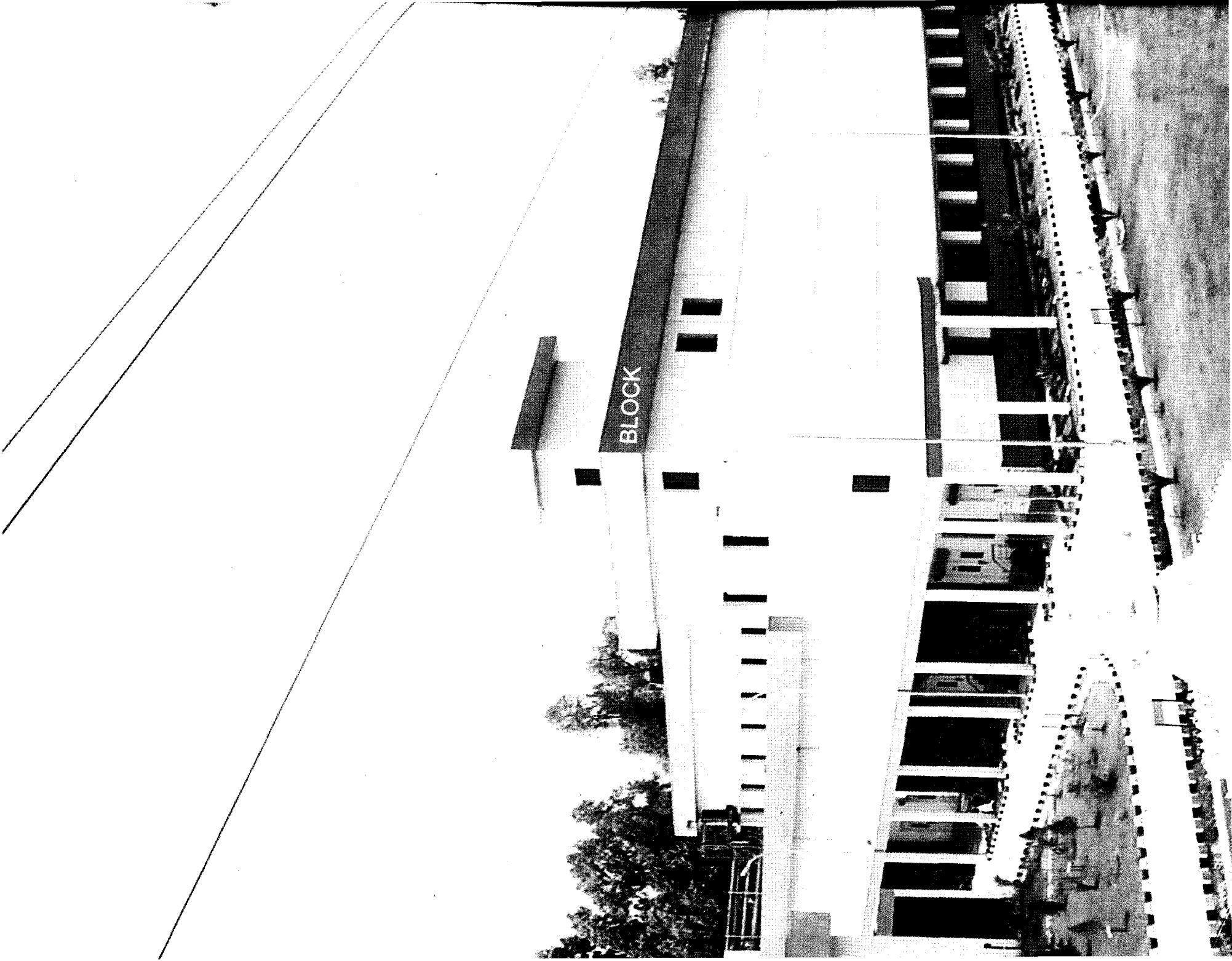


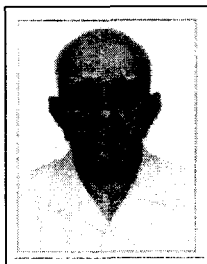
कर्मण्येवाधिकारस्ते मा फलेषु कदाचन ।
मा कर्मफलहेतुर्भूर्मा ते सङ्गोऽस्त्वकर्मणि ॥

KILITCH

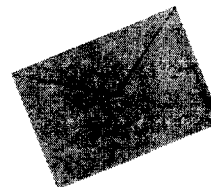
KILITCH DRUGS (INDIA) LTD



BLOCK



CHAIRMAN'S MESSAGE.....!



The Chairman speaks.....

“Strength does not come from physical capacity it comes from an indomitable will”

MAHATMA GANDHI

The year 2008-09 saw a great financial turmoil, the World over but your Company withstood the same and came out shining.

During 2008-09, the manufacturing operation at our green field facility at Poanta, HP (which is in notified Tax free zone & spreads over 13 acres of land and employing over 400 personnel) has shown a noticeable improvement in capacity utilization. I am happy to announce that the 3rd phase expansion is nearing completion (which is being developed adjacent to existing Poanta Plant on 6.5 acres)

In the above referred 3rd phase, the Company will have dedicated Penem block and sex-hormone block which have tremendous business potential. The Poanta facility which has also undergone Regulatory/Technical/Customer Audit from number of regulatory market countries and semi regulatory market countries besides non regulatory market countries, has passed out with flying colours. Notable among above is plant approval by WHO Geneva, GCC, Ethiopia, etc. The Company is striving hard to get approval from US FDA, TGA AUSTRALIA, UKMHRA, MCA in near future and for this Company has created a dedicated RA facility in Mumbai for preparing and filling the dossier under the dedicated leadership of your Company's Vice President QA.

The year witnessed 300 % growth in exports. Our stride for export continues and is likely to achieve excellent growth in near future.

The year 2008-09, also witnessed intensive effort from Management to strengthen the total work force of the Organisation by recruiting senior and experienced personnel as well as by carrying out in house personnel development training.

The Company is working excellently on developing/launching pharmaceutical specialties approved by the Drug Controller General of India (DCGI) for many life saving injectables.

The ensuing year does pose a number of challenges in achieving the desired growth. However with the measures undertaken, I am confident that company would meet those challenges very successfully.

I would like to make a note of appreciation about the support received from various Government departments SEBI, BSE and Bankers and the Government of Himachal Pradesh in particular.

As rightly said by Peter Drucker.....

“THE BEST WAY TO PREDICT THE FUTURE IS TO CREATE IT”

I am confident that your Company will create great future for it's stake holders and public at large.

I take this opportunity to wish you all in advance – a Joyous Diwali and Prosperous New Year !

Pratap K. Mehta
Chairman



17TH ANNUAL REPORT 2008 - 09

BOARD OF DIRECTORS

MR. PRATAP K. MEHTA Chairman
MR. MUKUND P. MEHTA Managing Director & CEO
MR. PARESH P. MEHTA Joint Managing Director
MR. BHAVIN M. MEHTA Director
DR. MAHALINGAM VASUDEVAN Director
MR. DEEPAK SHENOY Director

MR. MUKESH SHAH Director
MRS. NILIMA WAINGANKAR Wholetime Director
MR. NITIN SHAH Wholetime Director
MR. PANKAJ KAMDAR Director
MR. SHAILESH CHHEDA Director
MR. HEMANG ENGINEER Director

CORE MANAGEMENT TEAM

MR. MUKUND P. MEHTA CEO & Managing Director
MR. PARESH P. MEHTA Joint Managing Director
MR. BHAVIN M. MEHTA Director Business Development
MR. M. AGASHIWALA Sr. VP Operations
MRS. NEELIMA A. WAINGANKAR VP Corporate QA/QC

POANTA PLANT
MR. NITIN SHAH General Manager
MR. SANJAY MOHAN GM- Administration
MR. PRADYUMNA PANDE GM- Mechanical

MUMBAI PLANT
MR. YAJURVEDI General Manager
MR. JAYANT MADARKAR Factory Manager
CORPORATE
MR. DILIP DESAI VP Finance & Commercial

AUDITORS
R.S. Negi & CO.

