

A. M. GHELANI & COMPANY
CHARTERED ACCOUNTANTS

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B.Com (Hons), F.C.A., C.S

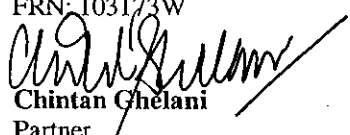
INDEPENDENT AUDITORS' REVIEW REPORT

To,
The Board of Directors
Kilitch Drugs (India) Limited

LIMITED REVIEW REPORT OF THE UNAUDITED STANDALONE RESULTS OF KILITCH DRUGS (INDIA) LIMITED FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2016

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Kilitch Drugs (India) Limited** for the quarter and nine months ended 31st December, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the Indian Accounting Standards and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to :
 - a) Note no. 3 of the accompanying Unaudited Standalone financial results related to the outcome of the arbitration proceedings between the company and Akorn Inc., the parties to the Business Transfer Agreement. The accounting treatment for the outcome of the arbitration would be determined based on the final arbitration award. The management, based on its own assessment, is of the view that the arbitration award would be in its favour and hence does not expect any material outflow on the conclusion of the arbitration proceedings.

Our opinion is not qualified in respect of the said matter.

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

Chintan Ghelani
Partner
Membership No.: 104391



Place : Mumbai
Dated : 13th February, 2017

Enclosed: Unaudited financial results for the quarter and nine months ended 31st December, 2016 of Kilitch Drugs (India) Limited

KILITCH DRUGS (INDIA) LIMITED

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31ST DECEMBER 2016

Regd. Office:- C-301/2, MIDC, TTC Industrial Area, Pawane Village, Thane-400701

Tel No: 022- 61214100, Email id: info@kilitch.com, Website: www.kilitch.com

CIN. L24239MH1992PLC066718

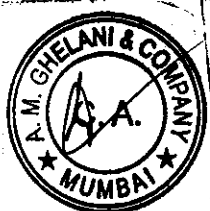
Rs. In Lacs

Sr. No.	Particulars	STANDALONE					
		Three Months Ended			Nine Months Ended		Year Ended
		31/12/2016	30/09/2016	31/12/2015	31/12/2016	31/12/2015	31/03/2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations						
	(a) Net Sales/Income from operations(net of Excise)	713.28	531.15	590.46	1907.03	1414.93	2082.46
	(b) Other operating income	12.87	53.96	3.40	68.89	9.39	19.70
	Total income from Operations (Net)	726.15	585.11	593.86	1975.92	1424.32	2102.16
2	Expenses						
	(a) Cost of materials consumed	244.35	313.75	293.04	872.70	694.66	891.84
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	76.96	(19.66)	(44.35)	47.71	(48.14)	(18.61)
	(c) Employee Benefit Expenses	82.05	87.53	83.81	242.17	252.10	342.20
	(d) Depreciation and Amortisation Expenses	33.53	23.59	41.77	98.31	119.98	161.25
	(e) Export Product Registration Charges	1.80	4.88	57.16	43.52	102.71	149.28
	(f) Other Expenses	298.64	319.35	169.14	924.91	723.51	1098.66
	Total Expenses	737.32	729.45	620.58	2229.31	1844.81	2624.62
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(11.17)	(144.34)	(26.72)	(253.39)	(420.50)	(522.46)
4	Other Income	16.72	33.18	43.13	73.33	118.60	273.51
5	Profit / (Loss) from ordinary activities before finance cost and exceptional items (3+4)	5.55	(111.16)	16.41	(180.06)	(301.90)	(248.96)
6	Finance Costs	0.00	0.00	0.00	0.00	0.00	0.00
7	Profit / (Loss) from ordinary activities before exceptional items (5-6)	5.55	(111.16)	16.41	(180.06)	(301.90)	(248.96)
8	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
9	Profit / (Loss) from ordinary activities before tax (7+8)	5.55	(111.16)	16.41	(180.06)	(301.90)	(248.96)
10	Tax Expenses						
	Current Tax	0.00	0.00	0.00	0.00	0.00	0.00
	Deferred Tax	(24.27)	(21.10)	(18.98)	(48.63)	(38.17)	(43.61)
	Tax Adjustments of Earlier years	0.00	0.00	0.00	0.00	0.00	0.00
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	29.82	(90.06)	35.39	(131.43)	(263.73)	(205.35)
12	Extra Ordinary Items (net of tax expenses)	0.00	0.00	0.00	0.00	0.00	0.00
13	Net Profit / (Loss) for the period (11+12)	29.82	(90.06)	35.39	(131.43)	(263.73)	(205.35)
14	Paid-Up equity share capital (Face Value Rs 10 per share)	1323.18	1323.18	1323.18	1323.18	1323.18	1323.18
15	Reserves excluding Revaluation Reserve [As per the latest Audited Balance Sheet]						10469.01
16.i	Earnings per share (before extra ordinary items) (F.V. of Rs.10/-each) (not annualised):						
	(a) Basic	0.23	(0.68)	(0.27)	(0.99)	(1.99)	(1.55)
	(b) Diluted	0.23	(0.68)	(0.27)	(0.99)	(1.99)	(1.55)
16.ii	Earnings per share (after extra ordinary items) (F.V. of Rs.10/-each) (not annualised):						
	(a) Basic	0.23	(0.68)	(0.27)	(0.99)	(1.99)	(1.55)
	(b) Diluted	0.23	(0.68)	(0.27)	(0.99)	(1.99)	(1.55)

Notes:

- The above results as reviewed by the audit committee have been taken on record by the Board of Directors at their meeting held on 13th February, 2017.
- The Company has operated only in one reportable segment i.e. Pharmaceuticals.
- The Business Transfer Agreement (BTA) dated October 6, 2011, read in conjunction with all the further amendments/ancillary agreements/contracts, between the Company & Akorn Inc., a company incorporated under the laws of the USA, wherein Akorn Inc. has raised certain disputes, is being referred to arbitration as regards the same, as per the terms of the BTA. Currently, the arbitration proceedings are at a preliminary stage, i.e. the arbitrators nominated by both the parties are in the process of appointing the presiding arbitrator.
The management, based on its own assessment, is of the view that the arbitration award would be in its favour and hence does not expect any material outflow on the conclusion of the arbitration proceedings. The accounting treatment for the outcome of this arbitration will be based on the final arbitration award.
- The figures for the corresponding previous periods have been restated/regrouped, wherever necessary, to make them comparable with the current periods.

Place: Mumbai
Date: 13th February, 2017



For and on behalf of Board

NIKUND MEHTA
Managing Director

