October 9, 2018

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**

Sub: Annual Report for the Financial Year 2017-18

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 please find enclosed the Annual Report of Kilitch Drugs (India) Limited ('the Company'), for the financial year 2017-18, duly approved and adopted by the members of the Company at the 26th Annual General Meeting of the Company held on September 27, 2018.

Kindly take the same on your records.

Thanking You,

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

Mukund Mehta
Managing Director
DIN: 00147876

KILITCH DRUGS (INDIA) LTD

Encl: as above

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

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Annual Report

KILITCH DRUGS (INDIA) LTD.

A Bigger Tomorrow

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Visit:
www.kilitch.com
to view our report online

Corporate Information

Kilitch Drugs (India) Limited

Registered Office:

C-301/2, MIDC,
TTC Industrial Area, Pawane Village,
Navi Mumbai - 400 705.

Tel.: 022-27670322, 27680913

Fax: 022-27680912

Administrative Office:

37, Ujagar Industrial Estate, W.T. Patil Marg, Deonar, Mumbai - 400 088.

Tel.: 022-61214100, **Fax:** 022-67031658

Website: www.kilitch.com
Email: info@kilitch.com

Bankers

Kotak Mahindra Bank Ltd

Shamrao Vithal Co-op Bank Ltd

State Bank of India

Axis Bank Ltd

Registrar & Share Transfer Agents

Link Intime India Private Limited

C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083.

Tel.: 022-49186000

Fax: 022-49186060

Board of Directors

Mr. Mukund P. Mehta
Managing Director

Mr. Bhavin Mukund Mehta
Whole time Director

Mrs. Mira B. Mehta
Whole time Director

Mr. Hemang Engineer
Independent Director

Mr. Shailesh Chheda
Independent Director

Mr. Ramesh Modi
Independent Director

Prof. Vasudev Krishna Murti
Additional Independent Director
(w.e.f. 16th March 2018)

Mr. Venkita Subramanian Rajan
Additional Independent Director
(w.e.f. 28th June 2018)

Auditors

A. M. Ghelani & Co.
Chartered Accountants

Chief Financial Officer

Mr. Shailesh S. Mirgal

Company Secretary and Compliance Officer

Mr. Harshal A. Patil
(Appointed w.e.f. 14th February, 2018)

At KDIL, we achieved 90% growth in revenues on a year-on-year basis.

The record surge in our revenues is only one part of our exceptional success.

The second part is even more compelling.

We have opened the next great chapter in our ongoing story of phenomenal growth as we set up the first-ever injectable manufacturing plant in Ethiopia, Africa.

Doing what has never been done before, we are confident of surpassing the record growth achieved this year.

The first-mover advantage will enable us to capture tremendous opportunities. Ethiopia, with over 100 million people, is the second-most populous country in Africa and also among the world's fastest growing economies. We are also optimistic of addressing opportunities in other regional markets of Africa from our strategic base.

A BIGGER TOMORROW IS UNFOLDING.

KILITCH DRUGS (INDIA) LTD.

About Us

Kilitch Drugs (India) Ltd. (KDIL) is a fast-growing pharmaceutical company committed to improving the lives of millions of people through its patient and market-centric innovation approach. Driven by over three decades of industry experience, deep market knowledge and a strong manufacturing set-up, we are emerging as a leading exporter of branded pharmaceutical products to Africa. We also undertake contract manufacturing for some of the largest pharmaceutical companies based in India.

We are getting bigger, stronger and broader with our penetration into African markets, enhancement of product portfolio across the lifecycle of patient recovery, strong product branding and recent investments in an upcoming and one-of-a-kind manufacturing plant in the second-most populous country of Africa – Ethiopia. In all our actions, we have been single-minded in our commitment to excellence.

OUR ADVANTAGE IN AFRICA

15+
Years of Presence

200+
Products registered across West Africa

100+
Products under registration

First Mover
Only Company with an injectable manufacturing facility at Ethiopia (upcoming)

38+
African countries where product registration is completed/in progress

BRANDS THAT ENABLE A BIGGER TOMORROW

BUSINESS STRENGTHS

Manufacturing Edge

Our state-of-the-art manufacturing plant is located in Mumbai, India with a dedicated dry powder section, small volume liquid ampoules and vial. The facility is accredited by the World Health Organisation (WHO) and other leading international bodies and is also cGMP compliant.

KDIL is the only company, as of date, to invest in an injectable manufacturing plant in Ethiopia, Africa. The upcoming unit will have a capacity of 20 million vials and commence operations in FY 2019-20. Besides vials, the plant will also produce tablets, capsules and dry syrup. Our first-mover advantage should enable us to gain a significant share of the profitable African market.

Market Expertise

Our presence of over 15 years in Africa has provided us deep market insights. Africa is a continent comprising 54 countries, each country having its unique economic, social and political environment. We are fully conversant with the market conditions across geographies and also the local medical requirements, thus positioning us well to expand our African footprint. The growing operations in West Africa is served by our associate partner in Paris. We have strategic alliance in Ethiopia that further reinforcing our ability to address the demands of the African market.

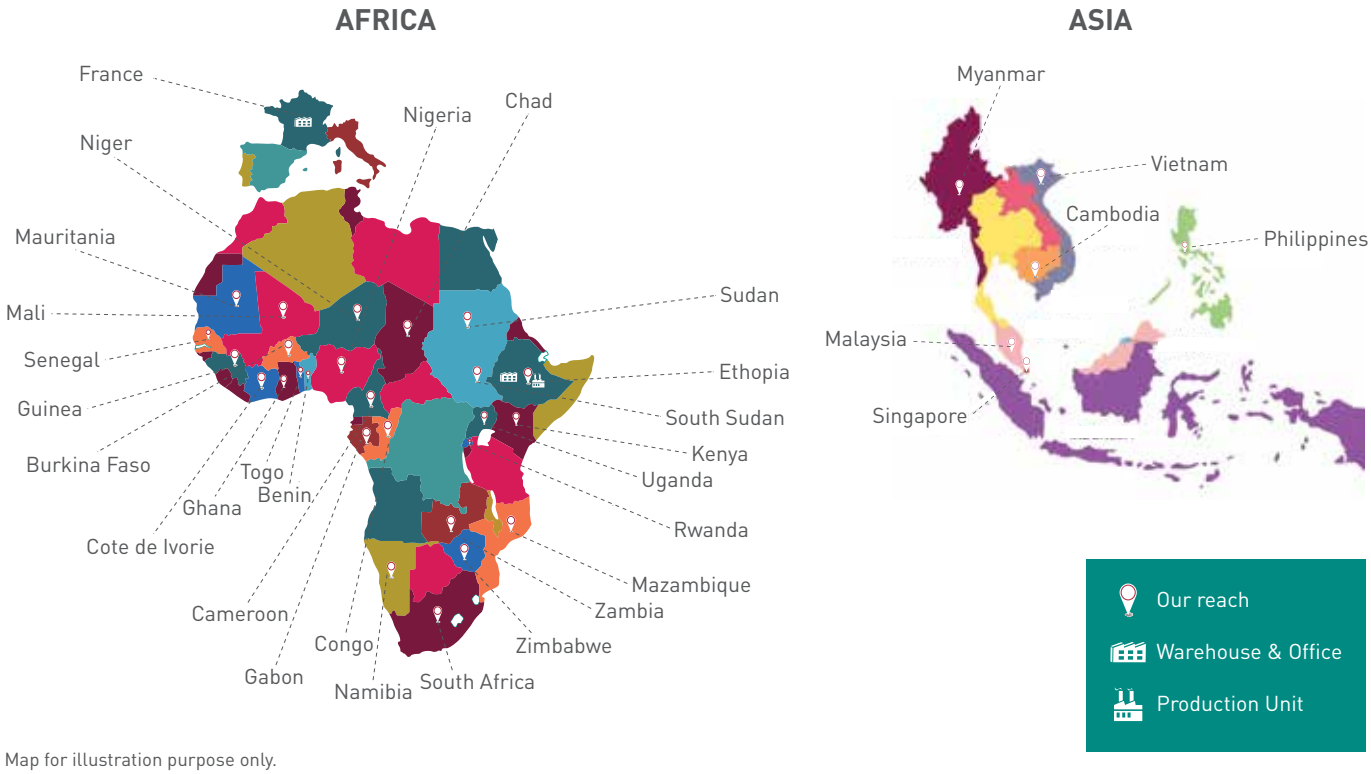
Robust Product Portfolio

We have developed a wide range of innovative and well-accepted products across the segments of Parenteral Solutions, Effervescent Tablets, Nutritional Products and Medical Devices. Strong product branding and focus on making available differentiated offerings have enabled us to establish a deeper connect with patients. Our product portfolio will be further bolstered with the set-up of a new injectable facility in Ethiopia. Once the facility is operational, our product breadth will encompass the lifecycle of patient recovery.

MARKET PRESENCE

KDIL has a very strong presence in French-speaking countries of Africa and a growing presence in other African countries. In 2017-18, we have also successfully forayed several Asian countries.

Successfully forayed into several Asian countries in 2017-18



Map for illustration purpose only.

Letter from the Managing Director

Dear Shareholders,

It is a real pleasure to be able to report on another year of stellar performance by your Company. We are also delighted to share that we have made considerable progress on building pioneering capabilities, which positions us strongly for future growth.

Mr. Mukund P. Mehta

Managing Director

During the financial year 2017-18, our exports climbed to record highs, surging to ₹ 43.51 Crores as against ₹ 23.67 Crores in the previous year, a growth of 83.82%. Exports contributed to nearly 90% of our total revenues. Profit After Tax (PAT) for FY 2017-18 was ₹ 619.6 Lakhs as against the loss of ₹ 3.64 Lakhs in the previous year. Steered by our robust financial results and the continued confidence in the long-term future of our business, the Board is delighted to recommend a dividend of ₹ 0.5 per equity share of ₹ 10 each for the financial year ended 31st March 2018 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

While our performance has been outstanding during the year, we believe that our growth momentum has only just begun. Powering our conviction is the fact that we are setting up Ethiopia's first state-of-the-art Cephalosporin injectable plant. Our investment will have strong Government support as the manufactured medications will replace imports from other countries. During the year, an additional 5,700 sq. metre of land was granted for the facility, taking the plant's total land area to 12,400 sq. metre.

The plant, expected to be operational by FY 2019-20 will provide us the first-mover advantage in Ethiopia's attractive pharmaceutical market. The demand for pharmaceuticals is huge in Ethiopia with the prevalence of many under-diagnosed and undertreated diseases. With rising income levels, growing health awareness and better access to healthcare, the country offers significant growth potential for our products.

The facility will also help us address the immense prospects across Africa because of Ethiopia's geographic and market access advantages. Further, the Ethiopian government is concertedly working in the direction of making the country the pharmaceutical hub of Africa, which is a frontier pharmaceutical market valued at over US$ 25 billion. Investor-friendly policies have been announced, which along with ample availability of skilled labour, will enable us to scale operations effortlessly and efficiently.

Our operations are also bolstered by our in-depth market knowledge, enabling us to provide customised solutions. Today, we have a growing portfolio with many of our products enjoying the number one position in many regions

₹619.6 Lakhs
PAT for FY 2017-18

₹43.51 Crores
Total exports climbed to record highs in FY 2017-18

90%
Exports contributed to total revenues

of the African market. We continue to leverage new branding techniques and conduct efficient initiatives around the same to enhance brand recall. Our focussed efforts have rewarded us well, increasing the reach of our newly launched products not only in Africa but also in other emerging markets like Asia.

By 2020, KDIL plans to register more than 500 products in the African markets. Higher product registration along with infusion of new capabilities will position us strongly for significantly augmenting our exports in the years to come. We are also exploring the potential of developing solutions in the Ophthalmology segment. While the major part of our revenue is earned in foreign exchange, thus exposing it to the volatility in the exchange rates, we are meticulously monitoring the rate fluctuations to minimise the impact of the same.

I would like to take this opportunity to thank our talented employees for their steadfast commitment and our stakeholders for their continued support. As we look to 2018 and beyond, I believe that we are at the most exciting phase of our growth journey. By using our experience and expertise as the driving force to benefit patients, we will increase KDIL's corporate value and meet the expectations of our stakeholders.

Best regards,

Mukund P. Mehta
Managing Director

While our performance has been outstanding during the year, we believe that our growth momentum has only just begun. Powering our conviction is the fact that we are setting up Ethiopia's first state-of-the-art Cephalosporin injectable plant.

At the Heart of Big Opportunities

Being in the right place at the right time with the right capabilities is pivotal for capturing market opportunities. KDIL is the first and the only company till date to invest in a dedicated Cephalosporin injectable plant in Ethiopia. Our strategic investment positions us strongly for capitalising on the burgeoning prospects and to drive new highs in revenues, profits and growth.

ETHIOPIA: STRONG CASE FOR INVESTMENTS IN PHARMACEUTICAL MANUFACTURING

Attractive pharmaceutical market

Awareness, diagnosis and treatment of diseases are increasing for both communicable diseases (malaria, HIV/AIDS, TB etc.) and non-communicable diseases (diabetes, cancer, and hypertension etc.) in Ethiopia. The Government is also increasing healthcare coverage to its large rural population, thus promoting the need for increased access to pharmaceutical products.

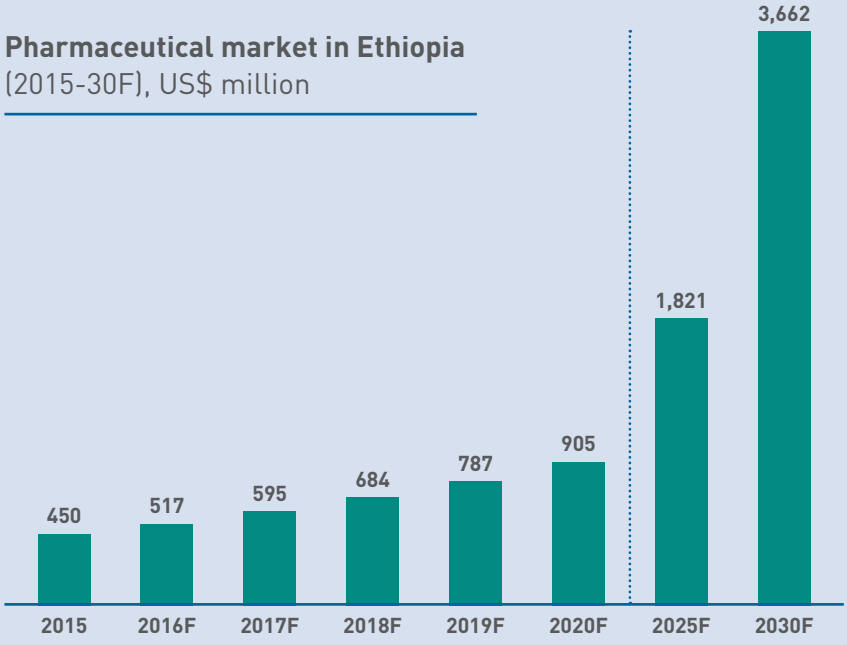
Ethiopia has second-largest population in Africa of over 100 million, representing ~8.5% of the continent's population. Growing at 2.3% per year, the country's huge population boosts the demand for pharmaceutical products. Further, the economy is growing at a brisk pace of over 10% per year, leading to higher disposable incomes and increased spending on pharmaceutical products.

Estimated to grow at 15% per year to reach nearly US$ 1 billion by 2020

Vision 2025: To become the leading manufacturing hub in Africa by 2025

To realise its vision, the Ethiopian government has demonstrated a strong investment commitment and is providing wide-ranging incentives in priority sectors including the pharmaceutical sector. Investor-friendly policies have been announced, which include tax exemptions, one-stop-shop for government services and price preference in public procurement.

Pharmaceutical market in Ethiopia
(2015-30F), US$ million



Source: *Frost & Sullivan, World Bank, National Strategy and Plan of Action for Pharmaceutical Manufacturing*

11%

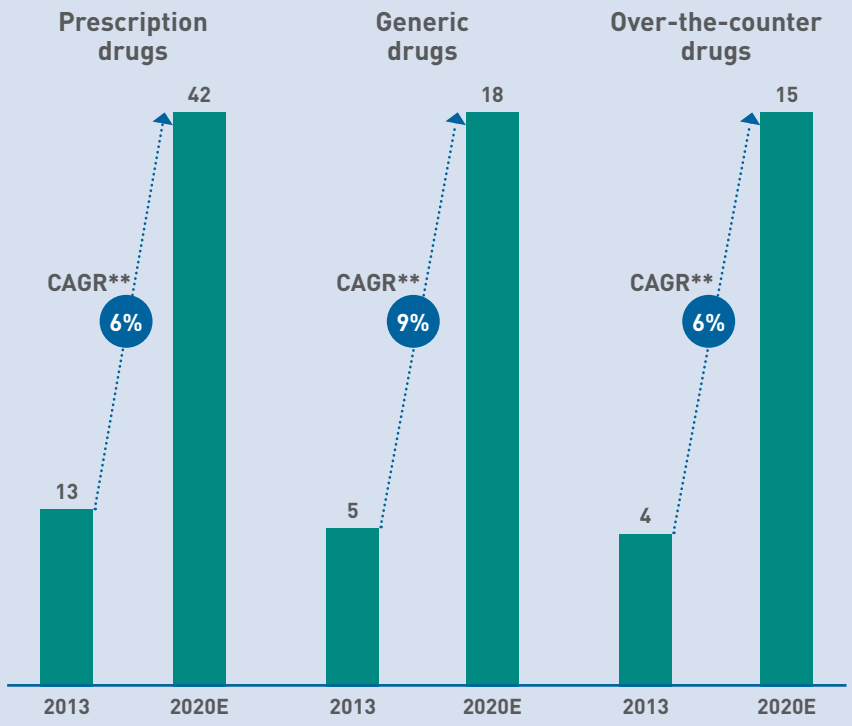
Average growth of Ethiopia over the past 13 years, making it rank among the fastest growing economies of the world

100%

Primary healthcare service coverage in Ethiopia (reached in 2015)

The future pharmaceutical hub of Africa

Pharma segment growth in Africa
(2013-20E), US$ billion



Note: *2013 numbers are approximate; 2020 numbers are estimates*
***CAGR is for the top seven countries in Africa (Algeria, Egypt, Ghana, Kenya, Morocco, Nigeria and South Africa)*

Source: *McKinsey (2015) Africa: A Continent of Opportunity for Pharma*

Strategic location

Proximity to the European Union, U.S., Middle East and Asia and other developing countries augment the case for investments in Ethiopia. Additionally, the country is undertaking mega infrastructure projects in airlines, railways and power, which will build on its existing geographic and market access advantages.

Trainable workforce

The sector's competitive edge is also driven by the availability of abundant and qualified workforce. More than 10 schools of pharmacy have been set up in the country which will help to meet the demand of skilled resources.

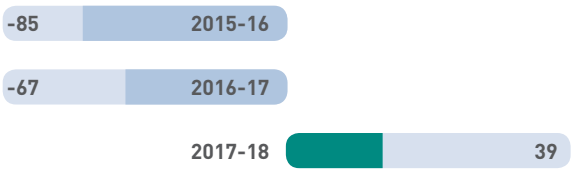
Industrial park

Ethiopia's standing is furthermore augmented with the upcoming specialised industrial park for pharmaceuticals. The Kilinto Industrial Park will be state-of-the-art, replete with the necessary infrastructure and will provide generous incentives.

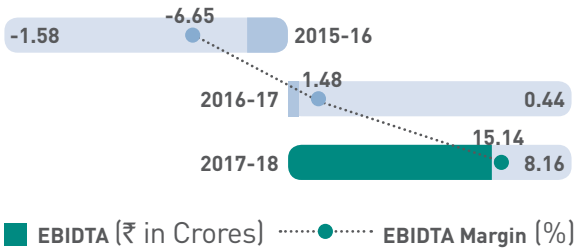
Financial Highlights

Total Income (₹ in Crores)

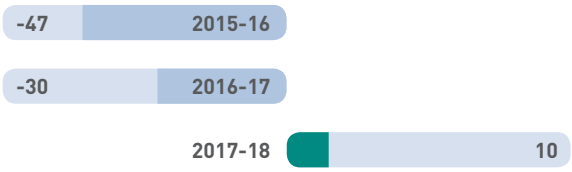
RONW (%)



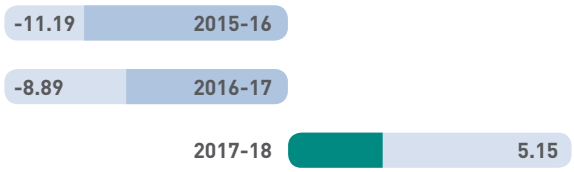
EBIDTA and EBIDTA margin



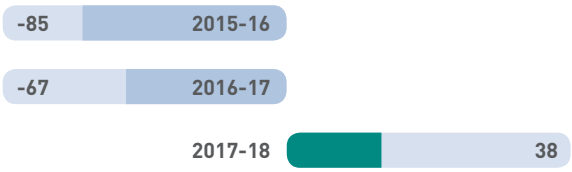
Net Margin (%)



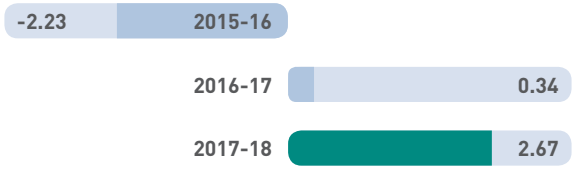
Net Profit (Loss) (₹ in Crores)



ROCE (%)



Cash Profit (₹ in Crores)



Management Discussion and Analysis

ECONOMIC OVERVIEW AND OUTLOOK

GLOBAL ECONOMY

The global economy registered its strongest growth since 2011 at 3.8% in 2017 compared to 3.2% in 2016, led by a notable rebound in global trade. The upswing in trade was driven by investment recovery in advanced economies, continued strong growth in emerging Asia, notable uptick in emerging Europe and signs of recovery in several commodity exporters. Advanced Economies grew at 2.3% as against 1.7% in 2016 aided by stronger investments, accommodative monetary policies and turnaround of inventories. Besides, higher fixed investment growth coupled with stronger private consumption contributed to the 4.8% growth of Emerging Market and Developing Economies (EMDEs) compared to 4.4% in 2016. African economy has been resilient with the global and domestic shocks of 2016 fading away in 2017. Real output growth is estimated to have increased to 3.6% in 2017 from 2.2% in 2016, reflecting a faster recovery in growth. Structural reforms, sound macroeconomic conditions and buoyant domestic demand are sustaining the growth momentum of African economies, pegging output growth at 4.1% in 2018 and 2019.

Driven by favourable market sentiment, accommodative financial conditions, strong momentum and domestic and international repercussions of expansionary fiscal policy in the U.S, the global economy is expected to strengthen further at 3.9% in both 2018 and 2019.

(Source: IMF World Economic Outlook, April 2018, African Development Bank: African Economic Outlook, 2018)

INDIAN ECONOMY

The Indian economy is on the cusp of a complete transformation owing to the implementation of a series of historic reforms in the year 2017. The short-term challenges inflicted by the rollout of demonetisation and Goods and Services Tax (GST) led to a subdued growth of 6.7% in FY 2017-18 compared to 7.1% achieved in FY 2016-17. However, the signs of stability in GST regime and fading impact of demonetisation were much visible from early 2018, with the country recording impressive GDP growth of 7.7% in the fourth quarter of FY 2017-18. Other significant initiatives such as introduction of Insolvency and Bankruptcy Code (IBC) to resolve Non-Performing Assets (NPA) issues, Real Estate Regulatory & Development Act, (RERA), liberalisation of Foreign Direct Investment (FDI) norms, etc. have made India an attractive investment destination.

GST is expected to facilitate ease of doing business, improve tax compliance and benefit the economy in the long run. Government flagship reforms like Make in India, Digital India, Smart Cities are expected to strengthen the economic outlook. With these positive developments, IMF has forecasted the economy to grow at 7.4% in FY 2018-19 and 7.8% in FY 2019-20.

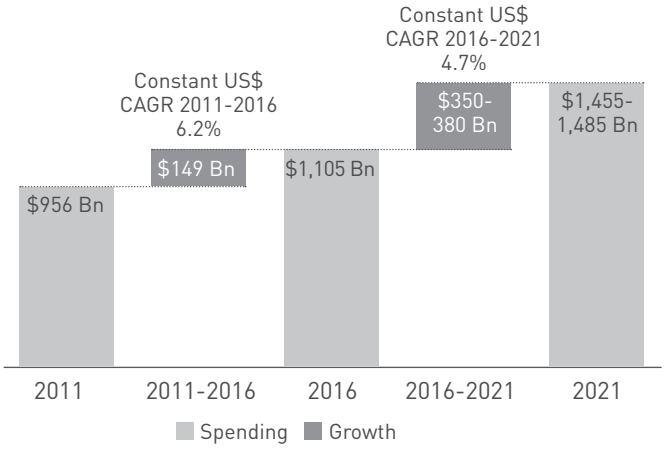
(Source: KPMG 2018 Report: India Soars Higher)

PHARMACEUTICAL SECTOR OVERVIEW

Global

The pharmaceutical industry is one of the most innovative sectors in the world and has played a unique role in developing new and improved medicines to address unmet healthcare needs. The market for pharmaceuticals is growing rapidly. According to Quintiles IMS Institute, the pharmaceutical market is estimated to reach US$ 1,485 Billion by 2021 from US$ 1,105 Billion in 2016. The growth is likely to be driven by market expansion in pharmerging countries and rising ageing population in developed countries. Total spending on medicines is forecasted to reach US$ 1.5 trillion by 2021 which demonstrates an average annual growth rate of 4-7% in medication expenses over the next five years. The United States will record the largest growth followed by pharmerging markets. The U.S.A share of global spending will increase from US$ 461.7 Billion in 2016 to US$ 645-675 Billion in 2021, while the European share of spending will grow from US$ 151.8 Billion to US$ 170-200 Billion. Moreover, pharmerging countries will spend US$ 315-345 Billion in 2021 from US$ 242.9 Billion in 2016. Increasing urbanisation, growing middle-class, improved affordability of generic drugs and rising global population and its ageing are driving the higher demand for medication.

Global Spending on Medicines



India

India is the third largest pharmaceutical manufacturer in the world in terms of volume. The country is the largest provider of generic drugs globally. India's pharmaceuticals exports stood at US$ 17.27 Billion in FY 2017-18 and are expected to reach US$ 20 Billion by 2020. Though the sector slowed down during the year under review due to implementation of GST, the long-term outlook remains stable.

Contract manufacturing is a strong segment of the domestic market. India has evolved to be a top generic pharmaceutical player in export market by producing and supplying superior quality pharmaceuticals at reasonable prices. The Indian pharmaceutical market has progressed tremendously on infrastructure, technology, product range, compliant manufacturing facilities as well as high standards of purity, stability and safety. Moreover, the active ingredients manufactured and supplied by Indian pharmaceutical companies pass through stringent assessments by regulatory authorities in the importing countries. Availability of adequate compliant facilities in the country, rise in production approvals/ licenses and supply contracts with overseas companies and changing preferences for generic compositions in regulated markets are the factors stimulating contract manufacturing in India. Going forward, contract research and manufacturing industry is expected to witness a strong growth at a CAGR of 18-20% between 2013 and 2018 and reach US$ 18 Billion by 2018.

Emerging Markets

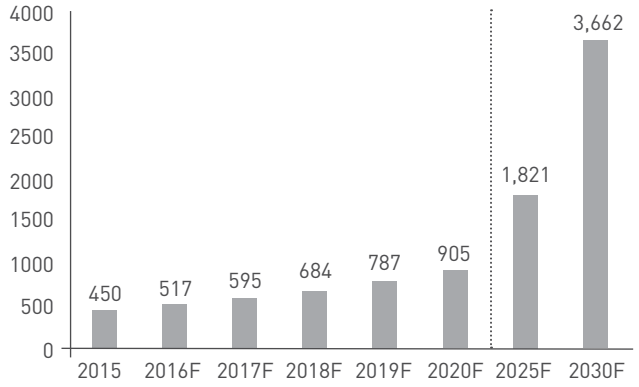
With the growing awareness and treatment of both communicable diseases (malaria, HIV/AIDS, TB etc.) and non-communicable diseases (diabetes, cancer, hypertension etc.) and better access to healthcare, emerging markets hold immense potential to strengthen the pharmaceutical industry.

The African pharmaceutical industry is the fastest growing in the world and is expected to reach US$ 45 Billion by 2020. It offers significant growth potential for multinational pharmaceutical companies propelled by rapid urbanisation, increased healthcare spending and investment and increasing incidence of chronic lifestyle diseases. The tropical climate of Africa along with the changing lifestyles has led to a significant rise in the outbreak of communicable as well as non-communicable diseases (NCDs). This, in turn is driving the demand for chronic prescription drugs in Africa. According to the World Health Organisation (WHO), the proportional contribution of NCDs to the healthcare burden is estimated to rise by 21% by 2030 in Africa. However, limited affordability of government and the general population for healthcare and pharmaceuticals, high reliance on donor funding, rising poverty and lack of health literacy are some of the market challenges impeding the growth of pharmaceutical market in Africa.

Ethiopia is the second most populous country in Africa and one of the fastest growing economies of the world. Having a population of over 100 Million people and a growth rate of 2.3% per year, Ethiopia has a vision to become the leading pharmaceutical manufacturing hub in Africa. The Government of Ethiopia has identified pharmaceutical manufacturing as priority sector by providing various incentives, announcement of investor friendly policies, creation of trainable workforce and setting of a state-of-the-art industrial park specialised in pharmaceutical manufacturing in Ethiopia. The disease burden, rising healthcare coverage and population makes Ethiopia an attractive market. With these facilitative developments, the Ethiopian pharmaceutical market is expected to grow at 15% per year and touch nearly US$ 1 Billion by 2020.

(Source: Ethiopian Investment Commission)

Pharmaceutical market in Ethiopia (2015-30F), US$ million



(Source: Frost & Sullivan, World Bank, National Strategy and Plan of Action for Pharmaceutical Manufacturing)

Growth Drivers

- Growing Population - World population is growing and is expected to reach 9.3 Billion by 2050. The population in the age group of 60+ is likely to increase to 21% by 2050. A higher proportion of aged population means increased cases of age-related diseases which would spur the demand for medicines.
- Changing lifestyles - Changing lifestyle patterns and daily hectic schedules result in increased occurrence of heart-related diseases, high obesity rates, depression, diabetes and other physical problems. This will boost the demand for generic drugs and medicines.
- Increased Income - Increasing number of middle-class population in both emerging and developed markets leads to higher disposable income and expectation of improved healthcare solutions.
- Global Spending - Global spending on healthcare is anticipated to reach US$ 8.7 trillion by 2020. Emerging markets as well as expansion of services in developed countries will drive the rise in healthcare spending, thus benefitting the pharmaceutical industry.

Company Overview

Kilitch Drugs (India) Limited is a speciality pharmaceutical company engaged in the development and offering of quality pharmaceutical solutions. Giving shape to its innovation-led vision is its world-class state-of-the-art manufacturing plant at Mumbai with a dedicated dry powder section, small volume liquid ampoules and vial. Its diversified portfolio includes products for Parental Solutions, Effervescent Tablets, Nutritional Products and Medical Devices. With an industry presence of over three decades and uncompromised

commitment to quality, the Company has emerged to be a leading exporter of branded pharmaceutical products to Africa and few Asian countries. In India, the Company undertakes contract manufacturing from some of the largest pharmaceutical companies.

The Company is focused on the well-being of people through its commitment to excellence and patient and market-centric innovation approach. It has a robust presence in French-speaking countries of Africa and has also expanded its footprint across key African countries. The Company's vast knowledge about African market and its local medical requirements has led to the opening of office and manufacturing plant in Ethiopia. This unit is likely to produce tablets, capsules and dry syrup and has the potential to garner a significant share of the profitable African market.

FINANCIAL AND OPERATIONAL REVIEW

The financial and operational highlights of the Company during FY 2017-18 are as under:

Financial Highlights:

Standalone:

During the year under review, the Company has posted total Income of ₹ 5,323.69 Lakhs as against ₹ 2,927.69 Lakhs for the corresponding previous year.

Further, total Comprehensive income for the period was ₹ 686.40 Lakhs as against ₹ 231.85 Lakhs for the corresponding previous year.

Consolidated:

During the year under review, the Company has posted total Income of ₹ 5,388.72 Lakhs as against ₹ 2,979.04 Lakhs for the corresponding previous year.

Further, total Comprehensive income for the period was ₹ 582.05 Lakhs as against Net Loss of ₹ 653.47 Lakhs for the corresponding previous year.