SECRETARIAL AUDIT
Deep Shukla & Associate
(CS. Deep Shukla)

BANKERS
THE SHAMRAO VITHAL CO-OP BANK LTD.
AXIS BANK LTD
STATE BANK OF INDIA
ICICI BANK LTD.

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

ADMINISTRATIVE OFFICE
Ujagar Industrial Estate, Unit No. 37,
W.T. Patil Marg, Deonar, Mumbai - 400 088
Tel.: 022-67033322 / Fax: 022-67031658
Website: www.kilifch.com
e-mail : info@kilifch.com

REGISTRARS' & TRANSFER AGENTS
LINK INTIME INDIA PRIVATE LIMITED
C -13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (W), Mumbai-400 078.
Tel.: 022-25963838 / Fax: 022-25946969
FINANCIAL MENTOR : VINAYAK KUDWA

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DEMATERIALISATION OF SHARES

The Equity Shares of the company are available for Dematerialisation. Shareholder are requested to take appropriate steps to convert their holdings from physical mode to electronic mode. The ISDN No. is 729D01010

ATTN : SHAREHOLDERS

As informed through 17th Annual Report please send all communication including any request for change of address and Share transfer to the Registrars' Office.
Shareholder seeking information of accounts published here in are requested to furnish their queries to the Company at least 7 days before the date of meeting.
17th Annual General Meeting on Tuesday the 22nd September, 2009 at 9.00 a.m.
at Registered Office of the Company.

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Members of **KILITCH DRUGS (INDIA) LIMITED** will be held at C-301/2, MIDC, TTC Industrial Area, Pawane Village, Thane: 400 705 on **Tuesday, 22nd September 2009 at 9.00 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors' and Auditor's thereon.
2. To consider declaration of dividend.
3. To appoint a Director in place of Mrs. Nilima Waingankar, who retires by rotation, and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Bhavin Mehta, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Pankaj Kamdar, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint R.S. Negi & Co. Chartered Accountants as Auditors of the Company and to fix their remuneration.

**For and On behalf of the
Board of Directors**

**Place: Mumbai
Date: 20/08/2009**

**MUKUND MEHTA
MANAGING DIRECTOR**

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.
- 2) The Register of Members and Share Transfer Books of the Company

will remain closed from **Saturday 12th September 2009 to Tuesday, 22nd September 2009** (both days inclusive.)

- 3) Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
- 4) 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.
- 5) For convenience of members, an attendance slip is annexed to the proxy form. 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'.
- 6) 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.
- 7) Members are requested to bring their copies of the reports to Annual General Meeting.
- 8) 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.
- 9) In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to:

**Link Intime India Private Limited
Registrar & Share Transfer Agent**
C-13, Pannanlal Silk Mills Compound,
L.B.S. Marg, Bhandup(W),
Mumbai-400078
Tel: 022- 25963838
Fax: 022-25946969

As required by Clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be appointed / reappointed are given below:

Name of Directors	Age [in yrs.]	Qualification	No. of shares held
Mrs. Nilima Waingankar	41	B. Sc.	NIL
Mr. Bhavin Mehta	32	B Pharm	109500
Mr. Pankaj Kamdar	54	Bsc D Pharm	NIL

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 17th Annual Report together with the Audited Statements of Accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS:	Rs. in Lacs	
	2008-2009	2007-2008
Sales and Other income	12918.07	11731.77
Profit before interest, Depreciation & Tax	2394.39	2300.60
Depreciation	613.30	627.76
Less: Interest	510.39	400.46
Profit after Interest & Depreciation	1270.70	1272.38
Provision for Taxes	156.35	140.32
Net Profit after Taxes	1114.35	1132.06
Balance b/f from previous year	955.85	245.70
Disposable Profit	2070.20	1377.76
Transfer to General Reserve	110.00	113.00
Interim Dividend (incl. tax)	-	154.46
Proposed Dividend (incl. tax)	154.46	154.46
Balance Transferred to Balance Sheet	1805.74	955.85

REVIEW OF PERFORMANCE:

During the year under review, Net Profit After Tax was Rs.1114.35 lacs as against Net Profit After Tax of Rs.1132.06 lacs for the corresponding previous year.

Further, Sales and other income grew from Rs.11731.77 lacs to Rs.12918.07 lacs for the year ended 31st March 2009.

DIVIDEND:

For the year under review, the Board of Directors of the Company is pleased to inform the Members that it is recommending dividend @ 10% subject to the approval of the Members at the Annual General Meeting.

DIRECTORS:

During the year under review, Mrs. Nilima Waingankar, Mr. Bhavin Mehta and Mr. Pankaj Kamdar retire by rotation and being eligible, offers themselves for reappointment.

Further, Mr. Anil Kale resigned as Company Secretary of the Company w.e.f. 23rd September, 2008.

AUDITORS:

M/s R.S. Negi & Co, Chartered Accountants, Auditors of the Company retires at the conclusion of this Annual General Meeting. The members are requested to appoint auditors and to fix their remuneration.

EXPLANATION U/S. 217(3) OF THE COMPANIES ACT, 1956:

- Note No. 9(a) of Annexure to Auditors' Report:

The liability of dividend tax has been paid by the Company and for Income Tax liability; the Company has already filed an appeal with the Income Tax Tribunal, since then Company is paying

agreed installments regularly.

CONSERVATION OF ENERGY:

Power and Fuel Consumption	2008-09	2007-08
a) Electricity		
Purchased Unit (in thousand)	7240.47	6426.41
Total Amount (Rs.in thousand)	29768.70	25334.19
Rate/ Unit(Rs.)	4.11	3.94
b) Own Generator		
Fuel (Diesel)		
- Total Amount (Rs.in thousand)	4488.30	4391.70
Rate per Litre (Rs)	52.01	34.95
Fuel (Furnace Oil)		
Total Amount (Rs.in thousand)	11076.40	7612.99
Rate per Litre (Rs)	41.23	24.28

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

During the year the Company has not imported any technologies.

FOREIGN EXCHANGE EARNING & OUTGO

	Rs. In Lacs	
	2008-09	2007-08
Earnings	827.58	277.08
Outgoings	882.86	971.07

FIXED DEPOSITS:

The Company has not accepted any loans or deposits from public in contravention of Section 58A of the Companies Act, 1956, and rules framed under the Companies (Acceptance of Deposits) Rules, 1975.

TRANSFER TO GENERAL RESERVE:

The Company Proposes to transfer Rs. 110.00 lacs to General Reserve.

FINANCE:

The Company has been enjoying the financial facilities from State Bank of India, AXIS Bank Ltd., The Shamrao Vithal Co-op Bank Ltd. & ICICI Bank Ltd.

INSURANCE:

All properties of the Company including factory, building, plant & machinery and Stock are adequately insured.

