992	-	4.16
Deepu K Panankattil	Whole-Time Director	21,52,500/-	B.TECH, IN MECH. ENGG, DFT	14	46	20.08.2009	-	-
Bhavin Mehta	Whole-Time Director	12,00,000/-	B. PHARM,	16	41	29.09.2007	-	0.78
Mira Mehta	Whole-Time Director	12,00,000/-	B.COM	9	39	01.03.2013	-	-
Tajouddin Ansari	Export Manager	12,00,000/-	B.COM, MBA	21	21	03.11.2016		
Sachin D. Pol	Dy. Manager Supply Chain	10,50,000/-	BSC	7	37	06.12.2010	-	-
Archana S Kitkaru	QA Manager	9,39,204/-	M. PHARM	18	44	03.02.1999	-	-
Rajesh Khatri	GM	8,70,000/-	B.COM	2	42	23.12.2015		
Simi Santosh	Q.C. Manager	7,97,508/-	BSC	2	48	01.08.2015	-	-
Bhalchandra Mhatre	MAINTATANCE MANAGER	6,00,000/-	DIPLOMA ELETRICAL ENGG	1	47	01.08.2016		

The above employees are related to the Directors of the Company. :

Names of Employees	Names of employees who are relatives of any Director
Mukund Mehta	Bhavin Mehta (Son), Mira Mehta (Son's wife)
Deepu K Panankattil	-
Chitoor Seshadri Krishnan	-
Shailesh Mirgal	-
Bhavin Mehta	Mukund Mehta (Father), Mira Mehta (Spouse)
Mira Mehta	Bhavin Mehta (Spouse), Mukund Mehta (Father in Law)
Rama S Sharma	-
Archana S Kitkaru	-
Simi Santosh	-
Sachin Dilip Pol	-
Janki Thirumalai Nambi	-

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Mukund Mehta
[DIN: 00147876]
Managing Director

Bhavin Mehta
[DIN: 00147895]
Whole-Time Director

Place: Mumbai
Date: 14th August, 2017

Annexure III

FORM MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. **REGISTRATION & OTHER DETAILS:**

CIN	L24239MH1992PLC066718
Registration Date	12/05/1992
Name of the Company	KILITCH DRUGS (INDIA) LIMITED
Category/Sub-category of the Company	PUBLIC COMPANY/ LIMITED BY SHARES
Address of the Registered office & contact details	C 301/2 MIDC TTC INDL AREA, PAWANE, THANE - 400705 Tel. No. +91-22-65144185
Whether listed company	YES
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. Registrar & Share Transfer Agent C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Tel: 022- 49186000; Fax: 022-49186060

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)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	ONECEF INJ.1GM	3042	18.01%
2	KALFEN INJECTION 3 ML	3042	12.28%

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

Sr. No.	Name and Address of the Company	CIN/ GLN	% of Shares held	Applicable Section
A.	**Holding Company:**			
1.	KILITCH COMPANY PHARMA LIMITED, Reg. Off. Add: Unit No.37, Ujagar Indl Estate, W.T. Patil Marg, Deonar, Mumbai - 400088.	U24230MH1983PLC030632	50.10	2(46)
B.	**Subsidiary Company:**			
1	MONARCHY HEALTHSERVE PRIVATE LIMITED Reg. Off. Add: Unit No.37, Ujagar Indl Estate, W.T. Patil Marg, Deonar, Mumbai: 400088.	U74999MH2007PTC167204	100.00	2(87)
2	Kilitch Estro Biotech PLC Head Off. Add: Bole Sub City, K08, HNO: New, Addis Ababa, Ethiopia P.O. Box:160412	-	100.00	2(87)

IV. **SHARE HOLDING PATTERN**

(Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1st April-2016]				No. of Shares held at the end of the year[As on 31st -March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	1904831	0	1904831	14.40	1904831	0	1904831	14.40	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	6629342	0	6629342	50.10	6629342	0	6629342	50.10	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	**8534173**	**0**	**8534173**	**64.50**	**8534173**	**0**	**8534173**	**64.50**	**0**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1st April-2016]				No. of Shares held at the end of the year[As on 31st -March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	100	0	100	-	100	0	100	-	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	100	0	100	-	100	0	100	-	0
2. Non-Institutions									
a) Bodies Corp.	263222	1233	264455	2.00	263222	1233	264455	2.00	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	2496325	751647	3247972	24.54	2168706	730513	2899219	21.91	-1.34
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	745199	0	745199	5.63	1274005	12000	1286005	9.72	2.79
c) Others (specify)									
Non Resident Indians	183400	0	183400	1.38	20223	0	20223	0.15	0.12
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	144103	0	144103	1.08	73210	0	73210	0.53	-0.53
HUF/Trusts	112426	0	112426	0.84	107496	0	107496	0.81	-0.04
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**3944675**	**752880**	**4697555**	**35.50**	**3953909**	**743646**	**4697555**	**35.50**	**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**12478948**	**752880**	**13231828**	**100**	**12488182**	**743646**	**13231828**	**100**	**0**

B) Shareholding of Promoter-

Sr. No	Shareholder's Name	Shareholding at the beginning of the year [1st April 2016]			Shareholding at the end of the year [31st March 2017]			% 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	Kilitch Company Pharma Ltd	6629342	50.10	0	6629342	50.10	0	0
2	Paresh Prataprai Mehta	956785	7.23	0	0	0	0	-7.23
3	Mukund Prataprai Mehta	549978	4.16	0	1506763	11.39	0	7.23
4	Neeta Mukund Mehta	294768	2.23	0	294768	2.23	0	0
5	Bhavin Mukund Mehta	103300	0.78	0	103300	0.78	0	0

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

Sr. No.	Particulars		Shareholding at the beginning of the year [1st Apr, 16]		Cumulative Shareholding during the year (31st Mar, 17)	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Kilitch Company (Pharma) Ltd**					
	At the beginning of the year		6629342	50.10	6629342	50.10
	At the end of the year				6629342	50.10
2	**Mukund Prataprai Mehta**					
	At the beginning of the year		549978	4.16	549978	4.16
	Transfer	15 April, 2016	956785	7.23	1506763	11.39
	At the end of the year				1506763	11.39
3	**Neeta Mukund Mehta**					
	At the beginning of the year		294768	2.23	294768	2.23
	At the end of the year				294768	2.23
4	**Bhavin Mukund Mehta**					
	At the beginning of the year		103300	0.78	103300	0.78
	At the end of the year				103300	0.78
5	**Paresh Prataprai Mehta**					
	At the beginning of the year		956785	7.23	956785	7.23
	Transfer	8 April, 2016	956785	7.23	0	0
	At the end of the year				0	0

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the yea [1st Apr, 16]		Cumulative Shareholding during the year [31st Mar, 17]	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**DIPAK KANAYALAL SHAH**					
	At the beginning of the year		**170200**	**1.29**	**170200**	**1.29**
	Transfer	12-Aug-16	14800	0.11	185000	1.4
	Transfer	31-Dec-16	188639	1.43	373639	2.82
	Transfer	13-Jan-17	-23639	-0.18	350000	2.65
	Transfer	31-Mar-17	109561	0.83	459561	3.47
	At the end of the year				**459561**	**3.47**
2	**SHARAD KANAYALAL SHAH**					
	At the beginning of the year		**0**	**0**	**0**	**0**
	Transfer	7-Oct-16	83600	0.63	83600	0.63
	Transfer	14-Oct-16	51769	0.39	135369	1.02
	Transfer	28-Oct-16	-5000	-0.04	130369	0.98
	Transfer	4-Nov-16	-16000	-0.12	114369	0.86
	Transfer	18-Nov-16	-10000	-0.08	104369	0.78
	At the end of the year				104369	0.78
3	**DARSHANA JIGNESH KOTHARI**					
	At the beginning of the year		**75,000**	**0.57**	**75,000**	**0.57**
	Date wise Increase / Decrease in Shareholding during the year		-	-	-	-
	At the end of the year				**75,000**	**0.57**
4	**ANUJ SHAH**					
	At the beginning of the year		**73495**	**0.56**	**73495**	**0.56**
	Date wise Increase / Decrease in Shareholding during the year		-	-	-	-
	At the end of the year				**73495**	**0.56**

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the yea [1st Apr, 16]		Cumulative Shareholding during the year [31st Mar, 17]	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	**NEETA MANOJ RUPAREL**					
	At the beginning of the year		70000	0.53	70000	0.53
	Transfer	17-Mar-17	1000	**0.01**	71000	0.54
	At the end of the year				71000	0.54
6	**MINAL BHARAT PATEL**					
	At the beginning of the year		**69293**	**0.52**	**69293**	**0.52**
	Date wise Increase / Decrease in Shareholding during the year		-	-	-	-
	At the end of the year				**69293**	**0.52**
7	**SARAIYA BHAVIN RAMAKANT**					
	At the beginning of the year		**12756**	**0.1**	**12756**	**0.1**
	Transfer	22-Apr-16	1582	0.01	14338	0.1
	Transfer	29-Apr-16	1400	0.01	15738	0.12
	Transfer	6-May-16	1330	0.01	17068	0.13
	Transfer	7-Oct-16	26923	0.2	43991	0.33
	Transfer	13-Jan-17	7132	0.05	51123	0.39
	Transfer	20-Jan-17	5138	0.04	56261	0.43
	Transfer	27-Jan-17	104	0	56365	0.43
	Transfer	3-Feb-17	1088	0.01	57453	0.43
	At the end of the year				57453	0.43
8	**POONAM BANKIM DESAI**					
	At the beginning of the year		**12364**	**0.09**	**12364**	**0.09**
	Transfer	10-Jun-16	1187	0.01	13551	0.1
	Transfer	1-Jul-16	2521	0.02	16072	0.12
	Transfer	15-Jul-16	4500	0.03	20572	0.16
	Transfer	2-Dec-16	25180	0.19	45752	0.35
	Transfer	24-Mar-17	2861	0.02	48613	0.37
	At the end of the year				48613	0.37
9	**RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED**					
	At the beginning of the year		**95445**	**0.72**	**95445**	**0.72**
	Transfer	8-Apr-16	180	0	95625	0.72
	Transfer	15-Apr-16	125	0	95750	0.72
	Transfer	22-Apr-16	219	0	95969	0.73
	Transfer	3-Jun-16	-8533	-0.06	87436	0.66
	Transfer	10-Jun-16	-9499	-0.07	77937	0.59
	Transfer	8-Jul-16	-20000	-0.15	57937	0.44
	Transfer	15-Jul-16	-2399	-0.02	55538	0.42
	Transfer	18-Nov-16	-7836	-0.06	47702	0.36
	Transfer	25-Nov-16	-2446	-0.02	45256	0.34
	At the end of the year				45256	0.34
10	**HARSHA NARESH PANCHAL**					
	At the beginning of the year		**45000**	**0.34**	45000	0.34
	Date wise Increase / Decrease in Shareholding during the year		-	-	-	-
	At the end of the year				**45000**	**0.34**
11	**ROOMY NOZER DARUWALLA**					
	At the beginning of the year		**128083**	**0.97**	**128083**	**0.97**
	Transfer	30-Sep-16	-36500	-0.28	91583	0.69
	Transfer	21-Oct-16	-16000	-0.12	75583	0.57
	Transfer	13-Jan-17	-50197	-0.38	25386	0.19
	At the end of the year				25386	0.19

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the yea [1st Apr, 16]		Cumulative Shareholding during the year [31st Mar, 17]	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
12	**ANGEL FINCAP PRIVATE LIMITED**					
	At the beginning of the year		**39324**	**0.29**	**39324**	**0.29**
	Transfer	6-May-16	-6000	-0.05	33324	0.25
	Transfer	24-Jun-16	1000	0.01	34324	0.26
	Transfer	30-Jun-16	100	0	34424	0.26
	Transfer	8-Jul-16	-1000	-0.01	33424	0.25
	Transfer	29-Jul-16	-100	0	33324	0.25
	Transfer	16-Sep-16	-1000	-0.01	32324	0.24
	Transfer	7-Oct-16	-2016	-0.02	30308	0.23
	Transfer	11-Nov-16	-8000	-0.06	22308	0.17
	Transfer	20-Jan-17	-1000	-0.01	21308	0.16
	At the end of the year				21308	0.16
13	**MINAL B. PATEL**					
	At the beginning of the year		**65756**	**0.5**	**65756**	**0.5**
	Transfer	26-Aug-16	-65756	-0.5	0	0
	At the end of the year				0	0
14	**GEETA BALDEV PANCHAL**					
	At the beginning of the year		**37525**	0.28	**37525**	**0.28**
	Transfer	27-May-16	-88	0	37437	0.28
	Transfer	17-Jun-16	-12827	-0.1	24610	0.19
	Transfer	24-Jun-16	-18110	-0.14	6500	0.05
	Transfer	8-Jul-16	-1500	-0.01	5000	0.04
	Transfer	30-Sep-16	-4000	-0.03	1000	0.01
	Transfer	7-Oct-16	-1000	-0.01	0	0
	At the end of the year				**0**	**0**
15	**HARSHA NARESH PANCHAL**					
	At the beginning of the year		**36629**	0.28	**36629**	**0.28**
	Transfer	20-May-16	19500	0.15	17129	0.13
	Transfer	27-May-16	-4712	-0.04	12417	0.09
	Transfer	3-Jun-16	-1859	-0.01	10558	0.08
	Transfer	10-Jun-16	-10558	-0.08	0	0
	At the end of the year				**0**	**0**

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel		Shareholding at the beginning of the yea [1st Apr, 16]		Cumulative Shareholding during the year [31st Mar, 17]	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mr. Mukund Mehta**					
	At the beginning of the year		5,49,978	4.16	5,49,978	4.16
	Transfer	15 April, 2016	9,56,785	7.23	15,06,763	11.39
	At the end of the year		0	0	15,06,763	11.39
2	**Mr. Paresh Mehta**				-	-
	At the beginning of the year		9,56,785	7.23	9,56,785	7.23
	Transfer	8 April, 2016	9,56,785	7.23	0	0
	At the end of the year		0	0	0	0
3	**Mr. Bhavin Mehta**					
	At the beginning of the year		1,03,300	0.78	1,03,300	0.78
	Date wise Increase / Decrease in Shareholding during the year		-	-	-	-
	At the end of the year		0	0	1,03,300	0.78

VI. **INDEBTEDNESS -**Indebtedness of the Company including interest outstanding/accrued but not due for payment.

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

VII. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ ~~Manager~~				Total Amount
		Mukund Mehta	Bhavin Mehta	Mira Mehta	Deepu K. Panankattil	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000/-	12,00,000/-	12,00,000/-	21,52,500/-	69,52,500/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission - as % of profit - others, specify…	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total (A)	**24,00,000/-**	**12,00,000/-**	**12,00,000/-**	**21,52,500/-**	**69,52,500/-**
	Ceiling as per the Act					

*Resigned dated 30.11.2016

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors					TOTAL AMT. (in Rs.)
		Mukesh Shah	Pamkaj kamdar	Shailesh Cheda	Hemang Engineer	Ramesh modi	
1	Independent Directors						
	Fee for attending board committee meetings	3,000/-	3,000/-	3,000/-	3,000/-	3,000/-	15,000/-
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (1)	3,000/-	3,000/-	3,000/-	3,000/-	3,000/-	15,000/-
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	0	0	0	0	0	0
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0
	Total (B)=(1+2)	3,000/-	3,000/-	3,000/-	3,000/-	3,000/-	15,000/-
	Total Managerial Remuneration	3,000/-	3,000/-	3,000/-	3,000/-	3,000/-	15,000/-
	Overall Ceiling as per the Act						

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	**2,40,000/-**	**2,80,000/-**	**5,20,000/-**
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	Others, specify…	0	0	0
5	Others, please specify	0	0	0
	Total	**2,40,000/-**	**2,80,000/-**	**5,20,000/-**

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	**None**				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	**None**				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	**None**				
Punishment					
Compounding					

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Mukund Mehta
[DIN: 00147876]
Managing Director

Bhavin Mehta
[DIN: 00147895]
Whole-Time Director

Place: Mumbai
Date: 14th August, 2017

Annexure – IV

FORM AOC-I

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

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

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Lacs.)

Sr. No.	1.	2.
Name of the subsidiary	Monarchy Healthserve Pvt. Ltd.	Kilitch Estro Biotech PLC
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	March 31, 2017	March 31, 2017
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	USD 64.81
Share capital	47.086	126.03
Reserves & surplus	2386.02	(1.23)
Total assets	2539.59	182.55
Total Liabilities	106.48	57.76
Investments	0	0
Turnover	51.34	0
Profit before taxation	(885.33)	0
Provision for Deferred Tax	0.26	
Profit after taxation	(885.07)	0
Proposed Dividend	0	0
% of shareholding	100%	97%

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Place: Mumbai
Date: 14th August, 2017

Mukund Mehta
[DIN: 00147876]
Managing Director

Bhavin Mehta
[DIN: 00147895]
Whole-Time Director

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	
1.	Latest audited Balance Sheet Date	-
2.	Shares of Associate/Joint Ventures held by the company on the year end	-
	No.	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	-
3.	Description of how there is significant influence	-
4.	Reason why the associate/joint venture is not consolidated	-
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	-
6.	Profit / Loss for the year	-
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	-

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Place: Mumbai
Date: 14th August, 2017

Mukund Mehta
[DIN: 00147876]
Managing Director

Bhavin Mehta
[DIN: 00147895]
Whole-Time Director

Annexure - V

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	*Particulars*		
	Name (s) of the related party & nature of relationship	NBZ Healthcare LLP	Kilitch Estro Biotech PLC
	Nature of contracts/arrangements/transaction	Manufacturing Contract	Manufacturing
	Duration of the contracts/arrangements/transaction	5 Years	5 Years
	Salient terms of the contracts or arrangements or transaction including the value, if any	Loan Licence Manufacturing by Kilitch Drugs (India) Ltd for NBZ Healthcare LLP	Manufacturing of Nutractial
	Date of approval by the Board	30th May, 2013	11th Nov, 2015
	Amount paid as advances, if any	NIL	NIL

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

Place: Mumbai
Date: 14th August, 2017

Mukund Mehta
[DIN: 00147876]
Managing Director

Bhavin Mehta
[DIN: 00147895]
Whole-Time Director

ANNEXURE VI

SECRETARIAL AUDIT REPORT

For the financial year ended 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
Kilitch Drugs (India) Limited
C 301/2,MIDC TTC Indl Area,
Pawane,Thane - 400 705
Maharashtra, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kilitch Drugs (India) Limited** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 ('Audit Period') complied with the statutory provisions listed hereunder, subject to specified observation(s) mentioned below, 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, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there-under;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (to the extent as may be applicable to the Company);

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999(Not Applicable to the Company during the Audit Period);

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(Not Applicable to the Company during the Audit Period);and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not Applicable to the Company during the Audit Period);

VI. Other laws applicable specifically to the Company, namely:

Drugs and Cosmetics Act, 1940 and Rules made there-under; and (b) Drugs Price Control Order, 2013 and notifications made there-under.