Operational Highlights

- Upgradation of manufacturing facility in Mumbai factory with new state-of-the-art machines which is expected to increase production capacity and meet the growing demand for the Company's products
- Installation of HPCL Machinery in Quality Control
- 200+ products registered in West Africa
- 100+ Products under registration
- Injectable manufacturing facility in Ethiopia is under construction and is expected to be operational by FY 2019-20
- Expansion in major countries in Africa & South East Asia

RISK MANAGEMENT

The Risk management framework of the Company identifies, evaluates and addresses the potential risks involved in the Company's business. The key risks faced by the Company and their mitigation strategies include:

Foreign Exchange Fluctuation Risk

As a major portion of the Company's revenue comes from exports, any significant fluctuations in exchange rate may adversely impact the profitability. The Company regularly monitors the currency movements and undertakes adequate hedging.

Political Uncertainty/ Volatility Risk

Since major operations of the Company is in Africa, the uncertainty and volatility associated with the political environment of the countries of our presence, may affect Company's business.

Competition Risk

The Company faces stiff competition from other pharmaceutical companies in India and across the world which can impact its market position and revenue. However, the Company is committed to improving the lives of people facilitated by its robust R&D, strong manufacturing facility and operational efficiencies.

Regulatory Risk

Constant changes in the industry laws and regulations can pose compliance challenges for the Company. Nevertheless, the Company regularly reviews and monitors the compliances across the organisation and arranges for training of its employees periodically to keep them updated.

HUMAN RESOURCES

At KDIL, employees are considered the most valuable assets responsible for the overall growth and stability of the organisation. The human resource policies of the Company are formulated with the objective of creating a safe, conducive and stimulating work environment for enhancing employee motivation and satisfaction. The Company is committed to attracting and retaining best talent in the industry and upgrading the skill-set and knowledge of existing employees. During the year, the Company maintained a cordial and healthy relationship with its workforce. As on 31st March 2018, the Company has a total of 63 permanent employees.

INTERNAL CONTROL

The internal control systems of the Company are commensurate with the size of its business and nature of its operations. The Company has a well-defined and adequate internal control mechanism to ensure safeguarding of assets, reliability of financial and operational information and compliance with all the applicable laws and statutes. All the functions and processes are regularly reviewed by the internal auditors. The Audit Committee of the Board reviews the findings and recommendations of the internal auditors on a periodic basis and discusses corrective actions with the management.

Directors' Report

To,

The Members,

KILITCH DRUGS (INDIA) LIMITED

Your Directors have pleasure in presenting their 26th Annual Report on the business and operations of your Company for the year ended 31st March 2018.

1. FINANCIAL RESULTS:

The summarized financial performance (Standalone & Consolidation) of the Company for the financial year ended 31st March 2018 and 31st March 2017, are given below:

[Amount in ₹ Lakhs]

Particulars	Standalone		Consolidated	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Revenue from Operations	5,045.78	2813.91	5,101.18	2865.25
Other Income	277.91	113.79	287.54	113.79
Total Revenue	**5,323.69**	**2,927.70**	**5,388.72**	**2,979.04**
Total Expenses	4,608.05	2,973.70	4,777.45	3,910.56
Profit/(Loss) before exceptional and extraordinary items and tax	**715.64**	**(46.00)**	**611.27**	**(931.52)**
Exceptional Items	-	-	-	-
Extraordinary Items	-	-	-	-
Net Profit Before Tax	715.64	(46.00)	611.27	(931.52)
Provision for Tax				
- Current Tax	33.48	-	33.48	-
- Deferred Tax (Liability)/Assets	62.57	42.36	62.55	42.56
Net Profit After Tax	619.59	(3.64)	515.24	(888.96)
Profit/(Loss) from continuing operations	**619.59**	**(3.64)**	**515.24**	**(888.96)**
Other Comprehensive Income (After Tax)	66.81	235.49	66.81	235.49
Total Comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	**686.40**	**231.85**	**582.05**	**(653.47)**
Paid up Equity Share Capital (Face Value ₹ 10/- per Share)	1,373.18	1,323.18	1,373.18	1,323.18
Other Equity	11,746.37	10,578.96	9,829.55	8,796.73
Earning per share (for continuing operation) (Amount in ₹)				
- Basic	4.68	(0.03)	3.89	(6.72)
- Diluted	4.40	(0.03)	3.66	(6.72)

2. REVIEW OF OPERATIONS:

Standalone: -

During the year under review, the Company has posted total Income of ₹ 5,323.69 Lakhs as against ₹ 2,927.70 Lakhs for the corresponding previous year.

Further, total Comprehensive income for the period was ₹ 686.40 Lakhs as against ₹ 231.85 Lakhs for the corresponding previous year.

Consolidated: -

During the year under review, the Company has posted total Income of ₹ 5,388.72 Lakhs as against ₹ 2,979.04 Lakhs for the corresponding previous year.

Further, total Comprehensive income for the period was ₹ 582.05 Lakhs as against Net Loss of ₹ 653.47 Lakhs for the corresponding previous year.

3. STATEMENT OF AFFAIRS AND FUTURE OUTLOOK:

We consider Africa as the bestow of our success & accordingly we are enhancing our presence in most of the African countries. As your are aware, we are building a State of art facility at Addis Ababa, Ethiopia to cater not only Ethiopia but all surrounding countries in incremental way. As per the latest information on our Ethiopian operation, we are glad to inform you that around 45-50% construction work is complete as on date hopefully we should start commercial production in early 2019-20.

With the objective of growing and going forward, the company is recognizing the need to improve R&D productivity, increase the efficiency of operations, adopt a more flexible approach to pricing, invest in developing medicines the market wants to buy and develop marketing and sales functions that are fit for the future and a knowledge based commercial organization.

Standing to this belief and expecting your support, the company shall able to claim a share in the African market by leveraging its strengths and enhancing its regulatory and technical maturity thereby achieving all time highest export sales of our organization.

4. 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 .

5. DIVIDEND AND RESERVES:

The Board of Directors of the Company has recommend dividend @ 5% on per Fully Paid ordinary Share of the Company, at their meeting held on 25th May 2018, subject to the approval of the members at their ensuing Annual General Meeting.

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday 20th September 2018 to Thursday 27th September 2018 (both days inclusive) for the purpose of payment of dividend for the Financial Year ended 31st March 2018 and the AGM.

6. SHARE CAPITAL:

The Paid-up Equity Share Capital of the Company as on 31st March 2018 is ₹ 1,373.18 Lakhs, comprising of 13731828 Equity Shares of ₹ 10/- each as against ₹ 1,323.18 Lakhs, comprising of 13231828 Equity Shares of ₹ 10/- each in the previous year.

The Board of Directors at their meeting held on 20th September 2017 approved the allotment of 21, 00,000 Warrants on preferential basis after taking approval of the Members of the Company through Postal Ballot.

Further, the Board has allotted 5,00,000 Equity Shares to the promoters of the Company on conversion of warrants issued by the Company on 29th March 2018.

7. EMPLOYEE STOCK OPTION SCHEME:

The Company, under the Scheme (KDIL ESOS 2007) approved by the shareholders vide a special resolution as on 29th September 2007 and amended from time to time with their approval grants share based benefits to eligible employees with a view to attracting and retaining the best talent, encouraging employees to align individual performances with Company Objectives, and promoting increased participation by them in the growth of the Company.

The said scheme is in compliance with SEBI (Share-based Employee Benefits) Regulations, 2014 and at 25th Annual General Meeting held on 29th September 2017, altered various clause of said scheme by passing special resolution, such as exercise price of option which would be ₹ 10, maximum number of options may be granted to each employee upto to 1,00,000 options, exercise period upto 5 years from the date of grant, etc..

The following disclosures are being made upto 31st March 2018 as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014:

Sr. No.	Particulars	Options
a	Options Outstanding at the beginning of the year	175243
b	options granted	0
c	options vested	0
d	options exercised / settled	0
e	the total number of shares arising as a result of exercise of option	-
f	options lapsed	0
g	the exercise price	₹10/-
h	variation of terms of options	1. Exercise price of option which would be ₹ 10. 2. Maximum number of options may be granted to each employee upto to 1,00,000 options, 3. Exercise period upto 5 years from the date of grant.
i	money realized by exercise of options	-
j	total number of options in force	175243
k	employee wise details of options granted to:-	
	(i) key managerial personnel	2856

Sr. No.	Particulars	Options
	(ii) any other employee who receives a grant of options in any one year of option amounting to five per cent or more of options granted during the year	-
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of the grant	-

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Inductions / Appointment or Re-appointment of Director

At the 25th Annual General Meeting held on 29th September 2017, Mrs. Mira Bhavin Mehta was re-appointed as the Whole-time Director of the Company liable to retire by rotation. Also, Mr. Bhavin Mehta was re-appointed as the Whole-time Director of the Company w.e.f. 1st September 2017 for a period of 5 years.

Further on the recommendations of the Nomination and Remuneration Committee, the Board of Directors had appointed Prof. Vasudev Krishna Murti and Mr. Venkita Subramanian Rajan as an Additional (Independent) Directors in their meeting held on 16th March 2018 and 28th June 2018, respectively, in pursuant to section 161 of the Companies Act, 2013 read with Articles of Association of the Company, who shall hold the office until 26th Annual General Meeting.

The resolutions for confirming the appointment of Prof. Vasudev Krishna Murti and Mr. Venkita Subramanian Rajan as an Independent Director, forms part of the Notice convening the 26th Annual General Meeting ('AGM') scheduled to be held on 27th September 2018. We seek your support and hope you will enthusiastically vote in confirming his appointment to the Board.

Cessation

Further, Mr. Mukesh Shah and Mr. Pankaj Kamdar, Independent Directors, has tendered their resignations from office of directorship of the Company with effect from 2nd April 2018.

The Board expresses its gratitude towards Mr. Mukesh Shah and Mr. Pankaj Kamdar for their contributions to the Company. The Board acknowledges that the Company has immensely benefitted from their profound knowledge and experience in the Pharma industry.

Retire by Rotation

In accordance with section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company Mr. Mukund Mehta (DIN:00147876), Managing Director of the Company, retires by rotation and being eligible; offers himself for re-appointment at the forthcoming 26th Annual General Meeting. The Board recommends the said reappointment for shareholders' approval.

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013.

Key Managerial Personnel

During the year under review, Mr. Dharmendra Makwana was appointed as the Company Secretary in Whole time employment w.e.f. 30th May 2017 and subsequently he tendered his resignation from post of Company Secretary with effect from 31st August 2017.

Further, The Board has appointed Ms. Jill Gada as the Company Secretary in Whole time employment w.e.f. 20th September 2017 and, she tendered her resignation as the Company Secretary with effect from 22nd December 2017.

Further, The Board has appointed Mr. Harshal Patil as the Company Secretary in Whole time in employment w.e.f. 14th February 2018.

Pursuant to Section 203 of the Companies Act, 2013, Key Managerial Personnel of the Company as on 31st March 2018, details are as under are:

Sr. No.	Name of KMP	Designation
1.	Mr. Mukund Prataprai Mehta	Managing Director
2.	Mr. Bhavin Mukund Mehta	Whole-time Director
3.	Mrs. Mira Bhavin Mehta	Whole-time Director
4.	Mr. Harshal Anant Patil	Company Secretary and compliance officer
5.	Mr. Shailesh Shivram Mirgal	Chief Financial Officer

9. 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.

10. DISCUSSIONS WITH INDEPENDENT DIRECTORS

The Board's policy is to regularly have separate meetings with Independent Directors, to update them on all business related issues, new initiatives and changes in the industry specific market scenario. At such meetings, the Executive Directors and other Members of the Management make presentations on relevant issues.

The policy for Familiarisation Programme for Independent Directors is available on our website www.kilitch.com.

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. NUMBER OF BOARD MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, 9 (Nine) 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.

Further, Committees of the Board usually meet on the same day of formal Board Meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and noting.

13. COMPOSITION OF AUDIT COMMITTEE

Your Company has formed an Audit Committee as per the Companies Act, and the Listing Agreement / 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.

14. COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE

Your Company has formed a Nomination & Remuneration Committee to lay down norms for determination of remuneration of the executive as well as non-executive directors and executives at all levels of the Company.

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

15. 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- I to this Report and also available on the website of the Company www.kilitch.com.

Details of remuneration paid to Directors and Key Managerial Personnel are given in the Corporate Governance Report along with shareholding in a Company.

16. COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Board has constituted a Stakeholders Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders etc. 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 other details of the Stakeholders Relationship Committee are given in the Corporate Governance Report, appearing as a separate section in this Annual Report.

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013, 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.

18. 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 II 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 III and forms part of this Report.

19. 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 IV and forms part of this Report.

20. DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

The Company has 2 subsidiaries as on 31st March 2018. During the year, the Board of Directors reviewed the affairs of material subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Integrated Report. Further, the report on the performance and financial position of each subsidiary and salient features of the Financial Statements in the prescribed Form AOC-1 is annexed to this report as an Annexure V.

In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, the audited Financial Statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary companies will be available on our website www.kilitch.com. These documents will also be available for inspection during business hours at the Registered Office of the Company.

None of the company have become or ceased to be subsidiaries, joint ventures and associates during the year under review.

21. STATUTORY AUDIT

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditor on completion of the maximum term permitted under the said section. In line with the requirement of the Companies Act, 2013, M/s. A. M. Ghelani & Co., Chartered Accountants (Firm Registration No. 103173W) were appointed as the statutory auditor of the Company to hold office for a period of four consecutive years from the conclusion of the 25th Annual General Meeting of the Company held on 29th September 2017, till the conclusion of the 29th Annual General Meeting to be held in the year 2021.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on 7th May 2018, ratification of appointment of Statutory Auditors at every Annual General Meeting is no more a legal requirement. However, pursuant to Ordinary Resolution passed at the 25th Annual General Meeting, appointment shall subject to ratification at every annual general meeting.

Hence, the Notice convening the ensuing 26th Annual General Meeting contained a resolution on ratification of appointment of Statutory Auditors. Further, M/s. A. M. Ghelani & Co., Chartered Accountants (Firm Registration No. 103173W), has confirmed that they are eligible to continue as Statutory Auditors of the Company to audit the books of accounts of the Company for the Financial Year ending 31st March 2019 and they will continue to be the Statutory Auditors of the Company for Financial Year ending 31st March 2021.

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.

22. 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.

The Secretarial Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

23. 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.

24. 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, M/s. Milind Mehta & Co., Chartered Accountants, having Membership No. 47739 were appointed as Internal Auditors of the Company but he resigned as internal auditor of the Company.

The Board of Directors has appointed M/s. ABB & Associates, Chartered Accountants, (Firm Registration No: 116615W), as an Internal Auditor of the Company in place of M/s. Milind Mehta & Co., to carry out the Internal Audit for the financial year 2017-18 w.e.f. 14th November 2017.

25. 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.

26. 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.

The Company does not fall under the ambit of top 100 listed entities, determined on the basis of market capitalisation as at the end of the immediately preceding financial year. Hence, compliance under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.

27. 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 31st March 2018.

28. LOANS & GUARANTEES

During the year under review, the Company has given a loan and made an Investment which are covered under the provisions of Section 186 of the Companies Act, 2013 to any person or other body corporate, however, no guarantee given and security provided by the Company.

29. INSURANCE

The properties/assets of the Company are adequately insured.

30. RELATED PARTY TRANSACTIONS

During Financial Year 2017-18, 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, the particulars as required in form AOC-2 have not been furnished.

In the preparation of financial statements, the Company has followed the applicable Accounting Standards. The significant accounting policies that are applied have been set out in the Notes to Financial Statements.

31. CORPORATE GOVERNANCE CERTIFICATE

We ensure that, we evolve and follow the corporate governance guidelines and best practices sincerely, not only to boost long-term shareholder value, but also to respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our operations and performance, as well as the leadership and governance of the Company.

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.

32. CORPORATE SOCIAL RESPONSIBILITY

As per audited financial statement for the year ended 31st March 2018, the company requires to constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Hence, the Board of Directors at their meeting held on 25th May 2018, constituted Corporate Social Responsibility Committee to discharge their social responsibility as a corporate citizen,in pursuant Section 135 of Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Corporate Social Responsibility Committee has formulated the CSR Policy of the Company. The same is annexed to this report as Annexure VII and is available on our website www.kilitch.com.

Details of composition of the Committee are as under:

Sr. No.	Name of Directors	Executive/Non-Executive Independent
1.	Mr. Bhavin Mehta	Executive
2.	Mrs. Mira Mehta	Executive
3.	Mr. Murti Vasudev Krishna	Non-Executive Independent

33. 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 equipments. 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 equipment;

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 augmented 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:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Earnings in Foreign Currency:	3583.82	1723.39

(II) Expenditure in foreign currency:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Business Promotion & Travelling	398.88	169.10
Export Registration	42.09	42.63
Export Expenses	3.30	1.62

34. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ('Rules'), the dividends, unclaimed for a consecutive period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to IEPF. Further, the shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a period of continuous seven years from the date of transfer of the dividend to the unpaid dividend account are also mandatorily required to be transferred to the IEPF established by the Central Government. Accordingly, the Company has transferred eligible Shares to IEPF Demat Account maintained by the IEPF authority within statutory timelines.

The Company has sent individual communication to the concerned shareholders at their registered address, whose dividend remained unclaimed and whose shares were liable to be transferred to the IEPF by 31st October 2017. The communication was also published in national English and local Marathi newspapers.

Any person whose unclaimed dividend and shares pertaining thereto, matured deposits, matured debentures, application money due for refund, or interest thereon, sale proceeds of fractional shares, redemption proceeds of preference shares, amongst others has been transferred to the IEPF Fund can claim their due amount from the IEPF Authority by making an electronic application in e-form IEPF-5. Upon submitting a duly completed form, Shareholders are required to take a print of the same and send physical copy duly signed along with requisite documents as specified in the form to the attention of the Nodal Officer, at the Registered Office of the Company. The e-form can be downloaded from the website of Ministry of Corporate Affairs www.iepf.gov.in.

Dates of declaration of dividends since 2010-11 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 31.03.2018 (₹)	Last date for claiming unpaid dividend amount (before)	Last date for transfer to IEPF
2010- 2011	10/09/2011	4,72,019	14.10.2018	12.11.2018
2011- 2012	29/09/2012	85,35,450	02.11.2019	01.12.2019

Shareholders are requested to get in touch with the RTA for encashing the unclaimed dividend/interest/principal amount, if any, standing to the credit of their account.

35. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment at workplace (Prevention, prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year ended 31st March 2018, Company has not received any complaint of harassment.

36. LISTING WITH STOCK EXCHANGE

The Company confirms that it has paid the Annual Listing Fees for the year 2018-19 to BSE and NSE where the Company's Shares are listed.

37. SECRETARIAL STANDARDS

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

38. 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.

39. 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.

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

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.

Further, the Board of Directors at their meeting held on 29th March 2018 allotted 500000 equity shares to Promoters of the Company against the conversion of warrants issued on preferential basis.

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

Place: Mumbai
Date: 13th August 2018

Annexure I

NOMINATION AND REMUNERATION POLICY

CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration/Compensation Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- To formulation of criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

DEFINITIONS:

"Act" shall mean the Companies Act, 2013 and the Rules made thereunder, including the modifications, amendments, clarifications, circulars or re-enactment thereof.

"Board" means Board of Directors of the Company.

"Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

"Company" means Kilitch Drugs (India) Limited.

"Directors" mean Directors of the Company.

"Independent Director" means a Director referred to in Section 149 (6) of the Companies Act, 2013.

"Key Managerial Personnel" means key managerial personnel as defined under the Companies Act, 2013 and includes

- Managing Director, or Executive Director or manager and in their absence, a whole- time director; (includes Executive Chairman)
- Company Secretary;
- Chief Financial Officer; and
- Such other officer as may be prescribed.

"Policy" or **"This policy"** means Nomination and Remuneration Policy.

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

"Senior Management" Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads. Unless the context

otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

ROLE AND POWER OF THE COMMITTEE:-

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

Policy for appointment and removal of Director, KMP and Senior Management

(i). Appointment criteria and qualifications

a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

(ii). Term / Tenure

a. Managing Director/Whole-time Director:

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

c. Evaluation

- The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

d. Removal

- Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

e. Retirement

- The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management

Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

(i). General:

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required;
- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director;
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(ii) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- **Fixed pay:**

  The Whole-time Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- **Minimum Remuneration:**

  If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- **Provisions for excess remuneration:**

  If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

(iii) Remuneration to Non- Executive / Independent Director:

- **Remuneration / Commission:**

  The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

- **Sitting Fees**

  The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- **Commission:**

  Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

- **Stock Options:**

  An Independent Director shall not be entitled to any stock option of the Company.

MEMBERSHIP:-

- The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report. Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN:-

- Chairman of the Committee shall be an Independent Director;

- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;

- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;

- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

- The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

SECRETARY

- The Company Secretary of the Company shall act as Secretary of the Committee.

VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

MINUTES OF COMMITTEE MEETING

- Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

- The Committee may Delegate any of its powers to one or more of its members.

AMENDMENTS TO THE POLICY

- The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

AMENDMENTS IN THE LAW

- Any subsequent amendment/modification in the listing agreement and/or other applicable laws in this regard shall automatically apply to this Policy.

Annexure II

PARTICULARS OF EMPLOYEES

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 2017-18; 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 2017-18.

Name & Designation	Remuneration of each Director & KMP for the FY 2017-18 (₹)	Increase / Decrease in Remuneration in the FY 2017-18	Ratio of Remuneration of each Directors to median remuneration of employees
A. Directors			
Mukund P. Mehta - Managing Director	60,00,000/-	150.00%	1 : 18.29
Bhavin M. Mehta - Whole Time Director	59,00,000/-	391.66%	1 : 17.99
Mira Bhavin Mehta - Whole Time Director	29,00,000/-	141.66%	1 : 8.84
Mukesh Shah - Independent Director	-	-	-
Shailesh H. Cheda - Independent Director	-	-	-
Hemang Engineer - Independent Director	-	-	-
Pankaj O. Kamdar - Independent Director	-	-	-
Ramesh B. Modi - Independent Director	-	-	-
Vasudev Krishna Murti - Independent Director	-	-	-
B. Key Managerial Personnel			
Shailesh Mirgal - CFO	453,600/-	8%	1 : 1.38
*Keerti Acharya- CS	20,000/--	-	
**Dharmendra Makwana-CS	1,07,984	-	-
***Jill Gada-CS	94,534/-	-	-
****Harshal Patil-CS	86,108/-	-	-

CFO – Chief Financial Officer; CS - Company Secretary.

Notes:

a. Median remuneration of all the employees of the Company for the financial year 2017-18 is ₹ 3,27,966/- p.a.

b. *Resigned w.e.f. 01.05.2017

c. **Appointed w.e.f. 30.05.2017 & Resigned w.e.f. 31.08.2017

d. ***Appointed w.e.f. 20.09.2017 & Resigned w. e. f. 22.12.2017.

e. ****Appointed w.e.f. 14.02.2018.

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

Particulars	Financial Year 2017- 18 (₹)	Financial Year 2016 - 17 (₹)	Increase (%)
Median remuneration of all employees	3,27,966/-	2,46,840/-	32.87%

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 63 permanent employees on the rolls of Company as on 31st March 2018.

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 10% in the salaries of employees was in line with the market projection, the performance of the Company in the financial year 2017-18 the individual performance of the employees, the criticality of the roles they play and skills set they possess.

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	**Bhavin Mehta**
Place: Mumbai	[DIN: 00147876]	[DIN: 00147895]
Date: 13th August 2018	Managing Director	Whole-Time Director

Annexure III

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 (₹) P.A.	Qualification	Experience in years	Age in Years	Date of Commencement of employment	Last employment held	% of share holding
Mukund Mehta	Managing Director	60,00,000/-	B.COM, BGL	33	65	12.05.1992	-	11.41
Bhavin Mehta	Whole-Time Director	59,00,000/-	B. PHARM,	17	42	29.09.2007	-	2.57
Mira Mehta	Whole-Time Director	29,00,000/-	B.COM	10	40	01.03.2013	-	-
Tajouddin Ansari	Export Manager	12,00,000/-	B.COM, MBA	21	42	03.11.2016	Medibios Laboratories Pvt Ltd	-

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)
Bhavin Mehta	Mukund Mehta (Father), Mira Mehta (Spouse)
Mira Mehta	Bhavin Mehta (Spouse), Mukund Mehta (Father in Law)
Tajouddin Ansari	-

The other details are available on the website of the Company www.kilitch.com.

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: 13th August 2018

Annexure IV

FORM MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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:

1.	CIN	L24239MH1992PLC066718
2.	Registration Date	12/05/1992
3.	Name of the Company	Kilitch Drugs (India) Limited
4.	Category/Sub-category of the Company	Company limited by Shares/ Limited By Shares
5.	Address of the Registered office & contact details	C 301/2 MIDC TTC Indl. Area,Pawane, Thane – 400705, Maharashtra, India. Tel. No. +91-22-27670322 Email :info@kilitch.com Website :www.kilitch.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. Registrar & Share Transfer Agent Add.: C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India. Tel: 022- 49186000 | Fax: 022-49186060 Email : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of pharmaceuticals, medicinal chemical and botanical products	2100	32.62

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Monarchy Healthserve Private Limited Reg. Off. Add: Unit No.37, Ujagar Indl Estate, W.T. Patil Marg, Deonar, Mumbai: 400088.	U74999MH2007PTC167204	Subsidiary	100.00	2(87)(ii)
2	Kilitch Estro Biotech PLC Head Off. Add: Bole Sub City, K08, HNO: New, Addis Ababa, Ethiopia P.O. Box:160412	-	Subsidiary	67.00	2(87)(ii)

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 2017]				No. of Shares held at the end of the year[As on 31st March 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1904831	-	1904831	14.40	2404831	-	2404831	17.51	3.11
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	6629342	-	6629342	50.10	6629342	-	6629342	48.27	-1.83
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	8534173	-	8534173	64.50	9034173	-	9034173	65.78	1.28
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	100	-	100	-	100	-	100	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**100**	**-**	**100**	**-**	**100**	**-**	**100**	**-**	1.28
2. Non-Institutions									
a) Bodies Corp.	166307	1133	167440	1.27	221498	1100	222598	1.62	0.35
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	2168706	730513	2899219	21.91	2122417	537140	2647557	19.28	-2.63
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1274005	12000	1286005	9.71	1099968	12000	1111968	8.10	-1.61
c) Others (specify)									
Non Resident Indians	164185	-	164185	1.24	140396	-	140396	1.02	-0.22
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	73210	-	73210	0.55	165933	-	165933	1.21	0.66
HUF/Trusts	107496	-	107496	0.81	215135	-	215135	1.57	0.76
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Investor Education and Protection Fund Authority	-	-	-	-	193968	-	193968	1.41	1.41
Sub-total (B)(2):-	**3953909**	**743646**	**4697555**	**35.50**	**4159315**	**538240**	**4697555**	**34.21**	**-1.29**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**12488182**	**743646**	**13231828**	**100**	**13193588**	**538240**	**13731828**	**100**	**0**

B) Shareholding of Promoter

Sr. No	Shareholder's Name	Shareholding at the beginning of the year [As on 1st April 2017]			Shareholding at the end of the year [As on 31st March 2018]			% 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	48.27	0	-1.83
2	Mukund Prataprai Mehta	1506763	11.39	0	1566763	11.41	0	0.02
3	Neeta Mukund Mehta	294768	2.23	0	484768	3.53	0	1.30
4	Bhavin Mukund Mehta	103300	0.78	0	353300	2.57	0	1.79

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

Sr. No	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Kilitch Company (Pharma) Ltd**					
	At the beginning of the year		6629342	50.10	6629342	50.10
	Changes during the year		-	-	-	-
	At the end of the year				6629342	48.27
2	**Mukund Prataprai Mehta**					
	At the beginning of the year		1506763	11.39	1506763	11.39
	Changes during the year					
	Allotment on conversion of warrants	29th March 2018	60000	0.44	1566763	11.41
	At the end of the year				1566763	11.41
3	**Neeta Mukund Mehta**					
	At the beginning of the year		294768	2.23	294768	2.23
	Changes during the year					
	Allotment on conversion of warrants	29th March 2018	190000	1.38	484768	3.53
	At the end of the year				484768	3.53
4	**Bhavin Mukund Mehta**					
	At the beginning of the year		103300	0.78	103300	0.78
	Changes during the year					
	Allotment on conversion of warrants	29th March 2018	250000	1.82	353300	2.57
	At the end of the year				353300	2.57

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 year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**DIPAK KANAYALAL SHAH**					
	At the beginning of the year		459561	3.47	459561	3.47
	Changes during the year					
	Transfer	14th April 2017	4439	0.03	464000	3.51
	Transfer	21st April 2017	36000	0.27	500000	3.78
	Transfer	5th May 2017	12000	0.09	512000	3.87
	Transfer	12th May 2017	390	0.00	512390	3.87

Sr. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer	16th June 2017	15000	0.11	527390	3.99
	Transfer	23rd June 2017	3000	0.02	530390	4.00
	Transfer	30th June 2017	524	0.00	530914	4.01
	Transfer	7th July 2017	1000	0.01	531914	4.02
	Transfer	14th July 2017	86	0.00	532000	4.02
	Transfer	28th July 2017	5000	0.04	537000	4.06
	Transfer	4th August 2017	500	0.00	537500	4.06
	Transfer	11th August 2017	2971	0.02	540471	4.08
	Transfer	25th August 2017	4345	0.03	544816	4.12
	Transfer	1st September 2017	300	0.00	545116	4.12
	Transfer	8th September 2017	18000	0.14	563116	4.26
	Transfer	22nd September 2017	1884	0.01	565000	4.27
	Transfer	29th September 2017	10000	0.08	575000	4.35
	Transfer	6th October 2017	5000	0.04	580000	4.38
	Transfer	3rd November 2017	20000	0.15	600000	4.53
	Transfer	2nd March 2018	(100000)	-0.76	500000	3.78
	Transfer	9th March 2018	(99745)	-0.75	400255	3.02
	Transfer	23rd March 2018	(40255)	-0.30	360000	2.72
	At the end of the year				360000	2.62
2	**INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS**					
	At the beginning of the year		-	-	-	-
	Changes during the year					
	Transfer	15th December 2017	193968	1.47	193968	1.47
	At the end of the year				193968	1.41
3	**NEETA MANOJ RUPAREL**					
	At the beginning of the year		116000	0.88	116000	0.88
	Changes during the year					
	Transfer	14th April 2017	4000	0.03	120000	0.91
	Transfer	14th July 2017	50	0.00	120050	0.91
	Transfer	21st July 2017	50	0.00	120100	0.91
	Transfer	4th August 2017	5400	0.04	125500	0.95
	Transfer	11th August 2017	4750	0.04	130250	0.99
	Transfer	18th August 2017	5750	0.04	136000	1.03
	Transfer	25th August 2017	3000	0.02	139000	1.05
	Transfer	1st September 2017	8370	0.06	147370	1.11
	Transfer	8th September 2017	2787	0.02	150157	1.13
	Transfer	15th September 2017	5843	0.04	156000	1.18
	Transfer	13th October 2017	4000	0.03	160000	1.21
	Transfer	20th October 2017	4600	0.03	164600	1.24
	Transfer	27th October 2017	1400	0.01	166000	1.25
	Transfer	16th March 2018	9900	0.07	175900	1.33
	At the end of the year				175900	1.28
4	**DARSHANA JIGNESH KOTHARI**					
	At the beginning of the year		75000	0.57	75000	0.57
	Changes during the year					
	Transfer	4th August 2017	6000	0.05	81000	0.61
	Transfer	18th August 2017	7500	0.06	88500	0.67

Sr. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer	25th August 2017	5500	0.04	94000	0.71
	Transfer	1st September 2017	8243	0.06	102243	0.77
	Transfer	15th September 2017	8757	0.07	111000	0.84
	Transfer	27th October 2017	8800	0.07	119800	0.91
	Transfer	1st December 2017	1200	0.01	121000	0.91
	Transfer	31st March 2018	10000	0.07	131000	0.95
	At the end of the year				131000	0.95
5	**ANS PVT LIMITED**					
	At the beginning of the year		19	0.00	19	0.00
	Changes during the year					
	Transfer	7th April 2017	10200	0.08	10219	0.08
	Transfer	14th April 2017	(10200)	-0.08	19	0.00
	Transfer	30th June 2017	1987	0.02	2006	0.02
	Transfer	28th July 2017	(1987)	-0.02	19	0.00
	Transfer	15th September 2017	1000	0.01	1019	0.01
	Transfer	22nd September 2017	(1000)	-0.01	19	0.00
	Transfer	22nd December 2017	(19)	0.00	0	0.00
	Transfer	29th December 2017	3479	0.03	3479	0.03
	Transfer	12th January 2018	10484	0.08	13963	0.11
	Transfer	19th January 2018	1056	0.01	15019	0.11
	Transfer	26th January 2018	4855	0.04	19874	0.15
	Transfer	2nd February 2018	22646	0.17	42520	0.32
	Transfer	9th February 2018	100	0.00	42620	0.32
	Transfer	16th February 2018	(15073)	-0.11	27547	0.21
	Transfer	23th February 2018	4973	0.04	32520	0.25
	Transfer	2nd March 2018	1957	0.01	34477	0.26
	Transfer	9th March 2018	10000	0.08	44477	0.34
	Transfer	16th March 2018	5923	0.04	50400	0.39
	Transfer	23th March 2018	24714	0.19	75114	0.57
	Transfer	31th March 2018	8128	0.06	83242	0.61
	At the end of the year				83242	0.61
6	**ANUJ SHAH**					
	At the beginning of the year		73495	0.56	73495	0.56
	Changes during the year		-	-	-	-
	At the end of the year				73495	0.54
7	**PANKAJ NAMDHARANI**					
	At the beginning of the year		0	0.00	0	0.00
	Changes during the year					
	Transfer	3rd November 2017	4805	0.04	4805	0.04
	Transfer	10th November 2017	19407	0.15	24212	0.18
	Transfer	24th November 2017	33503	0.25	57715	0.44
	Transfer	15th December 2017	555	0.00	58270	0.44
	Transfer	12th January 2018	7049	0.05	65319	0.49
	Transfer	2nd February 2018	2131	0.02	67450	0.51
	Transfer	9th February 2018	50	0.00	67500	0.51
	Transfer	2nd March 2018	(10000)	-0.08	57500	0.43
	At the end of the year				57500	0.42