CREDIT RATINGS:

Your Company has been accorded A- rating for short term and long term debt. The rating indicates high amount of safety, the prospects of timely reporting of debts /obligations being the best, considering the size of the Company and nature of its business.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Report of Management Discussion And Analysis as required under the Listing Agreement with The Stock Exchanges is enclosed as Annexure A to this Report. Certain statements in this section may be forward looking. Many factors may affect the actual results, which

could be different from what the Directors envisage in terms of the future performance and outlook

FOCUS ON INTERNATIONAL MARKET:

Since last few years our focus has been on developing our Brands in international market. Infections are a major killer world-widely & therefore our focus has been on "antibiotics" and particularly on Cephalosporin. ONECEF (which is a Brand of Ceftriaxone) has been a good success in all the markets. The line extension of ONECEF i.e. ONECEF-SB has been welcomed by Doctors. We intend to establish ONECEF as a GLOBAL brand. Other beta-lactam antibiotic Brands like KFUROX, KLAVMOX have generated good revenues for the company and also other Cephalosporin brands like ZETAX, K-ZEDIME have added volumes to our sales. In the next financial year we expect a good jump in sales and profit from these Brands. We are now concentrating on a novel new group of antibiotic called as CARBEPENEMS and our Brand -KPENEM is expected to be launched soon in few countries. Our new antibiotic from the group of aminoglycosides i.e. KAMICIN has met tremendous success in African countries where we had a great launching seminar by inviting top Doctors. Our launching of products in other new African & G.C.C. markets will generate respectable sales & profit for your company. We are expanding our product portfolio by registering products in new therapeutic groups like Anti-malarial, Dermatology, Sex hormones etc.

We have long foreseen that Indian Drug Industry will grow faster because of Export market only, because domestic demand alone can not give a boost to the industry. This strategy has paid dividend to us and now we are ready to take the challenge of becoming an Indian multinational company and witness our foray in many new markets. The approval of our new Paonta plant by GCC will help us to enter the regulated market of middle-east in the coming year.

FOCUS ON PRESCRIPTION SALES

We have always believed that Prescription given by Doctors for any product are the heart and soul of any Pharmaceutical company and therefore we have always believed in scientific promotion to medical fraternity. We have a separate department headed by experienced technocrat to design and prepare world -class informative promotional tools which includes visual aids, literature , product manuals, & training manuals, etc. The high quality & the standard of our informative promotional material and training have earned good respect for us.

HUMAN RESOURCES DEVELOPMENT

A company is as great as the people who work for it. It is true every where & particularly in service providing departments like marketing and sales. We have been imparting scientific training to the entire sales team in all the countries where we operate. Our training facilities & the quality of training are considered to be one of the best in international market. Because of high quality of our sales force including Medical Representatives your company has commended a great respect from Doctors & created a good image in all the countries. Incidentally all our agents are amongst the most respected parties in their respective countries. Human resource development in all the departments including administration, finance, accounts, production, QC & QA, distribution, R. A. and export etc. is a continuous process in your company.

ESOS:

During the Year 2007-08, the Company floated an Employee Stock

Option Scheme-2007(ESOS). The Scheme, after its approval by the Shareholders, has been instituted by the Board of Directors w.e.f. 31.10.2007.

However, during the year under review, employees of the Company have not opted for the said ESOS Scheme as market price of the Shares is very low as compared to offer price of the said Scheme. Under the circumstances, the Board of Directors of the Company unanimously decided to keep in abeyance the said ESOS - 2007.

DIRECTORS' RESPONSIBILITY STATEMENT as required pursuant to newly inserted Sec. 217(2AA):

- i. that in the preparation of annual accounts for the Financial year 2008-2009, the applicable accounting standards had been followed along with proper explanation relating to material discrepancies;
- ii. that the directors had 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 or loss of the company for that year.
- iii. that the directors had 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;
- iv. that the directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

The Company continues to believe in and accordingly upgrade itself with concept of Corporate Governance. The company has successfully maintained a code of Corporate Governance in all its concerned operations comprehensively. Corporate Governance and Management Discussion & Analysis Report forms part of this Annual Report. The Company has obtained a Certificate from the Auditors for maintenance of Code of Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS:

A. INDUSTRY STRUCTURE AND DEVELOPMENT:

The year 2008-09 was a challenging year for the world including India. The Indian economy which was growing over 9% since last three years grew by only 6.5% during the year 2008-09 due to recession settling in almost all the sectors.

The annual forecast by IMS Health unveiled that the growth of worldwide pharmaceutical sales is expected to be stable in 2009. As per IMS Health Report it is forecasted that emerging markets of China, Brazil, Mexico, South Korea, India, Turkey & Russia will contribute more than half of global sales by 2013. The global compound annual growth rate [CAGR] for pharmaceutical market growth is forecasted to be 3-6% by 2013.

B. OPPORTUNITIES:

India's pharmaceutical industry is poised for growth of 12-13% in 2009, according to forecast of ORG IMS. As per the latest report of AC Neilson, Indian pharmaceutical industry is estimated to touch \$30 billion by 2020. India is also emerging as a competitive outsourcing hub and a low cost, high quality option for outsourcing of research, manufacturing and other services. This offers a great opportunity for the Indian pharmaceutical industry. The country

is on its way to be among the top global suppliers for formulations and bulk drugs and a hub for Contract Research and Manufacturing [CRAM], Contract Research Organisations [CRO] and R&D activities.

C. THREATS & CONCERNS:

Some of the challenges the Company may encounter in its stride are understanding the regulatory environment, scanning development horizons, establishing competitive positions and organizing production and distribution based on efficient outsourcing and manufacturing. Pharmaceutical industry including your company has a potential to be exposed to product liabilities in market place including regulatory mishaps, product patents, and product recalls and adverse drug monitoring etc. which are very critical for business operations.

Further, to sustain growth in the current global slowdown, pharmaceutical companies need to stay ahead of the dynamics that are rebalancing the marketplace worldwide. This requires a sharper focus on realizing productivity gains from their sales, marketing and R&D to support opportunities in both emerging and mature markets and a commitment to demonstrate better value of their products to key stakeholders.

D. OUTLOOK:

In the present time of recession where all the major industries have suffered set backs Pharmaceutical export from India is poised for a bright future. Ever increasing population & the increase in the life expectancy of the people are generating young & old people alike. Per capita spending on Drugs is increasing every

where. All of you know that probably India is the only country which can provide "health care products at an affordable price". The Global Pharma market is forecasted to cross \$900 billion sales by 2012. Most importantly drugs sales worth \$ 70 to \$ 80 billion dollars is going off patent in next 5 years which is giving a great opportunity to us to take a justified share for our Brands. Pharmaceutical products from India are well accepted in regulated markets. With up coming approval of USFDA, UKMHRA & TGA, AUSTRALIA we are well placed to enter regulated markets as well. We are now regularly participating in all the local & international CPhi to promote our presence in a bigger and faster way.

PARTICULARS OF EMPLOYEES:

None of the employees of the company is in receipt of remuneration exceeding Rs.24,00,000/- per annum, if employed for whole of the year or Rs.2,00,000/- per month if employed for part of the year.

APPRECIATION:

Your Directors place on record their sincere appreciation of the service rendered by the employees of the Company and the Banks. Your Directors are also grateful to shareholders of the Company and local authorities for their continued valuable support and cooperation to the Company.

For and On behalf of the

Board of Directors

MUKUND MEHTA

**MANAGING
DIRECTOR**

Place: Mumbai

Date: 20th August, 2009

CORPORATE GOVERNANCE REPORT

The Corporate Governance Code introduced by Securities and Exchange Board of India ('SEBI') as adopted by incorporating a new clause No.49 in the Listing Agreement of the Stock Exchanges and also by applicable provisions of the Companies (Amendment) Act, 2000, is being implemented by the Company. A report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company is 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.

2. BOARD OF DIRECTORS

As on 31st March, 2009 the strength of Board of Directors was 12, comprising of 4 Executive Directors, 8 are Non-Executive including 2 Promoter Director And Six are Independent Directors. The Chairman of the Company is Non-Executive Promoter Director.

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management and marketing. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors meets with the requirements of Clause 49 (1) (A) of the Listing Agreement. None of the Directors on the Board is a member on more than ten Committees and Chairman of more than five Committees as per Clause 49 (IV) (B) across all Companies in which they are Directors.