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

a. Secretarial Standards issued by The Institute of Company Secretaries of India.

b. The Listing Agreements entered into by the Company with the Stock Exchanges viz BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE) along with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable for respective periods.

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

- Non filing of e-form MGT-14 on MCA portal with respect to the appointment of Internal Auditor, Secretarial Auditor and investment made by the Company during the year under review.
- Non filing of form MGT-10 for change in shareholding by more than 2% of the paid up share capital of the Company.
- As informed to us by the Management, the process of transfer of shares to IEPF account is in process and is further subject to clarifications/notifications as may be issued by the Ministry of Corporate Affairs.

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 Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.
- All the resolutions were passed with consent of majority Directors and minutes were prepared accordingly.

I further report that:

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

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards.

For M/s Deep Shukla & Associates
Company Secretaries

Deep Shukla
Proprietor
FCS: 5652
C. P. No. 5364

Place: Mumbai
Date: 14th August, 2017

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To

The Members

KILITCH DRUGS (INDIA) LIMITED

I further state that my said report of the even date has to be read along with this letter.

1. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination is limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M/s Deep Shukla & Associates
Company Secretaries

Deep Shukla
Proprietor
FCS: 5652
C. P. No. 5364

Place: Mumbai
Date: 14th August, 2017

Management Discussion and Analysis:

a) Industry structure and development

In last two years the growth of Pharma Industries has witnessed leaps and bounds. India being a hub of major generic drugs provider to the World, adds responsible growth and development under new set of institutional arrangement. It might turn out to be faster and better but not cheaper. In this light, resources burned up in vertical struggle for profits in Industry or wastefully over invested in unviable enterprises, might offset to those saved through superior research tools and competitive pressure to be efficient.

These extra cost could be worth incurring, if the technological opportunities opened up by recent scientific advances are realized.

The rise of the pharmaceutical sector might ultimately generate even larger social returns than those attributable to a similar surge of entrepreneurship and technological dynamism.

b) Opportunities and Threats.

Our company has already launched new products in OTC/Ophthalmic and Nasal segment for West/East/South African markets as well the ASEAN markets which is having a positive impact on the company's revenue and profitability streams.

Although the price fluctuations and political instability coupled with change in the regulatory norms in various market in these areas may have a bigger impact on the company's growth and profitability. We are striving hard to minimize and resolve these factors.

c) Segment-wise or product-wise performance.

The launch of the effervescent tablets range and medical device have turned out to be a boon in the previous year and the same has been added up to the list of highly potential products in our basket. These products shall soon be the flag bearer for years to come. In the antibiotic sector, we already have stronger foot hold and will continue to do so.

d) Outlook

With the restructuring of the manufacturing unit and implementation of the new technologies our company believes that it will gradually be able to revive its operations towards profitability. Our company has been extremely fortunate to have the full support of its Lenders, Employees, Vendors and Customers during the financial stressed period and all efforts are being made to garner continuously full support to revive the operations of the Company. Although, huge efforts are required towards regaining the confidence of various Stakeholders, our Company is hopeful and confident of accomplishing the same over a period of time.

e) Risks and concerns

Kilitch has an active risk management and mitigation strategy, taking a fairly wholesome view of the internal and external environment to address challenges, to large extent possible. Key elements of the program are summarized below :

- foreign exchange risk
- credit risk
- pricing risk
- greater generic market
- Single market reliability risk

f) Internal control systems and their adequacy

The company has in place adequate systems of internal control commensurate with its size and nature of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial statements. Based on the Management and the Audit committee review, suitable steps are being taken periodically to strengthen the adequacy of the internal control systems in the various functions including production/quality control and quality assurance.

a) Discussion on financial performance with respect to operational performance.

The operational performance to the financial performance was discussed upon and it was concluded that the operational performance has to be increased to greater heights to bring the company to a much more safe and sound financial structure.

b) Material developments in Human Resources/Industrial Relations front, including number of people employed.In the line with KILITCH HR policy of providing safe, rewarding and industrial relationship environment at the manufacturing unit the Kilitch HR function is continuously monitoring the environment to align with Company's overall vision and roadmap and the company was able to retain the talents through various HR initiatives taken.

CAUTIONARY STATEMENT

Statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, expectations or predictions are "Forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

CORPORATE GOVERNANCE REPORT

Corporate Governance is not merely the compliance of a set of regulatory laws and regulations but is a set of good and transparent practices that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. It goes beyond building and strengthening the trust and integrity of the Company by ensuring conformity with the globally accepted best governance practices. The Securities and Exchange Board of India (SEBI) observes keen vigilance over governance and fulfillment of these regulations in letter and spirit, which entails surety towards sustainable development of the Company, enhancing stakeholders' value eventually.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. Your Company has committed to bring about the good corporate governance practices. It strongly believes in attaining transparency, accountability and equity, in all its operations, and in its interaction with stakeholders including shareholders, employees, the government and the lenders. The Company keeps itself abreast with the best governance practices on the global front, at the same time conforming to the recent amendments.

The Company firmly believes that corporate governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders and clients of the Company and the unquestioned integrity of all personnel involved or related to the Company. Corporate Governance contains a set of principles, process and systems to be followed by directors, Management and all Employees of the Company for increasing the shareholders' value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed integrity, transparency, accountability and compliance with laws in all dealings with shareholders, employees, the Government, customers, suppliers and other stakeholders.

2. BOARD OF DIRECTORS:

The Board of Directors ("the Board") facilitates effective fulfillment of the Board's tasks and provides leadership and guidance to the Company's management and helps in supervising the performance of the Company and helps achieving goals. The Board plays a crucial role enhancing and protecting the reputation of the organization are expected to exercise their duties in the best interests of shareholders and to maximize wealth.

The Board comprises of the members distinguished in various fields such as management, finance, law and marketing. This provides reliability to the Company's functioning and the Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management across the globe. None of the Directors on the Board is a member in more than ten Committees and Chairman of more than five Committees across all Companies in which they are Directors as per Regulation 26(1) of the SEBI (LODR) regulations, 2015.

The Company has an optimum combination of Directors on the Board and is in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2017, the Board comprised of 8 Directors out of which 5 are Non-Executive Independent Directors and 3 are Executive Directors.

Agenda papers of the Boards and its Committee meetings are circulated to the Directors well in advance of the meetings, supported with significant information as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an effective and well-informed decision making during the meetings.

The composition of the Board of Directors and also the number of other Companies of which he/she is a Director and Member/ Chairman as on March 31, 2017, are as under:

Name of the Directors	Category of Directorship	Directorship in other Companies (Including Private Companies)	Committee Membership(s) of other Companies		No. of Shares held
			Member	Chairman	
Mr. Mukund Mehta	Managing Director	2	-	-	15,06,763
Mr. Bhavin Mehta	Whole time Director	3	1	-	1,03,300
Mrs. Mira Mehta	Whole time Director	1	-	-	-
Mr. Mukesh Shah	Independent Director	2	4	4	-
Mr. Pankaj Kamdar	Independent Director	-	4	0	-
Mr. Hemang Engineer	Independent Director	1	3	0	-
Mr. Shailesh Chheda	Independent Director	1	3	-	-
Mr. Ramesh Modi	Independent Director	-	-	-	-
*Mr. Deepu Panankattil	Whole time Director	-	-	-	-

*Resigned w.e.f. 30.11.2016

BOARD PROCEDURE:

The Board meets at least once every quarter to review the quarterly performance and the financial results. The Board's role, functions, responsibility and accountability are clearly defined. All major decisions involving policy formulations, business plans, annual operating budgets, compliance with statutory requirements, major accounting provisions and write-offs are considered by the Board. All the Directors have made necessary disclosures about the directorships and committee positions they occupy in other companies.

ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year **04 (Four)** Board Meetings were held during the financial year ended March 31, 2017, the dates of which are 30/05/2016, 12/08/2016, 14/11/2016, and 13/02/2017.

The attendance of each Director at Board Meetings and at the last Annual General Meeting is as under:

Name of the Directors	No. of Board meetings attended	Attendance of last AGM held on 30/09/2016.
Mr. Mukund Mehta	3	Present
Mr. Bhavin Mehta	4	Present
Mrs. Mira Mehta	4	Present
Mr. Mukesh Shah	4	Present
Mr. Pankaj Kamdar	1	Absent
Mr. Hemang Engineer	1	Absent
Mr. Shailesh Chheda	2	Absent
*Mr. Deepu Panankattil	0	Present
Mr. Ramesh Modi	2	Absent

Note: *Resigned w.e.f. 30.11.2016

3. AUDIT COMMITTEE:

BROAD TERMS OF REFERENCE:

The terms of reference of the Audit Committee are in order to cover the matters specified under revised Regulation 17(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. This Committee has powers and roles comprising of Financial Reporting and disclosure, recommendation of appointment/ removal of Auditors, reviewing of company's results, evaluation of Independent Directors performances. and all such other terms of reference as enumerated on the company's website at www.kilitch.com.

COMPOSITION:

The Audit Committee comprises of Four Directors, all are non executive and Independent Directors. All these Directors possess knowledge by corporate finance, accounts and company law.

The constitution of the Audit Committee is as follows:

S.N	Name of Directors	Executive/Non-Executive Independent
1.	Mr. Mukesh Damji Shah	Chairman, Non-Executive Independent
2.	Mr. Shailesh Hansraj Chheda	Non-Executive Independent
3.	Mr. Hemang Jagdish Engineer	Non-Executive Independent
4.	Mr. Pankaj Ottamchand Kamdar	Non-Executive Independent

MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2017, Four Audit Committee Meetings were held on 30/05/2016, 12/08/2016, 14/11/2016, and 13/02/2017.

The attendance at the Audit Committee Meetings is as under:

S.N	Name of Director	Executive/ Non-Executive Independent	No. of meetings attended
1.	Mr. Mukesh Damji Shah	Chairman, Non-Executive Independent	4
2.	Mr. Shailesh Hansraj Chheda	Non-Executive Independent	4
3.	Mr. Hemang Jagdish Engineer	Non-Executive Independent	4
4.	Mr. Pankaj Ottamchand Kamdar	Non-Executive Independent	4

The Chairman of the Committee was present at the Annual General Meeting of the Company held on 30/09/2016 to attend the shareholders' queries.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The terms of reference are in line with Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews Shareholder's/ Investor' s complaints like non-receipt of Annual Report, physical transfer/ transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

The total numbers of complaints received during the year were 16 all of which were resolved and there was no pending complaint as on 31st March, 2017.

COMPOSITION:

The constitution of the Committee of Directors is as under:

S.N	Name of Director	Executive/Non-Executive Independent
1.	Mr. Mukesh Damji Shah	Chairman, Non-Executive Independent
2.	Mr. Shailesh Hansraj Chheda	Non-Executive Independent
3.	Mr. Hemang Jagdish Engineer	Non-Executive Independent
4.	Mr. Pankaj Ottamchand Kamdar	Non-Executive Independent

MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2017, 04 Committee Meetings were held on 30/05/2016, 12/08/2016, 14/11/2016, and 13/02/2017.

The attendance at the Stakeholders Relationship Committee Meeting is as under:

S.N	Name of Director	Executive/Non-Executive Independent	No. of meeting attended
1.	Mr. Mukesh Damji Shah	Chairman, Non-Executive Independent	4
2.	Mr. Shailesh Hansraj Chheda	Non-Executive Independent	4
3.	Mr. Hemang Jagdish Engineer	Non-Executive Independent	4
4.	Mr. Pankaj Ottamchand Kamdar	Non-Executive Independent	4

5. NOMINATION AND REMUNERATION COMMITTEE:

The Committee's constitution and terms of reference are in compliance with provisions of section 178 of the Companies Act, 2013, Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

This Committee has powers to recommend / approve remuneration, Identification of Persons who are qualified to become director, Recommend to the board their appointment and removal, approve remuneration of Non Executive Directors and all such and terms of reference as enumerated on the company's website at www.kilitch.com.

The constitution of the Committee of Directors is as under:

S.N	Name of Director	Executive/Non-Executive Independent
1.	Mr. Mukesh Damji Shah	Chairman, Non-Executive Independent
2.	Mr. Shailesh Hansraj Chheda	Non-Executive Independent
3.	Mr. Hemang Jagdish Engineer	Non-Executive Independent
4.	Mr. Pankaj Ottamchand Kamdar	Non-Executive Independent

Remuneration Policy for Key Managerial Personnel and other Employees of the Company:

The Company's Remuneration Policy for Key Managerial Personnel and Other employees is driven by the success and the performance of the Company and the individual & industry benchmarks and is decided by the Nomination and Remuneration Committee. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a mix of fixed/ variable pay, benefits and performance related pay.

Role of the Nomination and Remuneration Committee:

The Committee performs the functions enumerated in Section 178 of the Act and Regulation 19(4) read with Part D of Schedule II of the Listing Regulations as follows:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

(2) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;

(3) devising a policy on diversity of Board of Directors;

(4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

(5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

The details of Remuneration paid to the Managing and Executive Directors for the Financial Year 2016-2017.

S.N	Names of Directors	Executive/Non-Executive Independent	Amt. (in Rs.)
1.	Mr. Mukund Prataprai Mehta	Managing Director	24,00,000/-
2.	Mr. Bhavin Mukund Mehta	Executive Director	12,00,000/-
3.	Mrs. Mira Bhavin Mehta	Executive Director	12,00,000/-
4.	*Mr. Deepu K. Pannankatil	Executive Director	22,48,500/-

*Resigned on 30.11.2016

MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2017, (1) One Committee Meeting was held to consider and approve the remuneration package of the Executive Directors of the Company.

The attendance at the Remuneration Committee Meeting is as under:

S.N	Name of Director	Executive/Non-Executive Independent	No. of meeting attended
1.	Mr. Mukesh Damji Shah	Chairman, Non-Executive Independent	1
2.	Mr. Shailesh Hansraj Chheda	Non-Executive Independent	1
3.	Mr. Hemang Jagdish Engineer	Non-Executive Independent	1
4.	Mr. Pankaj Ottamchand Kamdar	Non-Executive Independent	1

6. COMPENSATION COMMITTEE:

The Board of Directors of the Company has constituted Compensation Committee to administer Kilitch ESOS 2007.

The composition of the said Compensation Committee is as under:

S.N	Name of Directors	Executive/Non-Executive Independent
1.	Mr. Mukesh Damji Shah.	Chairman, Non-Executive Independent
2.	Mr. Pankaj Ottamchand Kamdar	Non-Executive Independent
3.	Mr. Bhavin Mehta	Executive Director

MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2017, (1) One Committee Meeting was held to consider and grant additional 175243 options to the employees under ESOP Scheme.

The attendance at the Remuneration Committee Meeting is as under:

S.N	Name of Director	Executive/Non-Executive Independent	No. of meeting attended
1.	Mr. Mukesh Damji Shah.	Chairman, Non-Executive Independent	1
2.	Mr. Pankaj Ottamchand Kamdar	Non-Executive Independent	1
3.	Mr. Bhavin Mehta	Executive Director	1

No further options were granted during the year. Employees did not exercise any Options during the year. The number of options outstanding was 212844. Each option represents a right but not obligation to apply for 1 fully paid equity share of Rs.10/- each at the exercise price of Rs.47.50. The options granted vest over 3 year from the date of grant.

7. GENERAL BODY MEETINGS:

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time	Special Resolution(s) Passed
2013-2014	30/09/2014	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane-400705.	9.30 A.M.	04
2014-2015	30/09/2015	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane-400705.	9.00 A.M.	-
2015-2016	30/09/2016	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane-400705.	9.00 A.M.	-

8. TRAINING FOR BOARD MEMBERS

Regulation 25(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company is required to conduct familiarization programme enabling the Independent Directors of the Company to understand the Company's business in depth that would facilitate their active participation in managing the Company.

The Company has adopted a system to familiarize its Independent Directors with the Company, to make them aware of their roles, rights & responsibilities in the Company, and nature of the industry in which the Company operates business model of the Company, etc. The Company has also put in place a system to familiarize its Independent Directors with the Company, their roles, rights & responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Presentation was made for the newly appointed Independent Directors to make them aware of their roles & duties and Code for Independent Directors, Code of Conduct for Non Executive Directors and Code of Conduct for Prevention of Insider Trading as issued by the Company are also shared with them at the time of their appointment/ re-appointment. Further, presentations are also made from time to time at the Board and its Committee meetings, on quarterly basis, covering the business & financial performance of the Company & its subsidiaries, quarterly/ annual financial results, revenue and capital budget, review of Internal Audit findings etc.

The details of such familiarization programmes are disclosed on the Company's website www.kilitch.com.

9. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The performance of individual Directors was evaluated on parameters such as attendance and participation in the Meetings, preparedness for the meetings, understanding of the Company & the external environment in which it operates, contribution to strategic direction, raising of valid concerns to the Board, constructive contribution to issues, active participation at meetings and engaging with & challenging the management team without confronting or obstructing the proceeding of the Board and its Committee meetings of which the Director is a member. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors at their meeting. The Directors expressed their satisfaction with the evaluation process.

10. DISCLOSURES:

i. Related Party Transactions:

There were no transactions of material nature between the Company and its Directors or Senior Management and their relatives or Promoters that may have potential conflict with interest of the Company. The Register of Contracts containing transactions, in which Directors are interested, have been placed before the Board regularly.

The transactions with related parties as per Accounting Standard AS-18 are set out in Notes to accounts under Note no. 25 forming part of financial statements. All transactions entered into with Related Parties as defined under Section 188 of the Companies Act, 2013 and Regulation 53 read with Part A of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the relevant Accounting Standards (AS18) have been made in the Notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website www.kilitch.com.

ii. Disclosures from Senior Management

Disclosures from Senior Management are obtained on quarterly basis to the effect that they have not entered into any material, financial and commercial transactions, where they have personal interest that may have potential conflict with the interest of the Company at large.

iii. Compliances by the Company

The Company has complied with the requirements of the Regulatory Authorities on matters related to the capital market and no penalties/ strictures have been imposed against the Company by the Stock Exchanges or SEBI or any other Regulatory Authority on any matter related to capital market during the last three years.

iv. Whistle Blower Policy/ Vigil Mechanism

The Company has adopted a Whistle Blower Policy to provide a vigil mechanism to directors, employees, agents, consultants, vendors and business partners to disclose instances of wrong doing in the workplace. The object of this Whistle Blower Policy is to encourage individuals to disclose and protect such individuals in the event of a disclosure. The Company is keen on

demonstrating the right values and ethical, moral and legal business practices in every field of activity within the scope of its work. The objective of this policy is to provide a vigil mechanism and framework to promote responsible whistle blowing and ensure effective remedial action and also protect the interest of the whistle blower as guided by legal principles. This policy is intended to:

a. Encourage and enable directors, employees, agents, consultants, vendors and business partners to raise issues or concerns, which are either unacceptable or patently against the stated objectives, law or ethics, within the Company.

b. Ensure that directors, employees, agents, consultants, vendors and business partners can raise issues or concerns without fear of victimization, subsequent discrimination or disadvantage thereof.

c. Reassure the whistle blower(s) that they will be protected from possible reprisals or victimization if they have made disclosure/s in good faith.

d. Ensure that where any wrong doing by the Company or any of its directors, employees, agents, consultants, vendors or business partners is identified and reported to the Company under this policy, it will be dealt with expeditiously and thoroughly investigated and remedied. The Company will further examine the means of ensuring how such wrong doing can be prevented in future and will take corrective action accordingly.

The policy also provides adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No person has been denied access to the Audit Committee. All complaints received under the said policy are reviewed by the Audit Committee at its meeting held every quarter. In staying true to our values of Strength, Performance and Passion and in line with Company's vision of being one of the most respected companies in India; the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

v. Code of Conduct for Directors and Senior Management

The Board has laid down Codes of Conduct for Executive Directors & Senior Management and for Non-Executive/ Independent Directors of the Company. The Codes of Conduct have been circulated to the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the MD in this regard is given at the end of this Report. The Code of Conduct is available on website of the Company at the linkwww.kilitch.com.

vi. Code of Conduct for Prohibition of Insider Trading

The Company has framed Kilitch Drugs (India) Limited's Code of Conduct for Prohibition of Insider Trading' pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, which is applicable to its Directors, Officers, and Designated Employees. The Code includes provisions relating to disclosures, opening and closure of Trading Window and Pre-Clearance of trades procedure. In compliance with SEBI Regulations the Company sends intimations to Stock Exchanges from time to time.

vii. Subsidiary Companies

The Company has one Indian Subsidiary Company and one foreign subsidiary company as on March 31, 2017.

viii. Risk Management & Internal Control

The Company has implemented a comprehensive 'Enterprise Risk Management' framework in order to anticipate, identify, measure, mitigate, monitor and report the risks to meet the strategic business objectives, details of which are given in the Risk Management section under 'Management Discussion and Analysis Report' which forms part of this Annual Report. The Company has a competent in-House Internal Audit team which prepares and executes a vigorous Audit Plan covering various functions such as operations, finance, human resources, administration, legal and business development etc. across different geographies. The team presents their key audit findings of every quarter to the Audit Committee. The management updates the members about the remedial actions taken or proposed for the same. The suggestions and comments from the Committee members are vigilantly incorporated and executed by the Company.

ix. Sexual Harassment Policy

The Company has an anti-sexual harassment policy to promote a protective work environment. The complaints received by the Sexual Harassment Committee with details of action taken thereon are reviewed by the Audit Committee eat its meeting held every quarter. The Company has a zero tolerance policy towards such complaints and the same is conveyed to the employees at the time of induction.

x. Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of this Annual Report.

xi. Independent Directors

The Independent Directors of the Company have the option and freedom to meet and interact with the Company's Management as and when they deem it necessary. They are provided with necessary resources and support to enable them to analyze the information/data provided by the Management and help them to perform their role effectively.

xii. Share Reconciliation Audit

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

9. MEANS OF COMMUNICATION:

The Quarterly Reports of the Company are published in accordance with the Requirements of the Listing Agreement of the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd.

News Papers in which results are normally published:

1. Free Press Journal (English)
2. Navshakti (Marathi)

10. GENERAL SHAREHOLDERS' INFORMATION:

1. Annual General Meeting Scheduled to be Held:

Day & Date	:	**Friday, 29th September, 2017**
Time	:	**9.00 A.M.**
Venue [Regd. Off.]	:	C-301/2, M.I.D.C. Industrial Area, Pawane Village, Thane- 400705.
2. Date of Book Closure	:	**Friday, 22nd September, 2017 to Friday, 29th September, 2017[both days inclusive]**

3. Financial Calendar:

The next financial calendar year of the Company will be from 1st April, 2017 to 31st March, 2018.

Audited/Unaudited	Particulars of Financial Reporting	Date
Unaudited	Financial Reporting for the quarter ending 30th June, 2017.	Up to 15th Aug, 2017
Unaudited	Financial Reporting for the quarter ending 30th September, 2017.	Up to 15th Nov, 2017
Unaudited	Financial Reporting for the quarter ending 31st December, 2017.	Up to 15th Feb, 2017
Audited	Financial Reporting for the Audited Financial Result as on 31st March, 2018.	Up to 30th May 2018

4. Listing on Stock Exchanges:

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

5. Stock Codes:

- National Stock Exchange of India Limited : **KILITCH**
- Bombay Stock Exchange Limited : **524500**

6. Stock Price Data:

The monthly high and low quotations and volume of shares traded on **Bombay Stock Exchange Limited** is as follows:

MONTH	BSE, MUMBAI		
	High (Rs.)	Low (Rs.)	No. of shares Traded
April, 2016	41	34.2	46778
May, 2016	41.9	34.2	43027
June, 2016	37.95	30.85	82274

MONTH	BSE, MUMBAI		
	High (Rs.)	Low (Rs.)	No. of shares Traded
July, 2016	37	33.55	62896
August, 2016	40.5	32	66808
Sept, 2016	49.55	32.4	767798
Oct, 2016	50.5	41	544825
Nov, 2016	47.95	32.85	78884
Dec, 2016	39.45	34.7	20341
Jan, 2017	59.4	36.75	463178
Feb, 2017	51.7	43.7	70510
March, 2017	49.85	43.8	73730

The monthly high and low quotations and volume of shares traded on **National Stock Exchange of India Ltd.** is as follows:

MONTH	NSE, MUMBAI		
	High (Rs.)	Low (Rs.)	No. of shares Traded (Monthly)
April, 2016	39.9	34.05	52949
May, 2016	39.75	34.2	98425
June, 2016	37	30.65	150539
July, 2016	37	33.3	114970
August, 2016	37	31.55	118159
Sept, 2016	49.7	32.65	1684047
Oct, 2016	50.75	32.65	803113
Nov, 2016	48.5	32.3	152252
Dec, 2016	39.5	35	32661
Jan, 2017	60	36.9	1236558
Feb, 2017	50.4	43.05	100740
March, 2017	50	43.1	153799

7. Address for Correspondence:

Administrative Office	Ujagar Industrial Estate, 37, W.T. Patil Marg, Deonar, Mumbai: 400 088.
Share Transfer in physical form and in other communication in that regards including share certificates, dividends and change of address etc. may be addressed.	**Link Intime India Private Limited** C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Tel: 022- 49186000; Fax: 022-49186060 Web Site : www.kilitch.com e-mail : investor_complaints@kilitch.com

8. Share Transfer System:

Shares sent for transfer in physical to Link Intime India Private Limited (R&T Agents), are registered and returned with a period of **15 days** from the date of receipt, if the documents are in order. All requests for dematerialisation of shares are processed by the Company and Link Intime India Private Limited within **21 days.**

9. Dematerialisation of shares:

As on 31st March, 2017, 1,24,88,182 Equity Shares are held in dematerialized form with NSDL and CDSL out of total Equity Shares of 1,32,31,828 aggregating to 94.38%.

10. Distribution of shareholding as on 31st March, 2017:

No. of shares held	No. of shareholders	No. of shares held	% of shareholding
1 to 500	8,230	14,10,413	10.66
501 to 1000	689	5,77,514	4.36
1001 to 2000	279	4,33,446	3.28
2001 to 3000	77	2,00,430	1.51
3001 to 4000	34	1,21,570	0.92
4001 to 5000	25	1,17,806	0.89
5001 to 10000	49	3,59,179	2.71
10001 and above	39	1,00,11,470	75.66
TOTAL	**9,422**	**13,23,18,280**	**100**

11. Shareholding Pattern as on 31st March, 2017:

Particulars of Category	Number of Shareholders	Shares	
		Number	% to total Capital
(A) Promoter and Promoter Group Holding			
1. Individual / Hindu Undivided Family	3	1904831	14.4
Bodies Corporate	1	6629342	50.1
Total (A)	**4**	**8534173**	**64.5**
(B) Non – Promoter Holding			
Institutions			
Financial Institutional Investors (FIIs)/Banks	1	100	-
Trusts	-	-	-
Non-Institutions			
Bodies Corporate	101	167440	1.27
Indian Public	9187	4292720	32.44
NRIs	78	164185	1.24
Clearing Members	51	73210	0.55
Total (B)	**9418**	**4697655**	**35.5**
Grand Total (A)+(B)	**9422**	**13231828**	**100**

Note:

The total foreign shareholding for the year ended 31st March, 2017 is 164185 shares which in percentage terms is 1.24% of the issued and subscribed capital.

There is no any Equity Shares under Lock-in for the period ended as on 31/03/2017.

Shareholding pattern in case of demated shares has been prepared based on download of data received from NSDL / CDSL as on 31st March 2017.

CERTIFICATION FROM THE MANAGING DIRECTOR AND CFO

In terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the BSE and NSE, We hereby certify as under:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which We am aware and the steps We have taken or propose to take to rectify these deficiencies.

   There have been no

   i. Significant changes in internal control over financial reporting during the year;

   ii. Significant changes in accounting policies during the year;

   iii. Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

	Mukund Mehta	**Shailesh Mirgal**
Place: Mumbai	[DIN: 00147876]	**CFO**
Date: 14th August, 2017	**Managing Director**	

DECLARATION

I, Mukund Mehta, Managing Director of Kilitch Drugs (India) Limited, based on confirmations received from all the Directors and Senior Management of the Company, do hereby state that all Board Members and senior management personnel have affirmed compliances with the Code of Conduct of the Company for the financial year ended 31st March 2017.

For & on behalf of the Board of Directors of
Kilitch Drugs (India) Limited

	Mukund Mehta	**Bhavin Mehta**
Place: Mumbai	[DIN: 00147876]	[DIN: 00147895]
Date: 14th August, 2017	**Managing Director**	**Whole-Time Director**

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

To

The Members of

KILITCH DRUGS (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by KILITCH DRUGS (INDIA) LIMITED for the year ended on 31st March, 2017 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period starting from April 1, 2016 to March 31, 2017, of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned SEBI (LODR) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For M/s Deep Shukla & Associates
Company Secretaries

Deep Shukla
Propritor
FCS: 5652
C. P. No. 5364

Place: Mumbai
Date: 14th August, 2017

INDEPENDENT AUDITORS' REPORT

To,

The Members of

KILITCH DRUGS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Kilitch Drugs (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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 standalone 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 provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair 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 thereunder.

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 judgement, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;

ii. In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date.

iii. In the case of the Cash Flow Statement, of the 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 section 143 of the Act (11 of 2013), we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required under provisions of section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c. The Balance Sheet, Statement of Profit and Loss and 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 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 March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act.

f. With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. The Company has disclosed the impact of the pending litigations on its financial position vide Note No. 22 (b) to the financial statements.

   ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. [Refer Note no 33 to the Financial Statements].

For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No. : 103173W

Chintan A. Ghelani
Partner
Membership No. : 104391

Date :30th May,2017
Place : Mumbai

Annexure referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date

i) In respect of its Fixed Assets :

   a. The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets, which we are informed, are being updated.

   b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

   c. In our opinion and according to the information and explanations given to us the Title Deeds of immovable properties are held in the name of company.

ii) In respect of its Inventories :

   a. As explained to us, inventories have been physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable.

   b. According to the information and explanations given to us, in our opinion the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   c. The Company is maintaining proper records of its inventory. No material discrepancies were noticed on verification between the physical stocks and book records having regards to the size of the operations of the company.

iii) 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 Act. Consequently, the requirements of Clause (iii) (a) and Clause (iii) (b) of paragraph 3 of the Order are not applicable to the company.

iv) According to the information and explanations given to us, the Company has not entered into any transactions of loans, investments, guarantees and securities covered u/s 185 and 186 of the Companies Act, 2013 and hence, the provisions of clause (iv) of paragraph 3 of the Order are not applicable to the company.

v) According to the information and explanations given to us, the company has not accepted any deposits within the meaning of provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed hereunder. Therefore, provisions of Clause (v) of paragraph 3 of the Order are not applicable to the company.

vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the Central Government under Sub Section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) In respect of Statutory dues :

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues which are applicable to the company, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable.

b. The disputed statutory dues aggregating to Rs. 50,305,650/- that have not been deposited on account of the matters pending before the appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amount in Rupees	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income Tax	50,305,650	A.Y. 2008-09	CIT (Appeals)

viii) According to the records examined by us and the information and explanation given to us, we are of the opinion that the company has not defaulted in re-payment of dues, if any, to financial institutions/banks.

ix) The Company has not obtained any term loans during the year under report.

x) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

xi) Based upon the audit procedures performed and information and explanation given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with "schedule v" to the companies Act, 2013.

xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Paragraph 3 of the order are not applicable to the Company.

xiii) In our opinion, all the transactions with related parties are in compliance with section 177 and 188 of The Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

xv) The Company has not entered into any Non-Cash transaction with Director or Persons connected with him. Hence, the requirements of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause (xvi) of the paragraph 3 of Order are not applicable to the Company

For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No. : 103173W

Chintan A. Ghelani
Partner
Membership No. : 104391

Date :30th May,2017
Place : Mumbai

"Annexure B" referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date

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 **Kilitch Drugs (India) Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 A. M. Ghelani & Company
Chartered Accountants
Firm Registration No. : 103173W

Chintan A. Ghelani
Partner
Membership No. : 104391

Date :30th May,2017
Place : Mumbai

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in Lacs)

Particulars	Notes	As on 31st March, 2017	As at 31 March, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,323.18	1,323.18
Reserves and surplus	3	10,269.25	10,469.01
Current liabilities			
Short term Borrowings	4	58.80	8.92
Trade payables	5	563.16	362.95
Other current liabilities	6	262.92	328.82
Short-term provisions	7	75.93	76.78
TOTAL		**12,553.24**	**12,569.67**
ASSETS			
Non-current assets			
Fixed assets	8		
Tangible assets		765.74	831.25
Intangible assets		1.99	2.81
Non-current investments	9A	7,008.31	6,910.98
Deferred tax Assets (Net)		150.57	94.43
Long-term loans and advances	10	94.06	71.59
Current assets			
Current investments	9B	2,198.87	2,312.07
Inventories	11	259.52	262.08
Trade receivables	12	1,512.59	1,636.55
Cash and Bank balances	13	295.43	251.86
Short-term loans and advances	14	266.06	194.53
Other current assets	15	0.10	1.52
TOTAL		**12,553.24**	**12,569.67**
Significant Accounting Policies and Notes on Financial Statements	**1 TO 34**		

As per our report of even date

For A. M. Ghelani & Company
Chartered Accountants
FRN:103173W

Chintan A. Ghelani
Partner
M. No. 104391

Mumbai,
Dated: 30th May, 2017

For and on behalf of the Board of Directors

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole Time Director)

Dharmendra Makwana
(Company Secretary)

Mukesh Shah
(Director)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Lacs)

Particulars	Notes	2016-17	2015-16
Income			
Revenue from operations	16	2,813.91	2,102.16
Other income	17	113.79	273.51
Total Revenue		**2,927.69**	**2,375.66**
Expenditure			
Cost of materials consumed	18	1,050.37	891.84
Variation in inventories of finished goods & work-in-progress	19	75.46	(18.61)
Employee benefits expenses	20	327.36	342.20
Depreciation and amortization expense	8	131.88	161.25
Operating and other expenses	21	1,598.52	1247.94
Total Expenses		**3,183.59**	**2,624.62**
Profit before Extraordinary items and Tax		**(255.90)**	**(248.96)**
Less: Extraordinary Items		-	-
Profit before tax		(255.90)	(248.96)
Less: Tax Expense:-			
a) Current Tax		-	-
b) Deferred Tax	27	56.14	43.61
c) Tax Adjustments of Earlier years		-	-
PROFIT/ (LOSS) FOR THE YEAR		**(199.76)**	**(205.35)**
EARNINGS PER EQUITY SHARE [Face Value Rs. 10]	26		
Basic		**(1.51)**	**(1.55)**
Diluted		**(1.51)**	**(1.55)**
Significant Accounting Policies and Notes on Financial Statements	**1 to 34**		