Sr. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	**POONAM BANKIM DESAI**					
	At the beginning of the year		48613	0.37	48613	0.37
	Changes during the year					
	Transfer	23rd June 2017	5000	0.04	53613	0.41
	Transfer	22th September 2017	5836	0.04	59449	0.45
	Transfer	29th September 2017	1000	0.01	60449	0.46
	Transfer	12th January 2018	26	0.00	60475	0.46
	Transfer	2nd March 2018	(7248)	-0.05	53227	0.40
	Transfer	31st March 2018	374	0.00	53601	0.39
	At the end of the year				53601	0.39
9	**SARAIYA BHAVIN RAMAKANT**					
	At the beginning of the year		57453	0.43	57453	0.43
	Changes during the year					
	Transfer	14th April 2017	5840	0.04	63293	0.48
	Transfer	28th April 2017	2099	0.02	65392	0.49
	Transfer	12th May 2017	954	0.01	66346	0.50
	Transfer	28th July 2017	500	0.00	66846	0.51
	Transfer	29th September 2017	(5559)	-0.04	61287	0.46
	Transfer	6th October 2017	(5700)	-0.04	55587	0.42
	Transfer	09th March 2018	(11000)	-0.08	44587	0.34
	At the end of the year				44587	0.32
10	**KAMLESH V SHAH (HUF)**					
	At the beginning of the year		-	-	-	-
	Changes during the year					
	Transfer	31st March 2018	39800	0.029	39800	0.29
	At the end of the year				39800	0.29
11	**SHARAD KANAYALAL SHAH**					
	At the beginning of the year		104369	0.79	104369	0.79
	Changes during the year					
	Transfer	11th August 2017	(10710)	-0.08	93659	0.71
	Transfer	18th August 2017	(82143)	-0.62	11516	0.09
	Transfer	25th August 2017	(11516)	-0.09	0	0.00
	At the end of the year				0	0.00
12	**MINAL BHARAT PATEL**					
	At the beginning of the year		69293	0.52	69293	0.52
	Changes during the year					
	Transfer	13th October 2017	(10284)	-0.08	59009	0.45
	Transfer	27th October 2017	(5000)	-0.04	54009	0.41
	Transfer	3rd November 2017	(5000)	-0.04	49009	0.37
	Transfer	1st December 2017	(49009)	-0.37	0	0.00
	At the end of the year				0	0.00
13	**RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED**					
	At the beginning of the year		45256	0.34	45256	0.34
	Changes during the year					
	Transfer	28th April 2017	(390)	0.00	44866	0.34
	Transfer	5th May 2017	(16144)	-0.12	28722	0.22
	Transfer	12th May 2017	(1180)	-0.01	27542	0.21

Sr. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer	26th May 2017	(301)	0.00	27241	0.21
	Transfer	4th August 2017	(20000)	-0.15	7241	0.05
	Transfer	11th August 2017	(7241)	-0.05	0	0.00
	At the end of the year				0	0.00
14	**MINAL B. PATEL**					
	At the beginning of the year		65756	0.5	65756	0.5
	Transfer	26th August 16	-65756	-0.5	0	0
	At the end of the year				0	0
15	**DHEERAJ KUMAR LOHIA**					
	At the beginning of the year		32404	0.24	32404	0.24
	Changes during the year					
	Transfer	29th December 2017	(2299)	-0.02	30105	0.23
	Transfer	16th February 2018	(19824)	-0.15	10281	0.08
	Transfer	23th February 2018	(10281)	-0.08	0	0.00
	At the end of the year				0	0.00

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 year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Shareholding of Directors						
1	Mr. Mukund Mehta					
	At the beginning of the year		1506763	11.39	1506763	11.39
	Changes during the year					
	Allotment on conversion of warrants	29th March 2018	60000	0.44	1566763	11.41
	At the end of the year		-	-	1566763	11.41
2	Mr. Bhavin Mehta			-	-	
	At the beginning of the year		1,03,300	0.78	103300	0.78
	Changes during the year					
	Allotment on conversion of warrants	29th March 2018	2,50,000	1.82	353300	2.57
	At the end of the year		-	-	353300	2.57
3	Mrs. Mira Mehta		-	-	-	-
4	Mr. Hemang Engineer		-	-	-	-
5	Mr. Ramesh Modi		-	-	-	-
6	Mr.Shailesh Chheda		-	-	-	-
7	Mr.Vasudev krishna Murti		-	-	-	-
8	Mr. Mukesh Shah		-	-	-	-
9	Mr. Pankaj Kamdar		-	-	-	-
Shareholding of Key Managerial Personnel						
1	Mr.Shailesh Mirgal-CFO		-	-	-	-
2	*Mrs. Keerti Acharya- CS		-	-	-	-
3	**Mr. Dharmendra Makwana-CS		-	-	-	-
4	***Mrs.Jill Gada-CS		-	-	-	-
5	****Mr. Harshal Patil-CS		-	-	-	-

a. *Resigned w.e.f. 01.05.2017

b. **Appointed w.e.f. 30.05.2017 & Resigned w.e.f. 31.08.2017

c. ***Appointed w.e.f. 20.09.2017 & Resigned w. e. f. 22.12.2017.

d.* ***Appointed w.e.f. 14.02.2018.

V. 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**

VI. 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 Managing Director	Bhavin Mehta Whole-time Director	Mira Mehta Whole-time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000/-	59,00,000/-	29,00,000/-	1,48,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify				
5	Others, please specify	-	-	-	-
	Total (A)	**60,00,000/-**	**59,00,000/-**	**29,00,000/-**	**1,48,00,000/-**
	Ceiling as per the Act	₹1,68,00,000/-			

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amt. (in ₹)
		Mukesh Shah	Pamkaj Kamdar	Shailesh Cheda	Hemang Engineer	Ramesh Modi	V. K. Murti	
1	Independent Directors							
	Fee for attending board committee meetings	24,000/-	18,000/-	15,000/-	18,000/-	21,000/-	-	96,000/-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	**24,000/-**	**18,000/-**	**15,000/-**	**18,000/-**	**21,000/-**	**-**	**96,000/-**
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**		**-**
	Total (B)=(1+2)	**24,000/-**	**18,000/-**	**15,000/-**	**18,000/-**	**21,000/-**		**96,000/-**
	Total Managerial Remuneration	24,000/-	18,000/-	15,000/-	18,000/-	21,000/-		96,000/-
	Overall Ceiling as per the Act							

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		*CS	CFO	Total
1	Gross salary	3,08,626/-	4,53,600/-	7,62,226/-
	(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	Commission	0	0	0
	- as % of profit	0	0	0
	Others, specify...	0	0	0
3	Others, please specify	0	0	0
4	Stock Option	0	28560	28560
5	Sweat Equity	0	0	0
	Total	**3,08,626/-**	**4,82,160/-**	**7,90,786/-**

* Aggregate of total remuneration paid to the Company Secretaries, occupying office thereof during the year.

VII. 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	**Bhavin Mehta**
Place: Mumbai	[DIN: 00147876]	[DIN: 00147895]
Date: 13th August 2018	Managing Director	Whole-Time Director

Annexure V

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": SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

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

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.	31st March 2018	31st March 2018
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR
Share capital	47.086	223.53
Reserves & surplus	2279.71	(1.92)
Total assets	2451.21	511.89
Total Liabilities	123.56	290.28
Investments	0	0
Turnover	65.02	0
Profit before taxation	(104.37)	0
Provision for Deferred Tax	0.01	
Profit after taxation	(104.35)	0
Proposed Dividend	0	0
% of shareholding	100%	67%

- Names of subsidiaries which are yet to commence operations - None
- Names of subsidiaries which have been liquidated or sold during the year - None

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**	**NOT APPLICABLE**
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	-

Names of associates or joint ventures which are yet to commence operations - None

Names of associates or joint ventures which have been liquidated or sold during the year - None

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

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

Ajit M. Ghelani
Partner
Membership No.: 012576

Mukund Mehta
[DIN: 00147876]
Managing Director

Bhavin Mehta
[DIN: 00147895]
Whole-Time Director

Place: Mumbai
Date: 13th August 2018

Annexure VI

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 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, Navi Mumbai- 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 2018 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 2018 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') to the extent applicable to the Company:-

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

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;

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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);

i. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

a. The Drugs and Cosmetics Act, 1940 and the Rules made thereunder;

b. The Drugs (Prices Control) Order, 2013 and notification made there under;

c. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to be read with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013

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.

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.

- With reference to the compliance of Industry Specific Acts of the Company, I relied upon Management Representation letter issued by the respective Department Heads. My report of compliance would be limited to their reporting.

- With reference to the compliance of the Labour and Financial Laws, I relied upon Management Representation Letter issued by the respective Department Heads and also report of Statutory Auditors. My report of compliance would be limited to their reporting.

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.

The Board of Directors at its meeting held on 25th July 2017 approved to Raise funds through further issue of share warrants subject to such approvals as may be required up to an amount not exceeding `13,00,00,000/- (Rupees Thirteen Crore Only)

I further report that during the audit period there were no specifiic 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: 13th August 2018

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: 13th August 2018

Annexure VII

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

TITLE AND APPLICABILITY

The document describes the Corporate Social Responsibility Policy ("CSR policy") of Kilitch Drugs (India) Ltd. ("KDIL" or "the company"). It includes KDIL's vision, mission and other relevant attributes of Corporate Social Responsibility.

The CSR policy shall be guided by KDIL's corporate philosophy of respect for the individual and the society at large.

The CSR policy has been formulated in accordance with Section 135 of the Companies Act 2013 and the CSR Rules 2014 and the relevant amendments / notifications / circulars.

The CSR policy shall apply to all CSR programs of KDIL

VISION AND MISSION

KDIL is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes on various concerns about health-care.

In pursuance of our vision that KDIL desires to assist people and animals to live healthier through innovative medicines.We are dedicated towards fulfilling the social objectives through various CSR activities. The Company shall make its endeavour to positively impact and influence the Society for its sustainable development.

PURPOSE

The Companies Act, 2013 has brought greater emphasis on CSR with rules that provide guidance on minimum CSR spend, focus areas, implementation mechanism and reporting to the shareholders of the company.

KDIL CSR Policy has been designed keeping in view the company's business vision, its CSR vision and long-term social objectives that the company wants to achieve. KDIL CSR Policy has been created with the purpose to outline its CSR focus areas, review mechanism, execution process and reporting mechanism.

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The responsibility of the Board of Directors shall be as under:

a. To approve the CSR Policy & disclose the contents of such policy in its report and also place it on the Company's website;

b. Ensure that the activities proposed in the CSR Policy are undertaken;

c. Ensure that the company spends, in every financial year, at least 2% of average net profits of the company made during the 3 immediately preceding financial years, as required under Section 135 of the Companies Act, 2013 & Rules made thereunder;

d. If company fails to spend the sum as mentioned above, then the Board shall, in its Report specify the reasons for not spending the amount.

CSR COMMITTEE

5.1. Constitution of CSR Committee

A Corporate Social Responsibility Committee ("the CSR Committee") has been constituted by the Board of Directors to oversee the CSR agenda of the Company. The committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee.

The composition of CSR Committee shall be disclosed in the Board of Directors' Report.

5.2. Responsibilities of the CSR Committee

a. To formulate & recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and modify / amend the same as required;

b. To review and approve annual budgets with respect to CSR programs;

c. To develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Companies Act 2013;

d. To ensure that KDIL corporate website displays the approved CSR policy of the company

e. To monitor the CSR Policy, Projects and Programs from time to time.

5.3. Meetings of CSR Committee

The CSR Committee shall meet at least once in six months. The meeting shall be held either at the registered office of the company or any other place, as may be decided by the members.

Physical presence of a minimum of two members of the committee shall constitute the quorum.

5.4. Notice of Meeting

At least three days advance notice of every meeting, specifying the day, place and timing of Meeting and the general nature of the business to be transacted there at shall be given to the members. In urgency, a meeting may be convened by shorter notice.

Areas of CSR Activities

a. The Company is hereby devoted to direct its CSR resources, to a reasonable extent, for improving the quality of life of the people by focusing on the social causes, including but not limited to the following areas:

b. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swacch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

c. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

d. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

e. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga);

f. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

g. Measures for the benefit of armed forces veterans, war widows and their dependents;

h. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

i. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, and other backward classes, minorities and women;

j. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

k. Rural Development Projects; and

l. Slum area development

m. Activities related to promotion of road safety as suggested vide General Circular No. 21/2014 dated 18.06.2014 issued by Ministry of Corporate Affairs

EXCLUSIONS:

Following activities shall be excluded from the CSR expenditure of KDIL:

a. Activities which are exclusively for the benefit of employees of the company or their family members;

b. Activities undertaken in pursuance of normal course of business of the Company;

c. Direct or indirect contribution to political parties;

d. Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013;

e. Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.

Geographies and beneficiaries

7.1. Geographies

KDIL will give preference to the local areas around its operations for spending the amount earmarked for CSR activities. KDIL's operations are mainly concentrated in the State of Maharashtra.

KDIL may undertake CSR activities in any other area in India as may be decided, from time to time

7.2. Beneficiaries

The beneficiaries of KDIL's CSR programs may be the following categories of people:

Children / students

Women

Weaker sections of the society

Others – society at large

Implementation mechanism

The company may conduct / implement CSR programs by itself and/or through registered trusts, societies and / or section 8 (previously section 25) companies with an established track record of at least three years in carrying on activities in the related area/s or as suggested by Ministry of Corporate Affairs vide circulars/notifications.

The company may collaborate or pool resources with other companies to undertake CSR activities and any expenditure incurred on such collaborative efforts would qualify for computing the CSR spending.

The progress will be reported to the CSR Committee during the committee meetings. The progress on CSR programs undertaken by the Company will be reported in the Annual Report in the format prescribed by the CSR Rules 2014.

Format for Annual Report to be included in the Board's Report

a. A brief outline of the company's CSR policy, including overview of Projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.

b. The Composition of CSR Committee.

c. Average net profit of the company for last three financial years.

d. Prescribed CSR Expenditure (two percent of the Amount as in item 3 above).

e. Details of CSR spent during the financial year:

f. Total amount to be spent for the Financial year;

g. Amount unspent, if any;

h. Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Project or Programs (1)Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) project or programs-wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:**	**Cumulative expenditure upto the reporting period**	**Amount spent Direct or through implementing Agency**
1							
2							
3							
	Total						

i. In case the company failed to spend the two percent of the average net profit of the last three financial years or any part thereof the company shall provide the reasons for not spending the amount in its Board Report.

j. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Monitoring of CSR programs

The KDIL CSR team shall be responsible for day to day management of CSR related activities of the company. The team shall periodically report to the CSR committee regarding the financial and programmatic progress of CSR projects.

All projects undertaken by KDIL shall be monitored on a regular basis. On-site monitoring would also be undertaken at least once a year to ensure on-track implementation.

The CSR team shall be empowered to appoint an external third party to monitor / review / audit the progress (financial and programmatic) of the CSR projects.

Effective Date

The CSR Policy shall be effective from the date of its approval by the Board of Directors.

Amendments to the CSR Policy

CSR Policy may be updated to align it with the changing requirement or changes in the legal and regulatory framework. Any revision in the Policy shall be approved by the Board of Directors.

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 31st March 2018, the Board comprised of 9 (Nine) Directors out of which 6 (Six) 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 31st March 2018, 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	-	-	15,66,763
Mr. Bhavin Mehta	Whole time Director	3	-	-	3,53,300
Mrs. Mira Mehta	Whole time Director	1	-	-	-
Mr. Hemang Engineer	Independent Director	1	-	-	-

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. Shailesh Chheda	Independent Director	-	-	-	-
Mr. Ramesh Modi	Independent Director	-	-	-	-
Prof. V. K. Murti	Independent Director	3	-	-	
**Mr. Mukesh Shah	Independent Director	2	-	-	-
**Mr. Pankaj Kamdar	Independent Director	-	-	-	-

*Appointed w.e.f. 16.03.2018

**Resigned w.e.f. 02.04.2018

The particulars of Directors, who are proposed to be re-appointed at the ensuing AGM, are given in the Notice convening the AGM.

Further, there are no inter-se relationships between our Board Members except Mr. Mukund Mehta, Mr. Bhavin Mehta and Mrs. Mira Mehta being relative and promoter of the Company.

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 09 (Nine) Board Meetings were held during the financial year ended 31st March 2018, the dates of which are 30/05/2017, 25/07/2017, 14/08/2017, 23/08/2017, 20/09/2017, 14/11/2017, 14/02/2018, 16/03/2018 and 29/03/2018.

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 29/09/2017.
Mr. Mukund Mehta	8	Present
Mr. Bhavin Mehta	6	Present
Mrs. Mira Mehta	6	Absent
Mr. Hemang Engineer	8	Absent
Mr. Shailesh Chheda	4	Absent
Mr. Ramesh Modi	8	Present
*Prof. V. K. Murti	0	-
**Mr. Mukesh Shah	9	Present
**Mr. Pankaj Kamdar	8	Present

*Appointed w.e.f. 16.03.2018

**Resigned w.e.f. 02.04.2018

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:

Sr. No.	Name of Directors	Executive/Non-Executive Independent
1.	Mr. Mukesh Damji Shah	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 31st March 2018, Four Audit Committee Meetings were held on 30/05/2017, 14/08/2017, 14/11/2017, and 14/02/2018.

The attendance at the Audit Committee Meetings is as under:

Sr. No.	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	Member, Non-Executive Independent	4
3.	Mr. Hemang Jagdish Engineer	Member, Non-Executive Independent	4
4.	Mr. Pankaj Ottamchand Kamdar	Member, Non-Executive Independent	4

The Chairman of the Committee was present at the Annual General Meeting of the Company held on 29/09/2017 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 2018.

COMPOSITION:

The constitution of the Committee of Directors is as under:

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

MEETINGS AND ATTENDANCE

During the financial year ended 31st March 2018, Four Committee Meetings were held on 30/05/2017, 14/08/2017, 14/11/2017, and 14/02/2018.

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

Sr. No.	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	Member, Non-Executive Independent	4
3.	Mr. Hemang Jagdish Engineer	Member, Non-Executive Independent	4
4.	Mr. Pankaj Ottamchand Kamdar	Member, 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:

Sr. No.	Name of Director	Executive/Non-Executive Independent
1.	Mr. Mukesh Damji Shah	Chairman, Non-Executive Independent
2.	Mr. Shailesh Hansraj Chheda	Member, Non-Executive Independent
3.	Mr. Hemang Jagdish Engineer	Member, Non-Executive Independent
4.	Mr. Pankaj Ottamchand Kamdar	Member, 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 Executive Directors & KMP for the Financial Year 2017-2018

Sr. No.	Names of Directors/ KMP	Executive/ Non-Executive Independent	Amt. (in ₹)
1.	Mr. Mukund Prataprai Mehta	Managing Director	60,00,000/-
2.	Mr. Bhavin Mukund Mehta	Executive Director	59,00,000/-
3.	Mrs. Mira Bhavin Mehta	Executive Director	29,00,000//-
4.	Mr. Shailesh Mirgal	Chief Financial Officer	4,53,600/-
5.	*Keerti Acharya-	Company Secretary	20,000/--
6.	**Dharmendra Makwana	Company Secretary	1,07,984
7.	***Jill Gada	Company Secretary	94,534/-
8.	****Harshal Patil	Company Secretary	86,108/-

a. *Resigned w.e.f. 01.05.2017

b. **Appointed w.e.f. 30.05.2017 & Resigned w.e.f. 31.08.2017

c. ***Appointed w.e.f. 20.09.2017 & Resigned w. e. f. 22.12.2017.

d. * ***Appointed w.e.f. 14.02.2018.

Further, there is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company. None of the Executive Directors are eligible for payment of any severance fees.

MEETINGS AND ATTENDANCE

During the financial year ended 31st March 2018, 4(Four) 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:

Sr. No.	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	Member, Non-Executive Independent	4
3.	Mr. Hemang Jagdish Engineer	Member, Non-Executive Independent	4
4.	Mr. Pankaj Ottamchand Kamdar	Member, Non-Executive Independent	4

6. COMPENSATION COMMITTEE:

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

The composition of the said Compensation Committee is as under:

Sr. No.	Name of Director	Executive/Non-Executive Independent
1.	Mr. Mukesh Damji Shah.	Chairman, Non-Executive Independent
3.	Mr. Pankaj Ottamchand Kamdar	Non-Executive Independent
4.	Mr. Bhavin Mehta	Executive Director

MEETINGS AND ATTENDANCE

The attendance at the Compensation Committee Meeting is as under:

Sr. No.	Name of Director	Executive/ Non-Executive Independent	No. of meetings 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 as on 31st March 2018 is 175243.

7. GENERAL BODY MEETINGS / POSTAL BALLOT:

Details of the last three years Annual General Meeting are as under:

Financial Year	Date	Location of the Meeting	Time	Special Resolution(s) Passed
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.	-
2016-2017	29/09/2017	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane-400705.	9.00 A.M.	03

During the year under review, the company approached the shareholders through postal ballot for their approval / consent,details of postal ballot are as under:

Sr. No.	Particulars	Details
1.	Date of Postal Ballot	25th July 2017
2.	Voting period	begins on Thursday, 3rd August 2017 from 9.00 a.m. and ends on Friday, 1st September 2017 till 5.00 p.m.
3.	Date of declaration of result	2nd September 2018
4.	Date of Approval of resolution	1st September 2018
5.	Purpose of Resolution	Issue of warrants on preferential basis
6.	Types of resolution	Special Resolution
7.	No. of votes casted	84,60,594
8.	Votes cast in favour & Percentage	84,60,569 (100 %)
9	Votes cast in against & Percentage	25 (0.00 %)

Procedure for postal ballot

During the year under review, the Company had successfully completed the process of obtaining the approval of its Members through Postal Ballots as per provisions of section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof) ("the Rules"), there was 1 (One) Postal Ballot conducted.

The Company has sent the Postal Ballot Notice(s) together with Postal Ballot Form to the Members of the Company for seeking their approval to the businesses listed therein. The Company has also provided its Members with an e-voting facility through Central Depository Services (I) Limited (CDSL), in accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI Listing Regulations, in order to enable them to exercise their voting rights by way of electronic means on the resolution(s) proposed through Postal Ballot(s).

The Company has complied with the procedure for Postal Ballot in terms of the provision of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Mr. Deep Shukla, Proprietor of M/s.Deep Shukla & Associates, Practicing Company Secretaries, Mumbai, was appointed as a scrutinizer for scrutinizing voting (both physical and e-voting) in a fair and transparent manner for the postal ballot conducted by the Company during the year.

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 programme 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 Indian Accounting Standard (IND AS)-24 are set out in Notes to accounts under Note no. 33 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 Indian Accounting Standards (IND 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, if any, 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 link www.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 31st March 2018.

The Policy of Material Subsidiaries is available on website of the Company at the link www.kilitch.com.

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 at 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 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.

Newspapers 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 : Thursday 27th September 2018

Time : 9.00 A.M.

Venue [Regd. Off.] : C-301/2, M.I.D.C. Industrial Area, Pawane Village, Navi Mumbai - 400705, Maharashtra, India

2. Date of Book Closure : 20th September 2018 to 27th September 2018 [both days inclusive]

3. Financial Calendar:

The next financial calendar year of the Company will be from 1st April 2018 to 31st March 2019.

Audited/ Unaudited	Particulars of Financial Reporting	Date
Unaudited	Financial Reporting for the quarter ending 30th June 2018.	Up to 15th August 2018
Unaudited	Financial Reporting for the quarter ending 30th September 2018.	Up to 15th November 2018
Unaudited	Financial Reporting for the quarter ending 31st December 2018.	Up to 15th Febuary 2019
Audited	Financial Reporting for the Audited Financial Result as on 31st March 2019.	Up to 30th May 2019

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 (₹)	Low (₹)	No. of shares Traded
April 2017	68.00	44.90	323755
May 2017	64.25	50.90	117312
June 2017	63.25	51.80	74363
July 2017	70.40	52.00	239830

MONTH	BSE, MUMBAI		
	High (₹)	Low (₹)	No. of shares Traded
August 2017	68.80	48.55	150937
September 2017	70.65	58.95	130279
October 2017	81.30	65.25	151272
November 2017	92.00	74.50	175967
December 2017	92.95	83.00	63832
January 2018	93.50	82.80	792853
February 2018	134.90	71.10	829174
March 2018	129.00	74.20	545549

* Source: BSE Website

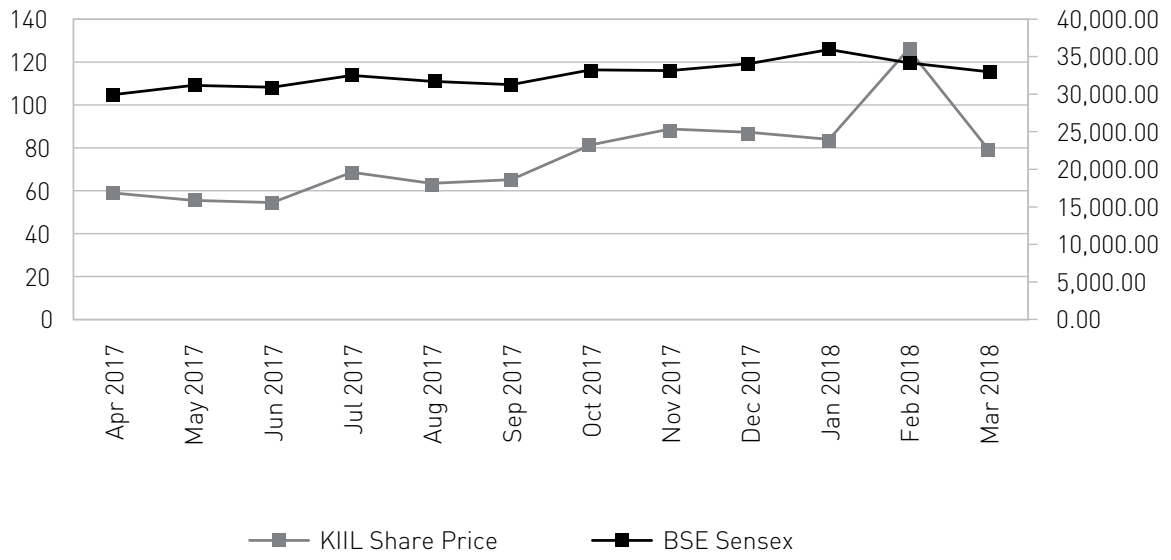
The monthly high and low quotations and volume of shares traded on National Stock Exchange of India Ltd. is as follows:

MONTH	NSE, MUMBAI		
	High (₹)	Low (₹)	No. of shares Traded (Monthly)
April 2017	68.25	44.30	804991
May 2017	64.3	52.00	186129
June 2017	62.75	50.90	135317
July 2017	70.40	51.45	457022
August 2017	69.50	48.15	403482
September 2017	70.65	59.50	253530
October 2017	81.00	65.10	188086
November 2017	92.00	71.25	270417
December 2017	95.70	84.70	152000
January 2018	92.70	80.00	327129
February 2018	135.95	72.05	3533453
March 2018	129.00	74.00	1356565

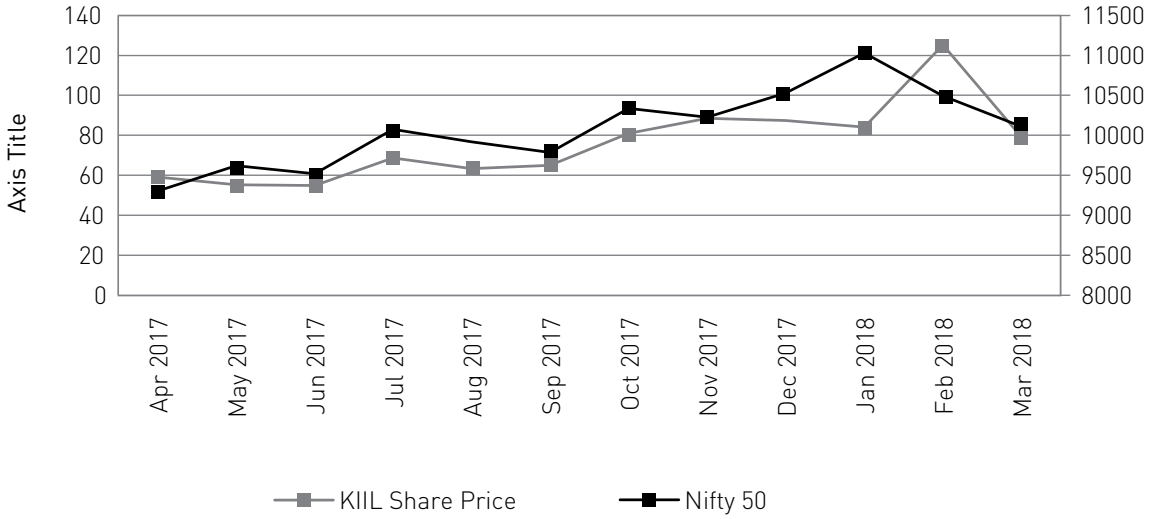
* Source: NSE Website

7. Performance in comparison

The company Fully Paid Share Price versus BSE Sensex



The company Fully Paid Share Price versus Nifty 50



7. Address for Correspondence:

Administrative Office	37, Ujagar Industrial Estate, 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 : info@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 within 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 2018, 1,26,93,588 Equity Shares are held in dematerialized form with NSDL and CDSL out of total Equity Shares of 1,37,31,828 aggregating to 92.44%

10. Distribution of shareholding as on 31st March 2018:

No. of shares held	No. of shareholders	No. of shares held	% of shareholding
1 to 500	7374	1210958	8.82
501 to 1000	615	513683	3.74
1001 to 2000	277	423381	3.08
2001 to 3000	78	203334	1.48
3001 to 4000	33	118537	0.86
4001 to 5000	25	118922	0.87
5001 to 10000	50	357448	2.60
10001 and above	45	10785565	78.54
TOTAL	**8497**	**1,37,31,828**	**100**

11. Shareholding Pattern as on 31st March 2018:

Particulars of Category	Number of Shareholders	Shares	
		Number	% to total Capital
(A) Promoter and Promoter Group Holding			
1. Individual / Hindu Undivided Family	3	2404831	17.51
Bodies Corporate	1	6629342	48.27
Total (A)	**4**	**9034173**	**65.78**
(B) Non – Promoter Holding			
Institutions			
Financial Institutional Investors (FIIs)/Banks	1	100	-
Trusts	-	-	-
Non-Institutions			
Bodies Corporate	87	222598	1.62
Indian Public	7956	3759525	27.38
NRIs	79	140396	1.02
Clearing Members	84	165933	1.21
Hindu Undivided Family	150	215135	1.57
Investor Education And Protection Fund Authority	1	193968	1.41
Total (B)	**8358**	**4697655**	**34.22**
Grand Total (A)+(B)	**8362**	**13731828**	**100**

Note: The total foreign shareholding for the year ended 31st March 2018 is 140396 shares which in percentage terms is 1.02% of the issued and subscribed capital.

There is 2404831 Equity Shares under Lock-in for the period ended as on 31/03/2018.

Shareholding pattern in case of dematerialization shares has been prepared based on download of data received from NSDL / CDSL as on 31st March 2018.

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, I hereby certify as under:

a. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2018 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 my 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 are 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

Place: Mumbai
Date: 13th August 2018

Mukund Mehta
Managing Director
(DIN: 00147876)

Shailesh Mirgal
Chief Financial Officer

DECLARATION BY THE MANAGING DIRECTOR ON 'CODE OF CONDUCT'

I hereby confirm that:

The Company has obtained from all the members of the Board and senior management, affirmation that they have complied with the Code of Conduct as applicable to them.