The composition of the Board of Directors and also the number of other Board of Directors of which he is a Member/Chairman as on March 31, 2009, are as under:

Names of Directors	Category of Directorship	Directorship in other companies	Committee Membership(s) of other Companies		No. of shares held
			Member	Chairman	
Mr. Mukund Prataprai Mehta	Managing Director	2	-	-	655592
Mr. Bhavin Mukund Mehta	Non Executive Director	2	-	-	109500
Mr. Paresh Prataprai Mehta	Executive Director	2	-	-	846068
Mr. Pratap Keshavji Mehta	Non Executive Director	2	-	-	617965
Ms. Nilima Abhay Waingankar	Executive Director	-	-	-	-
Mr. Mukesh Damji Shah.	Independent And Non Executive Director	-	-	-	4000
Mr. Deepak Bhaskar Shenoy	Independent And Non Executive Director	-	-	-	-
Mr. Pankaj Ottamchand Kamdar	Independent And Non Executive Director	-	-	-	-
Mr. Nitinkumar Chandulal Shah	Executive Director	-	-	-	-
Mr. Hemang Jagdish Engineer	Independent And Non Executive Director	-	-	-	-
Mr. Shailesh Hansraj Chheda	Independent And Non Executive Director	-	-	-	-
Mr. Mahalingam Vasudevan	Independent And Non Executive Director	-	-	-	-

• Directorship in Private Limited Companies are also included in the above table.

None of the Directors holds directorships in more than 15 Companies, membership in committee of Board in more than 10 Companies and Chairmanship of Committee of Board of more than 5 Committees.

BOARD PROCEDURE:

The Board meets at least once a 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.

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

Eleven (11) Board Meetings were held during the financial year ended March 31, 2009, the dates of which are 10/05/2008, 13/06/2008,19/06/2008,21/06/2008,30/06/2008,30/06/2008,11/07/2008,31/07/2008,16/09/2008,27/10/2008 and 30/01/2009. The attendance of each Director at Board Meetings and the last Annual General Meeting is as under:

Name of the Director	No. of Board meetings attended	Attendance of last AGM held on 22/09/2008.
Mr. Mukund Prataprai Mehta	11	Present
Mr. Bhavin Mukund Mehta	11	Present
Mr. Paresh Prataprai Mehta	10	-
Mr. Pratap keshavji Mehta	10	Present
Ms. Nilima Abhay Waingankar	04	-
Mr. Mukesh Damji Shah.	10	Present
Mr. Deepak Bhaskar Shenoy	05	-
Mr. Pankaj Ottamchand Kamdar	09	-
Mr. Nitinkumar Chandulal Shah	03	-
Mr. Hemang Jagdish Engineer	04	-
Mr. Shailesh Hansraj Chheda	04	-
Mr. Mahalingam Vasudevan	04	-

3. AUDIT COMMITTEE:

BROAD TERMS OF REFERENCE

The Audit Committee of the Company, inter-alia, acts as a control mechanism in the financial and other important departments of the Company. The terms of reference of the Audit Committee are in accordance with paragraphs C and D of Clause 49 (II) of the Listing Agreement and as specified by the Board of Directors of the Company.

The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by the Institute of Chartered Accountants of India during the year. The role of the Audit Committee includes the following:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other service
- Reviewing with management the financial statements before submission to the Board.
- Reviewing with the management and the external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function and procedures.
- Discussion with internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with External Auditors before the audit commences, the nature and the scope of Audit as well as have post audit discussion.
- Reviewing the Company's financial and risk management policies.

COMPOSITION

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

The constitution of the Audit Committee is as follows:

S.N	Name of Director	Executive/Non-Executive Independent
1.	Mr. Mukesh Damji Shah.	Chairman & Non-Executive, Independent
2.	Mr. Shailesh Hansraj Chheda	Non-Executive Independent
3.	Mr. Hemang Jagdish Engineer	Non-Executive Independent
4.	Mr. Pankaj Ottamchand Kamdar	Non-Executive Independent
5.	Mr. Deepak Bhaskar Shenoy	Non-Executive Independent
6.	Mr. Pratap K. Mehta	Non-Executive Independent

MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2009, Six Audit Committee Meetings were held on 10/05/2008, 21/06/2008, 30/06/2008, 31/07/2008, 28/10/2008 and 30/01/2009.

The attendance at the Audit Committee Meetings is as under:

Name of Director	No. of meetings attended
Mr. Mukesh Damji Shah	06
Mr. Shailesh Hansraj Chheda	05
Mr. Hemang Jagdish Engineer	05
Mr. Pankaj Ottamchand Kamdar	05
Mr. Deepak Bhaskar Shenoy	05
Mr. Pratap K. Mehta	02

The Chairman of the Committee was present at the Annual General Meeting of the Company held on 22/09/2008 to attend the shareholders' queries.

4. SHARE TRANSFER/INVESTOR GRIEVANCE COMMITTEE:

FUNCTIONS

The Board of Directors of the Company has constituted a Committee of Directors which also functions as 'Shareholders'/Investors Grievances Committee', consisting of three members, chaired by executive Director. The Committee interalia, deals with various matters relating to:

- transfer/transmission of shares;
- issue of duplicate share certificates;
- investors, grievances and redressal mechanism and recommend measures to improve the level of investor services.

Details of shares transfer/transmission approve by the Committee and Shareholders'/Investors' grievances are placed at the Board Meetings from time to time.

COMPOSITION

The constitution of the Committee of Directors is as under:

Name of Director	Designation
Mr. Mukesh Damji Shah.	Chairman, Non-Executive & Independent
Mr. Shailesh Hansraj Chheda	Non-Executive & Independent
Mr. Hemang Jagdish Engineer	Non-Executive & Independent
Mr. Pankaj Ottamchand Kamdar	Non-Executive & Independent
Mr. Deepak Bhaskar Shenoy	Non-Executive & Independent
Mr. Pratap K. Mehta	Non-Executive & Independent

5. REMUNERATION POLICY:

The Board of Directors authorized to decide Remuneration to Executive Directors. The Remuneration structure comprises of Salary and Perquisites. Salary is paid to Executive Directors within the Salary grade approved by the Members.

The details of Remuneration paid to Executive Directors for the Financial Year 2008-09.

Sr.No.	Name of Directors	Remuneration paid (in Rs.)
1.	Mr. Paresh Prataprai Mehta	900,000
2.	Mr. Mukund Prataprai Mehta	900,000
3.	Ms. Nilima Abhay Waingankar	510,756
4.	Mr. Nitinkumar Chandulal Shah	884,000

DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS:

The Company had received 40 investor complaints, which was resolved to the satisfaction of the said investors. Thus there are no investor complaints which are pending.

6. GENERAL BODY MEETINGS:

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

Financial Year	Date	Location of the Meeting	Time
2005-2006	30/09/2006	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane-400705.	9.00A.M
2006-2007	30/09/2007	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane-400705.	9.00A.M
2007-2008	22/09/2008	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane-400705.	9.00A.M

7. DISCLOSURES:

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.

Transactions with related parties, as per requirements of Accounting Standard 18 as disclosed, elsewhere in this Annual Report.

During the last Three years there has been no instance of non compliance by the Company on any matter related to capital market. Hence there were no strictures or penalties imposed either by SEBI or Stock Exchanges or any Statutory Authority for non compliance of any matter related to capital market.

8. MEANS OF COMMUNICATION:

As the Financial Results of the Company are published in the newspaper and press release is issued in leading newspapers, a separate half yearly report is not sent to each Shareholder.

The Quarterly Reports of the Company are published in accordance with the Requirements of the Listing Agreement of the Bombay Stock Exchange, Mumbai.