As per our report of even date

For A. M. Ghelani & Company
Chartered Accountants
FRN:103173W

Chintan A. Ghelani
Partner
M. No. 104391

Mumbai,
Dated: 30th May, 2017

For and on behalf of the Board of Directors

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole Time Director)

Dharmendra Makwana
(Company Secretary)

Mukesh Shah
(Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2017

(₹ in Lacs)

	Particulars	31st March 2017		31st March 2016	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit / (Loss) before extraordinary items and tax		(255.90)		(248.96)
	Adjustments for:				
	Depreciation and amortisation	131.88		161.25	
	Interest income	(16.30)		(13.73)	
	Dividend income	(22.04)		(88.09)	
	(Profit)/Loss on sale of Investments	(1.95)		14.92	
	Sundry Balances written back	(50.74)		(97.85)	
	Provision for Gratuity & Leave Encashment	8.69		21.69	
	Income from Trading in Securities	(2.56)		25.28	
	Bad Debts / Provision for Doubtful Debts	165.43		100.00	
	(Profit) / Loss from Investment in Partnership Firm	0.44			
	Profit / (Loss) on assets sold/ discarded	-		-	
	Net unrealised exchange (gain) / loss	59.94	**272.79**	(51.47)	**72.00**
	Operating profit / (loss) before working capital changes		**16.89**		**(176.96)**
	Changes in working capital:				
	Operating Assets:				
	Inventories	2.56		(23.96)	
	Trade receivables	(101.41)		(422.78)	
	Short-term loans and advances	(71.52)		(1.98)	
	Long-term loans and advances	(22.47)		2,238.40	
	Unadjusted Gain /Loss	-		-	
	Other current assets	1.42		4.74	
	Operating Liabilities:				
	Trade payables	250.95		225.28	
	Short term Borrowing	49.88		8.92	
	Other current liabilities	(64.85)		(53.44)	
	Short-term provisions	(9.54)	**35.02**	0.45	**1,975.63**
	Gross cash flow from / (used in) operating activities		**51.91**		**1,798.67**
	Less : Direct Taxes Paid / (refunded)		**(2.98)**		**(1.85)**
	Net cash flow from / (used in) operating activities		**54.89**		**1,796.82**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on fixed assets, including capital advances	(65.56)		(56.97)	
	Proceeds (Net) from the sale of Current investments	115.15		114.60	
	Proceeds (Net) from the sale of long-term investments:				
	- Subsidiaries	-		(129.09)	
	- Others	(97.78)		(2,066.32)	
	Interest received	16.30		13.73	
	Income from Trading in Securities	2.56			
	Dividend received	22.04		88.09	
			(7.29)		(2,035.96)
	Net cash flow from / (used in) investing activities (B)		**(7.29)**		**(2,035.96)**

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2017

(₹ in Lacs)

Particulars		31st March 2017		31st March 2016	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Dividends paid(Inclusive of tax on Dividend)	(4.03)		(7.03)	
	Net cash flow from / (used in) financing activities (C)		**(4.03)**		**(7.03)**
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**43.57**		**(246.17)**
	Cash and cash equivalents at the beginning of the year		251.86		498.02
	Cash and cash equivalents at the end of the year		**295.43**		**251.86**
	Cash and cash equivalents at the end of the year *				
	* Comprises:				
	(a) Cash on hand		0.24		1.06
	(b) Balances with banks				
	(i) In current accounts		200.56		152.14
	(ii) In earmarked accounts		94.63		98.66
			295.43		**251.86**

The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard - 3 "Cashflow Statements" (AS-3) issued by the Institute of Chartered Accountants of India.

The figures in brackets represent Cash outflows.

As per our report of even date

For and on behalf of the Board of Directors

For A. M. Ghelani & Company
Chartered Accountants
FRN:103173W

Chintan A. Ghelani
Partner
M. No. 104391

Mumbai,
Dated: 30th May, 2017

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole Time Director)

Dharmendra Makwana
(Company Secretary)

Mukesh Shah
(Director)

NOTE "1"

SIGNIFICANT ACCOUNTING POLICIES:

a) **Basis of Preparation of Financial Statements**

The Financial statements have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") including the Accounting Standards ("AS") notified under the relevant provisions of the Companies Act,2013.

b) **Inflation**

The financial statements are based on historical costs. These costs are not adjusted to reflect the impact of the changing value of the purchasing power of money.

c) **Use of Estimates**

The preparation of Financial Statements in conformity with GAAP requires Management to make estimate and assumption that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amount of revenue and expenses for the year. Actual result could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Any revision to an accounting estimate is recognized prospectively in the year of revision.

d) **Inventories**

Raw Material, Packing Material, Stores and spare parts, Work-in-progress and Finished Goods are valued at cost or net realizable value whichever is lower. Cost of Raw Materials, Packing Materials and Stores & spare parts are determined on last purchase price. Work-in-progress and Finished Goods inventories include production overheads, to the extent applicable.

e) **Revenue Recognition**

i. Sales are recognized net of returns, trade discounts, rebates and include excise duty on manufactured products.

ii. Revenue in respect of export sales is recognized on shipment of products.

iii. Service Income (Processing Charges) is recognized pro-rata over the period of the contract as and when services are rendered.

iv. Export incentive benefits consist of duty drawback, high value added licenses and DEPB entitlements. These are recognized on the basis of receipt of proof of export.

v. Interest is recognised on time proportion basis.

vi. Dividend Income is recognised when the right to receive the same is established.

f) **Fixed Assets**

Fixed Assets are stated at cost net of cenvat credit less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable costs of bringing the assets to their working condition for intended use.

g) **Depreciation**

Depreciation on the Fixed Assets is provided to the extent of depreciable amount on the Written Down Value Method [both Tangible & Intangible]. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

h) **Impairment of Assets**

In accordance with AS-28 on "Impairment of Assets" notified under the relevant provisions of the Companies Act,2013.,where there is any indication of impairment of the company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of such assets exceeds its recoverable amount. Impairment loss, if any, is recognized in the Statement of Profit and Loss.

i) **Investments**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investments and are carried at cost. Provision for diminution in their values is made only if the diminution is other than temporary in nature. Current investments are carried at the lower of cost and quoted/fair value, computed category wise.

j) **Foreign Currency Transactions**

i. Transactions denominated in foreign currencies are recorded at exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at Balance sheet date are restated at the year-end rates. Non Monetary foreign currency items are carried at cost.

ii. Exchange differences arising as a result of the subsequent settlements or on transactions are recognized as income or expenses in the statement of Profit & Loss except the exchange differences arising on long term foreign currency monetary items relating to the acquisition of the fixed assets, which are adjusted to the carrying cost of the assets.

k) **Employee Benefits**

i. Short term employee benefits are recognized as expenses at the undiscounted amounts in the Statement of profit & loss of the year in which the related service is rendered.

ii. Post employment & other Long Term Employee Benefits are recognized as an expense in the Statement of Profit & Loss for the year in which it is incurred. Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expenses are recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits (net of expected return on plan assets) are charged to the Statement of Profit & Loss.

l) **Taxes on Income**

i. Provision for income tax (current tax) is determined on the basis of the taxable income of the current year in accordance with the Income Tax Act, 1961.

ii. Deferred tax, if any, is recognized in respect of deferred tax assets (subject to the consideration of prudence) and deferred tax liabilities on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

m) **Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets/stock in trade are capitalized as a part of the cost of such assets or added to stock in trade. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or Sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

n) **Employee Stock Option Plan**

Employee Stock Options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed by Guidance Note on 'Accounting for Employee Share-based payments' issued by Institute of Chartered Accountants of India (ICAI) read with Securities and Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 issued by SEBI. The excess of market value if any, of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to the Statement of Profit and Loss on vesting basis over the vesting period of the options. The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option Outstanding, which is shown under Reserves and Surplus.

o) **Provisions, Contingent Liabilities And Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Note 2 **(₹ in Lacs)**

Share capital

Share Capital	As on 31st Mar, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
Authorised				
20,00,0000 Equity Shares of Rs. 10 each	**20,000,000**	**200,000,000**	**20,000,000**	**200,000,000**
Issued, Subscribed & Paid up				
1,32,31,828 Equity Shares of Rs. 10 each fully paid up	132.32	1,323.18	132.32	1,323.18
Total	**132.32**	**1,323.18**	**132.32**	**1,323.18**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	2016-17		2015-16	
	Number	Amount	Number	Amount
Equity Shares outstanding at the beginning of the year	132.32	1,323.18	132.32	1,323.18
Additions during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	132.32	1,323.18	132.32	1,323.18

Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2016-17		2015-16	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Paresh P. Mehta	-	-	956,785	7.23
Mukund P. Mehta	1,506,763	11.39	-	-
Kilitch Company Pharma Limited	6,629,342	50.1	6,629,342	50.1

The company has only one class of Equity Shares having a face value of Rs. 10 per share. Each holder of Equity Share is entitled to one vote per share.

Note 3

Reserves and surplus

	As on 31st Mar, 2017	As at 31st March 2016
a. Securities Premium Account	2,778.13	2,778.13
b. General Reserve	1,511.76	1,511.76
c. Employee Stock Options	137.94	137.94
d. Other Reserves (Call on shares forfeited A/c)	58.00	58.00
e. Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	5983.18	6188.53
(+) Net Profit For the current year	(199.76)	(205.35)
	5783.42	5983.18
Total	**10,269.25**	**10,469.01**

Note 4

Short term Borrowings

	As on 31st Mar, 2017	As at 31st March 2016
Bank Overdraft (Kotak Bank)	48.14	8.92
[Secured Against Kotak Mutual Fund Investment]		
Bank Overdraft (Axis Bank)	1.03	-
[Secured Against Axis Equity Fund Direct Plan- Growth & Axis Mis Cap Fund Direct Growth]		
Kotak PCFC A/C	9.63	-
Total	**58.80**	**8.92**

Note 5 (₹ in Lacs)

Trade Payables

	As on 31st Mar, 2017	As at 31st March 2016
i) Micro & Small Enterprises [Refer note No. 32]	-	-
ii) Others	563.16	362.95
Total	**563.16**	**362.95**

Note 6

Other Current Liabilities

	As on 31st Mar, 2017	As at 31st March 2016
(a) Unpaid dividends	94.63	98.66
(b) Statutory dues	4.44	5.09
(c) Provision for Expenses	10.34	24.86
(d) Taxation (Net of taxes paid)	3.69	0.71
(e) Book Overdraft	-	56.98
(f) Others	149.82	142.51
Total	**262.92**	**328.82**

Note 7

Short Term Provisions

	As on 31st Mar, 2017	As at 31st March 2016
Provision for employee benefits:		
Salary & Reimbursements	35.45	42.23
Gratuity	37.14	32.39
Leave Encashment	3.34	2.17
Total	**75.93**	**76.78**

Note 8 - FIXED ASSETS

PARTICULARS	GROSS BLOCK [At Cost]				DEPRECIATION				NET BLOCK [W. D. V.]	
	As at 01-04-2016	Additions during the period	Deductions/ Write-offs during the year	As at 31-03-2017	As at 01-04-2016	For the Year	Deductions/ Write-offs during the year	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Tangible Assets:										
Land	29.88	-	-	29.88	-	-	-	-	29.88	29.88
Rights on Lease Hold Land	96.78	-	-	96.78	-	-	-	-	96.78	96.78
Factory Building	261.02	-	-	261.02	234.08	5.96	-	240.04	20.98	26.94
Office premises	133.24	-	-	133.24	67.17	3.20	-	70.37	62.87	66.07
Plant & Machinery	1,305.93	53.30	-	1,359.23	789.25	92.35	-	881.60	477.63	516.68
Furniture & Equipment	66.42	0.37	-	66.79	49.78	4.46	-	54.24	12.55	16.64
Computer	42.19	0.57	-	42.76	36.90	1.36	-	38.26	4.49	5.28
Motor Car	106.60	6.86	-	113.46	79.09	9.45	-	88.54	24.92	27.52
Office Equipments	15.48	0.19	-	15.67	13.18	0.88	-	14.07	1.60	2.30
Air Conditioners	28.22	-	-	28.22	20.13	1.62	-	21.75	6.47	8.09
Electrical Installations	26.01	-	-	26.01	18.20	2.19	-	20.39	5.62	7.81
Laboratory Equipments	180.41	2.08	-	182.49	154.39	8.56	-	162.94	19.55	26.02
Mobile Phone	6.10	2.00	-	8.10	4.86	0.84	-	5.70	2.40	1.24
[A]	**2,298.28**	**65.36**	**-**	**2,363.64**	**1,467.04**	**130.86**	**-**	**1,597.90**	**765.74**	**831.25**
Intangible Assets:										
Computer software	13.17	0.20		13.37	10.36	1.02	-	11.39	1.99	2.81
[B]	**13.17**	**0.20**	**-**	**13.37**	**10.36**	**1.02**	**-**	**11.39**	**1.99**	**2.81**
GRAND TOTAL [A + B]	**2,311.46**	**65.56**	**-**	**2,377.01**	**1,477.40**	**131.88**	**-**	**1,609.29**	**767.73**	**834.06**
PREVIOUS YEAR	**2,254.51**	**56.97**	**0.02**	**2,311.46**	**1,316.15**	**161.25**		**1,477.40**	**834.06**	**938.36**

Note 9 - INVESTMENTS **(₹ in Lacs)**

A] Non Current Investments

	As on 31st Mar, 2017	As at 31st March 2016
Non- Trade [At Cost]		
a. Investments in Shares:		
i. Quoted Shares:		
[Equity Shares of Face value Rs. 10/- each, fully paid-up, unless otherwise stated]		
15 (P.Y. 15) - Bengal and Assam Co Ltd.	4.99	4.99
1,000 (P.Y. 1000) - Century Enka Ltd.	0.74	0.74
500 (P.Y. 500) - Century Textiles & Ind Ltd.	2.28	2.28
200 (P.Y. 100) - Colgate Pamolive India Ltd.	0.95	0.95
720 (P.Y. 720) - J K Laxmi Cement Ltd.	0.33	0.33
400 (P.Y. 400) - Pfizer Ltd.	4.94	4.94
2,616 (P.Y. 2,616) - Reliance Power Ltd.	7.36	7.36
Book Value of Quoted Instruments (Total of A.i)	**21.59**	**21.59**
Market Value of Quoted Instruments	**23.95**	**16.97**
ii. Unquoted Shares:		
Investment in Indian Subsidary		
[Preference Shares of Face value Rs. 10/- each, fully paid-up, unless otherwise stated]		
4,20,000 (P.Y. 4,20,000) Monarchy Healthserve Pvt Ltd	4,200.00	4,200.00
[Equity Shares of Face value Rs. 10/- each, fully paid-up, unless otherwise stated]		
50,860 (P.Y. 50860) Monarchy Healthserve Pvt. Ltd.(W.e.f F.Y. 14-15)	2.02	2.02
Investment in Foreign Subsidary		
3040 (P.Y. 3040) Kilitch Estro Biotech PLC. (W.e.f 11-09-15)	127.18	127.18
Others		
7000 (P.Y. 7000) Novo Informatics Pvt Ltd	48.02	48.02
Estee Advisors Pvt. Ltd.	109.73	-
Ask Iep Pms	100.00	100.00
Pragya Securities Pvt Ltd	-	11.85
100000 (P.Y. 100000) Preference Shares Of Rs. 100 Each Fully Paid		
Tata Motors Finance Limited	100.00	100.13
Book Value of Unquoted Instruments (Total of A.ii)	**4,686.95**	**4,589.19**
Total Investment in Shares (A.i + A. ii)	**4,708.53**	**4,610.77**
b. <u>Investment in the Capital of Patnership Firm (LLP)</u>		
Arham Neeta Realities LLP	**2,246.55**	**2,246.97**
c. Investments in Bonds:		
Quoted Bonds:		
National Highways Authority of India	45.71	45.71
Housing And Urban Development Corporation Ltd	7.53	7.53
Total Investment in Bonds (C)	**53.24**	**53.24**
Aggregate Value of All Non Current Investments (a+b+c)	**7,008.31**	**6,910.98**

B] Current Investments

	As on 31st Mar, 2017	As at 31st March 2016
<u>QUOTED:</u>		
Investments in Units of Mutual Funds: [At Cost]		
Axis Liquid Fund Direct Growth		
1555.189 (PY 5188.74) Axis Liquid Fund Direct Growth	28.00	86.80
Nil (PY 124131.082) Axis Equity Fund Direct Plan-Growth	-	25.00
Nil (PY 98386.462)Axis Mid Cap Fund Direct Growth	-	25.00
126,822.025 (PY NIL) Axis Equity Fund - Growth (EFGPG)	25.68	-

(₹ in Lacs)