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

Mukund Mehta
[DIN: 00147876]
Managing Director

Place: Mumbai
Date: 13th August 2018

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISITING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 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 2018 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period starting from 1st April 2017 to 31st March 2018, 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 above mentioned 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 Secretary

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

Place: Mumbai
Date: 13th August 2018

Independent Auditors' Report

To,
The Members of
KILITCH DRUGS (INDIA) LIMITED

REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Standalone IND AS financial statements of Kilitch Drugs (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE IND AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS 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, 2018;

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

iii. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

iv. Changes in equity 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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. 35 to the standalone Ind AS 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. An amount of ₹ 379,330/- were transferred to the Investor Education and Protection Fund by the Company during the year.

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

Ajit M. Ghelani
Partner
Membership No. : 012576

Date : 25th May,2018
Place : Mumbai

Annexure A

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. 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 requirement of Clause (iii) (a) and Clause (iii) (b) of paragraph 3 of the Order not applicable to the company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the companies Act, 2013 in respect to grants of the loans, making investments and providing guarantees and securities.

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, GST, 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, 2018 for a period of more than six months from the date of becoming payable.

b. The disputed statutory dues aggregating to ₹ 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	AY 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 to financial institutions and banks.

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

x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements as per the information and explanations given to us, no fraud by the company or on the company by its officers or employees 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 and as per the information and explanations given to us, 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) In our opinion and as per the information and explanations given to us, 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) In our opinion and as per the information and explanations given to us, the Company has not entered into any Non-Cash transaction with Director or Persons connected with him. Hence, the requirement of Clause (xv) of paragraph 3 of the Order is not applicable to the Company.

xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Ajit M. Ghelani
Partner
Membership No. : 012576

Date : 25th May,2018
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, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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, 2018, 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

Ajit M. Ghelani
Partner
Membership No. : 012576

Date : 25th May,2018
Place : Mumbai

Balance Sheet

as at 31st March 2018

(₹ In Lakhs)

Particulars	NOTE	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
Non-current assets				
Property, Plant and Equipment	6	732.81	765.74	831.25
Capital work-in-progress				
Other Intangible Assets	6	2.35	1.99	2.81
Financial assets				
- Investments	7a	7,024.52	7,030.50	6,910.98
- Loans and Advances	8	358.79	94.06	71.59
- Other Financial Assets	9	78.97	78.97	-
Deferred tax assets (Net)	10	154.79	217.37	175.01
(A)		**8,352.23**	**8,188.63**	**7,991.64**
Current Assets				
Inventories	11	279.64	259.52	262.08
Financial assets				
- Investments	7b	3,029.34	2,601.87	2,396.46
- Trade Receivables	12	2,072.01	1,461.71	1,375.76
- Cash & Bank Balances	13	387.43	216.47	251.86
- Other Financial Assets	14	30.91	-	-
Other Current Assets	15	384.64	266.15	196.05
(B)		**6,183.97**	**4,805.72**	**4,482.21**
TOTAL (A + B)		**14,536.20**	**12,994.35**	**12,473.85**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	16	1,373.18	1,323.18	1,323.18
Other Equity	17	11,746.37	10,578.96	10,347.12
(A)		**13,119.55**	**11,902.14**	**11,670.30**
Current liabilities				
Financial Liabilities				
- Borrowings	18	82.47	58.80	8.92
- Trade Payables	19	765.92	563.18	362.95
- Other Financial Liabilities	20	119.32	104.96	123.52
Provisions	21	81.06	75.94	76.78
Current Tax Liabilities [Net]	22	196.56	135.07	26.79
Other Current Liabilities	23	171.32	154.26	204.59
(B)		**1,416.65**	**1,092.21**	**803.55**
TOTAL (A+B)		**14,536.20**	**12,994.35**	**12,473.85**
Significant Accounting Policies and Notes on Financial Statements	1 to 48			

As per our report of even date

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

Ajit M. Ghelani
Partner
M. No. 012576

Mumbai
Dated: 25th May 2018

For and on behalf of the Board of Directors

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole-time Director)

Ramesh Babulal Modi
(Independent Director)

Harshal Anant Patil
(Company Secretary)

Statement of Profit and Loss

for year ended 31st March 2018

(₹ In Lakhs)

Particulars		Note	Year ended 31st March 2018	Year ended 31st March 2017
I	**Revenue from operations**	24	5,045.78	2,813.91
II	**Other Income**	25	277.91	113.79
III	**Total Income (I + II)**		**5,323.69**	**2,927.70**
IV	**Expenses**			
	Cost of materials consumed	26	2,635.11	1,050.37
	Variation in inventories of finished goods & work-in-progress	27	(44.20)	75.46
	Employee benefits expenses	28	421.93	327.36
	Finance Cost		-	-
	Depreciation and amortization expense	6	119.23	131.88
	Export Product Registration/Commission	29	339.43	130.95
	Other expenses	30	1,136.55	1,257.68
	Total Expenses (IV)		**4,608.05**	**2,973.70**
			715.64	**(46.00)**
V	**Profit/ (loss) before tax**		715.64	(46.00)
	Less: Tax Expense:-	45		
	a) Current Tax (Net of MAT)		(33.48)	-
	b) Deferred Tax		(62.57)	42.36
	c) Tax Adjustments of Earlier years		-	-
	Profit/ (loss) for the year - (A)		**619.59**	**(3.64)**
	Total comprehensive income for the period (Net of Tax)		**66.81**	**235.49**
	EARNINGS PER EQUITY SHARE [Face Value ₹ 10]	34		
	Basic		4.68	(0.03)
	Diluted		4.40	(0.03)
	Significant Accounting Policies and Notes on Financial Statements	1 to 48		

As per our report of even date

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

Ajit M. Ghelani
Partner
M. No. 012576

Mumbai
Dated: 25th May 2018

For and on behalf of the Board of Directors

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(Managing Director)

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(Whole-time Director)

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Harshal Anant Patil
(Company Secretary)

Cash Flow Statement

for year ended 31st March 2018

(₹ In Lakhs)

Particulars	31st March 2018		31st March 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		715.64		(46.00)
Adjustments for:				
Depreciation and amortisation	119.23		131.88	
Interest income	(21.99)		(16.30)	
Dividend income	(35.83)		(22.04)	
(Profit)/Loss on sale of Investments	(94.66)		(1.95)	
Sundry Balances written back	-		(50.74)	
Provision for Gratuity & Leave Encashment	(1.33)		8.69	
Income from Trading in Securities	(11.49)		(2.56)	
Bad Debts / Provision for Doubtful Debts	(39.73)		(44.46)	
(Profit) / Loss from Investment in Partnership Firm	0.24		0.44	
Profit / (Loss) on assets sold/ discarded	(0.05)		-	
Net unrealised exchange (gain) / loss	(50.17)	(135.77)	59.94	62.90
Operating profit / (loss) before working capital changes		**579.86**		**16.90**
Changes in working capital:				
Operating Assets:				
Inventories	(20.12)		2.56	
Trade receivables	(520.35)		(101.45)	
Other current assets	(118.50)		(70.10)	
Long-term loans and advances	(264.73)		(22.47)	
Unadjusted Gain /Loss	-		-	
Other financial assets	(30.91)		-	
Operating Liabilities:				
Trade payables	202.74		250.97	
Borrowings	23.66		49.88	
Other Financial Liabilities	18.44		(14.53)	
Current Tax liabilities	-		-	
Other current liabilities	17.06		(50.32)	
Short Term Provision	6.45	**(686.26)**	(9.53)	**35.02**
Gross cash flow from / (used in) operating activities		**(106.40)**		**51.92**
Less : Direct Taxes (Paid) / Refunded		(1.86)		2.97
Net cash flow from / (used in) operating activities		**(108.26)**		**54.89**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(86.62)		(65.56)	
Proceeds (Net) from the sale of Current investments	(224.65)		115.15	
Proceeds (Net) from the sale of long-term investments:				
- Subsidiaries	-		-	
- Others	5.74		(97.78)	
Movement in other Bank balance	-		(78.97)	

Cash Flow Statement

for year ended 31st March 2018

(₹ In Lakhs)

Particulars	31st March 2018		31st March 2017	
Interest received	21.99		16.30	
Income from Futures & Options			2.56	
Dividend received	35.83		22.04	
		(247.71)		(86.25)
		(247.71)		(86.25)
Net cash flow from / (used in) investing activities (B)		**(247.71)**		**(86.25)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Shares issued	295.00			
Money received against warrants	236.00			
Dividends paid(Inclusive of tax on Dividend)	(4.08)		(4.03)	
Net cash flow from / (used in) financing activities (C)		**526.92**		**(4.03)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		170.96		(35.39)
Cash and cash equivalents at the beginning of the year		216.47		251.86
Cash and cash equivalents at the end of the year		**387.43**		**216.47**
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		0.76		0.24
(b) Balances with banks				
(i) In current accounts		296.11		121.59
(ii) In earmarked accounts		90.55		94.63
		387.43		**216.47**

As per our report of even date

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

Ajit M. Ghelani
Partner
M. No. 012576

Mumbai
Dated: 25th May 2018

For and on behalf of the Board of Directors

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole-time Director)

Ramesh Babulal Modi
(Independent Director)

Harshal Anant Patil
(Company Secretary)

Statement of Changes in Equity

for year ended 31st March 2018

(a) Equity Share Capital

(₹ In Lakhs)

As at 1st April 2016	Changes during the Year	As at 31st March 2017	Changes during the Year	As at 31st March 2018
1,323.18	-	1,323.18	50.00	1,373.18

(b) Statement of Changes in Other Equity

(₹ In Lakhs)

Particulars	Securities Premium account	General Reserve	Employee Stock Options	Other Equity	Other Reserves (Call on shares forfeited A/c)	Other Comprehensive Income	Surplus in the Statement of Profit and Loss	Total
Balance as on 1st April 2016	2,778.13	1,511.76	137.94	-	58.00	58.31	5,802.97	10,347.12
Profit/(Loss) for theYear	-	-	-	-	-	-	(3.64)	(3.64)
Change In Fair Value of Investments	-	-	-	-	-	235.49	-	235.49
Balance as on 31st March 2017	**2,778.13**	**1,511.76**	**137.94**	**-**	**58.00**	**293.80**	**5,799.33**	**10,578.96**
Profit/(Loss) for theYear							619.59	619.59
Change In Fair Value of Investments	-	-	-	-	-	66.81	-	66.81
Premium on issue of Shares during the year	245.00	-	-	-	-	-	-	245.00
Money Received Against Share Warrents	-	-	-	236.00	-	-	-	236.00
Balance as on 31st March 2018	**3,023.13**	**1,511.76**	**137.94**	**236.00**	**58.00**	**360.61**	**6,418.92**	**11,746.37**

As per our report of even date

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

Ajit M. Ghelani
Partner
M. No. 012576

Mumbai
Dated: 25th May 2018

For and on behalf of the Board of Directors

Mukund P. Mehta
(Managing Director)

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(Company Secretary)

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 1 - CORPORATE INFORMATION:

The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the company is located at C-301-2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane – 400705.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting dated 25th May 2018.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Financial Statements for all the periods upto and including the year ended 31st March 2016 were prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013 read together with the paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These Financial Statements for the year ended 31st March 2018 are the first financial statements of the Company prepared in accordance with Ind AS. Refer Note no. 47 for an explanation how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The Financial statements provide comparative information in respect of the previous year. In addition, the company presents Balance sheet as at the beginning of the previous year, which is the transition date of Ind AS.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes on Financial Statements and are applied consistently to all the periods presented.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES:

a) Functional and presentation of currency:

The financial statements are presented in Indian Rupees, which is the Company's functional currency and all amounts are rounded to the nearest rupees in lakhs.

b) Basis of measurement:

The Financial Statements have been prepared on historical cost basis, except the following:

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.
- Share Based Payments.

c) Use of Estimates:

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

d) Property, Plant and Equipment:

Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Notes to the Financial Statements

for year ended 31st March 2018

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Written down Value method to allocate their cost, net of their residual values, over their estimated useful lives as specified by Schedule II to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

e) Intangible assets:

Identifiable intangible assets are recognised when the Company controls the asset & it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the period on straight line basis. The assets useful life reviewed at each financial year end.

Amortisation methods and periods

Estimated useful lives of Intangible assets are considered as 5 years. Intangible assets are amortised over its useful life using the straight-line method. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

f) Impairment of Non – Financial Assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

g) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instruments are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

i) Initial recognition and measurement:

At initial recognition, the company measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

ii) Subsequent recognition and measurement:

Subsequent measurement of financial asset depends on the company's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:

- **Debt instrument at amortised cost:**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are

Notes to the Financial Statements

for year ended 31st March 2018

measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Debt instrument at fair value through other comprehensive income (FVOCI):**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in the statement of profit & loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Debt instrument at fair value through profit and loss (FVTPL):**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit & loss and presented net in the statement of profit & loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- **Equity instruments:**

  All equity instruments are initially measured at fair value. Any subsequent fair value gain / loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity investments are recognised in Other Comprehensive Income.

- **Investment in Subsidiary and Associates:**

  The company has accounted for its Investment in subsidiaries and associates at cost.

iii) Derecognition:

A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired, or

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

  a) The Company has transferred substantially all the risks and rewards of the assets,

  b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

  Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

iv) Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are

Notes to the Financial Statements

for year ended 31st March 2018

recognised initially at fair value and subsequently measured at fair value less provision for impairment.

Financial Liabilities:

i) Initial recognition and measurement:

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

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit & loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

iii) Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit & loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

iv) Trade and other payables:

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

v) Derecognition:

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

h) Impairment of Financial assets:

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

The Company follows 'simplified approach' for recognition of impairment loss allowance on

- Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not

Notes to the Financial Statements

for year ended 31st March 2018

increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

i) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and at bank, deposits with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k) Foreign currency transactions:

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non- monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non- monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the statement of profit & loss.

l) Classification of assets and liabilities as current and non-current:

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

m) Equity share capital:

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

n) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate

is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised when the right to receive the payment is established.

o) Employees benefits:

(i) Short-term Employee benefits:

All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, short term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognised during the period in which the employees renders related services.

(ii) Post-employment benefits

a. Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognised in the statement of profit & loss in the period in which the employee renders the related services.

b. Defined benefit plan

The Company has defined benefit plans comprising of gratuity. Company's obligation towards gratuity liability is Unfunded and Management has initiated a decision to be funded and managed by Life Insurance Corporation of India (LIC).

The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit & loss in subsequent periods.

The expected return on plan assets is the Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

(iii) Other long-term benefits

The Company has other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit & loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Option Plans by Kilitch Drugs India Limited.

Notes to the Financial Statements

for year ended 31st March 2018

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense, other than in respect of options granted to employees of group companies, is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The cost of options granted to employees of group companies is debited to the cost of the investment of the respective companies. At the end of each period, the company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit & loss / Investment, with a corresponding adjustment to other equity.

p) Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

q) Income Taxes:

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate.

Deferred Tax:

Deferred Tax is provided, using the Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

r) Provisions and contingencies:

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities' interest rate for the equivalent period. Unwinding of the discount is recognised in the

Notes to the Financial Statements

for year ended 31st March 2018

Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

s) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTE 4 - USE OF SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statements:

(a) Depreciation and useful lives of Property, Plant and Equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

(b) Recoverability of trade receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(c) Defined Benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(d) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(e) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. They are continuously evaluated.

Notes to the Financial Statements

for year ended 31st March 2018

(f) Fair Value measurement:

The Company measures financial instrument such as certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

NOTE 5 - STANDARDS ISSUED BUT NOT EFFECTIVE:

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

i) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

ii) Ind AS 40 - Investment Property (Not applicable to the company)

iii) Ind AS 12 - Income Taxes

iv) Ind AS 28 - Investments in Associates and Joint Ventures and

v) Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 6 - PROPERTY, PLANT & EQUIPMENTS

(₹ In Lakhs)

Particulars	Land	Rights on Lease Hold Land	Factory Building	Office premises	Plant & Machinery	Furniture & Equipment	Computer	Motor Car	Office Equipments	Air Conditioners	Electrical Installations	Laboratory Equipments	Mobile Phone	Computer software	Total
Gross Block															
As at 01/04/2016	29.88	96.78	261.02	133.24	1,305.93	66.42	42.19	106.60	15.48	28.22	26.01	180.41	6.10	13.17	2,311.46
Additions	-	-	-	-	53.30	0.37	0.57	6.86	0.19	-	-	2.08	2.00	0.20	65.56
Disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31/03/2017	29.88	96.78	261.02	133.24	1,359.23	66.79	42.76	113.46	15.67	28.22	26.01	182.49	8.10	13.37	2,377.01
Additions	-	-	-	-	51.47	18.80	-	-	3.36	-	1.20	10.70	0.11	1.03	86.67
Disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31/03/2018	**29.88**	**96.78**	**261.02**	**133.24**	**1,410.70**	**85.59**	**42.76**	**113.46**	**19.03**	**28.22**	**27.21**	**193.19**	**8.21**	**14.40**	**2,463.68**
Accumulated Depreciation															
As at 01/04/2016	-	-	234.08	67.17	789.25	49.78	36.90	79.09	13.18	20.13	18.20	154.39	4.86	10.36	1,477.40
Depreciation Charge for the year	-	-	5.96	3.20	92.35	4.46	1.36	9.45	0.88	1.62	2.19	8.56	0.84	1.02	131.88
As at 31/03/2017	-	-	240.04	70.37	881.60	54.24	38.26	88.54	14.07	21.75	20.39	162.94	5.70	11.39	1,609.29
Depreciation Charge for the year	-	-	4.64	3.05	84.35	6.61	1.71	7.12	1.68	1.18	1.67	5.15	1.40	0.66	119.23
As at 31/03/2018	-	-	244.67	73.42	965.95	60.85	39.97	95.66	15.75	22.93	22.06	168.10	7.10	12.05	1,728.51
Net Block															
As at 3/31/2018	**29.88**	**96.78**	**16.34**	**59.82**	**444.75**	**24.75**	**2.78**	**17.80**	**3.28**	**5.29**	**5.15**	**25.09**	**1.11**	**2.35**	**735.17**
As at 3/31/2017	29.88	96.78	20.98	62.87	477.63	12.55	4.49	24.92	1.60	6.47	5.62	19.55	2.40	1.99	767.73
As wat 3/31/2016	29.88	96.78	26.94	66.07	516.68	16.64	5.28	27.52	2.30	8.09	7.81	26.02	1.24	2.81	834.06

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 7 - INVESTMENTS

a] Non Current Investments

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Non- Trade			
A. Investments in Shares:			
i. Quoted Shares: (At Fair Value through Other Comprehensive Income)			
[Equity Shares of Face value ₹ 10/- each, fully paid-up, unless otherwise stated]			
15 (31st March 2017 : 15, 1st April 2016 : 15) - Bengal and Assam Co Ltd.	0.31	0.26	4.99
1,000 (31st March 2017 : 1000, 1st April 2016 : 1000) - Century Enka Ltd.	3.02	4.27	0.74
500 (31st March 2017 : 500, 1st April 2016 : 500) - Century Textiles & Ind Ltd.	5.73	5.27	2.28
200 (31st March 2017 : 200, 1st April 2016 :200) - Colgate Pamolive India Ltd.	2.12	2.00	0.95
720 (31st March 2017 : 720, 1st April 2016 : 720) - J K Laxmi Cement Ltd.	3.33	3.33	0.33
400 (31st March 2017 : 400, 1st April 2016 : 400) - Pfizer Ltd.	8.74	7.57	4.94
2,616 (31st March 2017 : 2616, 1st April 2016 : 2616) - Reliance Power Ltd.	0.95	1.26	7.36
Fair Value of Quoted Instruments (Total of A.i)	**24.19**	**23.95**	**21.58**
ii. Unquoted Shares:			
Investment in Indian Subsidary (At Cost)			
[Preference Shares of Face value ₹ 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	4,200.00
[Equity Shares of Face value ₹ 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	2.02
Investment in Foreign Subsidary			
14996 (P.Y. 3040) Kilitch Estro Biotech PLC. (W.e.f 11-09-15)	222.94	127.18	127.18
Others (At Fair Value through Other Comprehensive Income)			
7000 (P.Y. 7000) Novo Informatics Pvt Ltd	48.02	48.02	48.02
Estee Advisors Pvt. Ltd.	121.46	109.73	-
ASK IEP PMS	-	119.81	100.00
Edelweiss Securities Limited	6.30	-	
Pragya Securities Pvt Ltd			11.85
100000 (31st March 2017 : 100,000, 1st April 2016 : 100,0000) Preference Shares of ₹ 100 each fully paid TATA MOTORS FINANCE LIMITED	100.00	100.00	100.13
Book Value of Unquoted Instruments (Total of A.ii)	**4,700.74**	**4,706.76**	**4,589.19**
Total Investment in Shares (A.i + A. ii)	**4,724.93**	**4,730.71**	**4,610.77**
B. Investment in the Capital of Patnership Firm (LLP) (At Cost)			
ARHAM NEETA REALITIES LLP	**2,246.34**	**2,246.55**	**2,246.97**

Notes to the Financial Statements

for year ended 31st March 2018

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
C. Investments in Bonds:			
i. Quoted Bonds: (At Fair Value through Other Comprehensive Income)			
National Highways Authority of India	45.71	45.71	45.71
Housing And Urban Development Corporation Ltd	7.53	7.53	7.53
Total Investment in Bonds (B.i)	**53.24**	**53.24**	**53.24**
Aggregate Fair Value of All Non Current Investments (A+B+C)	**7,024.52**	**7,030.50**	**6,910.98**
b] Current Investments			
Investment in Units of Mutual Funds : (At fair value through Other Comprehensive income)			
Mutual Fund- Axis			
NIL (31st March 2017 : 1555.189, 1st April 2016 : 5188.74) Axis Liquid Fund Direct Growth	-	28.04	87.14
NIL(31st March 2017 : NIL,1st April 2016 :124131.082) Axis Equity Fund Direct Plan Growth	-	-	23.45
126,822.025 (31st March 2017: 126822.025, 1st April 2016 : NIL) Axis Equity Fund - Growth (EFGPG)	31.33	26.52	-
3,837.386 (31st March 2017: NIL, 1st April 2016 : NIL) Axis Liquid Fund Direct -DDR	38.41	-	-
NIL (31st March 2017: 134756.526, 1st April 2016 : NIL) Axis Focused 25 Fund Growth (AFGPG)	-	28.51	-
NIL (31st March 2017 : NIL, 1st April 2016 : 98386.462) Axis Mid Cap Fund Direct Growth	-	-	23.61
Mutual Fund- Edelwiss			
134,756.526 (31st March 2017: NIL, 1st April 2016 : NIL) Axis Focused 25 Fund Growth (Edelweiss Demat) (given as a collateral security)	33.86	-	-
Mutual Fund- Kotak			
188,476.52 (31st March 2017: 188476.52, 1st April 2016 : 317,255.52) Kotak Select Focus Fund Regular Plan Dividend - DP	42.76	41.24	56.86
201,130.9550 (31st March 2017: 201,130.9550, 1st April 2016 : 329,680.95) Mirae Asset India Opportunities Fund Regular Dividend Plan - DP	35.05	37.75	52.52
55,519.6340 (31st March 2017:55,519.63, 1st April 2016 : NIL) SBI Blue Chip Fund Regular Plan Dividend - DP	11.76	10.61	31.82
353,174.43 (31st March 2017: 353,174.43, 1st April 2016 :353,174.43) SBI Blue Chip Fund Regular Plan Growth	131.46	118.56	98.61
30810.4260 (31st March 2017: 30810.4260, 1st April 2016 :18,961.074) Franklin India Prima Fund-Growth	173.60	160.39	81.96
NIL (31st March 2017 : 110,000, 1st April 2016) Reliance Capital Builder Fund Series A Dividend - DP	-	16.87	12.36
1,935,021.96 (31st March 2017 : 1,935,021.96, 1st April 2016 : 1,935,021.96) HDFC Corporate Debt Opportunities Fund Regular Growth	278.85	262.39	237.46
1,124,095.2390 (31st March 2017 : 1,124,095.2390, 1st April 2016 : 1,124,095.2390) IDFC Banking Debt Fund Regular Plan Growth	165.84	156.59	146.20
262,631.94 (31st March 2017 : 262,631.94, 1st April 2016 :262,631.94) Reliance Regular Savings Fund Balanced Plan Growth Option	140.08	124.91	103.91

Notes to the Financial Statements

for year ended 31st March 2018

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
536,541.13 (31st March 2017 : 536,541.13, 1st April 2016 : 536,541.13) ICICI Prudential Income Opportunities Fund - Regular Plan - Growth	130.27	123.46	112.01
312,640.69 (31st March 2017 : 312,640.69, 1st April 2016 312,640.69) IDFC Dynamic Bond Fund Regular Plan Growth	64.53	63.03	55.74
131,245.65 (31st March 2017 : 131,245.65, 1st April 2016: 131,245.65) Kotak Bond Scheme Plan A Regular Plan Growth	62.42	60.75	55.18
277,200.28 (31st March 2017 : 277,200.28, 1st April 2016 : 277,200.28) Reliance Dynamic Bond Fund Growth Plan Growth Option	64.25	61.98	55.62
537,143.47 (31st March 2017 : 537,143.47, 1st April 2016 : 277,200.28) Sundaram Flexible Fund Flexible Income Plan Regular Growth	130.99	124.03	112.32
NIL (31st March 2017 : NIL, 1st April 2016 : 13,327.41) Biral Sunlife Infrustructure Fund Plan Growth Regular Plan	-	-	3.12
331,749.78 (31st March 2017 : 331,749.78, 1st April 2016 331,749.78) UTI Dynamic Bond Fund Growth	66.52	63.66	55.60
NIL (31st March 2017 : 300,000, 1st April 2016 : 300,000) Birla Sun Life Fixed Term Plan Corporate Bond Series A 1170 days Growth Regular	-	40.47	37.40
NIL (31st March 2017 : NIL, 1st April 2016 : 22,95,000) Edelweiss Arbitrage Fund Dividend - DR	-	-	237.07
796,480.8610 (31st March 2017 : 745,474.57, 1st April 2016 : 11,39,572.63) Reliance Arbitrage Advantage Fund Dividend Plan - DR	96.01	90.42	134.91
672.2406 (31st March 2017 : 250.132, 1st April 2016 : 663.29) Kotak Floater Short Term Growth	19.12	6.66	16.47
10,00,000 (31st March 2017 : 10,00,000, 1st April 2016 : 10,00,000) KOTAK FMP Series 183 1204 Days Reg. Growth	122.40	112.90	102.47
365,493.65 (31st March 2017 : 365,493.65, 1st April 2016 : 365,493.65) Kotak Select Focus Fund Regular Plan Growth	116.27	105.04	81.00
KOTAK SMALL AND MID CAP PMS	46.21	-	
258,732.21 (31st March 2017 : 258,732.21, 1st April 2016 258,732.21) Mirae Asset India Opportunities Fund Regular Growth Plan	115.93	103.21	80.43
306,901.1440 (31st March 2017: NIL , 1st April 2016 : NIL) Motilal Oswal MOSt Focused Multicap 35 Fund -Reg Gw	80.73	-	-
752,553.1140 (31st March 2017 : 518,081.028, 1st April 2016 : NIL) Birla Sun Life Medium Term Plan Growth	165.39	105.74	-
296,982.6560 (31st March 2017 : 296,982.6560, 1st April 2016 : NIL) ICICI Prud Regular Saving Fund Growth	55.16	51.59	-
500,000 (31st March 2017 : 500,000 , 1st April 2016 : NIL) ICICI Prud. Value Fund Series 9 Reg Plan Div Dp	51.75	54.15	-
380,124.07 (31st March 2017 : 380,124.07, 1st April 2016 : NIL) Kotak Medium Term Fund Regular Plan Growth	54.86	51.47	-
10,00,000 (31st March 2017 : 10,00,000, 1st April 2016 : NIL) HDFC FMP 1213 D MARCH 2017 1 SERIES 38 REG PLAN GRO	107.91	100.30	-
768,344.2180 (31st March 2017 : 768,344.22, 1st April 2016 : NIL) Reliance Corporate Bond Fund Growth	107.67	101.19	-
ICICI Prud. PMS Enterprising India Porfoilo II	67.84	-	-

Notes to the Financial Statements

for year ended 31st March 2018

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
NIL (31st March 2017 : NIL, 1st April 2016 : 83,267.6) Birla Sun Life Frontline Equity Fund Dividend - DP	-	-	19.65
NIL (31st March 2017 : NIL, 1st April 2016 : 4,324.64)Birla Sun Life Frontline Equity Fund - Growth	-	-	6.72
NIL (31st March 2017 : NIL, 1st April 2016 : 20,807.32)HDFC Infrastructure Fund - Growth Plan	-	-	2.89
NIL (31st March 2017: NIL, 1st April 2016 29,554.18) ICICI Prudential Liquid - Regular Plan - Growth	-	-	66.16
NIL (31st March 2017 : NIL, 1st April 1,767.72) ICICI Prudential Multicap Fund Growth	-	-	3.41
NIL (31st March 2017 : NIL, 1st April 2016 : 40,610.23)HDFC Equity Fund Dividend Plan - DP	-	-	17.47
NIL (31st March 2017: NIL, 1st April 2016 : 6,972.02)UTI EQUITY FUND (Formerly UTIMastergain Unit Scheme) GROWTH PLAN	-	-	6.74
[In Quoted Equity shares - under the Portfolio Management scheme]			
NIL (31st March 2017 : 220, 1st April 2016 : NIL) Crompton Greaves Ltd	-	14.23	-
NIL (31st March 2017 : 900, 1st April 2016 : 360) GRASIM INDUSTRIES LTD	-	9.44	13.83
NIL (31st March 2017 : 2450, 1St April 2016 : 4450) ICICI BANK LTD	-	6.79	10.53
NIL (31st March 2017 : 820, 1st April 2016 : 820) LARSEN & TOUBRO LTD	-	12.94	9.97
NIL (31st March 2017 : 140, 1st April 2016 :290) MARUTI SUZUKI INDIA LTD	-	8.43	10.79
NIL (31st March 2017 : 550, 1St April 2016 : NIL) HDFC Ltd.	-	3.28	-
NIL (31st March 2017 : NIL, 1st April 2016 : 320) Hero Motor cup	-	-	9.42
NIL (31st March 2017 : NIL, 1st April 2016 :7800)IDFC BANK LTD	-	-	3.76
NIL (31st March 2017 : NIL, 1st April 2016 : 7800)I D F C LTD	-	-	3.15
NIL (31st March 2017 : NIL, 1st April 2016 : 1780)OIL INDIA LTD	-	-	5.58
NIL (31st March 2017 : NIL, 1st April 2016 :380)TATA CONSULTANCY SERVICES LTD	-	-	9.56
NIL (31st March 2017 : NIL, 1st April 2016 :360)UNITED SPIRITS LTD	-	-	9.00
Mutual Fund- SPA Capital			
130,116.845 (31st March 2017 : NIL, 1st April 2016 : NIL) Franklin India Income Opportunities Fund (SPA)	26.87	-	-
5,269.059 (31st March 2017 : NIL, 1st April 2016 : NIL) HDFC Prudence Fund (SPA)	25.56	-	-
24,717.259 (31st March 2017 : NIL, 1st April 2016 : NIL) UTI MID CAP FUND GROWTH (SPA)	26.63	-	-
UTI Structured Debt Opportunities Fund I (SPA)	25.53		
Mutual Fund - IIFL			
NIL (31st March 2017 : 15207.3860, 1st April 2016 : NIL) Birla Sun Life India Reforms Fund Growth	-	29.37	-
NIL (31st March 2017 : NIL, 1st April 2016 : 174,825.175) Birla Sun Life India Reforms Fund Growth	-	-	23.04

Notes to the Financial Statements

for year ended 31st March 2018

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
NIL (31st March 2017 : 83,175.5010, 1st April 2016 :83,175.50) Franklin India High Growth Com. Fund Growth	-	28.78	22.92
41,993.5270 (31st March 2017 : NIL, 1st April 2016 : NIL) Birla Sun Life Cash Plus Daily Div.Reg Reinv (IIFL)	42.11	-	-
NIL (31st March 2017 : 32,121.8440, 1st April 2016 : 32,121.844) UTI Mid Cap Fund Growth Plan	-	30.60	24.29
NIL (31st March 2017 : 76208.360, 1st April 2016 : NIL) SBI Blue Chip Fund - Growth (IIFL)	-	25.58	-
IIFL Focused Equity Strategies Fund (Capmetrics)	34.78	-	-
IIFL Focused Equity Strategies Fund (Trivantage)	38.64	-	-
NIL (31st March 2017 : NIL, 1st April 2016 : 100,628.47)Reliance Top 200 Retail Growth	-	-	22.34
Market Value of Quoted Investments	**3,029.34**	**2,601.87**	**2,396.46**
Aggregate Fair Value of All Current Investments	**3,029.34**	**2,601.87**	**2,396.46**