News Papers in which results are normally published:

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

Web Site : www.kilitch.com

e-mail : investor_complaints@kilitch.com

Administrative Office : Ujagar Industrial Estate,
Unit No 37 to 41, 3rd Floor,
Sub plot 2- D.W.T Patil Marg,
Deonar, Mumbai-400088

9. IMPLEMENTATION OF CODE OF CONDUCT FOR INSIDER TRADING:

Kilitch Drugs (India) Limited has adopted Code of Conduct for Insider Trading and is based on the SEBI framework and is stringent than the statutory code being enforced by the SEBI. Kilitch Drugs (India) Limited follows strict guidelines in respect of insiders' stock trading and related disclosures Mr. Mukund Mehta is designated as the Compliance Officer to over see its implementation. Periodic disclosures have been obtained from all the Directors and 'designated employees' Under the aforesaid code all Directors and Designated Employees are required to conduct all their dealing in securities of the Company only in valid trading window after obtaining pre clearance form the Company as per the pre dealing procedure described in the Code.

10. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:

As stipulated by SEBI, a Compliance officer carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges as well as placed before the Board of Directors. The audit confirms that the total Listed and paid up capital is in agreement with the aggregate of the total number of Shares in dematerialised form (held by NSDL and CDSL) and total number of Shares in physical form.

11. GENERAL SHAREHOLDERS' INFORMATION:

Detailed information in this regard provided in the shareholder information section forms part of this Annual Report.

SHAREHOLDER INFORMATION:

1. Annual General Meeting Scheduled to be Held:

Date : 22nd September 2009

Time : 9.00 A.M

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

2. Date of Book Closure:

Saturday 12th September 2009 to Tuesday, 22nd September, 2009 (both days inclusive.)

3. Financial Calendar:

The financial calendar year of the Company was from 1st April, 2008 to 31st March, 2009.

Financial Reporting for:

Financial Reporting for the quarter ending 30th June, 2008.

Financial Reporting for the quarter ending 30th September, 2008.

Financial Reporting for the quarter ending 31st December, 2008.

Financial Reporting for the quarter ending 31st March 31, 2009.

Date:

August 11,2008

October 27th,2008

January 31st,2009

June 03,2009

4. Listing on Stock Exchanges:

Equity Shares of the Company are listed on Bombay Stock Exchange Limited.

5. Stock Code: Bombay Stock Exchange Limited: (BSE): B2 - 524500

6. Stock Price Data:

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

BSE, MUMBAI			
MONTH	High (Rs.)	Low (Rs.)	No. of shares traded
April, 2008	115.00	100.00	562
May, 2008	129.90	101.00	973
June, 2008	114.90	90.00	788
July, 2008	113.80	80.00	1105
August, 2008	130.00	105.00	1032
Sept,2008	148.00	117.00	1361
Oct, 2008	152.00	48.60	907
Nov, 2008	81.70	56.25	618
Dec, 2008	79.95	58.75	541
Jan, 2009	95.00	68.00	585
Feb, 2009	89.80	72.00	514
March, 2009	85.00	63.55	694

7. Address for Correspondence:

Registered office

C-301/2, M.I.D.C. TTC Industrial Area,
Pawane Village, Thane-400705.

Share Transfer in physical form and in other communication in that regards including share certificates, dividends and change of address etc. may be addressed to

Link Intime India Private Limited
Registrar & Share Transfer Agent
C-13, Pannanal Silk Mills Compound,
L.B.S. Marg, Bhandup(W),
Mumbai-400078
Tel. Nos. : 022-25963838,
Fax No. : 022-25946969

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 30 days from the date of receipt, if the documents are in order. The Share Transfer Committee meets generally on a fortnightly basis to consider the transfer proposal. 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, 2009, out of total 13,202,122 Equity Shares 12,265,128 Equity Shares are held in dematerialized form with NSDL and CDSL which aggregates to 92.00%.

10. Distribution of shareholding as on March 31, 2009:

No. of shares held	No. of shareholders	No. of shares held	% of shareholding
1 to 100	3255	278318	44.1960
101 to 200	1907	370726	25.8930
201 to 500	1395	537511	18.9410
501 to 1000	424	350923	5.7570
1001 to 5000	259	614692	3.5170
5001 to 10,000	66	496958	0.8960
10,001 to 1,00,000	47	1377944	0.6380
1,00,001 and above	12	9175050	0.1630
TOTAL	7365	13202122	100.00

11. Shareholding Pattern As on 31st March, 2009

Category	No. Of Shares Held	% of Shareholding
Promoter's holding		
1. Indian		
- Individuals/ Hindu Undivided	2,518,893	19.07
- Bodies Corporate	6,012,742	45.56
2. Foreign	Nil	
Sub-Total.....	8,531,635	64.63
Non-Promoters holding		
3. Institutional Investors		
a. Mutual Funds and UTI		
b. Banks, Financial Institutions, Insurance Companies (Central/State) Government Institutions/Non-Government Institutions	100	-
	165,785	-
c. FIIS	NIL	-
Sub-Total.....	165,885	1.26
4. Others		
a. Bodies Corporate	711,389	5.38
b. Indian Public	3,644,976	27.62
c. NRI/OCBs	128,684	0.97
d. Trusts	1000	-
e. Clearing Members	18,553	0.14
Sub-Total.....	4,504,602	34.11
Grand Total.....	13,202,122	100.00

Note:

The total foreign shareholding for the year ended 31st March, 2009 is 128,684 shares which in percentage terms is 0.97% of the issued and subscribed capital.

The details of Equity Shares Under Lock-in-period as on 31/03/2009 are as 6381193 Equity Shares.

Shareholding pattern in case of demated shares has been prepared based on download of data received from NSDL / CDSL as on 31st March 2009.

DECLARATION

I Mukund Mehta, Managing Director & CEO of Kilitch Drugs (India) Limited based on confirmation received from all the directors and Senior management of the Company, do hereby state that all Board Members and senior management personnel has affirmed compliances with the Code of conduct of the company for the year ended on 31st March 2009.

BY AND ON BEHALF OF THE BOARD

Mr. Mukund Mehta
Managing Director & CEO

Place: Mumbai
Date: 20th August, 2009

CERTIFICATE ON CORPORATE GOVERNANCE

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 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with 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 Listing Agreement.

We have to state that in respect of investor's grievances, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the shareholders/investor's Grievance Committee.

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 Deep Shukla & Associates
Company Secretaries

Deep Shukla
Proprietor
FCS No. 5652, CP 5364
Place: Mumbai
Date: 30th June, 2009

AUDITOR'S REPORT

To,
The Shareholders,

M/s Kilitch Drugs (India) Limited

- 1) We have audited the attached Balance Sheet of Kilitch Drugs (India) Limited as at March 31, 2009 together with the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto and report that, these financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 as amended, issued by the Company Law board in terms of Sections 227 (4A) of the Companies Act 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4) Further to our comments in the annexure referred to in paragraph (3) above, we state that:
 - a) We have 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 the books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow statement, referred to in this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - e) On the basis of written representation from the Directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2009 from being appointed as Directors in term of Section 274(1)(g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manners so required and give a true and fair view:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009 and
 - ii) In the case of Profit and Loss Account, of the profit for the year ended on that date.
 - iii) In case of the Cash Flow Statement, of the cash flow for the year ended on that day.