	As on 31st Mar, 2017	As at 31st March 2016
134,756.526 (PY NIL) Axis Focused 25 Fund Growth (AFGPG)	26.53	-
Kotak Mutual Fund		
Nil (PY 83,267.60) Birla Sun Life Frontline Equity Fund Dividend - DP	-	24.00
Nil (PY 4,324.64) Birla Sun Life Frontline Equity Fund - Growth	-	6.00
Nil (PY 40,610.23) HDFC Equity Fund Dividend Plan - DP	-	24.00
188,476.52 (PY 317,255.52) Kotak Select Focus Fund Regular Plan Dividend - DP	35.00	59.00
201,130.9550 (PY 329,680.95) Mirae Asset India Opportunities Fund Regular Dividend Plan - DP	35.00	59.00
55,519.63 (PY 190054.63) SBI Blue Chip Fund Regular Plan Dividend - DP	9.40	33.40
353,174.43 (PY 353,174.43) SBI Blue Chip Fund Regular Plan Growth	94.00	94.00
Nil (PY 6,972.02) UTI Equity Fund (Formerly Utimastergain Unit Scheme) Growth Plan	-	6.00
30810.4260 (PY 18,961.074) Franklin India Prima Fund-Growth	130.14	78.00
110,000 (PY 110,000) Reliance Capital Builder Fund Series A Dividend - DP	11.00	11.00
NIL (PY 13,327.41) Birla Sun Life Infrastructure Fund Plan Growth Regular Plan	-	3.00
NIL (PY 20,807.32) HDFC Infrastructure Fund - Growth Plan	-	3.00
1,935,021.96 (PY 1,935,021.96) HDFC Corporate Debt Opportunities Fund Regular Growth	200.00	200.00
1,124,095.24 (PY 1,124,095.24) IDFC Banking Debt Fund Regular Plan Growth	125.33	125.33
262,631.94 (PY 262,631.94) Reliance Regular Savings Fund Balanced Plan Growth Option	100.00	100.00
536,541.13 (PY 536,541.13) ICICI Prudential Income Opportunities Fund - Regular Plan - Growth	100.00	100.00
312,640.69 (PY 312,640.69) IDFC Dynamic Bond Fund Regular Plan Growth	50.00	50.00
131,245.65 (PY 131,245.65) Kotak Bond Scheme Regular Plan Growth	50.00	50.00
277,200.28 (PY 277,200.28) Reliance Dynamic Bond Fund Growth Plan Growth Option	50.00	50.00
537,143.47 (PY 537,143.47) Sundaram Flexible Fund Flexible Income Plan Regular Growth	100.00	100.00
331,749.78 (PY 331,749.78) UTI Dynamic Bond Fund Growth	50.00	50.00
NIL (PY 29,554.18) ICICI Prudential Liquid - Regular Plan - Growth	-	65.86
300,000.00 (PY 300,000) Birla Sun Life Fixed Term Plan Corporate Bond Series A 1170 days Growth Regular	33.06	33.06
NIL (PY 22,95,000.44) Edelweiss Arbitrage Fund Dividend - DR	-	238.11
745,474.57 (PY 11,39,572.63) Reliance Arbitrage Advantage Fund Dividend Plan - DR	88.84	135.89
Nil (PY 1,767.72) ICICI Prud. Multicap Fund Reg Plan Growth	-	3.00
250.132 (PY 663.29) Kotak Floater Short Term Growth	6.50	16.21
10,00,000 (PY 10,00,000) KOTAK FMP Series 183 1204 Days Reg. Growth	100.00	100.00
365,493.65 (PY 365,493.65) Kotak Select Focus Fund Regular Plan Growth	78.00	78.00
258,732.21 (PY 258,732.21) Mirae Asset India Opportunities Fund Regular Growth Plan	78.00	78.00
518,081.028 (PY NIL) Birla Sun Life Medium Term Plan Growth	100.00	-
296,982.656 (PY NIL) ICICI Prud Regular Saving Fund Growth	50.00	-
500,000 (PY NIL) ICICI Prud. Value Fund Series 9 Reg Plan Div Dp	50.00	-
380124.07 (PY NIL) Kotak Medium Term Fund Regular Plan Growth	50.00	-
10,00,000 (PY Nil) HDFC Fmp 1213 D March 2017 1 Series 38 Reg Plan Gro	100.00	-
768,344.22 (PY NIL) Reliance Corporate Bond Fund Growth	100.00	-
[In Quoted Equity shares - under the Portfolio Management scheme]		
220 (PY NIL) Crompton Greaves Ltd	6.62	-
900 (PY 360) Grasim Industries Ltd	6.12	12.20
Nil (PY 320) Hero Motocorp Ltd	-	10.09
Nil (PY 7800) I D F C Ltd	-	7.38
2450 (PY 4450) ICICI Bank Ltd	7.70	14.73
820 (PY 820) Larsen & Toubro Ltd	12.71	12.71
140 (PY 290) Maruti Suzuki India Ltd	4.84	10.02
550 (PY Nil) HDFC Ltd.	3.28	-
Nil (PY 1780) Oil India Ltd	-	9.88
Nil (PY 380) Tata Consultancy Services Ltd	-	9.54
Nil (PY 360) United Spirits Ltd	-	10.00
Nil (PY 7800) IDFC Bank Ltd	-	4.80

(₹ in Lacs)

	As on 31st Mar, 2017	As at 31st March 2016
Mutual Fund IIFL		
Nil (PY 174,825.1750) Birla Sun Life India Reforms Fund Growth	-	25.00
15207.3860 (PY 174,825.1750) Birla Sun Life India Reforms Fund Growth	28.09	-
83,175.5010 (PY 83,175.5010) Franklin India High Growth Com. Fund Growth	25.01	25.01
NIL (PY 100,628.4660) Reliance Top 200 Retail Growth	-	25.01
32,121.8440 (PY 32,121.8440) UTI Mid Cap Fund Growth Plan	25.02	25.02
76208.360 (PY NIL) SBI Blue Chip Fund - Growth (IIFL)	25.00	-
Book Value of the Current Investments	**2,198.87**	**2,312.07**
Market Value of Quoted Investments	**2,446.75**	**2,165.00**
Aggregate Value of All Current Investments	**2,198.87**	**2,312.07**

Note 10

Long Term Loans and Advances

	As on 31st Mar, 2017	As at 31st March 2016
(a) Deposits	6.84	9.29
(b) Advance to Related parties [incl. Interest Free Advance Rs.86.12 Lacs(P.Y. Rs.49.88 Lacs) to Subsidary]	86.12	52.04
(c) Other Advances	1.10	10.26
	94.06	**71.59**

Note 11

Inventories

	As on 31st Mar, 2017	As at 31st March 2016
[As taken, valued and certified by the Management]		
a. Raw Materials and components	206.35	133.46
b. Work-in-progress	10.79	33.41
c. Finished goods	42.38	95.21
Total	**259.52**	**262.08**

Note 12

Trade Receivables

	As on 31st Mar, 2017	As at 31st March 2016
[UNSECURED, considered good unless otherwise stated]		
Receivables outstanding for a period exceeding six months from the due date		
Considered Good	1241.57	328.15
Considered Doubtful	370.37	204.94
Less: Provision for doubtful debts	(370.37)	(204.94)
	1,241.57	328.16
Other Receivables	271.02	1,308.39
	271.02	1,308.39
Total	**1,512.59**	**1,636.55**

Trade Receivable stated above include debts due by:

	As on 31st Mar, 2017	As at 31st March 2016
Due by Pvt Ltd co in which Directors are members	-	1.99
Subsidiary - KILITCH ESTRO BIOTECH PLC	1.16	1.16
	1.16	**3.15**

(₹ in Lacs)

Note 13

Cash and Bank Balances

	As on 31st Mar, 2017	As at 31st March 2016
a. Cash on hand	0.24	1.06
b. Balances with banks	295.19	250.80
	295.43	**251.86**
Bank Balances include:		
Earmarked Balances (eg/- unpaid dividend accounts)	94.63	98.66
Margin money	1.34	1.34

Note 14

Short-term loans and advances

	As on 31st Mar, 2017	As at 31st March 2016
Balances with Government Authorities	220.04	155.91
Advance to Suppliers	46.02	38.62
	266.06	**194.53**

Note 15

Other Current Assets

	As on 31st Mar, 2017	As at 31st March 2016
Prepaid Expenses	0.10	1.52
	0.10	**1.52**

Note 16

Revenue from operations

Particulars	2016-17	2015-16
Sale of products/services:		
Local sales	110.17	60.23
OMS	242.65	157.48
Export Sales	2,367.39	1,864.85
Other operating revenues	97.87	19.70
(Less) Sales Return	(4.16)	(0.10)
Total	**2,813.91**	**2,102.16**

Note 17

Other income

Particulars	2016-17	2015-16
Interest Income	16.30	13.73
Dividend Income	22.04	88.09
Foreign Exchange Gain :		
Realised	15.90	17.30
Unrealised	-	51.47
Profit from Trading in Securities	2.56	-
Profit on Sale of Investments	1.95	-
Miscellaneous Income	4.30	5.06
Sundry balances written back	50.74	97.84
Total	**113.79**	**273.51**

Note 18 (₹ in Lacs)

Cost of materials consumed

Particulars	2016-17	2015-16
Opening Stock	133.46	128.11
Purchases	1,123.26	897.19
Less: Closing Stock	206.35	133.46
Total	**1,050.37**	**891.84**

Note 19

Variation in inventories of finished goods and work-in-progress

Particulars	2016-17	2015-16
Opening Stock :		
Work-in-Process	33.41	50.24
Finished Goods	95.21	59.77
	128.62	**110.01**
Closing Stock :		
Work-in-Process	10.78	33.41
Finished Goods	42.38	95.21
	53.16	**128.62**
Total	**75.46**	**(18.61)**

Note 20

Employee Benefits Expenses

Particulars	2016-17	2015-16
(a) Salaries and incentives	292.70	290.41
(b) Contributions to Provident fund	12.03	12.44
(c) Gratuity fund contributions & Leave Encashment	8.69	21.69
(d) Staff welfare expenses	13.94	17.65
Total	**327.36**	**342.20**

Note 21

Operating & other Expenses

Particulars	2016-17	2015-16
Consumption of stores and spare parts.	31.65	29.97
Labour Charges	145.11	125.23
Power and Fuel	104.72	92.65
Water Charges	3.83	3.82
Foreign Exchange Loss - Unrealised	59.94	-
Bank & Other Charges	15.38	6.19
Repairs to Buildings	35.07	31.72
Repairs - Others	47.57	78.87
Insurance	7.35	4.21
Rent, Rates and Taxes	13.53	11.61
Auditors Remuneration	7.50	7.50
Miscellaneous expenses	51.53	73.37
Provision for Doubtful Debts	165.43	100.00
Directors' Sitting Fees	0.11	0.51
Foreign Travelling Expenses	60.62	85.86
Printing & Stationery	5.09	12.60
Professional charges	39.56	37.39

(₹ in Lacs)

Particulars	2016-17	2015-16
Communication Expenses	15.25	20.41
Vehicle Expenses	7.36	7.00
Travelling Expenses:		
Directors	2.95	17.07
Others	10.12	4.58
Factory	10.44	10.12
Export Freight Expenses	99.20	89.54
Business Promotion Expenses	82.40	87.41
Advertising / Sales Commission Expenses	0.62	2.50
Discount Allowed [Sales]	139.74	8.60
Export Product Registration Expenses		
Export product registration	42.63	147.09
Export Expenses	1.62	2.19
Export Commision Expenses	86.70	-
Clearing & Forwarding Expenses	52.68	-
Calibration/validation Charges	1.82	-
Loss from Trading in Securities	-	25.28
Bad Debts/Balances written off	239.74	109.72
Loss on sale of Investments	-	14.92
Rate Difference Adjustment	10.36	
Prior Period Expenses	0.46	-
Share of Loss from Partnership Firm	0.44	-
Total	**1,598.52**	**1,247.94**

22. **Contingent Liabilities:-**

    a. Estimated amount of guarantees & Letter of Credit given not provided for in the accounts is **Rs. 63.08 Lakhs** (Previous Year Rs. **63.08/- Lakhs**).

    b. Disputed Statutory Dues in Respect of Income Tax aggregating to Rs. 50,305,650/- pertaining to A.Y. 2008-09 have not been deposited as the matter is pending before the CIT (Appeals)

23. Disclosure as per Accounting Standard 15 (Revised) "Employee Benefits" notified under the relevant provisions of the Companies Act,2013

Defined Benefit Plan:

The company provides gratuity benefit to it's employees which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

Reconciliation of opening and closing balances of Defined Benefit Obligation

Particulars	2016-17		2015-16	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of the obligation at the beginning of the year	32,38,124	2,16,830	12,15,355	1,97,933
Current Service Cost	3,67,346	62,184	3,35,717	21,903
Interest Cost	2,59,650	17,346	94,190	15,340
Actuarial (Gain) / Loss on Obligation	38,835	1,23,784	16,57,477	44,203
Benefits Paid	(1,89,807)	(86,440)	(64,615)	(62,549)
Present value of the obligation at the end of the year	37,14,148	3,33,704	32,38,124	2,16,830

(ii) Reconciliation of Fair Value of Assets and Obligations (Amount in Rs.) **(₹ in Lacs)**

Particulars	2016-17		2015-16	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of the obligation at the end of the year	37,14,148	3,33,704	32,38,124	2,16,380
Fair Value of Plan Assets at the end of the year	NIL	NIL	NIL	NIL
Net Obligation at the end of the year	37,14,148	3,33,704	32,38,124	2,16,380

(iii) Expense recognised during the year (Amount in Rs.)

Particulars	2016-17		2015-16	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	3,67,346	62,184	3,35,717	21,903
Interest cost on Obligation	2,59,650	17,346	94,190	15,340
Expected return on Plan Assets	NIL	NIL	NIL	NIL
Net Actuarial (Gain) / Loss recognised in the year	38,835	123,784	16,57,477	44,203
Net Cost Included in Personnel Expenses	6,65,831	203,314	20,87,384	81,446

24. The Company is mainly engaged in the development and operations of Pharmaceutical business. All the activities of the company revolve around this main business. Considering the nature of the company's business and operations, there are no separate reportable segments (Business and/or geographically) In accordance with the requirement of Accounting Standard 17 , ' Segment Reporting', issued by the Institute of Chartered Accountants of India.

25. As per Accounting Standard 18 (AS- 18) "Related Party Disclosures", issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:- [As identified by the Management]

Related Party Transactions

Name of the related parties and Nature of Relationship

I) Subsidiary of the Companies

Monarchy Helathserve Pvt Ltd (W.e.f. FY 2015-16)	Subsidiary
Kilitch Estro Biotech PLC (W.e.f. 11.09.2015)	Subsidiary

II) Key Managerial Personnel

Mr. Mukund Mehta	Managing Director
Mr. Paresh Mehta	Whole Time Director (Resigned w.e.f 13/04/2016)
Mr. Bhavin Mehta	Whole Time Director
Mr. Deepu K.	Whole Time Director (Resigned w.e.f. 30/11/2016)
Mrs. Mira Bhavin Mehta	Whole Time Director

III) Enterprises significantly influenced by Key Managerial Personnel

NBZ Pharma Ltd.
NBZ Healthcare LLP.
J.D. Enterprises
Kilitch Pharma (Co.) Ltd.
EyeKare Kilitch Ltd.

Related Party Transactions **(₹ in Lacs)**

Nature of Transaction	Subsidiary of the Company		Key Managerial Personnel		Enterprises significantly influenced by Directors and their relatives	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Sales	0.88	70.76	-	-	13.94	4.41
Director's Remuneration and Sitting Fees	-	-	57.31	44.77	-	-
Expenses incurred by KDL	1.60	2.74	51.69	25.08	-	-
Advance/Loan Given to/ returned by	34.64	32.84	-	-	39.97	178.83
Advance Returned By Parties/ Taken by us	-	1.00	-	-	32.30	172.50
Reimbursment of Expenses [Net]	-	0.94	22.76	28.19	-	-
Sundry Balance Written Off	-	-	-	-	2.16	0.11
Purchase/Transfer of Shares	-	127.18	0.00	-	-	1.92
Outstanding						
a) Trade Payable	-	-	-	-	-	-
b) Trade Receivable	1.16	1.16	-	-	42.36	43.61
c) Advances given	86.12	51.34	-	-	24.10	20.10
d) Investment in Equity Shares	4,329.19	4,329.19	-	-	-	-

26. **Earnings per share [As per AS-20]**

Basic as well as Diluted EPS	Amount (Rs.)	Amount (Rs.)
	2016-17	2015-16
Net Profit attributable to Equity shareholders.	(199.76)	(205.35)
Weighted average number of equity shares outstanding during the year	13,231,828	13,231,828
Nominal Value of Equity Shares	10	10
Basic & Diluted Earnings per Share	(1.51)	(1.55)

27. **DEFERRED TAX**

In accordance with the 'Accounting Standard -AS 22 Accounting for Taxes on Income" notified under the relevant provisions of the Companies Act,2013. the company has created a deferred tax Asset of **Rs 56.14 Lakhs** for the current year. The break-up of the Net Deferred Tax Assets as on 31ST MARCH, 2017 is as under:

(Rs. In Lakhs)

Particulars	Deferred Tax Asset/ (Liability) as at 01-04-16	For The Year	Deferred Tax Asset/ (Liability) as at 31-03-2017
Deferred tax Assets			
Related to fixed assets	20.42	3.19	**23.61**
Disallowance under income tax act:			
Provision for Gratuity/Leave Encashment	10.67	1.83	**12.50**
Provision for Doubtful Debtors	63.34	51.12	**114.46**
Total	**94.43**	**56.14**	**150.57**

28. **Expenditure in foreign currency:**

(Rs. In Lakhs)

Particulars	2016-17	2015-16
Business Promotion & Travelling	56.87	30.70
Export Registration/Commission	129.33	147.09
Export Expenses	1.62	0.06

29. **Earning in Foreign Currency :**

Particulars	2016-17	2015-16
Export Sale	1729.39	1460.81

30. **Employee Stock Option Plan**

As per Employee stock options Scheme (Kilitch ESOS 2007), each option is convertible into one equity shares Rs. 10/- each at exercise price of Rs. 47.50/- per share. The Stock Options granted to the employees were not exercised by them during the year.

31. The Balances of the Sundry Debtors, Sundry Creditors, Loans & Advances and Inter Corporate Deposits, whether Debit or Credit, are subject to confirmations from the respective parties and the reconciliations/ adjustments arising there from, if any.

However, in the opinion of the Management, the Current Assets, Loans and advances are approximately of the value stated in the balance sheet if realized in the ordinary course of the business and the provision for all known liabilities is adequate and not in excess of amounts considered reasonably necessary.

32. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2017. The above information, regarding Micro, Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

33. **Details of Specified Bank Notes (SBN) held and transacted during the period 8/11/2016 to 30/12/2016 (as certified by the management):**

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	94,000	264,962	358,962
(+) Permitted receipts		331,045	331,045
(-) Permitted payments		362,785	362,785
(-) Amount deposited in Banks	94,000	-	94,000
Closing balance 30.12.2016		233,222	233,222

34. Figures of the previous year have been regrouped and/or recast wherever necessary so as to conform to the current year's classification.

As per our report of even date

For A. M. Ghelani & Company
Chartered Accountants
FRN:103173W

Chintan A. Ghelani
Partner
M. No. 104391

Mumbai,
Dated: 30th May, 2017

For and on behalf of the Board of Directors

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole Time Director)

Dharmendra Makwana
(Company Secretary)

Mukesh Shah
(Director)

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS
KILITCH DRUGS (I) LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **KILITCH DRUGS (I) LIMITED**(hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us for the group in terms of our reports referred to in sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit report, on the financial statements of the subsidiary noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and its consolidated loss and its consolidated cash flows for the year ended on that date.

Other Matters

Financial statements of the Subsidiary, which reflect total assets of Rs. 2539.53 Lacs as at 31st March, 2017, Total Revenue of Rs. 51.35 Lacs and net cash inflow of Rs. 5,180/- for the year ended on that date have been audited by us.

We have relied on the unaudited financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 182.56 lacs as at 31st March, 2017. The unaudited financial statements have been furnished to us by the Management and our opinion on the statement, in so far as it relates to the amounts included in respect of the subsidiary is based solely on such unaudited financial statements certified by the management.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

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 Act, based on the comments in the auditors' reports of the Holding company and it's Subsidiary company incorporated in India, we give in the Annexure 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, to the extent applicable, that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   (b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Group.
   (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the Statutory Auditor's Report of the subsidiary company incorporated in India, none of the director is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
   (g) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of the pending litigation on its consolidated financial position vide Note no 30 (2) to the Consolidated Financial Statements.
      ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any foreseeable losses.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
      iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. [Refer Note no 38 to the Financial Statements].

For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No. : 103173W

Chintan A. Ghelani
Partner
Membership No. : 104391

Date : 30th May, 2017
Place : Mumbai

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

i) In respect of the fixed assets of the Group company incorporated in India:

(a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets, which we are informed, are being updated.

(b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a phased periodical programme of verification which, in our opinion, is reasonable. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanation given to us the Title Deeds of immovable properties are held in the name of company.

ii) In respect of inventories of the Group wherever applicable:

(a) As explained to us, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Group and the nature of its business. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.

(c) In our opinion and according to the information and explanations given to us the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.

iii) 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 Act. Consequently, the requirements of Clause (iii) (a) and Clause (iii) (b) of paragraph 3 of the Order are not applicable to the company.

iv) According to the information and explanations given to us, the Company has not entered into any transactions of loans, investments, guarantees and securities covered u/s 185 and 186 of the Companies Act, 2013 and hence, the provisions of clause (iv) of paragraph 3 of the Order are not applicable to the company.

v) In our opinion and according to the information and explanations given to us the Group has not accepted any deposit within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Group.

vi) According to the information and explanations given to us in our opinion, the Group company incorporated in India have, *prima facie,* made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, wherever applicable. We have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) According to the records of the Company and the information and explanations given to us, in respect of statutory dues of the Group company incorporated in India:

(a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities. There were no material undisputed amounts payable by the respective entities in respect of such dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues aggregating to Rs. 50,305,650/- that have not been deposited on account of the matters pending before the appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amount in Rupees	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income Tax	50,305,650	A.Y 2008-09	CIT (Appeals)

viii) According to the records examined by us and the information and explanation given to us, we are of the opinion that the group has not defaulted in re-payment of dues, if any, to financial institutions/banks.

ix) According to the records examined by us and the information and explanation given to us, Group has not taken any term loan.

x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Group company incorporated in India and no material fraud on the Group Company incorporated in India has been noticed or reported during the year.

xi) Based upon the audit procedures performed and information and explanation given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with "schedule v" to the companies Act, 2013.

xii) In our opinion, no company in the Group is a Nidhi Company. Therefore, the provisions of clause (xii) of the Paragraph 3 of the Order are not applicable to the Group.

xiii) In our opinion, all the transactions with related parties are in compliance with section 177 and 188 of The Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

xiv) The Group has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the group.

xv) The Group has not entered into any Non-Cash transaction with Director or Persons connected with him. Hence, the requirements of Clause (xv) of paragraph 3 of the Order are not applicable to the group.

xvi) The Group is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause (xvi) of the paragraph 3 of Order are not applicable to the group.

For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No. : 103173W

Chintan A. Ghelani
Partner
Membership No. : 104391

Date : 30th May, 2017
Place : Mumbai

"Annexure B" referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date

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 **Kilitch Drugs (India) Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Group's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Group 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 group's'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 Group'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 Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Group'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 group'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 group; (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 group are being made only in accordance with authorisations of management and directors of the group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the group'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 Group 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 Group 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 A. M. Ghelani & Company
Chartered Accountants
Firm Registration No. : 103173W

Chintan A. Ghelani
Partner
Membership No. : 104391

Date : 30th May, 2017
Place : Mumbai

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

(₹ in Lacs)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016
Equity and Liabilities			
Shareholders Funds			
Share Capital	2	1,323.18	1,323.18
Reserves and Surplus	3	8,459.23	9,545.52
		9,782.41	**10,868.70**
Current Liabilities			
Short Term Borrowings	4	68.50	18.62
Trade Payables	5	567.56	369.15
Total outstanding dues of creditors other than micro and small enterprises			
Other Current Liabilities	6	325.59	334.54
Short Term Provisions	7	76.29	76.97
		1,037.94	**799.28**
TOTAL		**10,820.35**	**11,667.98**
Assets			
Non Current Assets			
Fixed Assets	8		
Tangible		801.40	867.91
Capital Work in Progress		65.99	-
Intangible Assets		2,529.63	3,372.99
Deferred Tax Assets		150.94	94.60
Non Current Investments	9	2,679.12	2,581.89
Long Term Loans and Advances	10	7.94	20.26
Other Non Current Assets	11	1.72	3.44
		6,236.74	**6,941.09**
Current Assets			
Current Investments	12	2,198.87	2,312.07
Inventories	13	259.52	262.08
Trade Receivables	14	1,511.77	1,636.55
Cash and Cash Equivalents	15	308.38	274.73
Short Term Loans and Advances	16	298.31	233.22
Other Current Assets	17	6.76	8.24
		4583.61	**4,726.89**
TOTAL		**10820.35**	**11,667.98**
Significant Accounting Policies and Notes to Accounts	1 to 39		
The accompanying Notes are an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board of Directors

For A. M. Ghelani & Company
Chartered Accountants
FRN:103173W

Chintan A. Ghelani
Partner
M. No. 104391

Mumbai,
Dated: 30th May, 2017

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole Time Director)

Dharmendra Makwana
(Company Secretary)

Mukesh Shah
(Director)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2017

(₹ in Lacs)

Particulars	Notes	2016-2017	2015-2016
Income:			
Revenue from operations	**18**	2,865.25	2,098.54
Other Income	**19**	113.79	278.44
TOTAL REVENUE		**2,979.04**	**2,376.98**
Expenses:			
Cost of materials consumed	**20**	1,050.37	891.84
Variation in inventories of finished goods & work-in-progress	**21**	75.46	(18.61)
Employee benefits expenses	**22**	338.25	346.73
Depreciation and amortization Expenses		975.50	1,004.74
Operating & Other expenses	**23**	1,680.87	1,315.14
TOTAL EXPENSES		**4,120.44**	**3,539.85**
Profit Before Tax		(1,141.40)	(1,162.87)
Tax Expenses :			
Current Tax		-	-
Deferred Tax		56.34	43.78
Profit for the year		**(1,085.07)**	**(1,119.09)**
Less: Share of Minority Profit/(Loss)		-	-
PROFIT AFTER TAX AND MINORITY INTEREST		**(1,085.07)**	**(1,119.09)**
Earning Per Equity Share:			
[Refer Note "26"]			
Basic & Diluted EPS (Face Value of Rs. 10/- each)		**(8.20)**	**(8.46)**
Significant Accounting Policies and Notes to Accounts	**1 to 39**		

As per our report of even date

For and on behalf of the Board of Directors

For A. M. Ghelani & Company
Chartered Accountants
FRN:103173W

Chintan A. Ghelani
Partner
M. No. 104391

Mumbai,
Dated: 30th May, 2017

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole Time Director)

Mukesh Shah
(Director)

Dharmendra Makwana
(Company Secretary)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2017

(₹ in Lacs)

Particulars	31st March 2017		31st March 2016	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		(1,141.40)		(1,162.87)
Adjustments for:				
Depreciation and amortisation	975.50		1,004.74	
Interest income	(16.30)		(13.73)	
Dividend income	(22.04)		(88.09)	
(Profit)/Loss on sale of Investments	(1.95)		14.92	
Share of (Profit)/ Loss from Partnership Firm	0.44		-	
Sundry Balances written back	(50.74)		(97.85)	
Sundry Balances written off	0.87			
Provision for Gratuity & Leave Encashment	8.86		21.69	
Preliminary Expenses written off	1.72		1.72	
Loss/(Profit) from Trading in Securities	(2.56)		25.28	
Bad Debts / Provision for Doubtful Debts	405.17		100.00	
Profit / (Loss) on assets sold/ discarded	-		-	
Net unrealised exchange (gain) / loss	59.94	1,358.91	(51.47)	917.21
Operating profit / (loss) before working capital changes		217.51		(245.66)
Changes in working capital:				
Operating Assets:				
Inventories	2.56		(23.96)	
Trade receivables	(341.20)		(422.78)	
Advances to Parties	(52.79)		2238.26	
Other current assets	1.48		(1.12)	
Operating Liabilities:				
Trade payables	249.16		227.87	
Other current liabilities	(7.90)		(48.11)	
Short-term provisions	(9.54)	(158.22)	0.63	1970.80
Gross cash flow from / (used in) operating activities		59.29		1725.14
Less : Direct Taxes Paid / (refunded)		2.98		(1.85)
Net cash flow from / (used in) operating activities		**62.27**		**1723.29**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(132.84)		(4,307.56)	
Proceeds (Net) from the sale of Current investments	115.15		139.87	
(Purchase)/Sale (Net) of long-term investments:				
- Others	(97.68)		2,133.68	
Interest received	16.30		13.73	
Income from Trading in Securities	2.56		(25.28)	
Dividend received	22.04		88.09	
		(74.47)		(1,957.46)
		(74.47)		(1,957.46)
Net cash flow from / (used in) investing activities (B)		**(74.47)**		**(1,957.46)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2017

(₹ in Lacs)

Particulars	31st March 2017		31st March 2016	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Short Term Borrowing	49.88		18.52	
Dividends paid(Inclusive of tax on Dividend)	(4.03)		(7.03)	
Net cash flow from / (used in) financing activities (C)		**45.85**		**11.49**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**33.65**		**(222.68)**
Cash and cash equivalents at the beginning of the year		274.73		498.11
Acquisition of new & subsidiaries in 31-3-17				(0.70)
Cash and cash equivalents at the end of the year		**308.38**		**274.73**
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		0.25		1.10
(b) Balances with banks				
(i) In current accounts		213.50		174.97
(ii) In earmarked accounts		94.63		98.66
		308.38		**274.73**

The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard - 3 "Cashflow Statements" (AS-3) issued by the Institute of Chartered Accountants of India.

The figures in brackets represent Cash outflows.

As per our report of even date

For and on behalf of the Board of Directors

For A. M. Ghelani & Company
Chartered Accountants
FRN:103173W

Chintan A. Ghelani
Partner
M. No. 104391

Mumbai,
Dated: 30th May, 2017

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole Time Director)

Dharmendra Makwana
(Company Secretary)

Mukesh Shah
(Director)

SIGNIFICANT ACCOUNTING POLICIES

I. **Principles of consolidation**

a) The financial statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".

b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

c) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

d) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

e) The Company accounts for its share in the change in the net assets of the Subsidiary, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the Subsidiary's Statement of Profit and Loss and through its reserves for the balance, based on the available information.

f) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

II. Investments other than in Subsidiaries and Associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

III. **Other significant accounting policies**

a) **Basis of Preparation of Financial Statements**

The Consolidated Financial statements have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") including the Accounting Standards ("AS") notified under the relevant provisions of the Companies Act,2013.

b) **Use of estimates:**

The preparation of Consolidated Financial Statements ,in conformity with GAAP, requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of Contingent Liabilities on the date of the financial statements and the reported amount of revenues and expenses of the Group, for the reporting period. Actual Results could differ from these estimates. The difference between the actual results and estimates are recognised in the period in which the results are known / materialised. Any revision to an Accounting Estimate is recognized prospectively in the year of revision.

c) **Inflation**

The Consolidated Financial Statements of the Group are based on historical costs. These costs are not adjusted to reflect the impact of the changing value of the purchasing power of money.

d) **Inventories**

Raw Material, Packing Material, Stores and spare parts, Work-in-progress and Finished Goods of the Group are valued at cost or net realizable value whichever is lower. Cost of Raw Materials, Packing Materials and Stores & spare parts are determined on last purchase price. Work-in-progress and Finished Goods inventories include production overheads, to the extent applicable.

e) **Classification of Assets and Liabilities as Current and Non – Current**

All assets and liabilities are classified as current or non-current as per Company's normal operating cycle, and other criteria set out in Schedule II to the Companies Act, 2013 and accordingly, 12 months period has been considered by the Company as its normal operating cycle for the purpose of classification of assets and liabilities as current and non- current.

f) **Fixed Assets:**

Fixed Assets are stated at Cost net of Cenvat credit and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any.

Cost comprises of the Purchase Price and any attributable costs of bringing the assets to their working condition for intended use.

g) **Depreciation:**

Depreciation on fixed assets is provided, to the extent of depreciable amount, on Written Down Value method [Both Tangible and Intangible] as per the useful life prescribed in schedule II to the Companies Act, 2013, in the manner state therein. In case of the Subsidiary, the Depreciation is not to be provided as they do not own any Fixed Assets.

h) **Impairment of Assets:**

In accordance with AS 28 on "Impairment of Assets", notified under the relevant provisions of the Companies Act 2013, where there is any indication of impairment of the company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of such assets exceeds its recoverable amount. Impairment Loss, if any, is recognised in the Statement of Profit and Loss.

i) **Investments:**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investments and are carried at cost. Provision for diminution in their values is made only if the diminution is other than temporary in nature. Current investments are carried at the lower of cost and quoted/fair value, computed category wise.

j) **Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets/stocks in trade are capitalised as part of the cost of such assets or added to stock in trade. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

k) **Employee Stock Option Plan**

Employee Stock Options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed by Guidance Note on 'Accounting for Employee Share-based payments' issued by Institute of Chartered Accountants of India (ICAI) read with Securities and Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 issued by SEBI. The excess of market value if any, of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to the Statement of Profit and Loss on vesting basis over the vesting period of the options. The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option Outstanding, which is shown under Reserves and Surplus.

l) **Revenue recognition:**

i. Sales are recognized net of returns, trade discounts, rebates and include excise duty on manufactured products.

ii. Revenue in respect of export sales is recognized on shipment of products.

iii. Service Income (Processing Charges) is recognized pro-rata over the period of the contract as and when services are rendered.

iv. Export incentive benefits consist of duty drawback, high value added licenses and DEPB entitlements. These are recognized on the basis of receipt of proof of export.

v. Interest is recognised on time proportion basis.

vi. Dividend Income is recognised when the right to receive the same is established.

m) **Employee Benefits:**

i) Short term employee benefits are recognised as expenses at the undiscounted amounts in the Statement of Profit & Loss of the year in which the related service is rendered.

ii) Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expenses are recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits [net of expected return on plan assets] are charged to the Statement of Profit & Loss.

n) **Foreign Currency transactions:**

a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the Balance Sheet date are restated at the year-end rates. Non monetary foreign currency items are carried at cost.

b) Exchange differences arising as a result of the subsequent settlements or on translations are recognised as income or expense in the Statement of Profit and Loss.

c) In accordance with option given by the Ministry of Corporate Affairs vide Notification No F. No 17/133/2008/CL-V dated 29th December 2011, the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, in so far as they relate to acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and will be depreciated over the balance life of the asset, and in other cases are accumulated in "Foreign Currency Monetary Item Translation Difference Account" in the Company's financial statements and amortized over the balance period of such long-term asset / liability by recognition as income or expense in each of the periods. In accordance with circular no 25/2012 dated 9th August 2012 issued by Ministry of Corporate Affairs, no portion of exchange difference adjusted to capital assets in accordance with paragraph 46A of Accounting Standard 11 is regarded as an adjustment to interest costs in terms of paragraph 4(e) of Accounting Standard AS 16 Borrowing costs.

o) **Taxes on Income:**

i) Provision for income tax (current tax) is determined on the basis of the taxable income of the current year in accordance with the Income Tax Act, 1961.

ii) Deferred tax is recognised in respect of deferred tax assets (subject to the consideration of prudence) and deferred tax liabilities on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

iii) Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement".

The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will be able to utilise the MAT Credit Entitlement within the period specified under the Income-tax Act, 1961.

p) Preliminary Expenses:

The Expenditure incurred in connection with the increase in the authorised share capital is considered as preliminary Expenditure and is amortised/ written off equally over a period of 5 years

q) **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes on Accounts. Contingent Assets are neither recognised nor disclosedin the financial statements.