NOTE 8 - LOANS AND ADVANCES

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Deposits	6.99	6.84	9.29
(b) Advance to Related parties	337.25	86.12	52.04
(b) Advances to parties	-	-	-
(c) Other Advances	14.55	1.10	10.26
	358.79	**94.06**	**71.59**

NOTE 9 - OTHER FINANCIAL ASSETS

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Fixed Deposits with Bank (more than 12 months)	78.97	78.97	-
	78.97	**78.97**	**-**

NOTE 10 - DEFERRED TAX ASSET

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
At the Start of the year	217.37	175.01	
Charges/(credit) to profit and loss	(62.57)	42.36	
At the end of the year	**154.79**	**217.37**	**175.01**
Deferred tax Asset			
Related to Property, Plant and Equipment	25.28	23.61	20.42
Provision for Gratuity/Leave Encashment	11.61	12.51	10.67
Provision for Doubtful Debtors	117.89	181.24	143.93
Total	**154.79**	**217.37**	**175.01**

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 11 - INVENTORIES

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
[As taken, valued and certified by the Management]			
a. Raw Materials and components	182.28	206.35	133.46
b. Work-in-progress	42.66	10.78	33.41
c. Finished goods	54.70	42.38	95.21
Total	**279.64**	**259.52**	**262.08**

NOTE 12 - TRADE RECEIVABLES

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
[UNSECURED, considered good unless otherwise stated]			
Receivables outstanding for a period exceeding six months from the due date			
Considered Good	2,072.01	1,461.71	67.37
Considered Doubtful	381.53	421.25	465.71
Less: Provision for doubtful debts	(381.53)	(421.25)	(465.71)
	2,072.01	**1,461.71**	**67.37**
Other Receivables	-	-	1,308.39
	-	**-**	**1,308.39**
Total	**2,072.01**	**1,461.71**	**1,375.76**

Trade Receivable stated above include debts due by:

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Due by Pvt Ltd co in which Directors are members			
Subsidiary - KILITCH ESTRO BIOTECH PLC	2.23	1.16	1.16
Total	**2.23**	**1.16**	**1.16**

NOTE 13 - CASH AND BANK BALANCES

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a. Cash on hand	0.76	0.24	1.06
b. Balances with banks	386.67	216.22	250.80
	387.43	**216.47**	**251.86**
Bank Balances include:			
Earmarked Balances (eg/- unpaid dividend accounts)	90.55	94.63	98.66
Margin money	1.34	1.34	1.34

NOTE 14 - OTHER FINANCIAL ASSETS

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Accured Interest/Dividend Receivable	30.91	-	-
	30.91	**-**	**-**

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 15 - OTHER CURRENT ASSETS

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances with Government Authorities	379.89	220.04	155.91
Advance to Suppliers	-	46.02	38.62
Prepaid Expenses	4.75	0.10	1.52
	384.64	**266.15**	**196.05**

NOTE 16 - SHARE CAPITAL

Share Capital	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number	Amount [₹]	Number	Amount [₹]	Number	Amount [₹]
Authorised						
20,00,0000 (31st March 2017 : 200,00,000, 1st April 2016 : 200,00,000) Equity Shares of ₹ 10 each	20,000,000	200,000,000	20,000,000	200,000,000	20,000,000	200,000,000
Issued, Subscribed & Paid up						
1,37,31,828 (31st March 2017 : 1,32,31,828 , 1st April 2016 : 1,32,31,828) Equity Shares of ₹ 10 each fully paid up	137.32	1,373.18	132.32	1,323.18	132.32	1,323.18
Total	**137.32**	**1,373.18**	**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	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number	Amount [₹]	Number	Amount [₹]	Number	Amount [₹]
Equity Shares outstanding at the beginning of the year	132.32	1,323.18	132.32	1,323.18	132.32	1,323.18
Add : Preferencial allotment during the year	5.00	50.00	-	-	-	-
Equity Shares bought back during the year	-	-	-	-	-	-
Equity Shares outstanding at the end of the year	**137.32**	**1,373.18**	**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	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Paresh P. Mehta	-	-	-	-	956,785	7.23
Mukund P. Mehta	1,566,763	11.41	1,506,763	11.39	549,978	4.16
Kilitch Company Pharma Limited	6,629,342	48.27	6,629,342	50.10	6,629,342	50.10

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

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 17 - OTHER EQUITY

(₹ In Lakhs)

Particulars		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a.	Securities Premium Account	3,023.13	2,778.13	2,778.13
b.	General Reserve	1,511.76	1,511.76	1,511.76
c.	Employee Stock Options	137.94	137.94	137.94
d.	Other Equity (Money received against Share Warrants)	236.00	-	-
d.	Other Reserves (Call on shares forfeited A/c)	58.00	58.00	58.00
e.	Surplus in the Statement of Profit and Loss			
	As per last Balance Sheet	5,799.33	5,802.97	6,188.52
	(+) Net Profit For the current year	619.59	(3.64)	(385.55)
		6,418.92	**5,799.33**	**5,802.97**
f.	Other Comprehensive Income			
	As per last Balance Sheet	293.80	58.31	-
	(+/-) Change in Fair value of Investments at FVOCI	66.81	235.49	58.31
	At the end of the Year	**360.61**	**293.80**	**58.31**
Total		**11,746.37**	**10,578.96**	**10,347.12**

NOTE 18 - BORROWINGS

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Bank Overdraft (Kotak Bank)	82.47	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	**82.47**	**58.80**	**8.92**

NOTE 19 - TRADE PAYABLES

(₹ In Lakhs)

Particulars		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
i)	Micro & Small Enterprises	-	-	-
ii)	Others	765.92	563.18	362.95
Total		**765.92**	**563.18**	**362.95**

NOTE 20 - OTHER FINANCIAL LIABILITIES

(₹ In Lakhs)

Particulars		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a)	Unpaid dividends	90.55	94.63	98.66
(c)	Provision for Expenses	28.77	10.33	24.86
Total		**119.32**	**104.96**	**123.52**

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 21 - PROVISIONS

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for employee benefits:			
Salary & Reimbursements	43.47	35.46	42.23
Gratuity	35.72	37.14	32.39
Leave Encashment	1.87	3.34	2.17
Total	**81.06**	**75.94**	**76.78**

NOTE 22 - CURRENT TAX LIABILITIES

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Taxation (Net of Taxes paid)	196.56	135.07	26.79
Total	**196.56**	**135.07**	**26.79**

NOTE 23 - OTHER CURRENT LIABILITIES

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Statutory dues	19.86	4.44	5.09
Book Overdraft	-	-	56.98
Others	151.46	149.82	142.51
Total	**171.32**	**154.26**	**204.59**

NOTE 24 - REVENUE FROM OPERATIONS

(₹ In Lakhs)

Particulars	2017-18	2016-17
Sale of products/services:		
Local sales	299.55	110.17
OMS	343.67	242.65
Export Sales	4,351.32	2,367.39
[incl. to subsidiary - Kilitch Estro Biotech PLC]		
Other operating revenues	69.11	97.87
(Less) Sales Return	(17.87)	(4.16)
Total	**5,045.78**	**2,813.91**

NOTE 25 - OTHER INCOME

(₹ In Lakhs)

Particulars	2017-18	2016-17
Interest Income	21.99	16.30
Dividend Income	35.83	22.04
Foreign Exchange Gain :		
Realised	26.29	15.90
Unrealised	50.17	-
Profit from Trading in Securities	11.49	2.56
Profit on Sale of Investments	94.66	1.95
Profit on Sale of Asset	0.05	
Bad Debts Recover	33.70	4.30
Sundry balances written back	-	50.74
Misc. Income	3.74	0
Total	**277.91**	**113.79**

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 26 - COST OF MATERIALS CONSUMED

(₹ In Lakhs)

Particulars	2017-18	2016-17
Opening Stock	206.35	133.46
Purchases	2,611.04	1,123.26
Less: Closing Stock	182.28	206.35
Total	**2,635.11**	**1,050.37**

NOTE 27 - VARIATION IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ In Lakhs)

Particulars	2017-18	2016-17
Opening Stock :		
Work-in-Process	10.78	33.41
Finished Goods	42.38	95.21
	53.16	**128.62**
Closing Stock :		
Work-in-Process	42.66	10.78
Finished Goods	54.70	42.38
	97.36	**53.16**
Total	**(44.20)**	**75.46**

NOTE 28 - EMPLOYEE BENEFITS EXPENSES

(₹ In Lakhs)

Particulars	2017-18	2016-17
(a) Salaries and incentives	393.01	292.71
(b) Contributions to Provident fund	13.37	12.03
(c) Gratuity fund contributions & Leave Encashment	(1.33)	8.69
(d) Staff welfare expenses	16.87	13.94
Total	**421.93**	**327.36**

NOTE 29 - EXPORT PRODUCT REGISTRATION/COMMISSION

(₹ In Lakhs)

Particulars	2017-18	2016-17
Export Product Registration Expenses		
Export product registration	42.09	42.63
Export Expenses	3.30	1.62
Export Commision Expenses	294.04	86.70
Total	**339.43**	**130.95**

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 30 - OTHER EXPENSES

(₹ In Lakhs)

Particulars	2017-18	2016-17
Consumption of stores and spare parts.	29.18	31.65
Labour Charges	112.97	145.11
Power and Fuel	109.45	104.72
Water Charges	4.83	3.83
Foreign Exchange Loss - Unrealised	-	59.94
Bank & Other Charges	41.01	15.38
Repairs to Buildings	7.41	35.07
Repairs - Others	68.19	47.57
Insurance	5.52	7.35
Rent, Rates and Taxes	7.27	13.53
Auditors Remuneration	7.50	7.50
Miscellaneous expenses	70.22	51.53
Donation	0.03	-
Directors' Sitting Fees	0.98	0.11
Foreign Travelling Expenses	104.84	60.62
Printing & Stationery	6.25	5.09
Professional charges	35.67	39.56
Communication Expenses	14.67	15.25
Vehicle Expenses	5.96	7.36
Travelling Expenses:		
Directors	4.05	2.95
Others	15.49	10.12
Factory	10.30	10.44
Export Freight Expenses	71.21	99.20
Business Promotion Expenses	39.05	82.40
Advertising / Sales Commission Expenses	2.94	0.62
Discount Allowed [Sales]	4.96	139.74
Clearing & Forwarding Expenses	29.70	52.68
Calibration/validation Charges	1.49	1.82
Loss from Trading in Securities	-	-
Bad Debts/Balances written off	285.84	239.74
Loss on sale of Investments	-	-
Rate Difference Adjustment	-	10.36
Prior Period Expenses	-	0.46
Share of Loss from Partnership Firm	0.24	0.44
Freight Gst	70.39	-
Provision for Doubtful Debts	(39.73)	(44.46)
Office expenses	8.66	
Total	**1,136.55**	**1,257.68**

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 31 - DISCLOSURE AS PER IND AS – 19 "EMPLOYEE BENEFITS".

(A) Expenses recognised for Defined Contribution Plan :

Employer's Contribution to Provident and Pension Fund ₹ 6.99 Lakhs (PY ₹ 6.86 Lakhs).

Employer's Contribution to ESIC ₹ 3.78 Lakhs (PY ₹ 2.54 Lakhs)

The Company makes contributions towards provident fund and pension fund for qualifying employees to the Regional Provident Fund Commissioner.

(B) Expenses recognised 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.

i) Change in Defined Benefit Obligation during the year(to be updated from here)

(₹ in Lakhs)

Particulars	2017-18	2016-17
	Gratuity	Gratuity
Present value of the obligation at the beginning of the year	37.14	32.39
Current Service Cost	4.13	3.67
Interest Cost	2.79	2.59
Actuarial (Gain) / Loss on Obligation	(7.37)	0.38
Benefits Paid	(0.97)	(1.90)
Present value of the obligation at the end of the year	35.72	37.14

ii) Change in Fair Value of Assets and Obligations

The Company has taken a decision to contribute to a fund managed by LIC as required by Law against its liabilities. Accordingly The Company has contributed an amount of ₹ 1 Lakhs on 31st March 2018.The remaining liability as derived by LIC towards the premium amount of ₹ 21,33,499 to be contributed in 20 equal quarterly instalments over the next 5 years.

iii) Amount to be recognized in Balance sheet

(₹ in Lakhs)

Particulars	2017-18	2016-17
	Gratuity	Gratuity
Present Value of Defined Benefit Obligation	35.71	37.14
Fair value of Plan Assets at the end of the year	-	-
Amount to be recognized in Balance sheet	35.71	37.14

iv) Current/Non-Current bifurcation

(₹ in Lakhs)

Particulars	2017-18	2016-17
	Gratuity	Gratuity
Current Benefit Obligation	10.80	10.46
Non - Current Benefit Obligation	24.92	26.67

Notes to the Financial Statements

for year ended 31st March 2018

v) Expense recognised in the statement of financial position for the year

(₹ in Lakhs)

Particulars	2017-18	2016-17
	Gratuity	Gratuity
Current Service Cost	4.13	3.67
Interest cost on Obligation	2.79	2.59
Net Actuarial (Gain) / Loss recognised in the year	(7.37)	0.38
Net Cost Included in Personnel Expenses	(0.46)	6.66

vi) Maturity profile of defined benefit obligation

(₹ in Lakhs)

Particulars	2017-18	2016-17
Within the next 12 months	10.44	10.04
between 2 to 5 Years	6.83	3.27
between 6 to 10 Years	105.32	61.62

vii) Actuarial Assumptions used for estimating defined benefit obligations

Particulars	2017-18	2016-17
Discount Rate	7.50% P.A.	7.50% P.A.
Salary Escalation Rate	6.50% P.A.	6.00% P.A.
Expected Return on Plan Assets	-	-
Mortality Rate	IALM (2006-08)	IALM (2006-08)
Withdrawal Rate	1.00%	1.00%
The Weighted Average Duration of the Plan	14 years	13 years
No. of Employees	33	76
Average Age	43	39
Total Salary (₹ in Lakhs)	95.04	82.89
Average Salary (₹ in Lakhs)	7.92	6.91
Average Service	12.21 Years	6.45 Years
Accrued Benefit	39.08	44.93
Actuarial Liability	35.72	37.14

Notes:

1. Salary escalation rate is arrived after taking into account regular increments, price inflation and promotion and other relevant factors such as supply and demand in employment market.

2. Discount rate is based on prevailing market yields of Indian Government Securities as at balance sheet date for estimated term of obligations.

3. Attrition rate/ withdrawal rate is based on Company's policy towards retention of employees, historical data and industry outlook.

4. The above information is certified by actuary.

Notes to the Financial Statements
for year ended 31st March 2018

viii) Sensitivity analysis:

Increase/ (decrease) on present value of defined benefits obligations at the end of the year:

(₹ in Lakhs)

Particulars	Change in assumption	Effect on Gratuity obligation	
		2017-18	2016-17
Discount rate	+1%	32.82	32.90
	-1%	39.08	42.11
Salary Escalation rate	+1%	39.08	42.14
	-1%	32.77	32.81

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

C) Unfunded Schemes – Earned Leaves

(₹ in Lakhs)

Particulars	2017-18	2016-17
Present value of unfunded obligations	1.80	3.34
Expenses recognised in the statement of profit and loss	(0.87)	2.03
In Other comprehensive income		
Actuarial (Gain) / Loss - Plan liabilities	-	-
Actuarial (Gain) / Loss - Return On Plan Assets	-	-
Net (Income)/ Expense For the period Recognized in OCI	-	-
Discount rate (per annum)	7.50%	7.75%
Salary escalation rate (per annum)	6.50%	6.00%

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 32 - SEGMENT REPORTING

The Company is mainly engaged in the development and operations of Pharmaceutical business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 - Operating Segments.

Managing Director (the 'Chief Operational Decision Maker' as defined in Ind AS 108) monitors the operating results of the company's business for the purpose of making decisions about resource allocation and performance assessment.

NOTE 33 - RELATED PARTY DISCLOSURES

In view of the Ind As 24 "Related Parties Disclosures", the disclosure in respect of related party transactions for the year ended on 31st March 2017 is as under:

a) RELATIONSHIPS

Category I : Subsidiaries of the Company

Indian Subsidiary – Monarchy Healthserve Private Limited

Foreign Subsidiary – Kilitch Estro Biotech PLC

Category II : Key Managerial Personnel

Key Person	Designation
Mukund Prataprai Mehta	Chairman & Managing Director
Bhavin Mukund Mehta	Whole-time Director
Mira Bhavin Mehta	Whole-time Director

Category III : Enterprises over which Key Managerial Personnel are able to exercise significant control

NBZ Healthcare LLP.

Arham Neeta Realties LLP

Kilitch Pharma (Co.) Ltd.

b) Transactions during the year:

(₹ in Lakhs)

Sr. No.	Transactions	Category I	Category II	Category III
1	Purchases	-	-	11.5
				(Nil)
2	Sales	1.03	-	7.02
		(0.88)		(13.94)
3	Director's Remuneration and Sitting Fees	-	148.00	-
			(57.31)	
4	Expenses incurred by KDL	1.32	-	-
		(1.60)	(51.69)	
5	Advance/Loan Given to Parties	246.01	-	62.88
		(34.64)		(39.97)
6	Advance Returned By Parties	-	-	29.88
				(32.30)
7	Reimbursement of Expenses (Net)	-	155.08	-
			(22.76)	
8	Issue of Shares and Warrants	-	531.00	-
			(Nil)	
9	Interest accrued on Loan	4.06	-	-
		(Nil)		

Notes to the Financial Statements

for year ended 31st March 2018

c) The following balances were due from / to the related parties as on 31-03-2018

(₹ in Lakhs)

Sr. No.	Transactions	Category I	Category II	Category III
1	Advances Given	337.25	Nil	33.9
		(86.12)	(-9.70)	(24.1)
2	Trade Receivables	2.23	-	-
		(1.16)		(42.36)

Note : Figures in brackets indicates previous year figure.

1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. These balances are unsecured and their settlement occurs through banking channel.

Compensation of key management personnel:

The remuneration of director and other member of key management personnel during the year was as follows:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Short-term benefits	148.00	48.00
Other long-term benefits	-	-

NOTE 34 - EARNING PER SHARE (EPS)

(₹)

Basic as well as Diluted EPS	2017-18	2016-17
Net Profit after Tax (₹ in Lakhs)	61958703	(364000)
Weighted Average No. of Equity Shares for Basic EPS	13236110	132318000
Weighted Average No. of Equity Shares for Diluted EPS	14082137	132318000
Nominal Value of Equity Shares (₹)	10	10
Basic Earnings Per Share (₹)	4.68	(0.03)
Diluted Earnings Per Share (₹)	4.40	(0.03)

NOTE 35 - CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

a. Disputed Statutory Dues in respect of Income Tax aggregating to ₹ 50,365,650/- (PY ₹ 50,365,650/-) pertaining to A.Y. 2008-09 have not yet been deposited as the aforesaid matter in pending before CIT (Appeals). The impact thereof, if any, on the tax position can be ascertained only after the disposal of the appeals. Accordingly, the accounting entries arising there from will be passed in the year of the disposal of the said appeals.

b. Demand notices received on account of Property Tax pertaining to FY 2018-19 is aggregating ₹ 45,73,288/- (PY Nil) are disputed by the Company. The Company has filed a suit and the matter is pending the Supreme Court and Company has not yet deposited any amount in this regard.

c. Demand notices received on account of principal amount of CESS during FY 2017-18 pertaining to FY 1999-2000 and FY 2000-2001 is aggregating ₹22,84,832/- (PY Nil) are disputed by the Company. The Company has filed a suit and the matter is pending the Supreme Court and Company has not yet deposited any amount in this regard.

d. A suit was filed against the Company at District and Sessions Court, Sirmaur, Himachal Pradesh in relation to a withholding of payment for delay in delivering service by a contractor amounting ₹11,99,175.47 (PY Nil).

e. The above litigations are not expected to have any material adverse effect on the financial position of the company.

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 36 - THE AUDITORS' REMUNERATION INCLUDES:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Audit fees	7.5	7.5
Total	**7.5**	**7.5**

NOTE 37 - LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARIES AND ASSOCIATES:

(₹ in Lakhs)

Sr. No.	Particulars	Relationship	As at 31st March 2018	Maximum balance during the year	As at 31st March 2017	Maximum balance during the year
1	Monarchy Healthserve Private Limited	Subsidiary	106.08	106.08	76.90	76.90
2	Kilitch Estro Biotech PLC	Subsidiary	231.17	231.17	-	-

NOTE 38 - The Company's Board, out of abundant caution and as a prudent practice in line with the standard accounting practices has not made any impairment provision against its investments for the financial year 2017-18.

NOTE 39 - The balances in respect of Trade Receivables & Payables, loans and advances, as appearing in the books of accounts are subject to confirmations by the respective parties and adjustments/reconciliation arising there from, if any.

NOTE 40 - The Company is a partner in a partnership firm M/s. Arham Neeta Realties LLP. The accounts of the partnership firm have been finalized up to the financial year 2017-18. The details of the Capital Accounts of the Partners as per the latest Financial Statements of the firm are as under:

(₹ in Lakhs)

Sr. No.	Name of the Partners	Profit Sharing Ratio	Total Capital on 31st March 2018	Total Capital on 31st March 2017
1	Kilitch Drugs (India) Limited	65%	2246.34	2246.55
2	Mukund Mehta	15%	(2.07)	(2.02)
3	Bhavin Mehta	15%	(2.07)	(2.02)
4	Mira Mehta	2.5%	(1.95)	(1.94)
5	Neeta Mehta	2.5%	(1.95)	(1.94)

The Company has accounted for its share of loss amounting to ₹ 23,550 (P.Y.₹ 44,428) pertaining to the financial year 2017-18.

NOTE 41 - EVENT AFTER REPORTING DATE:

The Board of Directors have recommended dividend of ₹ 0.5 per fully paid up equity share of ₹ 10 /- each, aggregating ₹ 82.78 lakhs, including ₹ 11.12 lakhs dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on March 31, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

NOTE 42 - CORPORATE SOCIAL RESPONSIBILITY:

The company is not required to spend any amount pertaining to to CSR as per Section 135 of the Companies Act, 2013 read with Schedule VII due to incurring losses during previous Financial Years.

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 43 - FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are reognised in the financial statements.

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at fair value through Other Comprehensive Income						
Investments						
- in Equity shares	4,724.93	4,724.93	4,730.71	4,730.71	4,610.77	4,610.77
- in Bonds	53.24	53.24	53.24	53.24	53.24	53.24
- in Mutual Funds	3,029.34	3,029.34	2,601.87	2,601.87	2,396.46	2,396.46
Financial assets designated at amortised cost						
Investments						
- Capital Investment in Partnership Firm	2,246.34	2,246.34	2,246.55	2,246.55	2,246.97	2,246.97
Trade Receivables	2,072.01	2,072.01	1,461.71	1,461.71	1,375.76	1,375.76
Cash and Cash Equivalents	387.43	387.43	216.47	216.47	251.86	251.86
Loans and Advances	358.79	358.79	94.06	94.06	71.59	71.59
Other financial assets	78.97	78.97	78.97	78.97	-	-
Total	**12,951.07**	**12,951.07**	**11,483.57**	**11,483.57**	**11,006.65**	**11,006.65**
Financial liabilities designated at amortised cost						
Borrowings - Fixed rate	82.47	82.47	58.80	58.80	8.92	8.92
Trade payables and others	765.92	765.92	563.18	563.18	362.95	362.95
Other financial liabilities	119.32	119.32	104.96	104.96	123.52	123.52
Total	**967.71**	**967.71**	**726.94**	**726.94**	**495.39**	**495.39**

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The following methods and assumptions were used to estimate the fair values

1 Fair value of the Equity Sahres are based on price quoted on stock exchange.

2 Fair value of investment in unquoted equity shares are considered same as carrying value as the same are recently acquired.

3 Fair value of Financial Assets & Financial Liability(except which are show at their fair value) are carried at amortised cost is not materially different from it's carrying cost.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Notes to the Financial Statements

for year ended 31st March 2018

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Particulars	As at 31st March 2018			As at 31st March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets /Liabilities measured at fair value						
Investments						
- in Equity shares	4,724.93	-	-	4,730.71	-	-
- in Bonds	53.24	-	-	53.24	-	-
- in Mutual Funds	3,029.34	-	-	2,601.87	-	-

Particulars	As at 1st April 2016		
	Level 1	Level 2	Level 3
Investments			
- in Equity shares	4,610.77	-	-
- in Bonds	53.24	-	-
- in Mutual Funds	2,396.46	-	-

NOTE 44 - FINANCIAL RISK MANAGEMENT:

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

- **Market risk:**

  Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

  Foreign currency risk

  Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

  The Company is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency. The Company generally transacts in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency.

  The Company is exposed to insignificant foreign exchange risk as at the respective reporting dates.

  Interest rate risk

  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

  The Company is not exposed to interest rate risk as the Company has fixed rate of borrowings as at the respective reporting dates.

  Commodity and Other price risk

  The Company is not exposed to the comodity and other price risk.

- **Credit Risk**

  Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments.

Notes to the Financial Statements

for year ended 31st March 2018

Trade and other recivables:

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Company continues regular followup , engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings.

The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast specturm and hence, the concentration of risk with respect to trade receivables is low. The Company also takes security deposits, advances , post dated cheques etc from its customers, which mitigate the credit risk to an extent."

Cash and cash equivalents an other investments

The Company is exposed to counter party risk relating to medium term deposits with banks and investment in mutual funds.

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. "

Exposure to credit risk

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at 31st March2017 and 31st March 2018 is as follows:

	As at 31st March 2018	As at 31st March 2017
Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):		
Other Investments	-	-
Cash and cash equivalents	387.43	216.47
Loans	358.79	94.06
Other financial assets	78.97	78.97
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	2,072.01	1,461.71

Life time Expected credit loss for Trade receivables under simplified approach

Aging of Trade Receivables	Past Due						Total
	0-120 days	120-150 days	150 - 180 days	180 - 365 days	365 - 730 days	Greater than 730	
As at 31st March 2018							
Gross Carrying Amount	1,352.73	62.32	46.78	110.82	294.32	586.57	2,453.55
Expected credit losses (Loss allowance provision)	-	(1.25)	(2.34)	(11.08)	(73.58)	(293.29)	(381.53)
Net Carrying Amount	1,352.73	61.08	44.44	99.74	220.74	293.29	2,072.01
As at 31st March 2017							
Gross Carrying Amount	406.29	10.81	175.04	415.45	267.76	607.61	1,882.96
Expected credit losses (Loss allowance provision)	-	(0.22)	(8.75)	(41.55)	(66.95)	(303.79)	(421.25)
Net Carrying Amount	406.29	10.59	166.29	373.91	200.81	303.83	1,461.71
As at 1st April 2016							
Gross Carrying Amount	250.42	50.09	106.61	288.31	569.89	576.17	1,841.47
Expected credit losses (Loss allowance provision)	-	(1.00)	(5.33)	(28.83)	(142.47)	(288.08)	(465.71)
Net Carrying Amount	250.42	49.09	101.28	259.48	427.42	288.08	1,375.76

Notes to the Financial Statements

for year ended 31st March 2018

Reconciliation of Changes in the life time expected credit loss allowance:	2017-18	2016-17
Loss allowance on 1 April	421.25	465.71
Provided during the year	-	-
Reversal of provision	(39.72)	(44.46)
Loss allowance on 31st March	381.53	421.25

Cash and Cash equivalent, other Investment, Loans an other financial assets are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels and also cash deposits with banks to mitigate the risk of default in repayments. In the event of any failure to meet these covenants , these loans become callable to the extent of failture at the option of lenders, except where exemption is provided by lender.

Particulars	As at 31st March 2018					
	Carrying Amount	On Demand	Less than 12 months	2- 5 years	>5 years	Total
Borrowings	82.47	82.47	-	-	-	82.47
Other Financial Liabilities	119.32	119.32	-	-	-	119.32
Trade and other payables	765.92	765.92	-	-	-	765.92

Particulars	As at 31st March 2017					
	Carrying Amount	On Demand	Less than 12 months	2- 5 years	>5 years	Total
Borrowings	58.80	58.80	-	-	-	58.80
Other Financial Liabilities	104.96	104.96	-	-	-	104.96
Trade and other payables	563.18	563.18	-	-	-	563.18

Particulars	As at 1st April 2016					
	Carrying Amount	On Demand	Less than 12 months	2- 5 years	>5 years	Total
Borrowings	8.92	8.92	-	-	-	8.92
Other Financial Liabilities	123.52	98.66	-	-	-	98.66
Trade and other payables	362.95	362.95	-	-	-	362.95

Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2018 and March 31, 2017.

Notes to the Financial Statements
for year ended 31st March 2018

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

Pariculars	As at 31st March 2018	As at 31st March 2017
Loans and Borrowings	82.47	58.80
Less: Cash and cash equivalents + Bank Deposits	418.34	216.47
Net Debt	(335.87)	(157.66)
Total Capital	13,120	11,902
Capital+Net Debt	12,784	11,744
Gearing Ratio	0%	0%

NOTE 45 - TAXATION

Income tax related to items charged or credited to profit or loss during the year:

A Statement of Profit or Loss

(Amount in ₹)

Pariculars	2017-18	2016-17
1 Current Income Tax (Net of MAT Credit)	33.48	-
	33.48	-
2 Deferred Tax expenses/ (benefits):		
Relating to origination and reversal of temporary differences	62.57	(42.36)
	62.57	**(42.36)**
Total Income tax Expenses (1 to 2)	**96.05**	**(42.36)**

B Reconciliation of Current Tax expenses:

(Amount in ₹)

Pariculars	2017-18	2016-17
Profit /(Loss) from Continuing operations	715.64	(46.00)
Applicable Tax Rate	30.00%	30.00%
Computed tax expenses	214.69	-
Income not allowed/exempt for tax purposes	(25.77)	-
Expenses not allowed for tax purposes	(65.45)	-
Other temporary allowances	(152.15)	-
Tax paid at lower rate	15.64	-
Additional Tax payable due to MAT provisions	46.52	-
	33.48	**-**

Notes to the Financial Statements

for year ended 31st March 2018

C Deferred Tax Recognised in statement of profit and Loss relates to the following:

(Amount in ₹)

Pariculars	2017-18	2016-17
Difference between book and Tax depriciation	(1.67)	(3.19)
Expenses allowable on payment basis	64.24	(39.17)
Deferred Tax Liabilities/ (Asset)	**62.57**	**(42.36)**

D Reconciliation of deferred tax liabilites/(asset) net:

(Amount in ₹)

Pariculars	2017-18	2016-17
Opening balance as on 1st April	217.37	175.01
Tax expenses / (income) during the period	(62.57)	42.36
Closing balance as on 31st March	**154.79**	**217.37**

NOTE 46 - SHARE-BASE PAYMENTS ARRANGEMENTS

As per the ESOS, 2007 as amended from time to time 175,243 ESOPs were offered to our employees with a vesting period scattered over 3 years starting from the FY 2018-19. Out of the above 57,818 ESOPs will be excercisable on or after 15th April 2018 at an exercisable price at Face Value of ₹ 10 each.

NOTE 47 - DISCLOSURE AS REQUIRED BY IND AS 101 - FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

Exemptions Applied:

Ind AS 101 allows rst time adopters certain exemptions from the retrospective application of certain Ind AS, eective for April 1, 2016 opening balance sheet.

The following exceptions to the retrospective application of other Ind AS as per Appendix D of Ind AS 101 are applied by the company :-

1 Deemed cost of Property,Plant and Equipment: (PPE)

The Company has opted to continue with the carrying value for all of its PPE as recognised in the nancial statements as at the date of transition to Ind AS and measured as per previous GAAP and use that as its deemed cost as at the date of transition to Ind AS.

2 Financial assets and liabilities:

The Company has nancial receivables and payables that are non-derivative nancial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under Ind AS, these are nancial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to Ind AS, the requirement of initial recognition at fair value is applied prospectively.

3 Business Combination Exemption:

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2015 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date.

4 Share-based payment transactions:

Ind AS 101 encourages, but does not require, rst time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to April 1, 2015.

Notes to the Financial Statements

for year ended 31st March 2018

5 Investments in subsidiaries and associates:

The Company has elected to measure investment in subsidiaries and associates at cost.

Impact of Transition to Ind AS

The following is a summary of the effects of the differences between Ind As and Indian GAAP on the Company's total equity shareholders funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to Ind AS. There is no material impact of Ind AS transactions on the Cash flow statment.