For R. S. NEGI & CO.
Chartered Accountants

PLACE: MUMBAI

DATE: 30th June, 2009

Sd/-
R S. NEGI
PROPRIETOR
M. N. 107400

ANNEXTURE TO AUDITOR'S REPORT:
Referred to para (3) of our report of even date

- 1) (a) The Company has maintained proper records showing full Particulars including Quantitative Details and situations of Fixed Assets.
(b) All the Assets have been Physically Verified by the Management during the year and there is a regular programme to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verifications.
(c) No fixed assets have been disposed of during the year by the Company.
- 2) (a) The Inventory have been physically verified during the year by the management. In our opinion the frequency of the verification is reasonable.
(b) The procedure for physical verification of inventory followed by the Company are reasonable & adequate in relation to the size of the Company & the nature of its business.
(c) In our opinion and according to the information and explanation given to us the company is maintaining proper records of inventory. The Discrepancies noticed on physical verification of Stock as compared to book records were not material and the same have been properly dealt with in the books of Accounts.
- 3) (a) In our opinion and according to the information and explanations given to us, the Company has not granted or accepted any loans /

advances from the companies, firms or other parties listed in the registers maintained under section 301 of the Companies Act, 1956.

- (b) According to the information and explanations given to us by the management, we are of the opinion that terms and conditions on which loan or advances, secured or unsecured, have been granted are not prejudicial to the interest of the Company. Since, the advances have been given/ taken in normal course of business, therefore no interest have been paid / received on the same.
- (c) All payments/receipts in respect of advances taken/given were regular during the year.
- (d) In our opinion and as per the information and explanation given to us by the management, reasonable steps have been taken by the company for recovery/payment of advances.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, plant and machinery, equipment and other assets.
- 5) (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register maintained under section 301 of Companies Act, 1956 have been so entered.
- (b) In our opinion and as per Information and explanations given to us, transactions during the year in respect of each party have been made at prices which are reasonable with regard to the prevailing market prices at which similar goods, materials or services have been made with other parties.

Following Transactions have taken place with the Related Party during Accounting Year 2008 – 09:

<u>Name of the Party</u>	<u>Relation</u>	<u>Particulars</u>	<u>Amount (Rs)</u>
NBZ Pharma Limited	Related Party	Job Work Done	1,23,60,128.40

- 6) The Company has not accepted deposits from the public & therefore, the directive issued by the Reserve Bank of India & provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under do not apply to the Company.
- 7) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
- 8) According to the information and explanations given to us, the provision for maintenance of the Cost Records as prescribed by the Central Government is not applicable to the company.
- 9) (a) According to the records of the company Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess, Provident Fund, E.S.I.C. and other material statutory dues applicable to company, are generally regularly deposited during the year. According to the information and explanations given to us no undisputed amounts payable in respect of above were in arrears as at 31st March, 2009, for a period of more than Six Months from the date on which they become payable *except dividend tax of Rs. 22,43,701/- on dividend paid for the year 2007-2008 and the liability under dispute as per Income Tax Act., of Rs. 14,87,500/- for the Assessment Yr. 2001-2002.*
- 10) The company does not have any accumulated losses at the end of financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 11) In our opinion and according to information and explanation given to us the company has not defaulted in repayment of any dues to financial Institutions and banks.
- 12) In our opinion and according to the information and explanation given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion the company is not a Chit Fund or Nidhi or Mutual Benefit Fund or Society. Therefore the Provisions of Clause 4(xiii) of the Companies (Auditors report) Order 2003 are not applicable to the company.
- 14) In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the Provisions of Clause 4(xiv) of Companies (Auditors Report) Order 2003 are not applicable to the company.
- 15) In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) According to the information and explanation given to us and on over all examination of the balance sheet we report that, no funds raised on short term basis have been used for long term investments and vice-versa.
- 17) The Company has not created any securities in respect of debentures issued.
- 18) The company has not made any public issue during the financial year.
- 19) According to the information and explanation given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For R. S. NEGI & CO.
Chartered Accountants

PLACE : MUMBAI
DATE : 30th June, 2009

Sd/-
R. S. NEGI
PROPRIETOR

Balance Sheet as at 31st March 2009

(Rs. In Lacs)

	Schedule	As at March 31, 2009	As at March 31, 2008
Sources of Funds			
Shareholders' Funds			
Share Capital	1	1,320.21	1,320.21
Reserves and Surplus	2	5,119.49	3,811.59
		<u>6,439.70</u>	<u>5,131.80</u>
Loan Funds			
Secured Loan	3	3,542.42	4,265.94
Deferred Tax Liability (Net)		44.25	34.91
	Total	<u>10,026.37</u>	<u>9,432.65</u>
Application of Funds			
Fixed Assets			
4			
Gross Block		6,704.13	6,396.11
Less: Depreciation		2,069.93	1,456.63
Net Block		4,634.21	4,939.48
d) Capital Work in Progress		759.95	62.41
Net Block		5,394.16	5,001.89
Investments	5	21.58	21.58
Current Assets, Loans and Advances			
Inventories	6	1,326.70	1,564.35
Sundry Debtors	7	5,461.63	3,991.31
Cash and Bank Balances	8	17.68	502.56
Loans and Advances	9	1,876.58	1,878.79
		<u>8,682.59</u>	<u>7,937.01</u>
<i>Less:</i>			
Current Liabilities & Provisions			
Liabilities	10	4,250.98	3,716.50
Net Current Assets (+6,7,8,9-10)		4,431.61	4,220.51
Miscellaneous Expenditure	11	179.02	188.67
Pre-operative Expenses (To the extent not written off or adjusted)			
	Total	<u>10,026.37</u>	<u>9,432.65</u>
Notes to the Accounts	18		

As Per our report of even date attached

For R. S. NEGI & CO.
Chartered Accountants

R.S. NEGI
Proprietor

PLACE : MUMBAI
DATE : 30th June, 2009

For and on behalf of Board of Directors

Pratap K. Mehta : Chairman
Mukund P. Mehta : Managing Director & CEO

Paresh P. Mehta : Jt. Managing Director
Bhavin M. Mehta : Director

Profit and Loss Account for the year ended March 31, 2009

(Rs. In Lacs)

	Schedule	for the year ended March 31, 2009	for the year ended March 31, 2008
Income			
Sales		12,901.23	11,717.66
Other Income	12	16.83	14.11
		<u>12,918.07</u>	<u>11,731.77</u>
Expenditure			
Cost of Goods Sold	13	9,052.41	8,154.14
Employee Cost	14	283.22	221.96
Manufacturing Expenses	15	887.81	771.53
Administrative Expenses	16	703.70	608.78
Selling Expenses	17	106.92	75.22
Depreciation	4	613.30	627.76
		<u>11,647.36</u>	<u>10,459.39</u>
Profit before Taxation		1,270.70	1,272.38
Current Year Taxation		143.97	144.16
Provision for F.B.T.		3.03	3.18
Provision for Deferred Tax		9.35	(7.02)
		<u>1,114.35</u>	<u>1,132.06</u>
Profit after Taxation		1,114.35	1,132.06
Balance Brought Forward		955.85	245.70
		<u>2,070.20</u>	<u>1,377.76</u>
Profit Available for Appropriation			
Appropriation:			
Transfer to General Reserve		110.00	113.00
Interim Dividend Paid			132.02
Tax on Interim Dividend			22.44
Final Dividend Proposed		132.02	132.02
Tax on Proposed Dividend		22.44	22.44
Balance Carried Forward		1,805.74	955.85
		<u>2,070.20</u>	<u>1,377.76</u>