Notes 2 **(₹ in Lacs)**

Share Capital

Particulars	2016-17	2015-16
Share Capital		
Authorised		
20,00,000 (P.Y. 20,00,000) Equity Shares of Rs. 10 each fully paid	**2,000.00**	**2,000.00**
Issued, subscribed and fully paid up		
1,32,31,828 (1,32,31,828) Equity Shares of Rs. 10 each	1,323.18	1,323.18
	1,323.18	**1,323.18**

a] Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity Shares		
Shares outstanding at the beginning the year	1,323.18	1,323.18
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,323.18	1,323.18

b] Shares held by :-

Holding company

Kilitch Company Pharma Limited		
66,29,342 (P.Y. 66,29,342) equity shares of Rs 10 each fully paid	662.93	662.93

c] Details of shareholders holding more than 5% Shares in the company

	March 31, 2017		March 31, 2016	
	Number of shares	% of Holdings	Number of shares	% of Holdings
Equity Shares of Rs. 10 each fully paid up				
Paresh P. Mehta	-	-	956,785	7.23
Mukund P. Mehta	1,506,763	11.39	-	-
Kilitch Company Pharma Limited	6,629,342	50.10	6,629,342	50.10

d] The company has only one class of Equity Shares having a face value of Rs. 10 per share. Each holder of Equity Share is entitled to one vote per share.

Note 3

Reserves and Surplus

	March 31, 2017	March 31, 2016
a. Securities Premium	**2,778.13**	**2,778.13**
b. General Reserve		
As at the Beginning of the year	1,511.76	1,511.76
Adjustment of Depreciation as per transitional provision of Part C paragraph 7 (b) of Schedule II of the Companies Act, 2013	-	-
	1,511.76	**1,511.76**
c. Employee Stock Options	137.94	137.94
	137.94	137.94
d. Other Reserves (Call on shares forfeited A/c)	58.00	58.00
Foreign Exchange Fluctuation Reserve	(1.23)	
	56.77	**58.00**
e. Surplus/(deficit) in the statement of Profit and Loss		
As at the Beginning of the year	5,059.03	6,178.12
(+) Net Profit/(Net Loss) For the year	(1,085.07)	(1,119.09)
As at the end of the year	**3,973.97**	**5,059.03**
f. Capital Reserve on Consolidation	0.65	0.65
	8,459.23	**9,545.52**

Note 4 **(₹ in Lacs)**

Short Term Borrowings

	March 31, 2017	March 31, 2016
Loan from Director	-	9.70
Bank Overdraft (Kotak Mahindra Bank Ltd.)	57.85	8.92
Bank Overdraft (Axis Bank)	1.03	-
[Secured Against the Mutual Fund Investments held by the Company]		
Kotak PCFC A/c	9.63	-
	68.50	**18.62**

Note 5

Trade Payables

	March 31, 2017	March 31, 2016
i) Micro & Small Enterprises [Refer Note No. 35]	-	-
ii) Others	567.56	369.15
	567.56	**369.15**

Note 6

Other Current Liabilities

	March 31, 2017	March 31, 2016
(a) Unpaid dividends	94.63	98.66
(b) Statutory dues	4.81	6.11
(c) Provision for Expenses	14.85	24.86
(d) Taxation (Net of taxes paid)	3.69	0.71
(e) Outstanding Expenses	1.19	1.53
(f) Bank Overdraft	-	3.17
(g) Book Overdraft	-	56.98
(h) Others	206.42	142.51
	325.59	**334.54**

Note 7

Short Term Provisions

	March 31, 2017	March 31, 2016
Provision for employee benefits:		
Salary & Reimbursements	35.45	42.23
Gratuity	37.50	32.57
Leave Encashment	3.34	2.17
	76.29	**76.97**

Note 8 **(₹ in Lacs)**

FIXED ASSETS

PARTICULARS	GROSS BLOCK [At Cost]				DEPRECIATION					NET BLOCK [W. D. V.]	
	As at 4/1/2016	Additions during the year	Deductions/ Write-offs during the year	As at 3/31/2017	As at 4/1/2016	Adjustments	For the Year	Deductions/ Write-offs during the year	As at 3/31/2017	As at 3/31/2017	As at 3/31/2016
Tangible Assets:											
Land	29.88	-	-	29.88	-	-	-	-	-	29.88	29.88
Rights on Lease Hold Land	96.78	-	-	96.78	-	-	-	-	-	96.78	96.78
Factory Building	261.02	-	-	261.02	234.08	-	5.96	-	240.04	20.98	26.94
Office premises	133.24	-	-	133.24	67.17	-	3.20	-	70.37	62.87	66.07
Plant & Machinery	1,377.42	53.30	-	1,430.72	789.25	-	92.35	-	881.60	549.12	588.17
Furniture & Fixtures	68.42	0.37	-	68.79	50.43		4.81	-	55.24	13.55	17.99
Computer	42.58	0.57	-	43.15	37.20		1.40	-	38.60	4.55	5.37
Motor Car	106.60	6.86	-	113.46	79.09	-	9.45	-	88.54	24.92	27.52
Office Equipments	16.11	0.25	-	16.36	13.34		1.10	-	14.44	1.92	2.77
Air Conditioners	28.22		-	28.22	20.13	-	1.62	-	21.75	6.47	8.09
Electrical Installations	27.87			27.87	18.29		2.65	-	20.94	6.93	9.57
Laboratory Equipments	180.41	2.08	-	182.49	154.39	-	8.56	-	162.95	19.54	26.02
Capital WIP	-	65.99		65.99	-		-		-	65.99	-
Mobile Phone	6.10	2.00	-	8.10	4.86	-	0.84	-	5.70	2.40	1.24
[A]	**2,374.65**	**131.42**	**-**	**2,506.07**	**1,468.23**	**-**	**131.94**	**-**	**1,600.17**	**905.90**	**906.40**
Intangible Assets:											
Computer software	13.17	0.20	-	13.37	10.36	-	1.02	-	11.39	1.98	2.81
Goddwill On Merger	4,212.73		-	4,212.73	842.55	842.55		-	1,685.09	2,527.64	3,370.18
[B]	**4,225.90**	**0.20**	**-**	**4,226.10**	**852.91**	**842.55**	**1.02**	**-**	**1,696.48**	**2,529.62**	**3,372.99**
GRAND TOTAL [A + B]	**6,600.55**	**131.62**	**-**	**6,732.17**	**2,321.14**	**842.55**	**132.96**	**-**	**3,296.65**	**3,435.52**	**4,279.40**
PREVIOUS YEAR	**2,254.51**	**4,307.58**	**0.02**	**6,562.08**	**1,316.15**	**0.25**	**1,004.74**	**-**	**2,321.16**	**4,240.91**	**938.36**

Note 9

Non Current Investments

	March 31, 2017	March 31, 2016
Non- Trade [At Cost]		
A. Investments in Shares:		
i. Quoted Shares:		
[Equity Shares of Face value Rs. 10/- each, fully paid-up, unless otherwise stated]		
15 (P.Y. 15) - Bengal and Assam Co Ltd.	4.99	4.99
1,000 (P.Y. 1000) - Century Enka Ltd.	0.74	0.74
500 (P.Y. 500) - Century Textiles & Ind Ltd.	2.28	2.28
200 (P.Y. 100) - Colgate Pamolive India Ltd.	0.95	0.95
720 (P.Y. 720) - J K Laxmi Cement Ltd.	0.33	0.33
400 (P.Y. 400) - Pfizer Ltd.	4.94	4.94
2,616 (P.Y. 2,616) - Reliance Power Ltd.	7.36	7.36
Book Value of Quoted Instruments (Total of A.i)	**21.59**	**21.59**
Market Value of Quoted Instruments	**23.95**	**16.97**
ii) Others [Unquoted]		
7000 (P.Y. 7000) Novo Informatics Pvt Ltd	48.02	48.02
Estee Advisors Pvt. Ltd.	109.73	-
Arham Neeta Realities LLP	2,246.55	2,246.97
Ask IEP PMS	100.00	100.00
Nbz Pharma Ltd	-	0.10
Pragya Securities Pvt Ltd	-	11.85
1,00,000 (PY Nil) Preference Shares Of Rs. 100 Each Fully Paid Tata Motors Finance Limited	100.00	100.13
Book Value of Unquoted Instruments (Total of A.ii)	**2,604.30**	**2,507.06**
Total Investment in Shares (A.i + A. ii)	**2,625.88**	**2,528.65**

(₹ in Lacs)

	March 31, 2017	March 31, 2016
B. Investments in Bonds:		
i. Quoted Bonds:		
National Highways Authority of India	45.71	45.71
Housing And Urban Development Corporation Ltd	7.53	7.53
Total Investment in Bonds (B.i)	**53.24**	**53.24**
Aggregate Value of All Non Current Investments (A+B)	**2,679.12**	**2,581.89**

Note 10

Long Term Loans and Advances

	March 31, 2017	March 31, 2016
(a) Deposits	6.84	9.29
(b) Advance to Related parties	-	0.70
(c) Other Advances	1.10	10.26
	7.94	**20.26**

Note 11

Other Non-Current Assets

	March 31, 2017	March 31, 2016
Preliminary Expenses [To the extent not written off/remaining unadjusted]	1.72	3.44
	1.72	**3.44**

Note 12

Current Investments

	March 31, 2017	March 31, 2016
QUOTED:		
Investments in Units of Mutual Funds: [At Cost]	-	-
[Units of Face value Rs. 10/- each, unless otherwise stated]	-	-
Nil (PY 11,732.679) FRP Direct Growth	-	-
Axis Liquid Fund Direct Growth	-	86.80
1555.189 (PY 5188.74) Axis Liquid Fund Direct Growth	28.00	25.00
Nil (PY 98386.462)Axis Mid Cap Fund Direct Growth	-	25.00
126822.025 (PY NIL) Axis Equity Fund - Growth (EFGPG)	25.68	-
134756.526 (PY NIL) Axis Focused 25 Fund Growth (AFGPG)	26.53	-
Kotak Mutual Fund	-	-
Nil (PY 83,267.60) Birla Sun Life Frontline Equity Fund Dividend - DP	-	24.00
Nil (PY 4,324.64) Birla Sun Life Frontline Equity Fund - Growth	-	6.00
Nil (PY 40,610.23) HDFC Equity Fund Dividend Plan - DP	-	24.00
188,476.52 (PY 317,255.52) Kotak Select Focus Fund Regular Plan Dividend - DP	35.00	59.00
201,130.9550 (PY 329,680.95) Mirae Asset India Opportunities Fund Regular Dividend Plan - DP	35.00	59.00
55,519.63 (PY 190054.63) SBI Blue Chip Fund Regular Plan Dividend - DP	9.40	33.40
353,174.43 (PY 353,174.43) SBI Blue Chip Fund Regular Plan Growth	94.00	94.00
NIL (PY 6,972.02) UTI Equity Fund (Formerly UTIMastergain Unit Scheme) Growth Plan	-	6.00
30810.4260 (PY 18,961.074) Franklin India Prima Fund-Growth	130.14	78.00
110,000 (PY 110,000) Reliance Capital Builder Fund Series A Dividend - DP	11.00	11.00
NIL (PY 13,327.41) Birla Sun Life Infrastructure Fund Plan Growth Regular Plan	-	3.00
NIL (PY 20,807.32) HDFC Infrastructure Fund - Growth Plan	-	3.00
1,935,021.96 (PY 1,935,021.96) HDFC Corporate Debt Opportunities Fund Regular Growth	200.00	200.00

(₹ in Lacs)

	March 31, 2017	March 31, 2016
1,124,095.24 (PY 1,124,095.24) IDFC Banking Debt Fund Regular Plan Growth	125.33	125.33
262,631.94 (PY 262,631.94) Reliance Regular Savings Fund Balanced Plan Growth Option	100.00	100.00
536,541.13 (PY 536,541.13) ICICI Prudential Income Opportunities Fund - Regular Plan - Growth	100.00	100.00
312,640.69 (PY 312,640.69) IDFC Dynamic Bond Fund Regular Plan Growth	50.00	50.00
131,245.65 (PY 131,245.65) Kotak Bond Scheme Plan A Regular Plan Growth	50.00	50.00
277,200.28 (PY 277,200.28) Reliance Dynamic Bond Fund Growth Plan Growth Option	50.00	50.00
537,143.47 (PY 537,143.47) Sundaram Flexible Fund Flexible Income Plan Regular Growth	100.00	100.00
331,749.78 (PY 331,749.78) UTI Dynamic Bond Fund Growth	50.00	50.00
NIL (PY 29,554.18) ICICI Prudential Liquid - Regular Plan - Growth	-	65.86
300,000.00 (PY 300,000) Birla Sun Life Fixed Term Plan Corporate Bond Series A 1170 days Growth Regular	33.06	33.06
NIL (PY 22,95,000.44) Edelweiss Arbitrage Fund Dividend - DR	-	238.11
745,474.57 (PY 11,39,572.63) Reliance Arbitrage Advantage Fund Dividend Plan - DR	88.84	135.89
Nil (PY 1,767.72) ICICI Prud. Multicap Fund Reg Plan Growth	-	3.00
250.132 (PY 663.29) Kotak Floater Short Term Growth	6.50	16.21
10,00,000 (PY 10,00,000) Kotak FMP Series 183 1204 Days Reg. Growth	100.00	100.00
365,493.65 (PY 365,493.65) Kotak Select Focus Fund Regular Plan Growth	78.00	78.00
258,732.21 (PY 258,732.21) Mirae Asset India Opportunities Fund Regular Growth Plan	78.00	78.00
518,081.028 (PY NIL) Birla Sun Life Medium Term Plan Growth	100.00	-
296,982.656 (PY NIL) ICICI Prud Regular Saving Fund Growth	50.00	-
500,000 (PY NIL) ICICI Prud. Value Fund Series 9 Reg Plan Div Dp	50.00	-
380124.07 (PY NIL) Kotak Medium Term Fund Regular Plan Growth	50.00	-
10,00,000 (PY NIL) HDFC FMP 1213 D MARCH 2017 1 Series 38 Reg Plan Gro	100.00	-
768,344.22 (PY NIL) Reliance Corporate Bond Fund Growth	100.00	-
[In Quoted Equity shares, through the Mutual Fund - Portfolio Managers]	-	-
220 (PY NIL) Crompton Greaves Ltd	6.62	-
900 (PY 360) Grasim Industries Ltd	6.12	12.20
Nil (PY 320) Hero Motocorp Ltd	-	10.09
NIL (PY 7800) IDFC Ltd	-	7.38
2450 (PY 4450) ICICI Bank Ltd	7.70	14.73
820 (PY 820) Larsen & Toubro Ltd	12.71	12.71
140 (PY 290) Maruti Suzuki India Ltd	4.84	10.02
550 (PY NIL) HDFC Ltd.	3.28	-
NIL (PY 1780) Oil India Ltd	-	9.88
Nil (PY 380) Tata Consultancy Services Ltd	-	9.54
Nil (PY 360) United Spirits Ltd	-	10.00
NIL (PY 7800) IDFC Bank Ltd	-	4.80
15207.3860 (PY 174,825.1750) Birla Sun Life India Reforms Fund Growth	28.09	25.00
83,175.5010 (PY 83,175.5010) Franklin India High Growth Com. Fund Growth	25.01	25.01
NIL (PY 100,628.4660) Reliance Top 200 Retail Growth	-	25.01
32,121.8440 (PY 32,121.8440) UTI Mid Cap Fund Growth Plan	25.02	25.02
76208.360 (PY NIL) SBI Blue Chip Fund - Growth (IIFL)	25.00	-
	2,198.87	**2,312.07**
Book Value of the Current Investments	**2,198.87**	**2,312.07**
Market Value of Quoted Investments	**2,446.75**	**2,165.00**
Aggregate Value of All Current Investments	**2,198.87**	**2,312.07**

Note 13 **(₹ in Lacs)**

Inventories

	March 31, 2017	March 31, 2016
a. Raw Materials and components	206.35	133.46
b. Work-in-progress	10.79	33.41
c. Finished goods	42.38	95.21
	259.52	**262.08**

Note 14

Trade Receivables

[UNSECURED, considered good unless otherwise stated]

	March 31, 2017	March 31, 2016
Receivables outstanding for a period exceeding six months from the due date		
Considered Good	1,240.76	328.16
Considered Doubtful	370.37	204.94
Less: Provision for doubtful debts	(370.37)	(204.94)
	1,240.76	**328.16**
Other Receivables	271.01	1,308.39
	271.01	**1,308.39**
Total	**1,511.77**	**1,636.55**
Trade Receivables stated above include debts:		
Due from Pvt Ltd co in which Directors are members	-	1.99
	-	**1.99**

Note 15

Cash & Cash Equivalents

	March 31, 2017	March 31, 2016
a. Cash on hand	0.25	1.10
b. Balances with Banks		
In current accounts	308.13	273.63
	308.38	**274.73**
Bank Balance include:		
Earmarked Balances (Eg/- Unpaid Dividend Accounts)	94.63	98.66
Margin Money	**1.34**	**1.34**

Note 16

Short Term Loans and Advances

	March 31, 2017	March 31, 2016
Balances with Statutory/Government Authorities	220.05	156.41
Advance to parties	78.26	76.81
	298.31	**233.22**

Note 17

Other Current Assets	March 31, 2017	March 31, 2016
Preliminary Expenses [To the extent not written off/remaining unadjusted]	1.72	1.72
Rent Deposit	4.94	5.00
Prepaid Expenses	0.10	1.52
	6.76	**8.24**

Notes 18 **(₹ in Lacs)**

Revenue from operations

Particulars	2016-17	2015-16
Sale of products/services:		
Local sales	110.17	60.65
OMS	242.65	157.48
Export Sales	2,367.39	1,825.20
Other operating revenues	149.21	55.21
(Less) Sales Return	(4.16)	-
	2,865.25	**2,098.54**

Note 19

Other Income

Particulars	2016-17	2015-16
Interest Income	16.30	13.73
Dividend Income	22.04	88.09
Profit from Trading in Securities	2.56	-
Profit from Sale of Investment	1.95	-
Foreign Exchange Gain :		
Realised	15.90	17.30
Unrealised	-	51.47
Income from Futures & Options	-	-
Miscellaneous Income	4.30	5.06
Sundry balances written back	50.74	97.86
Discount Received	-	4.93
	113.79	**278.44**