Reconciliation of Balance sheet as on 1st April 2016 (i.e date of transation to Ind AS)

(₹ In lakhs)

Particluars	Notes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		831.25	-	831.25
Other Intangible Assets		2.81	-	2.81
Financial assets				
- Investments		6910.98	-	6910.98
- Loan		71.59	-	71.59
- Other Financial Assets		0.00	-	0.00
Deferred tax assets (Net)		94.43	80.58	175.01
(A)		**7911.06**	**80.58**	**7991.64**
Current Assets				
Inventories		262.08	-	262.08
Financial assets				
- Investments	II	2312.07	84.38	2396.45
- Trade Receivables	I	1636.55	(260.79)	1375.76
- Cash & Bank Balances		251.86	-	251.86
- Other Financial Assets		-	-	0.00
Other Current Assets		196.05	-	196.05
(B)		**4658.61**	**(176.41)**	**4482.20**
TOTAL (A + B)		**12569.66**	**(95.81)**	**12473.84**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		1323.18	0.00	1323.18
Other Equity		10469.01	(121.89)	10347.11
(A)		**11792.19**	**(121.89)**	**11670.29**
Current liabilities				
Financial Liabilities				
- Borrowings		8.92	-	8.92
- Trade Payables		362.95	-	362.95
- Other Financial Liabilities		123.52	-	123.52
Provisions		76.78	-	76.78
Current Tax Liabilities [Net]		0.71	26.08	26.79
Other Current Liabilities		204.59	-	204.59
(B)		**777.47**	**26.08**	**803.55**
TOTAL (A+B)		**12569.66**	**(95.81)**	**12473.84**

Notes to the Financial Statements

for year ended 31st March 2018

Reconciliation of Balance sheet as on 31st March 2016

(₹ In lakhs)

Particluars	Notes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		765.74	-	765.74
Other Intangible Assets		1.99	-	1.99
Financial assets				
- Investments	II	7008.31	22.19	7030.50
- Loan		94.06	-	94.06
- Other Financial Assets		78.97	-	78.97
Deferred tax assets (Net)		150.57	66.80	217.37
(A)		**8099.64**	**88.99**	**8188.63**
Current Assets				
Inventories		259.52	-	259.52
Financial assets				
- Investments	II	2198.87	403.00	2601.87
- Trade Receivables	I	1512.59	(50.88)	1461.71
- Cash & Bank Balances		216.47	-	216.47
- Other Financial Assets		-	-	0.00
Other Current Assets		266.15	-	266.15
(B)		**4453.60**	**352.12**	**4805.72**
TOTAL (A + B)		**12553.24**	**441.11**	**12994.35**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		1323.18	-	1323.18
Other Equity		10269.25	309.71	10578.96
(A)		**11,592.43**	**309.71**	**11902.14**
Current liabilities				
Financial Liabilities				
- Borrowings		58.80	-	58.80
- Trade Payables		563.18	-	563.18
- Other Financial Liabilities		104.96	-	104.96
Provisions		75.94	-	75.94
Current Tax Liabilities [Net]		3.67	131.40	135.07
Other Current Liabilities		154.26	-	154.26
(B)		**960.81**	**131.40**	**1092.21**
TOTAL (A+B)		**12,553.24**	**441.11**	**12994.35**

Reconciliation of Other Equity as at 31st March 2017

(₹ In lakhs)

Particulars	10269.25
Other Equity as per Previous GAAP	
IND AS Adjustments :	(50.89)
Expected Credit Loss (ECL) on receivables	**66.8**
Deferred Tax Assets Recognised	0
Preliminary Expenses w/off	293.8
Fair Value Change in Investment through OCI	
Balance as per Ind-As as on 31.03.2017	**10578.96**

Notes to the Financial Statements

for year ended 31st March 2018

Reconciliation of Profit & Loss as at 31st March 2017

(₹ In lakhs)

Particluars	Notes	Indian GAAP	Adjustments	Ind AS
Revenue from operations		2813.91	-	2813.91
Other Income		113.79	-	113.79
Total Income (I + II)		**2927.70**	**0.00**	**2927.70**
Expenses				
Cost of materials consumed		1050.37	-	1050.37
Variation in inventories of finished goods & work-in-progress		75.46	-	75.46
Employee benefits expenses		327.36	-	327.36
Finance Cost		-	-	0.00
Depreciation and amortization expense		131.88	-	131.88
Export Product Registration/Commission		130.95	-	130.95
Other expenses	I	1467.57	(209.89)	1257.68
Total Expenses (IV)		**3183.59**	**(209.89)**	**2973.70**
Profit/ (loss) before tax		(255.90)	209.89	(46.00)
Less: Tax Expense:-				
a) Current Tax				
b) Minimum Alternate Tax				
c) Deferred Tax		56.14	(13.78)	42.36
d) Tax Adjustments of Earlier years				
Profit/ (loss) for the year - (A)		**(199.76)**	**196.11**	**(3.64)**
Other comprehensive income				
A) Items that will not be reclasified To Profit & Loss A/c				
Change in fair value of Investments		-	340.80	340.80
B) Income Tax relating to the items that will not be reclasified to Profit & Loss A/c				
Change in fair value of Investments		-	(105.31)	(105.31)
Total comprehensive income for the period (A+B)		**-**	**235.49**	**235.49**

(e) Footnotes to reconciliation of equity as on 1st April 2016 and 31st March 2017 and statement of Profit and Loss for the year ended 31st March 2016

Notes:

I Expected Credit Loss (ECL) Provision : The Company has provided ECL as per Ind AS. Impact of ECL as on date of transition is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss.

II Fair Valuation of Financial Asset : The Company has valued Financial assets (other than investment in subsidiaries, associates which are accounted at cost) at fair value. Impact of fair value changes on the date of transition is recognised in opening reserve and changes thereafter are recognised in Other Comprehensive Income.

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.

Notes to the Financial Statements

for year ended 31st March 2018

NOTE 48 - 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

Ajit M. Ghelani
Partner
M. No. 012576

Mumbai
Dated: 25th May 2018

For and on behalf of the Board of Directors

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole-time Director)

Ramesh Babulal Modi
(Independent Director)

Harshal Anant Patil
(Company Secretary)

Independent Auditor's Report

TO
THE MEMBERS
KILITCH DRUGS (I) LIMITED

REPORT ON THE CONSOLIDATED IND AS 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 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, 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 Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity for 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 relevant rules issued thereunder. 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their 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 Ind AS 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 reports of other auditors, on the financial statements of the subsidiary noted below, the aforesaid consolidated Ind AS 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 2018, and its consolidated profit including total comprehensive income and its consolidated cash flows for the year ended on that date.

OTHER MATTERS

Financial statements of the Subsidiary, which reflect total assets of ₹ 2451.21 Lacs as at 31st March 2018, Total Revenue of ₹ 65.03 Lacs and Net cash inflow of ₹ 2,934/- 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 ₹ 511.89 lacs as at 31st March 2018. 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 (including other comprehensive income), 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 Ind AS 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 2018 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 2018 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 Group has disclosed the impact of the pending litigation on its consolidated financial position vide Note no 35 to the Consolidated Ind AS Financial Statements.

      ii. The Group 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.

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

Ajit M. Ghelani
Partner
Membership No. : 012576

Date : 25th May 2018
Place : Mumbai

Annexure A 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) 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 Group 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 requirement of Clause (iii) (a) and Clause (iii) (b) of paragraph 3 of the Order not applicable to the company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the companies Act, 2013 in respect to grants of the loans, making investments and providing guarantees and securities.

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, GST, 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 31st March 2018 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues aggregating to ₹ 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 to financial institution and banks.

ix) According to the records examined by us and the information and explanation given to us, Group has not taken any term loans during the year under report.

x) Bases on the audit procedures performed for the purpose of reporting the true and fair view of the consolidate Ind AS financial statements as per the information and explanations given to us, no fraud by the group or on the company by its officers or employees 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 provision of clause (xii) of the Paragraph 3 of the Order 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) In our opinion and as per the information and explanations given to us, 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 requirement of Clause (xv) of paragraph 3 of the Order 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 provision of Clause (xvi) of the paragraph 3 of Order not applicable to the group.

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

Ajit M. Ghelani
Partner
Membership No. : 012576

Date : 25th May 2018
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 31st March 2018 in conjunction with our audit of the standalone Ind AS 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 31st March 2018, 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
Registration No : 103173W

Ajit M. Ghelani
Partner
Membership No.: 012576

Place : Mumbai
Dated : 25th May 2018

Consolidated Balance Sheet

as at 31st March 2018

(₹ In Lakhs)

Particulars	NOTE	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	6	780.42	801.40	867.91
Capital work-in-progress	6	317.72	65.99	-
Other Intangible assets	6	2,443.39	2,529.63	3,372.99
Goodwill on Consolidation		72.53	-	-
Financial assets				
- Investments	7(a)	2,599.56	2,701.30	2,581.89
- Loans and advances	8	21.54	7.94	20.26
- Other Financials Assets	9	78.97	78.97	-
Deferred tax assets (Net)	10	155.18	247.25	175.18
(A)		**6,469.31**	**6,432.48**	**7,018.23**
Current assets				
Inventories	11	279.64	259.52	262.08
Financial assets				
- Investments	7(b)	3,029.34	2,601.87	2,396.46
- Trade and other receivables	12	2,069.49	1,460.88	1,375.76
- Cash and cash equivalents	13	477.26	229.41	274.73
- Other Financials Assets	14	58.02	6.75	3.24
Other current assets	15	384.41	298.31	269.47
(B)		**6,298.16**	**4,856.74**	**4,581.73**
TOTAL (A + B)		**12,767.47**	**11,289.22**	**11,599.96**
Equity				
Equity Share capital	16	1,373.18	1,323.18	1,323.18
Other equity	17	9,829.55	8,796.73	9,451.42
Equity attributable to the owners		**11,202.73**	**10,119.91**	**10,774.60**
Non-controlling interest		73.13	-	-
(A)		**11,275.86**	**10,119.91**	**10,774.60**
Liabilities				
Current liabilities				
Financial liabilities				
- Borrowings	18	92.17	68.50	21.79
- Trade Payables	19	771.55	567.56	369.15
- Other financial liabilities	20	119.32	104.96	123.52
Provisions	21	81.42	76.29	76.97
Current tax Liabilities (net)	22	196.55	135.07	26.79
Other current liabilities	23	230.60	216.93	207.14
(C)		**1,491.61**	**1,169.31**	**825.36**
TOTAL (A+B+C)		**12,767.47**	**11,289.22**	**11,599.96**
Significant Accounting Policies and Notes on Financial Statements	1 to 49			

As per our report of even date

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

Ajit M. Ghelani
Partner
M. No. 012576

Mumbai
Dated: 25th May 2018

For and on behalf of the Board of Directors

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole-time Director)

Ramesh Babulal Modi
(Independent Director)

Harshal Anant Patil
(Company Secretary)

Consolidated Statement of Profit and Loss

for year ended 31st March 2018

Particulars	Note	Year ended 31st March 2018	Year ended 31st March 2017
INCOME			
Revenue from Operations	24	5,101.18	2,865.25
Other Income	25	287.54	113.79
Total		**5,388.72**	**2,979.04**
EXPENDITURE			
Cost of Materials Consumed	26	2,643.97	1,050.37
Variation in inventories of finished goods & work-in-progress	27	(44.20)	75.46
Employee Costs	28	430.23	338.25
Finance Cost		-	-
Depreciation		204.24	975.50
Export Product Registration/Commission	29	339.43	130.95
Operating & other Expenses	30	1,203.78	1,340.03
Total		**4,777.45**	**3,910.56**
PROFIT / (LOSS) BEFORE TAX EXCEPTIONAL ITEMS AND TAX		**611.27**	**(931.52)**
Add: Exceptional Item		-	-
PROFIT / (LOSS) BEFORE TAX		**611.27**	**(931.52)**
Less : Provision for Taxation	46		
Current Income Tax		(33.48)	-
Deferred Tax		(62.55)	42.56
PROFIT AFTER TAX		**515.24**	**(888.96)**
Add : Share of Profit/(Loss) in Associates		-	-
PROFIT AFTER TAX AND Before MINORITY INTEREST		**515.24**	**(888.96)**
Total comprehensive income for the period (Net of Tax)		**66.81**	**235.49**
PROFIT AFTER TAX & Comprehensive Income		582.05	(653.47)
Net Profit / (Loss) attributable to			
a) Owner of the Company		515.24	(888.96)
b) Non Controlling interest			
Other Comprehensive Income attributable to			
a) Owner of the Company		66.81	235.49
b) Non Controlling interest			
Total Income attributable to			
a) Owner of the Company		582.05	(653.47)
b) Non Controlling interest			
Earnings per share	34		
(a) Basic (not annualised)		3.89	(6.72)
(b) Diluted (not annualised)		3.66	(6.72)
Significant Accounting Policies and Notes on Financial Statements	1 to 49		

As per our report of even date

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

Ajit M. Ghelani
Partner
M. No. 012576

Mumbai
Dated: 25th May 2018

For and on behalf of the Board of Directors

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole-time Director)

Ramesh Babulal Modi
(Independent Director)

Harshal Anant Patil
(Company Secretary)

Consolidated Cash Flow Statement

for year ended 31st March 2018

(₹ In Lakhs)

Particulars	31st March 2018		31st March 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		611.27		(931.51)
Adjustments for:				
Depreciation and amortisation	204.24		975.50	
Interest income	(21.99)		(16.30)	
Dividend income	(35.83)		(22.04)	
(Profit)/Loss on sale of Investments	(94.66)		(1.95)	
Share of (Profit)/ Loss from Partnership Firm	0.24		0.44	
Sundry Balances written back	(33.7)		(50.74)	
Sundry Balances written off	-		0.87	
Provision for Gratuity & Leave Encashment	(1.27)		8.86	
Preliminary Expenses written off	1.72		1.72	
Loss/(Profit) from Trading in Securities	(11.49)		(2.56)	
Bad Debts / Provision for Doubtful Debts	246.11		195.28	
Net unrealised exchange (gain) / loss	(50.17)	203.21	59.94	1,149.02
Operating profit / (loss) before working capital changes		**814.47**		**217.50**
Changes in working capital:				
Operating Assets:				
Inventories	(20.12)		2.56	
Trade receivables	(804.60)		(341.20)	
Other financial assets	(22.09)		(3.51)	
Other current assets	(86.10)		(60.10)	
Loans	(13.60)		12.31	
Operating Liabilities:				
Trade payables	237.69		249.16	
Borrowings	23.66		46.72	
Other financial liabilities	18.44		(14.53)	
Other current liabilities	13.67		9.79	
Short-term provisions	6.40	**(646.65)**	(9.54)	**(108.34)**
Gross cash flow from / (used in) operating activities		**167.83**		**109.17**
Direct Taxes (Paid) / refunded		(1.86)		2.97
Net cash flow from / (used in) operating activities		**165.96**		**112.14**

Consolidated Cash Flow Statement

for year ended 31st March 2018

(₹ In Lakhs)

Particulars		31st March 2018		31st March 2017	
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on fixed assets, including capital advances	(348.81)		(132.84)	
	Proceeds (Net) from the sale of Current investments	(224.65)		139.89	
	(Purchase)/Sale (Net) of long-term investments:				
	- Others	101.51		(119.86)	
	Movement in other Bank balance	-		(78.97)	
	Interest received	21.99		16.30	
	Dividend received	4.93		22.04	
			(445.04)		**(153.42)**
			(445.04)		**(153.42)**
	Net cash flow from / (used in) investing activities (B)		**(445.04)**		**(153.42)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Shares issued	295.00			
	Money received against warrants	236.00		-	
	Dividends paid(Inclusive of tax on Dividend)	(4.08)		(4.03)	
	Net cash flow from / (used in) financing activities (C)		**(526.92)**		**(4.03)**
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**247.85**		**(45.31)**
	Cash and cash equivalents at the beginning of the year		229.41		274.72
	Acquisition of New subsidiaries		-		-
	Cash and cash equivalents at the end of the year		**477.26**		**229.41**
	Cash and cash equivalents at the end of the year *				
	* Comprises:				
	(a) Cash on hand		0.91		0.25
	(b) Balances with banks				
	(i) In current accounts		385.80		134.54
	(ii) In earmarked accounts		90.55		94.63
			477.26		**229.41**

As per our report of even date

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

Ajit M. Ghelani
Partner
M. No. 012576

Mumbai
Dated: 25th May 2018

For and on behalf of the Board of Directors

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole-time Director)

Ramesh Babulal Modi
(Independent Director)

Harshal Anant Patil
(Company Secretary)

Consolidated Statement of Changes in Equity

for year ended 31st March 2018

(a) Equity Share Capital

(₹ In Lakhs)

As at 1st April 2016	Changes during the Year	As at 31st March 2017	Changes during the Year	As at 31st March 2018
1,323.18	-	1,323.18	50.00	1,373.18

(b) Statement of Changes in Other Equity

(₹ In Lakhs)

Particulars	Securities Premium account	General Reserve	Employee Stock Options	Foreign Exchange Fluctuation Reserve	Other Equity	Other Reserves (Call on shares forfeited A/c)	Other Comprehensive Income	Surplus in the Statement of Profit and Loss	Capital reserve on consolidation	Non Controlling Interest	Total
Balance as on 1st April 2016	2,778.13	1,511.76	137.94	-	-	58.00	58.31	4,906.62	0.65	-	9,451.42
Profit/(Loss) for theYear	-	-	-	-	-	-	-	-	-	-	-
Change In Fair Value of Investments	-	-	-	-	-	-	235.49	(888.95)	-	-	(653.46)
Balance as on 31st March 2017	**2,778.13**	**1,511.76**	**137.94**	**(1.23)**	**-**	**58.00**	**293.80**	**4,017.67**	**0.65**		**8,796.73**
Profit/(Loss) for theYear	-	-	-	-	-	-	-	515.24	-	-	515.24
Change In Fair Value of Investments	-	-	-	(0.06)	-	-	66.81	-	-	-	66.75
Other Adjustments							(29.52)				(29.52)
Premium on issue of Shares during the year	245.00	-	-	-	-	-	-	-	-	-	245.00
Money Received Against Share Warrents	-	-	-	-	236.00	-	-	-	-	-	236.00
Balance as on 31st March 2018	**3,023.13**	**1,511.76**	**137.94**	**(1.29)**	**236.00**	**58.00**	**331.09**	**4,532.91**	**-**	**-**	**9,829.55**

As per our report of even date

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

Ajit M. Ghelani
Partner
M. No. 012576

Mumbai
Dated: 25th May 2018

For and on behalf of the Board of Directors

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole-time Director)

Ramesh Babulal Modi
(Independent Director)

Harshal Anant Patil
(Company Secretary)

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

NOTE - 1. CORPORATE AND GENERAL INFORMATION

Kilitch Drugs India Limited ("KDIL" or ''Parent'') is domiciled and incorporated under the provisions of the Companies Act applicable in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the company is located at C-301-2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane – 400705, Maharashtra, India.

Group is engaged in operation and management of Pharmaceutical Products.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting dated 25th May 2018.

NOTE - 2. BASIS OF PREPARATION OF FINANCIAL STATEMENT

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Financial Statements for all the periods upto and including the year ended 31st March 2016 were prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013 read together with the paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These Financial Statements for the year ended 31st March 2018 are the first financial statements of the Group prepared in accordance with Ind AS. Refer Note no. 48 for an explanation how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

The Financial statements provide comparative information in respect of the previous year. In addition, The Group presents Balance sheet as at the beginning of the previous year, which is the transition date of Ind AS.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes on Financial Statements and are applied consistently to all the periods presented.

NOTE - 3. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Measurement

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except following which have been measured at fair value:

- Defined benefit plans – plan assets measured at fair value
- Certain financial assets and liabilities that is measured at fair value.
- Share Based Payments.

The consolidated financial statements are presented in Indian Rupees ("in lakhs"), which is the Group's functional currency and all amounts are rounded to the nearest rupees in lakhs

b. Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries and associates. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies.

Consolidation Procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

c) Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d) Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

e) All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

f) Carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity are eliminated. Business combinations policy explains how the related goodwill is accounted at the time of acquisition of subsidiary.

g) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

h) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures. The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

c. Business Combinations

The acquisitions of businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree 's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities recognized and contingent liabilities assumed. In the case of bargain purchase, resultant gain is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders proportionate share of the acquiree's identifiable net assets.

d. Property, Plant and Equipment

Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Leasehold land is amortized over the period of lease. Depreciation on other fixed assets (excluding land and lease land in perpetuity) is provided on written down value

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

e. Intangible Assets

Identifiable intangible assets are recognized a) when the Group controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Group and c) the cost of the asset can be reliably measured.

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the period on straight line basis. The assets useful life reviewed at each financial year end.

f. Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instruments are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

i) Initial recognition and measurement:

At initial recognition, the group measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

ii) Subsequent recognition and measurement:

Subsequent measurement of financial asset depends on the group's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:

- **Debt instrument at amortised cost:**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Debt instrument at fair value through other comprehensive income (FVOCI):**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in the statement of profit & loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Debt instrument at fair value through profit and loss (FVTPL):**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit & loss and presented net in the statement of profit & loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

- **Equity instruments:**

  All equity instruments other than in associates are initially measured at fair value. Any subsequent fair value gain /loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity investments are recognised in Other Comprehensive Income.

- **Investment in Associates:**

  The Group has accounted for its Investment in associates at cost

iii) Derecognition:

A financial asset is primarily derecognised i.e. removed from Group's financial statements when:

- The rights to receive cash flows from asset have expired, or

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

  a) The Group has transferred substantially all the risks and rewards of the assets,

  b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

iv) Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at fair value less provision for impairment.

Financial Liabilities:

i) Initial recognition and measurement:

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit & loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

iii) Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit & loss when the liabilities are derecognised as well as through the EIR amortisation process.

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for year ended 31st March 2018

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

iv) **Trade and other payables:**

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

v) **Derecognition**:

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

g. Impairment of Assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).

Impairment of Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each legal entity based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of Non – Financial Asset:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Impairment of Financial asset:

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

The Group follows 'simplified approach' for recognition of impairment loss allowance on

- Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on its trade receivables. The

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

h. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

i. Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j. Foreign currency transactions:

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non- monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non- monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the statement of profit or loss.

k. Classification of assets and liabilities as current and non – current:

The Group presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

l. Equity share capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

m. Revenue recognition

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised when the right to receive the payment is established.

n. Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

o. Employee Benefits

(i) Short-term Employee benefits:

All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, short term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognised during the period in which the employees renders related services.

(ii) Post-employment benefits

a. Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which the Group contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Group's contribution to defined contribution plans are recognised in the statement of profit & loss in the period in which the employee renders the related services.

b. Defined benefit plan

The Company has defined benefit plans comprising of gratuity. Company's obligation towards gratuity liability is Unfunded and Management has initiated a decision to be funded and managed by Life Insurance Corporation of India (LIC).

The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit & loss in subsequent periods.

The expected return on plan assets is the Group's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

(iii) Other long-term benefits

The Group's employees have other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit & loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Option Plans by Kilitch Drugs India Limited.

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense, other than in respect of options granted to employees of group companies, is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The cost of options granted to employees of group companies is debited to the cost of the investment of the respective companies. At the end of each period, the company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit & loss / Investment, with a corresponding adjustment to other equity.

p. Income Taxes:

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate.

Deferred Tax:

Deferred Tax is provided, using the Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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for year ended 31st March 2018

q. Provisions and contingencies

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities' interest rate for the equivalent period. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

r. Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTE - 4. USE OF SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

In the process of applying the Group's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statements:

(a) Depreciation and useful lives of Property, Plant and Equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

(b) Recoverability of trade receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. The Group uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(c) Defined Benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(d) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(e) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. They are continuously evaluated.

(f) Fair Value measurement

The Group measures financial instrument e.g. investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

NOTE -5. STANDARDS ISSUED BUT NOT EFFECTIVE:

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

i) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

ii) Ind AS 40 - Investment Property (Not applicable to the company)

iii) Ind AS 12 - Income Taxes

iv) Ind AS 28 - Investments in Associates and Joint Ventures and

v) Ind AS 112 - Disclosure of Interests in Other Entities

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

NOTE 6 - PROPERTY, PLANT & EQUIPMENTS

(₹ In Lakhs)

Particulars	Land	Rights on Lease Hold Land	Factory Building	Office premises	Plant & Machinery	Furniture & Equipment	Computer	Motor Car	Office Equipments	Air Conditioners	Electrical Installations	Laboratory Equipments	Mobile Phone	Computer software	Goodwill	Capital Wip	Total
Gross Block																	
As at 01/04/2016	29.88	96.78	261.02	133.24	1,338.95	68.43	42.57	106.60	16.11	28.22	27.87	180.40	6.10	13.18	4,212.73		6,562.08
Additions	-	-	-	-	53.30	0.37	0.57	6.86	0.25	-	-	2.08	2.00	0.20	-	65.99	131.62
Disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
As at 31/03/2017	29.88	96.78	261.02	133.24	1,392.25	68.80	43.15	113.46	16.36	28.22	27.87	182.49	8.10	13.37	4,212.73	65.99	6,693.71
Additions	-	-	-	-	50.30	19.55	-	13.10	3.36	-	1.20	10.70	0.11	1.03		249.37	348.72
Disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
As at 31/03/2018	**29.88**	**96.78**	**261.02**	**133.24**	**1,442.55**	**88.34**	**43.14**	**126.56**	**19.72**	**28.22**	**29.07**	**193.19**	**8.21**	**14.40**	**4,212.73**	**315.36**	**7,042.40**
Accumulated Depreciation																	
As at 01/04/2016	-	-	234.08	67.17	789.25	50.44	37.20	79.09	13.34	20.13	18.29	154.39	4.86	10.37	842.55	-	2,321.16
Depreciation Charge for the year	-	-	5.96	3.20	92.35	4.81	1.40	9.45	1.10	1.62	2.65	8.56	0.84	1.02	842.55		975.49
As at 31/03/2017	-	-	240.04	70.37	881.60	55.24	38.60	88.54	14.44	21.75	20.94	162.95	5.70	11.39	1,685.09		3,296.65
Depreciation Charge for the year	-	-	4.64	3.05	84.61	6.61	1.73	7.12	1.82	1.18	2.01	5.15	1.40	0.66	84.25		204.24
As at 31/03/2018	-	-	244.67	73.42	966.21	61.85	40.33	95.66	16.27	22.93	22.95	168.10	7.10	12.05	1,769.35		3,500.89
Net Block																	
As at 3/31/2018	**29.88**	**96.78**	**16.34**	**59.82**	**476.34**	**26.50**	**2.82**	**30.89**	**3.45**	**5.29**	**6.12**	**25.09**	**1.11**	**-**	**2,443.37**	**317.72**	**3541.53**
As at 3/31/2017	29.88	96.78	20.98	62.87	510.64	13.55	4.55	24.91	1.92	6.47	6.93	19.54	2.40	1.98	2,527.65	65.99	3397.02
As wat 3/31/2016	29.88	96.78	26.94	66.07	549.70	17.99	5.37	27.51	2.76	8.09	9.57	26.02	1.24	2.81	3,370.18	-	4240.90

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

Note 7 - INVESTMENTS

a] Non Current Investments

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Non- Trade			
A. Investments in Shares:			
i. Quoted Shares: (At Fair Value)			
[Equity Shares of Face value ₹ 10/- each, fully paid-up, unless otherwise stated]			
15 (31st March 2017 : 15 , 1st April 2016 : 15) - Bengal and Assam Co Ltd.	0.31	0.26	4.99
1,000 (31st March 2017 : 1000 , 1st April 2016 : 1000) - Century Enka Ltd.	3.02	4.27	0.74
500 (31st March 2017 : 500 , 1st April 2016 : 500) - Century Textiles & Ind Ltd.	5.73	5.27	2.28
200 (31st March 2017 :200 , 1st April 2016 :200) - Colgate Pamolive India Ltd.	2.12	2.00	0.95
720 (31st March 2017 : 720 , 1st April 2016 : 720) - J K Laxmi Cement Ltd.	3.33	3.33	0.33
400 (31st March 2017 : 400 , 1st April 2016 : 400) - Pfizer Ltd.	8.74	7.57	4.94
2,616 (31st March 2017 :2616 , 1st April 2016 : 2616) - Reliance Power Ltd.	0.95	1.26	7.36
Fair Value of Quoted Instruments (Total of A.i)	**24.19**	**23.95**	**21.58**
Others (At Fair Value)	-	-	-
7000 (P.Y. 7000) Novo Informatics Pvt Ltd	48.02	48.02	48.02
Estee Advisors Pvt. Ltd.	121.46	109.73	-
ASK IEP PMS	-	119.81	100.00
Edelweiss Securities Limited	6.30	-	-
Pragya Securities Pvt Ltd	-	-	11.85
NBZ Pharma	-	-	0.10
100000 (31st March 2017 : 100,000 , 1st April 2016 : 100,0000) Preference Shares of ₹ 100 each fully paid TATA MOTORS FINANCE LIMITED"	100.00	100.00	100.13
	-	-	-
Book Value of Unquoted Instruments (Total of A.ii)	**275.78**	**377.57**	**260.09**
	-	-	-
Total Investment in Shares (A.i + A. ii)	**299.97**	**401.51**	**281.67**
	-	-	-
B. Investment in the Capital of Patnership Firm (LLP) (At Cost)	-	-	-
ARHAM NEETA REALITIES LLP	**2,246.34**	**2,246.55**	**2,246.97**
	-	-	-
C. Investments in Bonds:	-	-	-
i. Quoted Bonds: (At Fair Value)	-	-	-
National Highways Authority of India	45.71	45.71	45.71
Housing And Urban Development Corporation Ltd	7.53	7.53	7.53
Total Investment in Bonds (B.i)	**53.24**	**53.24**	**53.24**
	-	-	-
Aggregate Fair Value of All Non Current Investments (A+B+C)	**2,599.56**	**2,701.30**	**2,581.89**

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

b] Current Investments

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Mutual Fund- Axis			
NIL (31st March 2017 : 1555.189, 1st April 2016 : 5188.74) Axis Liquid Fund Direct Growth	-	28.04	87.14
NIL(31st March 2017 : NIL,1st April 2016 :124131.082) Axis Equity Fund Direct Plan Growth	-	-	23.45
126,822.025 (31st March 2017: 126822.025, 1st April 2016 : NIL) Axis Equity Fund - Growth (EFGPG)	31.33	26.52	-
3,837.386 (31st March 2017: NIL, 1st April 2016 : NIL) Axis Liquid Fund Direct -DDR	38.41	-	-
NIL (31st March 2017: 134756.526, 1st April 2016 : NIL) Axis Focused 25 Fund Growth (AFGPG)	-	28.51	-
NIL (31st March 2017 : NIL, 1st April 2016 : 98386.462) Axis Mid Cap Fund Direct Growth	-	-	23.61
	-	-	-
Mutual Fund- Edelwiss	0	-	-
"134,756.526 (31st March 2017: NIL, 1st April 2016 : NIL) Axis Focused 25 Fund Growth (Edelweiss Demat) (given as a collateral security)"	33.86	-	-
	-	0	0
Mutual Fund- Kotak	-	0	0
188,476.52 (31st March 2017: 188476.52, 1st April 2016 : 317,255.52) Kotak Select Focus Fund Regular Plan Dividend - DP	42.76	41.24	56.86
201,130.9550 (31st March 2017: 201,130.9550, 1st April 2016 : 329,680.95) Mirae Asset India Opportunities Fund Regular Dividend Plan - DP	35.05	37.75	52.52
55,519.6340 (31st March 2017:55,519.63, 1st April 2016 : NIL) SBI Blue Chip Fund Regular Plan Dividend - DP	11.76	10.61	31.82
353,174.43 (31st March 2017: 353,174.43, 1st April 2016 :353,174.43) SBI Blue Chip Fund Regular Plan Growth	131.46	118.56	98.61
30810.4260 (31st March 2017: 30810.4260, 1st April 2016 :18,961.074) Franklin India Prima Fund-Growth	173.60	160.39	81.96
NIL (31st March 2017 : 110,000, 1st April 2016) Reliance Capital Builder Fund Series A Dividend - DP	-	16.87	12.36
1,935,021.96 (31st March 2017 : 1,935,021.96, 1st April 2016 : 1,935,021.96) HDFC Corporate Debt Opportunities Fund Regular Growth	278.85	262.39	237.46
1,124,095.2390 (31st March 2017 : 1,124,095.2390, 1st April 2016 : 1,124,095.2390) IDFC Banking Debt Fund Regular Plan Growth	165.84	156.59	146.20
262,631.94 (31st March 2017 : 262,631.94, 1st April 2016: 262,631.94) Reliance Regular Savings Fund Balanced Plan Growth Option	140.08	124.91	103.91
536,541.13 (31st March 2017 : 536,541.13, 1st April 2016 : 536,541.13) ICICI Prudential Income Opportunities Fund - Regular Plan - Growth	130.27	123.46	112.01
312,640.69 (31st March 2017 : 312,640.69, 1st April 2016 312,640.69) IDFC Dynamic Bond Fund Regular Plan Growth	64.53	63.03	55.74
131,245.65 (31st March 2017 : 131,245.65, 1st April 2016: 131,245.65) Kotak Bond Scheme Plan A Regular Plan Growth	62.42	60.75	55.18
277,200.28 (31st March 2017 : 277,200.28, 1st April 2016 : 277,200.28) Reliance Dynamic Bond Fund Growth Plan Growth Option	64.25	61.98	55.62