As Per our report of even date attached

For R. S. NEGI & CO.
Chartered Accountants

R.S. NEGI
Proprietor

PLACE : MUMBAI
DATE : 30th June, 2009

For and on behalf of Board of Directors

Pratap K. Mehta : Chairman
Mukund P. Mehta : Managing Director & CEO

Paresh P. Mehta : Jt. Managing Director
Bhavin M. Mehta : Director

SCHEDULES TO THE ACCOUNTS

	C.Y. March 31, 2009	(Rs. In Lacs) P.Y. March 31, 2008
Schedule 1 : Share Capital		
Authorised		
15,00,0000 Equity Shares of Rs. 10 each fully paid	1,500.00	1,500.00
Issued, Subscribed and Paid-up		
1,32,02,122 Equity Shares of Rs. 10 each fully paid (Previous Year 67,21,710 Equity shares of Rs. 10/- Each)	1,320.21	1,320.21
Less: Calls in arrears other than Directors	<u>1,320.21</u>	<u>1,320.21</u>
Schedule 2 : Reserves and Surplus		
General Reserve		
Opening Balance	368.51	255.51
Add: Transfer during the year	110.00	113.00
	<u>478.51</u>	<u>368.51</u>
Capital Reserve		
Capital Subsidy Received During the year	30.00	30.00
Warrants (Convertible into Equity Shares)	348.00	-
Share Premium A/c		
Opening Balance	2,457.24	152.86
Add: Addition during the year	-	2,304.38
	<u>2,457.24</u>	<u>2,457.24</u>
Profit and Loss Account Balance	1,805.75	955.85
	<u>5,119.49</u>	<u>3,811.59</u>
Schedule 3 : Secured Loans		
Working Capital		
AXIS BANK LTD. (Against Hypothecation of Goods, Debtors)	614.99	974.02
ICICI BANK LTD. (Against Hypothecation of Goods, Debtors)	(13.27)	(25.97)
STATE BANK OF INDIA (Against Hypothecation of Goods, Debtors)	268.18	238.09
THE SHAMRAO VITHAL CO-OP BANK LTD. (Against Hypothecation of Goods, Debtors)	166.26	776.24
STATE BANK OF INDIA, PAONTA SAHIB	9.11	-
TERM LOAN		
AXIS BANK LTD. (Against Hypothecation of Goods, Debtors, Plant and Machinery, Furniture & Fixtures and other Equipments & Mortgage of Factory Land & Building)	764.04	-
STATE BANK OF INDIA (Against Hypothecation of Goods, Debtors, Plant and Machinery, Furniture & Fixtures and other Equipments & Mortgage of Factory Land & Building)	258.84	464.97
THE SHAMRAO VITHAL CO-OP BANK LTD (Against Hypothecation of Goods, Debtors, Plant and Machinery, Furniture & Fixtures and other Equipments & Mortgage of Factory Land & Building)	1,474.26	1,838.60
	<u>3,542.42</u>	<u>4,265.94</u>

Schedule 4 : Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION			Net Block	
	As at 01.04.2008	Additions	Deduction	Total 31.3.2009	As at 31.03.2008	For the Year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land	18324154.52	0.00	0.00	18324154.52	0.00	0.00	0.00	18324154.52	18324154.52
Factory Building	230778411.50	1429912.05	0.00	232208323.55	45453361.43	18136776.27	63590137.70	168618185.85	185325050.07
Office premises	13324093.00	0.00	0.00	13324093.00	3396150.01	496397.15	3892547.16	9431545.84	9927942.99
Plant & Machinery	282972119.74	20625882.63	0.00	303598002.37	54989878.64	32774462.32	87764340.96	215833661.41	227982241.10
Furniture & Equipment	17075021.44	2638737.87	0.00	19713759.31	6675524.65	2143984.46	8819509.11	10894250.20	10399496.79
Computer	9693786.58	1607827.84	0.00	11301614.42	6551048.15	1555929.69	8106977.84	3194636.58	3142738.43
Motor Car	5455069.32	629422.00	139509.74	5944981.58	2807837.87	735840.76	3543678.63	2401302.96	2647231.45
Office Equipment	10060055.23	201467.00	0.00	10261522.23	4226945.07	1066666.14	5293611.21	4967911.02	5833110.16
Air Conditioner	9736667.49	108601.79	0.00	9845269.28	7229047.32	349050.12	7578097.44	2267171.84	2507620.17
Electrical Installation	25107811.09	397672.00	0.00	25505483.09	7522371.97	2456421.69	9978793.66	15526689.43	17585439.12
Laboratory Equipment	16965779.09	3274296.53	0.00	20240075.62	6726915.69	1609427.61	8336343.30	11903732.32	10238863.40
Pager	35605.00	0.00	0.00	35605.00	29655.81	827.53	30483.34	5121.66	5949.19
Mobile Phone	82727.00	27850.00	0.00	110577.00	54221.29	4113.73	58335.02	52241.98	28505.71
Total	639611301.01	30941669.71	139509.74	670413460.98	145662957.90	61329897.48	206992855.38	463420605.60	493948343.11
Previous Balance	516597714.69	123013586.32	0.00	639611301.01	82887424.46	62775533.44	145662957.90	493948343.11	459392554.40

Notes:

1. Depreciation has been charged only on those assets which are used during the year for business purpose.
2. Depreciation has been claimed on asset values net of CENVAT, wherever CENVAT set off has been availed.

SCHEDULES TO THE ACCOUNTS

	(Rs. In Lacs)	
	C. Y. March 31, 2009	P. Y. March 31, 2008
Schedule 5 : Investments		
Traded securities - at Cost	21.58	21.58
	<u>21.58</u>	<u>21.58</u>
Schedule 6 : Inventories (At lower of cost or net realisable value) (As Certified by the Management)		
Raw and Packing Material	971.34	1,255.18
Work-in-Process	211.29	176.50
Finished Goods	119.06	110.79
Consumable Stores	25.01	21.88
	<u>1,326.70</u>	<u>1,564.35</u>
Schedule 7 : Sundry Debtors Unsecured : Considered good		
Over Six Months	1,338.11	43.88
Others	4,123.51	3,947.43
	<u>5,461.63</u>	<u>3,991.31</u>
	5,461.63	
Schedule 8 : Cash and Bank Balances (As Certified by the Management)		
Cash on Hand	1.40	28.01
Balances with Scheduled Banks		
Axis Bank Ltd.	5.48	360.00
State Bank of India (Deonar)	2.94	4.50
Citi Bank santacruz	-	0.01
CITI Bank NA fort	-	2.32
Bank of Baroda 30608	0.10	1.07
Axis Bank Ltd. (Dividend A/c)	7.34	3.84
SBI- Current A/c paonta	0.41	102.80
	<u>17.68</u>	<u>502.56</u>
Schedule 9 : Loans and Advances		
Deposit with Banks & Others	290.02	279.08
Advance (NBZ)	1,226.44	1,403.98
T.D.S Receivable	113.31	65.61
Fringe Benefit Tax	9.45	5.75
Prepaid Exp.	7.04	4.04
Advance Tax		
Assessment Year 2003-2004	1.17	1.17
Assessment Year 2004-2005	10.22	10.22
Assessment Year 2005-2006	15.43	15.43
Assessment Year 2006-2007	17.50	17.50
Assessment Year 2008-2009	76.00	76.00
Assessment Year 2009-2010	110.00	-
	<u>1,876.58</u>	<u>1,878.79</u>
Schedule 10 : Liabilities		
Sundry Creditors (As Certify by the Management)	3,487.52	3,173.36
Creditors for expenses	4.21	-
Outstanding Expenses	60.08	54.54
F.B.T. Payable [A.Y.09-10]	1.20	-
Provisions for 03-04	13.00	13.00
Provisions for 04-05	9.50	9.50
Provisions for 05-06	22.50	22.50
Provision for 06-07	-	19.31
Provision for Dividend & Tax	154.46	154.46
Provision for ESOP	122.50	122.50
Current Liabilities & Provision	229.00	144.16
Provision for 08-09	147.01	3.18
	<u>4,250.98</u>	<u>3,716.50</u>