Note 20

Cost of materials consumed

Particulars	2016-17	2015-16
Opening Stock	133.46	128.11
Purchases	1,123.26	897.19
Less: Closing Stock	206.35	133.46
	1,050.37	**891.84**

Note 21

Variation in inventories of finished goods and work-in-progress

Particulars	2016-17	2015-16
Opening Stock :		
Work-in-Process	33.41	50.24
Finished Goods	95.21	59.77
	128.62	**110.01**
Closing Stock :	-	-
Work-in-Process	10.78	33.41
Finished Goods	42.38	95.21
	53.16	**128.62**
Total	**75.46**	**(18.61)**

Note 22 **(₹ in Lacs)**

Employee Benefits Expenses

Particulars	2016-17	2015-16
Salaries and incentives	303.21	294.86
Contributions to Provident fund	12.03	12.44
Gratuity fund contributions & Leave Encashment	8.86	21.69
Staff welfare expenses	14.15	17.74
Total	**338.25**	**346.73**

Note 23

Operating & other Expenses

Particulars	2016-17	2015-16
Consumption of stores and spare parts.	41.02	29.97
Labour Charges	145.11	125.23
Power and Fuel	105.97	93.41
Water Charges	3.83	3.82
Foreign Exchange Loss - Unrealised	59.94	-
Bank & Other Charges	15.53	6.31
Repairs to Buildings	35.07	31.72
Repairs - Others	52.15	81.07
Insurance	7.35	4.21
Rent, Rates and Taxes	26.42	19.19
Auditors Remuneration	7.85	7.79
Miscellaneous expenses	52.17	185.29
Provision for Doubtful Debts	165.43	100.00
Directors' Sitting Fees	0.11	0.51
Foreign Travelling Expenses	60.62	85.86
Printing & Stationery	6.72	13.31
Professional charges	82.99	37.39
Communication Expenses	15.25	20.64
Vehicle Expenses	7.36	7.00
Travelling Expenses:		
Directors	2.95	17.07
Others	10.12	4.58
Factory	10.44	10.12
Export Freight Expenses	99.20	89.54
Business Promotion Expenses	82.40	87.41
Advertising / Sales Commission Expenses	0.99	4.04
Discount Allowed [Sales]	139.74	8.60
Export product registration	42.63	147.09
Export Expenses	1.62	2.19
Export Commission Expenses	86.70	-
Loss from Trading in Futures & Options	0.00	25.28
Loss on sale of Investments	0.00	14.92
Clearing & Forwarding Expenses	52.68	-
Calibration & Validation Charges	1.82	
Office Expenses	4.85	1.99
Bad Debts	239.74	-
Prior Period Items	0.48	-
Sundry Balance W/ Off	0.87	
Rate Difference Adj	10.36	
Legal and Professional charges	0.22	47.87
Share of Loss from Partnership firm	0.44	
Preliminary Expenses written off	1.72	1.72
	1680.87	**1315.14**

24. The Group is mainly engaged in the development and operations of Pharmaceutical business. All the activities of the Group revolve around this main business. Considering the nature of the Group's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17; "Segment Reporting", issued by the Institute of Chartered Accountants of India.

25. As required by the Accounting Standard : AS 18 - the Disclosures in respect of the Related Party transactions for the year ended on 31st March 2017 are as under:

Name of the related parties and Nature of Relationships:

I) Key Managerial Personnel

Mr. Mukund Mehta	Managing Director
Mr. Paresh Mehta	Whole Time Director (Resigned w.e.f 13/04/2016)
Mr. Bhavin Mehta	Whole Time Director
Mr. Deepu K.	Whole Time Director (Resigned w.e.f. 30/11/2016)
Mrs. Mira Bhavin Mehta	Whole Time Director

II) Enterprises significantly influenced by Key Managerial Personnel

NBZ Pharma Ltd.

NBZ Healthcare LLP.

J.D. Enterprises

Kilitch Pharma (Co.) Ltd.

EyeKare Kilitch Ltd.

Related Party Transactions

Nature of Transaction	Key Managerial Personnel		Enterprises significantly influenced by Directors and their relatives	
	2016-17	2015-16	2016-17	2015-16
Purchases	-	-	-	-
Sales	-	-	13.94	4.41
Director's Remuneration and Sitting Fees	57.31	44.77	-	-
Expenses incurred by KDL	51.69	25.08	-	-
Advance Given	-	-	39.97	178.83
Advance Returned By Parties/Taken by us	-	(9.60)	32.30	172.50
Reimbursement of Expenses [Net]	22.76	28.19	-	-
Sundry Balance Written Off	-		2.16	0.11
Purchase/Transfer of Shares	-	-	-	1.92
Outstanding				
a) Trade Receivables	-	-	42.36	43.61
b) Advances given/ (taken) [Net]	(9.70)	(9.70)	24.10	20.10

26. Earnings Per Share of the Group Shareholders :

Basic as well as Diluted EPS	Amount	Amount
	2016-17	2015-16
Net Profit attributable to Equity shareholders.	(1085.07)	(111,9.09)
Weighted average number of equity shares outstanding during the year	13,231,280	13,231,280
Nominal Value of Equity Share (Rs.)	10/-	10/-
Basic & Diluted Earning per Equity Share (Rs.)	**(8.20)**	**(8.46)**

27. DEFERRED TAX

In accordance with the 'Accounting Standard -AS 22 Accounting for Taxes on Income" notified under the relevant provisions of the Companies Act,2013. The Holding company has created a deferred tax Asset of Rs 56.34 Lakhs for the current year. The break-up of the Net Deferred Tax Assets as on 31st March, 2017 is as under:

Particulars	Deferred Tax Asset/ (Liability) as at 01-04-16	For The Year	Deferred Tax Asset/ (Liability) as at 31-03-17
Deferred tax Liability			
Difference between Book & Tax Depreciation	20.54	3.34	**23.88**
Deferred tax Assets			
Disallowance under income tax Act- Provisions for Gratuity/ Leave Encashment	10.73	1.88	**12.61**
Provision for Doubtful Debts	63.33	51.12	**114.45**
Total	**94.60**	**56.34**	**150.94**

28. Expenditure in foreign currency:

(Rs. In Lakhs)

Particulars	2016-17	2015-16
Business Promotion & Travelling	56.87	30.70
Export Registration/Commission	129.33	147.09
Export Expenses	1.62	0.06

29. Earnings in Foreign Currency

(Rs. In Lakhs)

Particulars	2016-17	2015-16
Export Sale	1729.39	1460.81

30. **Contingent liabilities:**

1. Estimated amount of guarantees & Letter of Credit given not provided for in the accounts is **Rs. 63.08 Lakhs** (Previous Year Rs. **63.08/- Lakhs**).
2. The disputed statutory dues in respect of Income Tax aggregating to Rs. 50,305,650/- pertaining to A.Y. 2008-09 have not been deposited as the matter is pending before the CIT (Appeals).

31. The Subsidiary companies considered in these consolidated financial statements are:

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest 2016-17	Proportion of ownership interest 2015-16
Monarchy Healthserve Pvt Ltd	India	**100%**	**100%**
Kilitch Estro Biotech Plc.	Ethiopia	**100%**	**100%**

32. The balances in respect of Trade Receivables & Payables and loans and advances, whether debit or credit as appearing in the books of accounts of the Holding and the Subsidiary Companies are subject to confirmations from the respective parties and are pending reconciliations/adjustments arising there from, if any.

33. However, in the opinion of the Management, the Current Assets, Loans and advances are approximately of the value stated in the balance sheet if realized in the ordinary course of the business and the provision for all known liabilities is adequate and not in excess of amounts considered reasonably necessary.

34. The Holding Company did not have any Internal Audit System during the year.

However, as per the information and explanation given to us by the management, the company's internal control procedures together with the internal checks conducted by the management during the year can be considered as an internal audit system commensurate with the size of the company and nature of its business.

35. There are no Micro and Small Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at March 31, 2017. The above information, regarding Micro, Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the Auditors.
36. Additional information as required under Section 186 (4) of the Companies Act, 2013 during the year:
    i) No investment is made in Body Corporate.
    ii) No Guarantee is given by the Company.
    iii) No Loans given to any Body corporate
37. Details required as per Schedule III of the Companies Act 2013 as below:-
    i) Details of Net Assets & share in profit or loss

(₹ In lakhs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated Profit	Amount
Parent	118.50%	11592.43	(18.41%)	(199.76)
Subsidiaries				
A) Indian				
Monarchy Healthserve Pvt Ltd	24.87%	2432.87	(81.59%)	(885.31)
B) Foreign				
Kilitch Estro Biotech Plc.	1.28%	124.80	-	-

38. **Details of Specified Bank Notes (SBN) held and transacted during the period 8/11/2016 to 30/12/2016 (as certified by the management) :**

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	94,000	283,197	377,197
(+) Permitted receipts	109,500	637,778	747,278
(-) Permitted payments		447,243	447,243
(-) Amount deposited in Banks	203,500	240,233	443,733
Closing balance 30.12.2016		233,499	233,499

39. The previous year figures have been regrouped, reworked, rearranged and reclassified, wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date

For A. M. Ghelani & Company
Chartered Accountants
FRN:103173W

Chintan A. Ghelani
Partner
M. No. 104391

Mumbai,
Dated: 30th May, 2017

For and on behalf of the Board of Directors

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole Time Director)

Dharmendra Makwana
(Company Secretary)

Mukesh Shah
(Director)

25th Annual General Meeting

KILITCH DRUGS (INDIA) LIMITED

[CIN : L24239MH1992PLC066718]

Registered office: C-301/2, M.I.D.C. Industrial Area, Pawane Village, Thane: 400 705

Phone: 022 27680913 Fax: 022 2768091

Website www.kilitch.com; email: info@kilitch.com

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Date	Venue	Time
September 29, 2017	C-301/2, M.I.D.C. Industrial Area, Pawane Village, Thane: 400 705	9.00 A.M.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Folio No. _____ *DP ID No. _____ *Client ID No. _____

Name of the Member Mr./Mrs. _____ Signature _____

Name of the Proxy holder Mr./Mrs. _____ Signature _____

** Applicable for investors holding shares in electronic form.*

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 25th Annual General Meeting of the Company held on Friday, September 29, 2017 at 9:00 a.m. at C-301/2, M.I.D.C. Industrial Area, Pawane Village, Thane: 400 705.

_____

Signature of the Member/ Proxy

Note: Electronic copy of the Annual Report for 2017 and Notice of the 25th Annual General Meeting with the Attendance slip and Proxy form is being sent to all the members whose email id is registered with the Company/ Depository Participant unless any meeting has been requested for a hard copy of the same. Shareholders receiving electronic copy and attending the 25th Annual General Meeting can print copy of this Attendance Slip.

Physical copy of the Annual Report for 2017 and Notice of the 25th Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email Id is not registered or has requested for hard copy.

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25th Annual General Meeting

KILITCH DRUGS (INDIA) LIMITED

[CIN : L24239MH1992PLC066718]

Registered office: C-301/2, M.I.D.C. Industrial Area, Pawane Village, Thane: 400 705

Phone: 022 27680913 Fax: 022 2768091; Website www.kilitch.com; email: info@kilitch.com

Form No. MGT-11

FORM OF PROXY

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s)	:	Email Id	:
Registered Address	:	Folio No.	:
	:	*DP Id.	:
No. of Shares held	:	*Client Id.	:

* *Applicable for investors holding shares in electronic form.*

I/We, being a member(s) of _____ shares of Kilitch Drugs (India) Limited hereby appoint:

1. Mr./Mrs. _____ Email Id:_____
   Address : _____
   _____ Signature:_____

2. Mr./Mrs. _____ Email Id:_____
   Address : _____
   _____ Signature:_____

3. Mr./Mrs. _____ Email Id:_____
   Address : _____
   _____ Signature:_____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Friday, September 29, 2017 at 9.00 a.m. at C-301/2, M.I.D.C. Industrial Area, Pawane Village, Thane: 400 705 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	Number of Shares held	For	Against
Ordinary Business				
1.	To Adopt Standalone and Consolidated Audited Financial Statements for the financial year ended March 31, 2017 and reports of the Board of Directors and the Auditors thereon;			
2.	Re-appointment of Mrs. Mira Bhavin Mehta, who retires by rotation and being eligible offers herself for reappointment			
Special Business				
3.	To approve reappointment and revision of remuneration of Whole-Time Director Mr. Bhavin Mehta having DIN:00147876.			
4.	To approve revision in the remuneration of Whole-Time Director Mrs. Mira Mehta having DIN: 01902831.			
5.	To approve re-pricing of outstanding Employee Stock Options under KDIL ESOP 2007			
6.	To approve the increase in limit of maximum number of shares granted under KDIL ESOP 2007			
7.	To approve the amendment in clause 14 of the KDIL ESOP 2007			

*** This is optional. Please put a tick mark (x) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all of the Resolutions, the proxy will be entitled to vote in the manner he/ she thinks appropriate. If a member wishes to abstain from voting on particular resolution, he/she should write "Abstain" across the boxes against the Resolution.*

Signature(s) of the Member(s)

1._____

2._____

3._____

Affix One rupee Revenue Stamp

Signed this _____day of_____2017

Notes:

1. The Proxy to be effective should be deposited at the registered office of the company not less than Forty Eight (48) Hours before commencement of the meeting.
2. A proxy need not be a member of the company.
3. In the case of the Joint holders, the vote of the senior who tenders vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of the Members.
4. The form of proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against' as appropriate.

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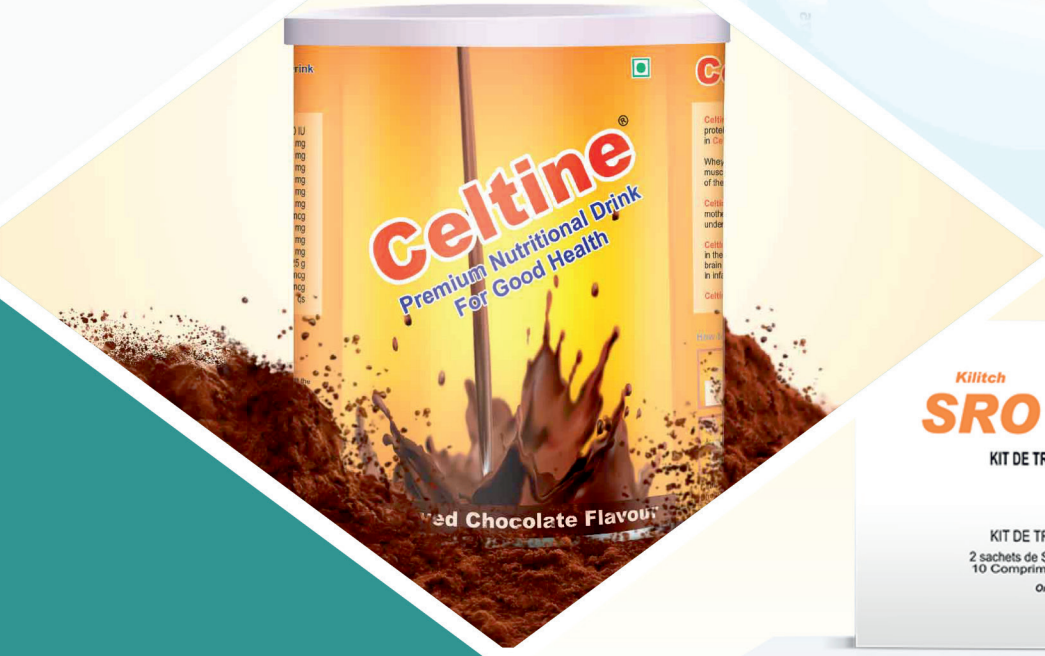
NOTES

NOTES

C-Seal 0.50 ml
STERILE TISSUE ADHESIVE
0.25 ml
TISSUE ADHESIVE
0.15 ml
TISSUE ADHESIVE
CE
CERTIFIED

CEFOTAXIME FOR INJECTION USP
ZETAX 1000
I.M./I.V.
Ceftazidime for Injection USP
K-ZIDIME
1000 mg
For IM/IV use
KILITCH
ONECEF
CEFTRIAXONE FOR INJECTION USP
FOR IM/IV USE
1 g
KILITCH
CEFEPIME FOR INJECTION USP
K-PIME
For I.M/I.V Use
1 g
KILITCH

KLAVMOX 228.5
Amoxicillin and Clavulanate Potassium for Oral Suspension USP
KLAVMOX 312.50
Amoxicillin and Clavulanate Potassium for Oral Suspension USP
KLAVMOX
KLAVMOX LB 375
KLAVMOX LB 1000
Amoxicillin and Clavulanate Potassium Tablets with Lactic Acid Bacillus
1 x 10 Tablets
KLAVMOX LB 1000
KLAVMOX LB 625


Celtine
Premium Nutritional Drink
For Good Health

Kilitch
SRO ZINC
KIT DE TRAITEMENT DE LA DIARRHEE
KIT DE TRAITEMENT DE LA DIARRHEE
2 sachets de Sels de Réhydratation Orale (SRO)
10 Comprimés de Sulfate de Zinc soluble
Oral Rehydration Salts (ORS) BP 20.8 g
+ Zinc Sulfate tablets USP 20 mg
SRO
ORAL REHYDRATION SALTS BP
WHO Formula
SELS DE REHYDRATION ORALE BP
Formule OMS
Net weight per sachet: 20.8 g

KILITCH DRUGS (INDIA) LTD.

If undelivered, please return to:

CORPORATE HEAD OFFICE

37/39, Ujagar Industrial Estate, W. T. Patil Marg, Deonar, Mumbai - 400 088. India.
Telephone: +91 22 6121 4100, Fax: +91 22 6703 1658

FACTORY LOCATION

C-301/2, M.I.D.C., T.T.C. Industrial Area, Pawane Village, Navi Mumbai - 400 705, India.
Telephone: + 91 22 2767 0322 / 22 2768 0913, Fax: +91 22 2768 0912

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