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
537,143.47 (31st March 2017 : 537,143.47, 1st April 2016 : 277,200.28) Sundaram Flexible Fund Flexible Income Plan Regular Growth	130.99	124.03	112.32
NIL (31st March 2017 : NIL, 1st April 2016 : 13,327.41) Biral Sunlife Infrustructure Fund Plan Growth Regular Plan	-	-	3.12
331,749.78 (31st March 2017 : 331,749.78, 1st April 2016 331,749.78) UTI Dynamic Bond Fund Growth	66.52	63.66	55.60
NIL (31st March 2017 : 300,000, 1st April 2016 : 300,000) Birla Sun Life Fixed Term Plan Corporate Bond Series A 1170 days Growth Regular	-	40.47	37.40
NIL (31st March 2017 : NIL, 1st April 2016 : 22,95,000) Edelweiss Arbitrage Fund Dividend - DR	-	-	237.07
796,480.8610 (31st March 2017 : 745,474.57, 1st April 2016 : 11,39,572.63) Reliance Arbitrage Advantage Fund Dividend Plan - DR	96.01	90.42	134.91
672.2406 (31st March 2017 : 250.132, 1st April 2016 : 663.29) Kotak Floater Short Term Growth	19.12	6.66	16.47
10,00,000 (31st March 2017 : 10,00,000, 1st April 2016 : 10,00,000) KOTAK FMP Series 183 1204 Days Reg. Growth	122.40	112.90	102.47
365,493.65 (31st March 2017 : 365,493.65, 1st April 2016 : 365,493.65) Kotak Select Focus Fund Regular Plan Growth	116.27	105.04	81.00
KOTAK SMALL AND MID CAP PMS	46.21	-	-
258,732.21 (31st March 2017 : 258,732.21, 1st April 2016 258,732.21) Mirae Asset India Opportunities Fund Regular Growth Plan	115.93	103.21	80.43
306,901.1440 (31st March 2017: NIL, 1st April 2016 : NIL) Motilal Oswal MOSt Focused Multicap 35 Fund -Reg Gw	80.73	-	-
752,553.1140 (31st March 2017 : 518,081.028, 1st April 2016 : NIL) Birla Sun Life Medium Term Plan Growth	165.39	105.74	-
296,982.6560 (31st March 2017 : 296,982.6560, 1st April 2016 : NIL) ICICI Prud Regular Saving Fund Growth	55.16	51.59	-
500,000 (31st March 2017 : 500,000, 1st April 2016 : NIL) ICICI Prud. Value Fund Series 9 Reg Plan Div Dp	51.75	54.15	-
380,124.07 (31st March 2017 : 380,124.07, 1st April 2016 : NIL) Kotak Medium Term Fund Regular Plan Growth	54.86	51.47	-
10,00,000 (31st March 2017 : 10,00,000, 1st April 2016 : NIL) HDFC FMP 1213 D MARCH 2017 1 SERIES 38 REG PLAN GRO	107.91	100.30	-
768,344.2180 (31st March 2017 : 768,344.22, 1st April 2016 : NIL) Reliance Corporate Bond Fund Growth	107.67	101.19	-
ICICI Prud. PMS Enterprising India Porfoilo II	67.84	-	-
NIL (31st March 2017 : NIL, 1st April 2016 : 83,267.6) Birla Sun Life Frontline Equity Fund Dividend - DP	-	-	19.65
NIL (31st March 2017 : NIL, 1st April 2016 : 4,324.64)Birla Sun Life Frontline Equity Fund - Growth	-	-	6.72
NIL (31st March 2017 : NIL, 1st April 2016 : 20,807.32)HDFC Infrastructure Fund - Growth Plan	-	-	2.89
NIL (31st March 2017: NIL, 1st April 2016 29,554.18) ICICI Prudential Liquid - Regular Plan - Growth	-	-	66.16
NIL (31st March 2017 : NIL, 1st April 1,767.72) ICICI Prudential Multicap Fund Growth	-	-	3.41
NIL (31st March 2017 : NIL, 1st April 2016 : 40,610.23)HDFC Equity Fund Dividend Plan - DP	-	-	17.47

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
NIL (31st March 2017: NIL, 1st April 2016 : 6,972.02)UTI EQUITY FUND (Formerly UTIMastergain Unit Scheme) GROWTH PLAN	-	-	6.74
[In Quoted Equity shares - under the Portfolio Management scheme]	-	-	-
NIL (31st March 2017 : 220, 1st April 2016 : NIL) Crompton Greaves Ltd	-	14.23	-
NIL (31st March 2017 : 900, 1st April 2016 : 360) GRASIM INDUSTRIES LTD	-	9.44	13.83
NIL (31st March 2017 : 2450, 1St April 2016 : 4450) ICICI BANK LTD	-	6.79	10.53
NIL (31st March 2017 : 820, 1st April 2016 : 820) LARSEN & TOUBRO LTD	-	12.94	9.97
NIL (31st March 2017 : 140, 1st April 2016 :290) MARUTI SUZUKI INDIA LTD	-	8.43	10.79
NIL (31st March 2017 : 550, 1St April 2016 : NIL) HDFC Ltd.	-	3.28	-
NIL (31st March 2017 : NIL, 1st April 2016 : 320) Hero Motor cup	-	-	9.42
NIL (31st March 2017 : NIL, 1st April 2016 :7800)IDFC BANK LTD	-	-	3.76
NIL (31st March 2017 : NIL, 1st April 2016 : 7800)I D F C LTD	-	-	3.15
NIL (31st March 2017 : NIL, 1st April 2016 : 1780)OIL INDIA LTD	-	-	5.58
NIL (31st March 2017 : NIL, 1st April 2016 :380)TATA CONSULTANCY SERVICES LTD	-	-	9.56
NIL (31st March 2017 : NIL, 1st April 2016 :360)UNITED SPIRITS LTD	-	-	9.00
Mutual Fund- SPA Capital	-	-	-
130,116.845 (31st March 2017 : NIL, 1st April 2016 : NIL) Franklin India Income Opportunities Fund (SPA)	26.87	-	-
5,269.059 (31st March 2017 : NIL, 1st April 2016 : NIL) HDFC Prudence Fund (SPA)	25.56	-	-
24,717.259 (31st March 2017 : NIL, 1st April 2016 : NIL) UTI MID CAP FUND GROWTH (SPA)	26.63	-	-
UTI Structured Debt Opportunities Fund I (SPA)	25.53	-	-
Mutual Fund - IIFL	0	-	-
NIL (31st March 2017 : 15207.3860, 1st April 2016 : NIL) Birla Sun Life India Reforms Fund Growth	-	29.37	-
NIL (31st March 2017 : NIL, 1st April 2016 : 174,825.175) Birla Sun Life India Reforms Fund Growth	-	-	23.04
NIL (31st March 2017 : 83,175.5010, 1st April 2016 :83,175.50) Franklin India High Growth Com. Fund Growth	-	28.78	22.92
41,993.5270 (31st March 2017 : NIL, 1st April 2016 : NIL) Birla Sun Life Cash Plus Daily Div.Reg Reinv (IIFL)	42.11	-	-
NIL (31st March 2017 : 32,121.8440, 1st April 2016 : 32,121.844) UTI Mid Cap Fund Growth Plan	-	30.60	24.29
NIL (31st March 2017 : 76208.360, 1st April 2016 : NIL) SBI Blue Chip Fund - Growth (IIFL)	-	25.58	-
IIFL Focused Equity Strategies Fund (Capmetrics)	34.78	-	-
IIFL Focused Equity Strategies Fund (Trivantage)	38.64	-	-
NIL (31st March 2017 : NIL, 1st April 2016 : 100,628.47)Reliance Top 200 Retail Growth	-	-	22.34
Market Value of Quoted Investments	**3,029.34**	**2,601.87**	**2,396.46**
Aggregate Fair Value of All Current Investments	**3,029.34**	**2,601.87**	**2,396.46**

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

NOTE 8 - LOANS AND ADVANCES

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Deposits	6.99	6.84	9.29
(b) Advance to Related parties [incl. Interest Free Advance ₹ 106.08 Lacs(P.Y. ₹ 86.12 Lacs) to Subsidary]	0.00	-	0.70
(b) Advances to parties	-	-	-
(c) Other Advances	14.55	1.10	10.26
	21.54	**7.94**	**20.26**

NOTE 9 - OTHER FINANCIAL ASSETS

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Fixed Deposits with Bank (more than 12 months)	78.97	78.97	-
	78.97	**78.97**	**-**

NOTE 10 - DEFERRED TAX ASSET

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
At the Start of the year	247.25	175.18	-
Charges/(credit) to profit and loss	(62.55)	42.56	-
On account of consolidation	(29.51)	29.51	-
At the end of the year	**155.18**	**247.25**	**175.18**
Deferred tax Asset			
Related to Property, Plant and Equipment	25.58	23.88	20.53
Provision for Gratuity/Leave Encashment	11.71	42.13	10.73
Provision for Doubtful Debtors	117.89	181.24	143.93
Total	**155.18**	**247.25**	**175.18**

NOTE 11 - INVENTORIES

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
[As taken, valued and certified by the Management]			
a. Raw Materials and components	182.28	206.35	133.46
b. Work-in-progress	42.66	10.78	33.41
c. Finished goods	54.70	42.38	95.21
Total	**279.64**	**259.52**	**262.08**

NOTE 12 - TRADE RECEIVABLES

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
[UNSECURED, considered good unless otherwise stated]			
Receivables outstanding for a period exceeding six months from the due date			
Considered Good	2,069.49	1,460.88	67.37
Considered Doubtful	381.53	421.25	465.71
Less: Provision for doubtful debts	(381.53)	(421.25)	(465.71)
Total	**2,069.49**	**1,460.88**	**1,375.76**

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

Trade Receivable stated above include debts due by:

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Due by Pvt Ltd co in which Directors are members			
Subsidiary - KILITCH ESTRO BIOTECH PLC	2.23	1.16	1.16
	2.23	**1.16**	**1.16**

NOTE 13 - CASH AND BANK BALANCES

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a. Cash on hand	0.91	0.25	1.09
b. Balances with banks	476.36	229.17	273.63
	477.26	**229.41**	**274.73**
Bank Balances include:			
Earmarked Balances (eg/- unpaid dividend accounts)	90.55	94.63	98.66
Margin money	1.34	1.34	1.34

NOTE 14 - OTHER FINANCIAL ASSETS

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Accured Interest/Dividend Receivable	30.91	-	-
Advances to Parties	21.51	-	-
Vat Set Off Refundable F.Y. 16-17	-	0.01	-
GST input receiveable FY.17-18	0.86	-	-
Prepaid Expenses	4.75	0.10	1.52
	-	1.72	1.72
Rent Rates and Taxes	-	4.92	-
	58.02	**6.75**	**3.24**

NOTE 15 - OTHER CURRENT ASSETS

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances with Government Authorities	379.89	220.05	155.91
Advance to Suppliers	-	78.27	108.06
Vat Set Off Refundable F.Y. 14-15			0.28
Vat Set Off Refundable F.Y. 15-16			0.22
Rent Deposit	4.53	-	5.00
	384.41	**298.31**	**269.47**

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

NOTE 16 - SHARE CAPITAL

Share Capital	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number	Amount [₹]	Number	Amount [₹]	Number	Amount [₹]
Authorised						
20,00,0000 (31st March 2017 : 200,00,000, 1st April 2016 : 200,00,000) Equity Shares of ₹ 10 each	20,000,000	200,000,000	20,000,000	200,000,000	20,000,000	200,000,000
Issued, Subscribed & Paid up						
1,37,31,828 (31st March 2017 : 1,32,31,828 , 1st April 2016 : 1,32,31,828) Equity Shares of ₹ 10 each fully paid up	137.32	1,373.18	132.32	1,323.18	132.32	1,323.18
Total	**137.32**	**1,373.18**	**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	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number	Amount [₹]	Number	Amount [₹]	Number	Amount [₹]
Equity Shares outstanding at the beginning of the year	132.32	1,323.18	132.32	1,323.18	132.32	1,323.18
Add : Preferencial allotment during the year	5.00	50.00	-	-	-	-
Equity Shares bought back during the year	-	-	-	-	-	-
Equity Shares outstanding at the end of the year	**137.32**	**1,373.18**	**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	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Paresh P. Mehta	-	-	-	-	956,785	7.23
Mukund P. Mehta	1,566,763	11.41	1,506,763	11.39	549,978	4.16
Kilitch Company Pharma Limited	6,629,342	48.27	6,629,342	50.10	6,629,342	50.10

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

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

NOTE 17 - OTHER EQUITY

(₹ In Lakhs)

Particulars		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a.	Securities Premium Account	3,023.13	2,778.13	2,778.13
b.	General Reserve	1,511.76	1,511.76	1,511.76
c.	Employee Stock Options	137.94	137.94	137.94
d.	Other Equity (Money received against Share Warrants)	236.00	-	-
d.	Other Reserves (Call on shares forfeited A/c)	58.00	58.00	58.00
	Foreign Exchange Fluctuation Reserve	(1.29)	(1.23)	-
e.	Surplus in the Statement of Profit and Loss			
	As per last Balance Sheet	4,017.67	4,906.62	-
	(+) Net Profit For the current year	515.24	(888.95)	-
		4,532.91	**4,017.67**	**4,906.62**
f.	Capital Reserve on Consolidation	-	0.65	0.65
g.	Other Comprehensive Income			
	As per last Balance Sheet	293.80	58.31	-
	(+/-) Change in Fair value of Investments at FVOCI	66.81	235.49	58.31
	(+/-) Other Adjustments	(29.52)	-	-
	At the end of the Year	331.09	293.80	58.31
Total		**9,829.55**	**8,796.73**	**9,451.42**

NOTE 18 - BORROWINGS

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Bank Overdraft (Kotak Bank)	82.47	48.15	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	-
Unsecured Loan [Repayable on Demand]	-	-	-
Loan from Director	-	-	-
Mukund.P.Mehta	9.70	9.70	9.70
Bank Overdraft (Axis -9986)	-	-	3.17
Total	**92.17**	**68.50**	**21.79**

NOTE 19 - TRADE PAYABLES

(₹ In Lakhs)

Particulars		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
i)	Micro & Small Enterprises [Refer note No. 24]			
ii)	Others	771.55	567.56	369.15
Total		**771.55**	**567.56**	**369.15**

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

NOTE 20 - OTHER FINANCIAL LIABILITIES

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Unpaid dividends	90.55	94.63	98.66
(c) Provision for Expenses	28.77	10.33	24.86
Total	**119.32**	**104.96**	**123.52**

NOTE 21 - PROVISIONS

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for employee benefits:	-	-	-
Salary & Reimbursements	43.47	35.46	42.23
Gratuity	36.08	37.49	32.57
Leave Encashment	1.87	3.34	2.17
Total	**81.42**	**76.29**	**76.97**

NOTE 22 - CURRENT TAX LIABILITIES

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Taxation (Net of Taxes paid)	196.55	135.07	26.79
Total	196.55	135.07	26.79

NOTE 23 - OTHER CURRENT LIABILITIES

(₹ In Lakhs)

Particulars	2017-18	2016-17	2015-16
Statutory dues	20.59	4.81	6.11
Book Overdraft	-	-	56.98
Others	208.06	206.42	142.51
Advance from Holding Company - Kilitch Drugs India Ltd.	-	0.00	-
Outstanding Expenses	1.12	1.19	1.53
Provision for expenses	0.83	4.51	-
Total	**230.60**	**216.93**	**207.14**

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

NOTE 24 - REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	2017-18	2016-17
Sale of products/services:		
Local sales	314.08	110.17
OMS	343.67	242.65
Export Sales	4,351.32	2,367.39
Other operating revenues	109.98	149.21
(Less) Sales Return	(17.87)	(4.16)
	5,101.18	**2,865.25**

NOTE 25 - OTHER INCOME

(₹ in Lakhs)

Particulars	2017-18	2016-17
Interest Income	21.99	16.30
Dividend Income	35.83	22.04
Profit from Trading in Securities	11.49	2.56
Profit from Sale of Investment	94.66	1.95
Foreign Exchange Gain :	-	
Realised	26.29	15.90
Unrealised	50.17	-
Income from Futures & Options	-	-
Miscellaneous Income	3.75	4.30
Bad debts recovered	33.70	50.74
Discount Received	9.62	-
Profit from Sale of Fixed Assets	0.05	
	287.54	**113.79**

NOTE 26 - COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	2017-18	2016-17
Opening Stock	206.35	133.46
Purchases	2,619.89	1,123.26
Less: Closing Stock	182.28	206.35
	2,643.97	**1,050.37**

NOTE 27 - VARIATION IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	2017-18	2016-17
Opening Stock :		
Work-in-Process	10.78	33.41
Finished Goods	42.38	95.21
	53.16	**128.62**
Closing Stock :	-	-
Work-in-Process	42.66	10.78
Finished Goods	54.70	42.38
	97.36	53.16
Total	**(44.20)**	**75.46**

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

NOTE 28 - EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	2017-18	2016-17
Salaries and incentives	401.25	303.21
Contributions to Provident fund	13.37	12.03
Gratuity fund contributions & Leave Encashment	(1.27)	8.86
Staff welfare expenses	16.87	14.15
Total	**430.23**	**338.25**

NOTE 29 - EXPORT PRODUCT REGISTRATION/COMMISSION

(₹ in Lakhs)

Particulars	2017-18	2016-17
Export Product Registration Expenses		
Export product registration	42.09	42.63
Export Expenses	3.30	1.62
Export Commision Expenses	294.04	86.70
Total	**339.43**	**130.95**

NOTE 30 - OPERATING & OTHER EXPENSES

(₹ in Lakhs)

Particulars	2017-18	2016-17
Consumption of stores and spare parts.	29.18	41.02
Labour Charges	112.97	145.11
Power and Fuel	110.54	105.97
Water Charges	4.83	3.83
Foreign Exchange Loss - Unrealised	-	59.94
Bank & Other Charges	41.63	15.53
Repairs to Buildings	7.41	35.07
Repairs - Others	68.29	52.15
Insurance	5.52	7.35
Rent, Rates and Taxes	21.92	26.42
Auditors Remuneration	7.80	7.85
Miscellaneous expenses	71.34	52.17
Bad Debts/Balances written off	285.84	(44.46)
Directors' Sitting Fees	0.98	0.11
Foreign Travelling Expenses	104.84	60.62
Printing & Stationery	6.73	6.72
Professional charges	78.83	82.99
Communication Expenses	14.67	15.25
Vehicle Expenses	5.96	7.36
Travelling Expenses:		
Directors	4.05	2.95
Others	15.49	10.12
Factory	10.30	10.44
Export Freight Expenses	71.21	99.20
Business Promotion Expenses	39.05	82.40
Advertising / Sales Commission Expenses	3.35	0.99
Discount Allowed [Sales]	4.96	139.74
Freight Gst	70.39	-
Clearing & Forwarding Expenses	29.70	52.68
Calibration & Validation Charges	1.49	1.82
Office Expenses	12.24	4.85
Reserve for Doubtful Debts (P&L)	(39.73)	239.74
Prior Period Items	-	0.48
Sundry Balance W/ Off	-	0.87
Rate Difference Adj	-	10.36
Legal and Professional charges	-	0.22
Share of Loss from Partnership firm	0.24	0.44
Preliminary Expenses written off	1.72	1.72
Donations	0.03	-
	1,203.78	**1,340.03**

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

31. DISCLOSURE AS PER IND AS – 19 "EMPLOYEE BENEFITS".

(A) Expenses recognised for Defined Contribution Plan:

Employer's Contribution to Provident and Pension Fund ₹ 6.99 Lakhs (PY ₹ 6.86 Lakhs).

Employer's Contribution to ESIC ₹ 3.78 Lakhs (PY ₹ 2.54 Lakhs)

The Company makes contributions towards provident fund and pension fund for qualifying employees to the Regional Provident Fund Commissioner.

(B) Expenses recognised 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.

i) Change in Defined Benefit Obligation during the year (to be updated from here)

(₹ in Lakhs)

Particulars	2017-18	2016-17
	Gratuity	Gratuity
Present value of the obligation at the beginning of the year	37.14	32.39
Current Service Cost	4.13	3.67
Interest Cost	2.79	2.59
Actuarial (Gain) / Loss on Obligation	(7.37)	0.38
Benefits Paid	(0.97)	(1.90)
Present value of the obligation at the end of the year	35.72	37.14

ii) Change in Fair Value of Assets and Obligations

The Company has taken a decision to contribute to a fund managed by LIC as required by Law against its liabilities. Accordingly The Company has contributed an amount of ₹ 1 Lakhs on 31st March 2018.The remaining liability as derived by LIC towards the premium amount of ₹ 21,33,499 to be contributed in 20 equal quarterly instalments over the next 5 years.

iii) Amount to be recognized in Balance sheet

(₹ in Lakhs)

Particulars	2017-18	2016-17
	Gratuity	Gratuity
Present Value of Defined Benefit Obligation	35.71	37.14
Fair value of Plan Assets at the end of the year	-	-
Amount to be recognized in Balance sheet	35.71	37.14

iv) Current/Non-Current bifurcation

(₹ in Lakhs)

Particulars	2017-18	2016-17
	Gratuity	Gratuity
Current Benefit Obligation	10.80	10.46
Non - Current Benefit Obligation	24.92	26.67

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

v) Expense recognised in the statement of financial position for the year

(₹ in Lakhs)

Particulars	2017-18	2016-17
	Gratuity	Gratuity
Current Service Cost	4.13	3.67
Interest cost on Obligation	2.79	2.59
Net Actuarial (Gain) / Loss recognised in the year	(7.37)	0.38
Net Cost Included in Personnel Expenses	(0.46)	6.66

vi) Maturity profile of defined benefit obligation

(₹ in Lakhs)

Particulars	2017-18	2016-17
Within the next 12 months	10.44	10.04
between 2 to 5 Years	6.83	3.27
between 6 to 10 Years	105.32	61.62

vii) Actuarial Assumptions used for estimating defined benefit obligations

Particulars	2017-18	2016-17
Discount Rate	7.50% P.A.	7.50% P.A.
Salary Escalation Rate	6.50% P.A.	6.00% P.A.
Expected Return on Plan Assets	-	-
Mortality Rate	IALM (2006-08)	IALM (2006-08)
Withdrawal Rate	1.00%	1.00%
The Weighted Average Duration of the Plan	14 years	13 years
No. of Employees	33	76
Average Age	43	39
Total Salary (₹ in Lakhs)	95.04	82.89
Average Salary (₹ in Lakhs)	7.92	6.91
Average Service	12.21 Years	6.45 Years
Accrued Benefit	39.08	44.93
Actuarial Liability	35.72	37.14

Notes:

1. Salary escalation rate is arrived after taking into account regular increments, price inflation and promotion and other relevant factors such as supply and demand in employment market.

2. Discount rate is based on prevailing market yields of Indian Government Securities as at balance sheet date for estimated term of obligations.

3. Attrition rate/ withdrawal rate is based on Company's policy towards retention of employees, historical data and industry outlook.

4. The above information is certified by actuary.

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

viii) Sensitivity analysis:

Increase/ (decrease) on present value of defined benefits obligations at the end of the year:

(₹ in Lakhs)

Particulars	Change in assumption	Effect on Gratuity obligation	
		2017-18	2016-17
Discount rate	+1%	32.82	32.90
	-1%	39.08	42.11
Salary Escalation rate	+1%	39.08	42.14
	-1%	32.77	32.81

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

C) Unfunded Schemes – Earned Leaves

(₹ in Lakhs)

Particulars	2017-18	2016-17
Present value of unfunded obligations	1.80	3.34
Expenses recognised in the statement of profit and loss	(0.87)	2.03
In Other comprehensive income		
Actuarial (Gain) / Loss - Plan liabilities	-	-
Actuarial (Gain) / Loss - Return On Plan Assets	-	-
Net (Income)/ Expense For the period Recognized in OCI	-	-
Discount rate (per annum)	7.50%	7.75%
Salary escalation rate (per annum)	6.50%	6.00%

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

NOTE 32 - SEGMENT REPORTING

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 Ind AS 108 - Operating Segments Issued by the Institute Of Chartered Accountants Of India. There are no secondary reportable segment.

Managing Director (the 'Chief Operational Decision Maker' as defined in Ind AS 108) monitors the operating results of the Group's business for the purpose of making decisions about resource allocation and performance assessment.

NOTE 33 - RELATED PARTY DISCLOSURE

In view of the Ind As 24 "Related Parties Disclosures", the disclosure in respect of related party transactions for the year ended on 31st March 2018 is as under:

RELATIONSHIPS

Category I : Key Managerial Personnel

Key Person	Designation
Mukund Prataprai Mehta	Chairman & Managing Director
Bhavin Mukund Mehta	Whole-time Director
Mira Bhavin Mehta	Whole-time Director

Category II : Enterprises over which Key Managerial Personnel are able to exercise significant control

NBZ Healthcare LLP.

Arham Neeta Realties LLP

Kilitch Pharma (Co.) Ltd.

b) Transactions during the year:

	TRANSACTIONS	Category I	Category II
1	Purchases	- (Nil)	11.50 (Nil)
2	Sales	- (Nil)	7.02 (13.94)
3	Director's Remuneration and Sitting Fees	148.00 (57.31)	-
4	Advance/Loan Given to Parties	-	99.39 (39.97)
5	Advance Returned By Parties	-	29.88 (32.30)
6	Reimbursement of Expenses [Net]	155.07 (22.76)	-
7	Issue of Shares and Warrants	155.07 (22.76)	-

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

c) The following balances were due from / to the related parties as on 31-03-2018

Sr. No.	TRANSACTIONS	Category I	Category II
1	Trade Receivables	-	(Nil) (42.36)
2	Advances given	- (-9.70)	33.90 (24.10)

Compensation of key management personnel:

The remuneration of director and other member of key management personnel during the year was as follows:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Short-term benefits	148.00	48.00
Other long term benefits	-	-

Note: Figures in brackets indicates previous year figure.

1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. These balances are unsecured and their settlement occurs through banking channel.

NOTE 34 - EARNING PER SHARE (EPS)

(₹ in Lakhs)

Basic as well as Diluted EPS	2017-18	2016-17
Net Profit after Tax	515.24	(888.96)
Weighted Average No. of Equity Shares for Basic EPS	13236110	132318000
Weighted Average No. of Equity Shares for Diluted EPS	14082137	132318000
Nominal Value of Equity Shares	10	10
Basic Earnings Per Share	3.89	(6.72)
Diluted Earnings Per Share	3.66	(6.72)

NOTE 35 - CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:-

a. Disputed Statutory Dues in respect of Income Tax aggregating to ₹ 50,365,650/- (PY ₹ 50,365,650/-) pertaining to A.Y. 2008-09 have not yet been deposited as the aforesaid matter in pending before CIT (Appeals). The impact thereof, if any, on the tax position can be ascertained only after the disposal of the appeals. Accordingly, the accounting entries arising there from will be passed in the year of the disposal of the said appeals.

b. Demand notices received on account of Property Tax pertaining to FY 2018-19 is aggregating ₹ 45,73,288/- (PY Nil) are disputed by the Company. The Company has filed a suit and the matter is pending the Supreme Court and Company has not yet deposited any amount in this regard.

c. Demand notices received on account of principal amount of CESS during FY 2017-18 pertaining to FY 1999-2000 and FY 2000-2001 is aggregating ₹22,84,832/- (PY Nil) are disputed by the Company. The Company has filed a suit and the matter is pending the Supreme Court and Company has not yet deposited any amount in this regard.

d. A suit was filed against the Company at District and Sessions Court, Sirmaur, Himachal Pradesh in relation to a withholding of payment for delay in delivering service by a contractor amounting ₹11,99,175.47 (PY Nil).

e. The above litigations are not expected to have any material adverse effect on the financial position of the company.

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

NOTE 36 - THE SUBSIDIARY COMPANIES CONSIDERED IN THESE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Name of the Company	Country of incorporation	Proportion of Ownership 2017-2018	Proportion of Ownership 2016-2017
Indian Subsidiary – Monarchy Healthserve Private Limited	India	100%	100%
Foreign Subsidiary – Kilitch Estro Biotech PLC	Ethiopia	67%	100%

NOTE 37 - The balances in respect of Trade Receivables & Payables and loans and advances, as appearing in the books of accounts are subject to confirmations from the respective parties and are pending reconciliations/adjustments arising there from, if any.

NOTE 38 - The Company is a partner in a partnership firm M/s. Arham Neeta Realties LLP. The accounts of the partnership firm have been finalized up to the financial year 2017-18. The details of the Capital Accounts of the Partners as per the latest Financial Statements of the firm are as under:-

Sr. No.	Name of the Partners	Profit Sharing Ratio	Total Capital on 31-03-2018	Total Capital on 31-03-2017
1	Kilitch Drugs (India) Limited	65%	22,46,34,404	22,46,54,773
2	Mukund Mehta	15%	(2,07,637)	(2,02,202)
3	Bhavin Mehta	15%	(2,07,637)	(2,02,202)
4	Mira Mehta	2.5%	(1,94,564)	(1,93,658)
5	Neeta Mehta	2.5%	(1,94,564)	(1,93,658)

The Company has accounted for its share of loss amounting to ₹ 23,550 (P.Y. ₹ 44,428) pertaining to the financial year 2017-18.

NOTE 39 - EVENT AFTER REPORTING DATE:

The Board of Directors of KDIL have recommended dividend of ₹ 0.5 per fully paid up equity share of ₹ 10 /- each, aggregating ₹ 82.78 lakhs, including ₹ 11.12 lakhs dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on 31st March 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

NOTE 40 - ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013 :

a. No Investments made in any Body Corporate except its subsidiaries.

b. No Guarantees were given by the Company.

c. No Loans or advances were given by the company to any Body Corporate or Persons:

NOTE 41 - CORPORATE SOCIAL RESPONSIBILITY:

The company is not required to spend any amount pertaining to CSR as per Section 135 of the Companies Act, 2013 read with Schedule VII due to incurring losses during previous Financial Years.

NOTE 42 - INVESTMENT IN ASSOCIATES

The Group does not have any associates companies. The company's interest in associate is accounted using the equity method in the consolidated financial statements.

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

NOTE 43 - DETAILS REQUIRED AS PER SCHEDULE III OF THE COMPANIES ACT 2013 AS BELOW:-

i) Details of Net Assets & share in profit or loss

Sr. No.	Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share In other Comprehensive Income		As % of consolidated net assets	
		As % of consolidated net assets	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount
	Subsidiaries								
	A) Indian								
1	Monarchy Healthserve Private Limited	100%	232.68	100%	104.37	Nil	Nil	100%	232.68
	B) Foreign								
	Kilitch Estro Biotech PLC	67%	221.60			Nil	Nil	67%	148.47

NOTE 44 - FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are reognised in the financial statements.

Purchases	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at fair value through Other Comprehensive Income						
Investments						
- in Equity shares	275.78	275.78	377.57	377.57	281.67	281.67
- in Bonds	53.24	53.24	53.24	53.24	53.24	53.24
-in Mutual Funds	3,029.34	3,029.34	2,601.87	2,601.87	2,396.46	2,396.46
Financial assets designated at amortised cost						
Investments						
- Capital Investment in Partnership Firm	2,246.34	2,246.34	2,246.55	2,246.55	2,246.97	2,246.97
Trade Receivables	2,069.49	2,069.49	1,460.88	1,460.88	1,375.76	1,375.76
Cash and Cash Equivalents	477.26	477.26	229.41	229.41	274.73	274.73
Loans and Advances	21.54	21.54	7.94	7.94	20.26	20.26
Other financial assets	78.97	78.97	78.97	78.97	-	-
Total	**8,251.97**	**8,251.97**	**7,056.42**	**7,056.42**	**6,649.09**	**6,649.09**
Financial liabilities designated at amortised cost						
Borrowings - Fixed rate	92.17	92.17	68.50	68.50	21.79	21.79
Trade payables and others	771.55	771.55	567.56	567.56	369.15	369.15
Other financial liabilities	119.32	119.32	104.96	104.96	123.52	123.52
Total	**967.71**	**967.71**	**726.94**	**726.94**	**495.39**	**495.39**

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The following methods and assumptions were used to estimate the fair values

1 Fair value of the Equity Sahres are based on price quoted on stock exchange.

2 Fair value of investment in unquoted equity shares are considered same as carrying value as the same are recently acquired.

3 Fair value of Financial Assets & Financial Liability(except which are show at their fair value) are carried at amortised cost is not materially different from it's carrying cost.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Purchases	As at 31st March 2018			As at 31st March 2017			As at 1st April 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets /Liabilities measured at fair value									
Investments									
- in Equity shares	275.78	-	-	377.57	-	-	281.67	-	-
- in Bonds	53.24	-	-	53.24	-	-	53.24	-	-
-in Mutual Funds	3,029.34	-	-	2,601.87	-	-	2,396.46	-	-

NOTE 45 - FINANCIAL RISK MANAGEMENT:

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

- **Market risk:**

  Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

  Foreign currency risk

  Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

  The Company is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency. The Company generally transacts in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency.

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

The Company is exposed to insignificant foreign exchange risk as at the respective reporting dates.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to interest rate risk as the Company has fixed rate of borrowings as at the respective reporting dates.

Commodity and Other price risk
The Company is not exposed to the comodity and other price risk.

- **Credit Risk**

Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments.

Trade and other recivables:
The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Company continues regular followup , engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings. The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast specturm and hence, the concentration of risk with respect to trade receivables is low. The Company also takes security deposits, advances , post dated cheques etc from its customers, which mitigate the credit risk to an extent.

Cash and cash equivalents an other investments
The Company is exposed to counter party risk relating to medium term deposits with banks and investment in mutual funds. The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings.

Exposure to credit risk
The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at 31st March 2017 and 31st March 2018 is as follows:

	As at 31st March 2018	As at 31st March 2017
Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):		
Other Investments	-	-
Cash and cash equivalents	477.26	229.41
Loans	21.54	7.94
Other financial assets	78.97	78.97
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	2,069.49	1,460.88

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

Life time Expected credit loss for Trade receivables under simplified approach

Aging of Trade Receivables	Past Due						Total
	0-120 days	120-150 days	150 - 180 days	180 - 365 days	365 - 730 days	Greater than 730	
As at 31st March 2018							
Gross Carrying Amount	1,350.21	62.32	46.78	110.82	294.32	586.57	2,451.03
Expected credit losses (Loss allowance provision)	-	(1.25)	(2.34)	(11.08)	(73.58)	(293.29)	(381.53)
Net Carrying Amount	1,350.21	61.08	44.44	99.74	220.74	293.29	2,069.49
As at 31st March 2017							
Gross Carrying Amount	405.46	10.81	175.04	415.45	267.76	607.61	1,882.13
Expected credit losses (Loss allowance provision)	-	(0.22)	(8.75)	(41.55)	(66.95)	(303.79)	(421.25)
Net Carrying Amount	405.46	10.59	166.29	373.91	200.81	303.83	1,460.88
As at 1st April 2016							
Gross Carrying Amount	250.42	50.09	106.61	288.31	569.89	576.17	1,841.47
Expected credit losses (Loss allowance provision)	-	(1.00)	(5.33)	(28.83)	(142.47)	(288.08)	(465.71)
Net Carrying Amount	250.42	49.09	101.28	259.48	427.42	288.08	1,375.76

Reconciliation of Changes in the life time expected credit loss allowance:

	2017-18	2016-17
Loss allowance on 1 April	421.25	465.71
Provided during the year	-	-
Reversal of provision	(39.72)	(44.46)
Loss allowance on 31st March	381.53	421.25

Cash and Cash equivalent, other Investment, Loans an other financial assets are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. The Company is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels and also cash deposits with banks to mitigate the risk of default in repayments. In the event of any failure to meet these covenants , these loans become callable to the extent of failture at the option of lenders, except where exemption is provided by lender.

Particulars	As at 31st March 2018					Total
	Carrying Amount	On Demand	Less than 12 months	2- 5 years	>5 years	
Borrowings	92.17	92.17				92.17
Other Financial Liabilities	119.32	119.32				119.32
Trade and other payables	771.55	771.55				771.55

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

Particulars	As at 31st March 2017					Total
	Carrying Amount	On Demand	Less than 12 months	2- 5 years	>5 years	
Borrowings	68.50	68.50				68.50
Other Financial Liabilities	104.96	104.96				104.96
Trade and other payables	567.56	567.56				567.56

Particulars	As at April 31, 2016					Total
	Carrying Amount	On Demand	Less than 12 months	2- 5 years	>5 years	
Borrowings	21.79	21.79				21.79
Other Financial Liabilities	123.52	123.52				123.52
Trade and other payables	369.15	369.15				369.15

Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March 2017 and 31st March 2016.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

Particulars	As at 31st March 2018	As at 31st March 2017
Loans and Borrowings	92.17	68.50
Less: Cash and cash equivalents + Bank Deposits	477.26	229.41
Net Debt	(385.10)	(160.91)
Total Capital	11,202.73	10,120
Capital+Net Debt	10,818	9,959
Gearing Ratio	-	-

NOTE 46 - TAXATION

Income tax related to items charged or credited to profit or loss during the year:

		As at 31st March 2018	As at 31st March 2017
A	**Statement of Profit or Loss**		
1	Current Income Tax (Net of MAT Credit)	33.48	-
		33.48	-
2	Deferred Tax expenses/ (benefits):		
	Relating to origination and reversal of temporary differences	62.55	(42.56)
		62.55	(42.56)
	Total Income tax Expenses (1 to 2)	**96.03**	**(42.56)**

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

		As at 31st March 2018	As at 31st March 2017
B	**Reconciliation of Current Tax expenses:**		
	Profit /(Loss) from Continuing operations	611.27	(931.51)
	Applicable Tax Rate	30.00%	30.00%
	Computed tax expenses	**183.38**	-
	Income not allowed/exempt for tax purposes	(25.77)	-
	Expenses not allowed for tax purposes	(34.14)	-
	Other temporary allowances	(152.15)	-
	Tax paid at lower rate	15.64	-
	Additional Tax payable due to MAT provisions	46.52	-
		33.48	-
C	**Deferred Tax Recognised in statement of profit and Loss relates to the following:**		
	Difference between book and Tax depriciation	(2.08)	(3.19)
	Expenses allowable on payment basis	64.63	(39.37)
	Deferred Tax Liabilities/ (Asset)	62.55	(42.56)
D	**Reconciliation of deferred tax liabilites/(asset) net:**		
	Opening balance as on 1st April	247.25	175.18
	Tax expenses / (income) during the period	(62.55)	42.56
	Add/Less On account of Consolidation	(29.51)	29.51
	Closing balance as on 31st March	**155.18**	**247.25**

NOTE 47 - SHARE-BASE PAYMENTS ARRANGEMENTS

As per the ESOS, 2007 as amended from time to time 175,243 ESOPs were offered to our employees with a vesting period scattered over 3 years starting from the FY 2018-19. Out of the above 57,818 ESOPs will be excercisable on or after 15th April 2018 at an exercisable price at Face Value of ₹ 10 each.

NOTE 48 - DISCLOSURE AS REQUIRED BY IND AS 101 - FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

Exemptions Applied:

Ind AS 101 allows rst time adopters certain exemptions from the retrospective application of certain Ind AS, eective for 1st April 2016 opening balance sheet.

The following exceptions to the retrospective application of other Ind AS as per Appendix D of Ind AS 101 are applied by the company :-

1 **Deemed cost of Property,Plant and Equipment: (PPE)**

The Company has opted to continue with the carrying value for all of its PPE as recognised in the nancial statements as at the date of transition to Ind AS and measured as per previous GAAP and use that as its deemed cost as at the date of transition to Ind AS.

2 **Financial assets and liabilities:**

The Company has nancial receivables and payables that are non-derivative nancial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under Ind AS, these are nancial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to Ind AS, the requirement of initial recognition at fair value is applied prospectively.

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

3 Business Combination Exemption:

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to 1st April 2015 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date.

4 Share-based payment transactions:

Ind AS 101 encourages, but does not require, rst time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to 1st April 2015.

5 Investments in subsidiaries and associates:

The Company has elected to measure investment in subsidiaries and associates at cost.

Impact of Transition to Ind AS

The following is a summary of the effects of the differences between Ind As and Indian GAAP on the Company's total equity shareholders funds and profit and loss for the financial periods previously reported under Indian GAAP following the date of transition to Ind AS. There is no material impact of Ind AS transactions on the Cash flow statment.

Reconciliation of Balance sheet as on 1st April 2016 (i.e date of transation to Ind AS)

(₹ In lakhs)

Particluars	Notes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		867.91	(0.00)	867.91
Other Intangible Assets		3372.99	(0.00)	3372.99
Goodwill on Consolidation				
Financial assets				
- Investments		2581.89	(0.00)	2581.89
- Loan		20.26	-	20.26
- Other Financial Assets		3.44	(3.44)	0.00
Deferred tax assets (Net)		94.60	80.58	175.18
(A)		**6941.09**	**77.14**	**7018.23**
Current Assets				
Inventories		262.08	-	262.08
Financial assets				
- Investments	II	2312.07	84.38	2396.46
- Trade Receivables	I	1636.55	(260.78)	1375.76
- Cash & Bank Balances		274.73	-	274.73
- Other Financial Assets		3.24	-	3.24
Other Current Assets		238.22	31.25	269.47
(B)		**4726.89**	**(145.15)**	**4581.74**
TOTAL (A + B)		**11667.98**	**(68.01)**	**11599.96**

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

(₹ In lakhs)

Particluars	Notes	Indian GAAP	Adjustments	Ind AS
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		1,323.18	-	1323.18
Other Equity		9,545.52	(94.10)	9451.42
(A)		**10868.70**	**(94.10)**	**10774.61**
Current liabilities				
Financial Liabilities				
- Borrowings		21.79	-	21.79
- Trade Payables		369.15	-	369.15
- Other Financial Liabilities		123.52	-	123.52
Provisions		76.97	-	76.97
Current Tax Liabilities [Net]		0.71	26.09	26.79
Other Current Liabilities		207.14	-	207.14
(B)		**799.27**	**26.09**	**825.35**
TOTAL (A+B)		**11667.98**	**(68.01)**	**11599.96**

Reconciliation of Balance sheet as on 31st March 2016

(₹ In lakhs)

Particluars	Notes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		801.40	-	801.40
Capital Work in Progress		65.99	-	65.99
Other Intangible Assets		2529.63	-	2529.63
Financial assets				
- Investments	II	2679.12	22.18	2701.30
- Loan		7.94	-	7.94
- Other Financial Assets		78.97	-	78.97
Deferred tax assets (Net)		150.94	96.31	247.25
(A)		**6313.98**	**118.50**	**6432.48**
Current Assets				
Inventories		259.52	-	259.52
Financial assets				
- Investments	II	2198.87	403.00	2601.87
- Trade Receivables	I	1,511.77	(50.90)	1460.88
- Cash & Bank Balances		229.41	-	229.41
- Other Financial Assets		3.54	3.22	6.75
Other Current Assets		303.25	(4.94)	298.31
(B)		**4506.36**	**350.39**	**4856.74**
TOTAL (A + B)		**10820.35**	**468.88**	**11289.22**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		1323.18	-	1323.18
Other Equity		8459.23	337.50	8796.73
(A)		**9,782.41**	**337.50**	**10119.91**
Current liabilities				
Financial Liabilities				
- Borrowings		68.50	-	68.50

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

(₹ In lakhs)

Particluars	Notes	Indian GAAP	Adjustments	Ind AS
- Trade Payables		567.56	-	567.56
- Other Financial Liabilities		104.96	-	104.96
Provisions		76.29	-	76.29
Current Tax Liabilities [Net]		3.69	131.38	135.07
Other Current Liabilities		216.93	-	216.93
(B)		**1,037.94**	**131.38**	**1169.31**
TOTAL (A+B)		**10,820.35**	**468.88**	**11289.22**

Reconciliation of Other Equity as at 31st March 2017

(₹ In lakhs)

Particulars	8459.23
Other Equity as per Previous GAAP	
IND AS Adjustments :	
Expected Credit Loss (ECL) on receivables	**(50.89)**
Deferred Tax Assets Recognised	96.31
Preliminary Expenses w/off	(1.72)
Fair Value Change in Investment through OCI	293.8
Balance as per Ind-As as on 31.03.2017	**8796.73**

Reconciliation of Statement of profit and loss for the year ended 31st March 2017

(₹ In lakhs)

Particluars	Notes	Indian GAAP	Adjustments	Ind AS
Revenue from operations	2865.25123	-	2865.25	
Other Income	113.7876118	-	113.79	
Total Income (I + II)	**2979.04**	**0.00**	**2979.04**	
Expenses				
Cost of materials consumed	1050.37	-	1050.37	
Variation in inventories of finished goods & work-in-progress	75.46	-	75.46	
Employee benefits expenses	338.25	-	338.25	
Finance Cost	0.00	-	0.00	
Depreciation and amortization expense	975.50	-	975.50	
Export Product Registration/Commission	130.95	-	130.95	
Other expenses	1549.92	209.89	1340.03	I
Total Expenses (IV)	**4120.44**	**209.89**	**3910.55**	
Profit/ (loss) before tax	(1,141.41)	(209.89)	(931.51)	
Less: Tax Expense:-				
a) Current Tax				
b) Minimum Alternate Tax				
c) Deferred Tax	56.34	(13.78)	42.56	
d) Tax Adjustments of Earlier years				
Profit/ (loss) for the year - (A)	**(1,085.08)**	**(223.67)**	**(888.95)**	
Other comprehensive income				
A) Items that will not be reclasified To Profit & Loss A/c				
Change in fair value of Investments	-	340.80	340.80	

Consolidated Notes to the Financial Statements

for year ended 31st March 2018

(₹ In lakhs)

Particluars	Notes	Indian GAAP	Adjustments	Ind AS
B) Income Tax relating to the items that will not be reclasified to Profit & Loss A/c				
Change in fair value of Investments	-	(105.31)	(105.31)	
Total comprehensive income for the period (A+B)	**-**	**235.49**	**235.49**	

(e) Footnotes to reconciliation of equity as on 1st April 2016 and 31st March 2017 and statement of Profit and Loss for the year ended 31st March 2016

Notes:

I Expected Credit Loss (ECL) Provision : The Company has provided ECL as per Ind AS. Impact of ECL as on date of transition is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss .

II Fair Valuation of Financial Asset : The Company has valued Financial assets (other than investment in subsidiaries, associates which are accounted at cost) at fair value. Impact of fair value changes on the date of transition is recognised in opening reserve and changes thereafter are recognised in Other Comprehensive Income.

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.

NOTE 49 - 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

Ajit M. Ghelani
Partner
M. No. 012576

Mumbai
Dated: 25th May 2018

For and on behalf of the Board of Directors

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole-time Director)

Ramesh Babulal Modi
(Independent Director)

Harshal Anant Patil
(Company Secretary)

Notice

NOTICE IS HEREBY GIVEN THAT THE 26TH ANNUAL GENERAL MEETING OF THE MEMBERS OF KILITCH DRUGS (INDIA) LIMITED WILL BE HELD AT C-301/2, MIDC, TTC INDUSTRIAL AREA, PAWANE VILLAGE, NAVI MUMBAI–400705, MAHARASHTRA, INDIA, ON THURSDAY, THE 27TH DAY OF SEPTEMBER 2018 AT 09:00 AM (IST)TO TRANSACT THE FOLLOWING BUSINESSES:

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 31st March 2018 and the reports of the Board of Directors ('the Board') and Auditors thereon.

2. **TO CONSIDER DECLARATION OF DIVIDEND.**

   To declare a final dividend of Re. 00.50 per equity share of face value ₹ 10/- each for financial year 2017-18.

3. **TO APPOINT DIRECTORS LIABLE TO RETIRE BY ROTATION:-**

   To appoint a Director in place of Mr. Mukund Mehta (DIN:00147876), who retires by rotation and being eligible, seeks re-appointment.

4. **TO RATIFY THE APPOINTMENT OF M/S. A. M. GHELANI & CO., CHARTERED ACCOUNTANTS (FRN 103173W) AS A 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 (including any statutory modification(s) or Re-enactment(s) thereof for time being in force), pursuant to the recommendations of the audit committee of the Board and pursuant to the resolution passed by the members at the AGM held on 29th September 2017, the appointment of M/s. A. M. Ghelani & Co., Chartered Accountants (Firm Registration No. 103173W) as the statutory auditors of the Company, to hold office till the conclusion of the 29th Annual General Meeting to be held in financial year 2021, is hereby ratified for the financial year 2018-19 and the Board of Directors be and are hereby authorized to fix such remuneration payable to them plus applicable taxes and reimbursement of out of pocket expenses incurred by them, for the financial year 2018-19 as may be determined by the audit committee in consultation with the auditors and the Board of Directors."

SPECIAL BUSINESS:

5. **APPOINTMENT OF PROF. VASUDEV KRISHNA MURTI (DIN:00567672) AS AN INDEPENDENT DIRECTOR.**

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

   "**RESOLVED THAT** Prof. Vasudev Krishna Murti (DIN:00567672), who has been appointed by the Board of Directors as an Additional Director of the Company with effect from 16th March 2018 and holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, but who is also eligible for appointment, in respect of whom the Company has received a notice in writing pursuant to the provision of Section 160 of the Companies Act, 2013 from member of the Company proposing his appointment as a Director of the Company and who has consented, if appointed, to act as a Director, be and is hereby appointed as a Director of the Company.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules framed thereunder, read with Schedule IV to the Act (including any statutory modification(s) or Re-enactment(s) thereof for time being in force), Prof. Vasudev Krishna Murti (DIN:00567672), who meets the criteria for being appointed as Independent Director as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing 16th March 2018 to March 15, 2023."

6. **APPOINTMENT OF MR. VENKITA SUBRAMANIAN RAJAN (DIN:00059146) AS AN INDEPENDENT DIRECTOR.**

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

   "**RESOLVED THAT** Mr.Venkita Subramanian Rajan (DIN:00059146), who has been appointed by the Board of Directors as an Additional Director of the Company with effect from 28th June 2018 and holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013; but who is also eligible for appointment, in respect of whom the Company has received a notice in writing pursuant to the provision of Section 160 of the Companies Act, 2013, from member of the Company proposing his appointment as a Director of the Company and who has consented, if appointed, to act as a Director, be and is hereby appointed as a Director of the Company".

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules framed thereunder, read with Schedule IV to the Act (including any statutory modification(s) or Re-enactment(s) thereof for time being in force), Mr. Venkita Subramanian Rajan (DIN:00059146), who meets the criteria for being appointed as Independent Director as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing 28th June 2018 to 27th June 2023."

7. TO CONSIDER FOR CONTRIBUTION TO BONAFIDE CHARITABLE AND OTHER FUNDS.

To approve the authority of the Board of Directors for making donation to charitable and other funds and in this regard to consider and if thought fit to pass the following resolution as an ordinary Resolution: .

"**RESOLVED THAT** pursuant to the provisions of Section 181 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of members of the Company be and is hereby accorded to the Board of Directors of the Company (herein referred to as 'the Board' which shall deem to include any committees thereof) to contribute and/or donate, from time to time, to bonafide charitable and other funds/trust, amounts not exceeding in aggregate to all such funds/Trust taken together up to a sum of INR 50,00,000/- (Indian Rupees Fifty Lakh only) during any financial year of the Company.

RESOLVED FURTHER THAT any of the previous acts, deeds, actions done / performed / accomplished by the Company as mentioned in Section 181 of the Companies Act, 2013 (i.e. contribution/ donation to bonafide charitable and other funds/trust) be and are hereby ratified by members of the Company."

By order of the Board
For, **Kilitch Drugs (India) Limited**

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

Place: Mumbai
Date 13th August 2018

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

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 **Thursday 20th September 2018 to Thursday 27th September 2018** (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. Also shareholder needs to furnish the printed attendance slip along with a valid identity proof such as the PAN card, passport, AADHAAR card or driving license to enter the AGM hall.

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 2017-18, the Notice of the 26th 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) Amendment Rules, 2015 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 - 400083.
Tel: 022- 49186000; Fax: 022-49186060

Instructions for Voting through electronics means:

In compliance with Regulation 44 of SEBI Listing Obligation 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 26th 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 am (IST) on Monday 24th September 2018 and will end at 5.00 pm(IST) on Wednesday 26th September 2018**. 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. Thursday, 20th September 2018**.

The Members, whose names appear in the Register of Members / list of beneficial owners as on the cut-off date i.e. Thursday, 20th September 2018 only shall be entitled to vote on the Resolutions set out in this Notice.

The Board of Directors at their meeting held on 13th August 2018 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 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. Thursday, 27th September 2018.

The instructions for e-voting are as under:

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on **Monday, 24th September 2018 (09:00 am (IST)) and ends on Wednesday 26th September, 2018 (5:00 pm (IST))**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 20th September 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Click on Shareholders / Members

(iv) 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.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) 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.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and 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 sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) 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 to be also 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.

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

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

(xii) 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.

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

(xiv) 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.

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

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a 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 linked in the login 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.

(xx) 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.

(xxi) 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. **Thursday, 20th September 2018**.

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

Item No. 5:-

Prof. Vasudev Krishna Murti (DIN:00567672) aged 66 was appointed as Additional Non- executive Independent Director of the Company by the Board of Directors under Section 161(1) of the Companies Act, 2013, and hold office upto the date of the Twenty Sixth Annual General Meeting of the Company.

Prof. Vasudev Krishna Murti (DIN:00567672), additional non executive Independent Director of the Company has furnished a declaration to the Company under Section 149(7) of the Companies Act, 2013, confirming that he meets the criteria prescribed for Independent Directors under section 149(6) of the said Act. The Company has received from Prof. Vasudev Krishna Murti (DIN:00567672), the consent to act as Director. As required under section 160 of the Companies Act, 2013 a notice has been received from a Member proposing name of Prof. Vasudev Krishna Murti (DIN:00567672) for the office of a Directorship.

In the opinion of the Board Prof. Vasudev Krishna Murti fulfills the conditions specified in the Act and the Rules made thereunder for such appointment.

In term of Section 149 (13) of the said Act, Prof. Vasudev Krishna Murti, Independent Director is not liable to retire by rotation.

The matter regarding appointment of Prof. Vasudev Krishna Murti as Independent Director was placed before the Nomination & Remuneration Committee which has recommended his appointment as an Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Prof. Vasudev Krishna Murti as an Independent Director is now being placed before the Members in the Annual General Meeting for their approval.

The terms and conditions of appointment of Prof. Vasudev Krishna Murti, shall be open for inspection by the Members at the registered office during normal business hours on any working day of the Company.

Prof. Vasudev Krishna Murti does not hold any share of the Company.

Upon the confirmation of the appointment of Prof. Vasudev Krishna Murti as Independent Director by the members of the Company the appointment shall be formalize by the issue of a letter of appointment by the Company to the said Director.

Information as required by the Listing Regulation 2015, and SS-2 has been given elsewhere in this Notice.

The aforesaid Director is not disqualified from being appointed as a director in terms of section 164 of the Act.

The Board accordingly, recommends the resolution at Item no. 5 of this notice for approval of the Members.

None of the Directors except Prof. Vasudev Krishna Murti and Key Managerial Personnel and their relatives are in any way concerned or interested financially or otherwise in the Resolution.

Item No.6:-

Mr. Venkita Subramanian Rajan (DIN:00059146) aged 75 was appointed as Additional Non- executive Independent Director of the Company by the Board of Directors under Section 161 (1) of the Companies Act, 2013, and hold office upto the date of the Twenty Sixth Annual General Meeting of the Company.

Mr. Venkita Subramanian Rajan (DIN:00059146), non-executive Independent Director of the Company has furnished a declaration to the Company under Section 149(7) of the Companies Act, 2013 confirming that he meets the criteria prescribed for Independent Directors under section 149 (6) of the said Act. The Company has received from Mr. Venkita Subramanian Rajan (DIN:00059146), the consent to act as Director. As required under section 160 of the Companies Act, 2013 a notice has been received from a Member proposing the name of Mr. Venkita Subramanian Rajan (DIN:00059146) for the office of a Directorship.

In the opinion of the Board Mr. Venkita Subramanian Rajan fulfills the conditions specified in the Act and the Rules made thereunder for such appointment.

In term of Section 149 (13) of the said Act, Mr. Venkita Subramanian Rajan, Independent Director is not liable to retire by rotation.

The matter regarding appointment of Mr. Venkita Subramanian Rajan as Independent Director was placed before the Nomination & Remuneration Committee which has recommended his appointment as an Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Venkita Subramanian Rajan as an Independent Director is now being placed before the Members in the Annual General Meeting for their approval.

The terms and conditions of appointment of Mr. Venkita Subramanian Rajan, shall be open for inspection by the Members at the registered office during normal business hours on any working day of the Company.

Mr. Venkita Subramanian Rajan does not hold any share of the Company.

Upon the confirmation of the appointment of Mr. Venkita Subramanian Rajan as Independent Director by the members of the Company the appointment shall be formalize by the issue of a letter of appointment by the Company to the said Director.

Information as required by the Listing Regulation 2015, and SS-2 has been given elsewhere in this Notice.

The aforesaid Director is not disqualified from being appointed as a director in terms of section 164 of the Act.

The Board accordingly, recommends the resolution at Item no. 6 of this notice for approval of the Members.

None of the Directors except Mr. Venkita Subramanian Rajan and Key Managerial Personnel and their relatives are in any way concerned or interested financially or otherwise in the Resolution.

Item No.7:-

The Company, as a corporate citizen, believes in Corporate Social activities (hereinafter referred as "CSR") in various areas. As per Section 181 of the Companies Act, 2013, the Board of Directors of the Company can contribute to bona fide charitable and other funds/trust, any amount the aggregate of which, in any financial year shall not exceed 5% of its average net profits for the three immediately preceding financial years.

In order to fully comply with the requirements towards compliances of applicable provisions of the Companies Act, 2013, in view of unavailability of sufficient profits, the consent of the members is sought to enable the Board to commence with Corporate Social activities. The Board recommends the resolution under item no. 7 to be passed as an ordinary resolution by the members.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.6 of the Notice.

By order of the Board
For, **Kilitch Drugs (India) Limited**

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

Place: Mumbai
Date 13th August 2018

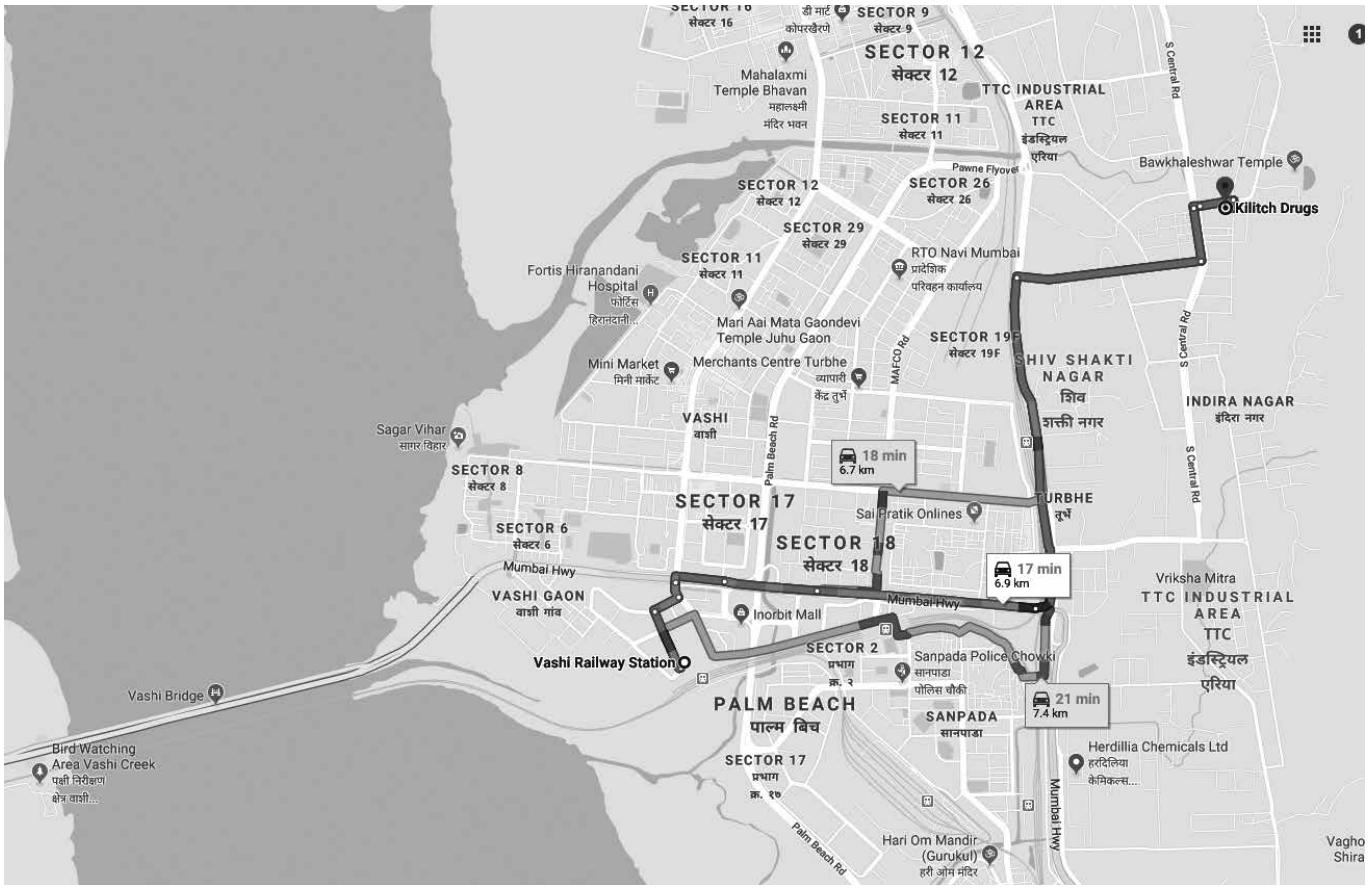
Registered Office:
C-301/2, M.I.D.C. TTC Industrial Area,
Pawane Village, Navi Mumbai - 400 705,
Maharashtra, India.

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. Mukund Mehta	Prof. Vasudev Krishna Murti	Mr. Venkita Subramanian Rajan
(a)	A brief resume of the director;	B. Com., BGL.	B. Com , PGD in Marketing and Business Management	B. Sc.(Physics), PG in Business Management, Masters in Marketing, Executive Programme (Stanford University)
(b)	Nature of his expertise in specific functional areas;	33 years in Pharmaceutical industry with vast personal Experience with various export client.	Huge experience of 19 years in Sales and Channel Management.	Huge experience of more than 40 years in all areas of Management.
(c)	Disclosure of relationships between directors inter-se;	Father of Mr. Bhavin Mehta and Father in Law of Mrs. Mira Mehta	NIL	NIL
(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	NIL
(e)	Shareholding of Director.	1566763 (11.41%)	NIL	NIL

The route map of the Venue of the AGM is given herein below.



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KILITCH DRUGS (INDIA) LTD.

26th Annual General Meeting
KILITCH DRUGS (INDIA) LIMITED
[CIN : L24239MH1992PLC066718]
Registered office: C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Navi Mumbai - 400 705, Maharashtra, India.
Phone: 022 27680913 | Fax: 022 27680912
Website www.kilitch.com | Email: info@kilitch.com

Attendance Slip

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

Date	Venue	Time
September 27, 2018	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Navi Mumbai - 400 705, Maharashtra, India	9.00 AM (IST)

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 26th Annual General Meeting of the Company held on Thursday, September 27, 2018 at 9:00 a.m., at C-301/2, M.I.D.C., TTC Industrial Area, Pawane Village, Navi Mumbai - 400 705, Maharashtra, India.

_____

Signature of the Member/ Proxy

Note: Electronic copy of the Annual Report for 2018 and Notice of the 26th 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 26th Annual General Meeting can print copy of this Attendance Slip.

Physical copy of the Annual Report for 2018 and Notice of the 26th 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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KILITCH DRUGS (INDIA) LTD.

26th Annual General Meeting

KILITCH DRUGS (INDIA) LIMITED

[CIN : L24239MH1992PLC066718]

Registered office: C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Navi Mumbai - 400 705, Maharashtra, India.

Phone: 022 27680913 | Fax: 022 27680912

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 26th Annual General Meeting of the Company to be held on Thursday, September 27, 2018 at 9.00 a.m. at C-301/2, M.I.D.C., TTC Industrial Area, Pawane Village, Navi Mumbai - 400 705, Maharashtra, India 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, 2018 and reports of the Board of Directors and the Auditors thereon;			
2.	To consider declaration of Dividend;			
3.	Re-appointment of Mr. Mukund Mehta, who retires by rotation and being eligible, seeks re-appointment.			
4.	To ratify the appointment of Auditors of the company, and to fix their remuneration;			
Special Business				
5.	Appointment of Prof. Vasudev Krishna Murti (DIN:00567672) as an Independent Director			
6.	Appointment of Mr. Venkita Subramanian Rajan (DIN:00059146) as an Independent Director			
7.	To consider for contribution to bonafide charitable and other funds			

*** This is optional. Please put a tick mark (√) 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_____2018

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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KILITCH DRUGS (INDIA) LTD.

Registered Office:
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