SCHEDULES TO THE ACCOUNTS

	(Rs. In Lacs)	
	C.Y. March 31, 2009	P.Y. March 31, 2008
Schedule 11 : Miscellaneous Expenditure		
Opening Balance	66.17	83.91
Add : During the Year	11.27	-
Less : 1/10 written off during the year	20.91	17.74
	<u>56.53</u>	<u>66.17</u>
Deffered employee Compensation Expenses	<u>122.50</u>	<u>122.50</u>
	<u>179.03</u>	<u>188.67</u>
Schedule 12 : Other Income		
Interest from Banks & Others	10.70	4.96
Dividend Received	0.95	0.14
Foreign Currency Exchange Gain/Loss	3.29	8.84
Discount Received	0.69	0.10
Profit on Sale of Mutual Fund	-	0.07
Analytical Charges Recd	0.44	-
Development Fees	0.46	-
Misc. Income	0.30	-
	<u>16.83</u>	<u>14.11</u>
Schedule 13 : Cost of Goods Sold		
Opening Stock	1,265.06	468.62
Add: Purchases	8,812.25	9,131.57
	<u>10,077.31</u>	<u>9,600.18</u>
Less: Closing Stock	842.76	1,265.06
	<u>9,234.55</u>	<u>8,335.12</u>
Increase/ Decrease (in Stock)		
Add Opening Stock of WIP/ FG	287.29	106.30
Less Closing Stock of WIP / FG	469.43	287.29
	(182.14)	(180.99)
	<u>9,052.41</u>	<u>8,154.14</u>
Schedule 14 : Employee Costs		
Salaries, Wages and Bonus	263.89	197.80
E.S.I.C.	1.88	1.88
Staff Welfare Expenses	4.69	9.00
M.R. Salary & Expenses	4.58	5.41
P.F.	7.06	6.43
Medical Exps. & Reimbursement	1.13	1.44
	<u>283.22</u>	<u>221.96</u>
Schedule 15 : Manufacturing Expenses		
Labour Charges	81.54	153.51
Diesel for Boiler	154.50	141.01
Power & Fuel	298.52	258.55
Repairs & Maintenance	4.18	5.21
Analytical Charges	48.97	4.54
Water Charges	5.02	7.85
Factory Consumables	128.99	166.46
Packing Charges	128.71	-
Machinery Repairs	10.45	7.34
Building Repairs	5.36	13.92
Other Repairs	21.58	13.13
	<u>887.81</u>	<u>771.53</u>

SCHEDULES TO THE ACCOUNTS

	(Rs. In Lacs)	
	C.Y. March 31, 2009	P.Y. March 31, 2008
Schedule 16 : Administrative Expenses		
Bank Interest, Commission & Charges	510.39	400.46
Books & Periodicals	0.33	0.03
Conveyance	0.04	0.54
Canteen Expenses	4.18	-
Computer Expns.	1.01	0.84
Clearing Charges [Import]	0.64	-
Directors Remuneration	18.00	12.00
D.O. Charges	0.48	-
Entertainment Expenses	5.26	2.79
Insurance	6.01	7.55
Legalisation Charges	0.75	2.27
Liasoning Charges	2.16	-
Listing Fees	3.50	6.72
Membership & Subscription	7.36	3.53
Directors Fees	0.30	1.30
Miscellaneous Expenses	6.42	7.98
Miscellaneous Expenses w/off	20.91	17.74
Keyman Insurance	(3.94)	10.69
Motor Car Expenses	-	5.04
Office Expenses	6.83	4.24
Audit Fees	2.25	2.25
Postage & Courier	6.02	4.20
Office Maintenance	1.51	-
Printing & Stationery	13.07	12.17
Professional Charges	28.08	20.21
Rent, Rates & Taxes	-	25.07
Royalty	-	1.99
Telephone & Communication	15.21	10.52
Security Exp.	8.41	4.90
Vehicle Expenses	9.70	-
Travelling Expenses	26.52	42.93
Loss on Sale of Motor Car [FA]	0.28	-
Other Expenses	0.97	-
Donation a/c	1.03	0.82
	<u>703.70</u>	<u>608.78</u>
Schedule 17 : Selling Expenses		
Freight (Transportation)	0.32	0.75
Business Promotion	30.88	3.61
Advertising/Sales Comm.	21.29	13.07
Discount Allowed [Sales]	8.36	-
Export Expenses	46.06	57.78
	<u>106.92</u>	<u>75.22</u>

Schedule 18: Notes to the Accounts

(A) Significant Accounting Policies

(i) Basis of Accounting

The financial statements are prepared under the historical cost convention, on accrual basis of accounting, in conformity with the accounting principles generally accepted in India and comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956.

(ii) Revenue Recognition

Sales are recognized on completion of sale of goods and are recorded net of trade discounts, rebates, and excise duty on own manufactured products.

(iii) Fixed Assets

Fixed Assets are recorded at cost less accumulated depreciation. The company capitalized all direct costs relating to the acquisition and installation of fixed assets, Interest, if any, on borrowed funds used to finance the acquisition of fixed assets, is capitalized up to the date the assets are ready for commercial use.

(iv) Depreciation

During the year the company has charged depreciation on W.D.V. at the rates prescribed for single shift in the manner specified in schedule XIV of The Companies Act, 1956.

(v) Investments

Long-term investments are valued at cost. Current investments are valued at lower of cost or fair value as on the date of balance sheet. The company provides for diminution in value of investments, other than temporary in nature.

(vi) Miscellaneous Expenditure

Miscellaneous Expenditure is written off on a straight-line basis over a period of ten years. In the year 2006-07 company has incurred expenditure on Implementing ERP systems and on Advertisement. The Management of the company has decided to write off the same over a period of 5 years.

(vii) Inventories

Inventories are valued at the lower of cost or net realizable value. Work-in-process and Finished Goods inventories include production overheads, wherever applicable.

(viii) Retirement Benefits

Contribution in respect of defined retirement schemes such as Provident Funds are charged to the Profit and loss Account as incurred.

(ix) Earning Per Share:

The Company reports basic and diluted earning per share in accordance with Accounting Standard 20 on Earnings per Share. Basic earning per share is computed by dividing the net profit or Loss for the period by the weighted average number of Equity shares outstanding during the period, as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive. Diluted earnings per share is computed by dividing the net profit or loss for the period by the number of Equity shares outstanding during the year.

(x) Cash Flow Statement:

The cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow statements and present cash flows by operating, investing & financing activities of the company.

(xi) Fringe Benefit Tax:

Fringe Benefit Tax (FBT) payable under the provisions of section 115WC of the Income tax Act, 1961 is in accordance with the Guidance note on Accounting for Fringe Benefits Tax issued by the ICAI regarded as an additional income tax and considered in determination of the profits/(losses) for the year.

(xii) Foreign Currency Transactions

Foreign Currency Transactions are accounted at exchange rate prevailing on the date of the transaction. All exchange differences in respect of exchange gain and losses are dealt with in the profit and loss account.

(xiii) Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax for timing differences between the income as per financial statement and income as per the Income tax act, 1961 is accounted for using tax rates and laws that have been enacted as of the balance sheet date. Deferred tax assets arising from the timing differences are recognized to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

B. Contingent Liability

Contingent Liabilities as on 31st March 2009 is as follows.

	Amount in Lacs
Inland - Letter of Credit (For Raw Materials)	153.54
Bank Guarantees	61.68

C. To the best of our knowledge and as per the information available with the management, there is no due to small industrial undertaking in excess of Rs 1.00 lacs outstanding for more than 30 days. The information has been compiled to the extent they could be identified as small scale and ancillary undertakings on the basis of information available with the company.

D. Previous years figures have been regrouped wherever necessary to confirm to current years classification.

(xviii) Value of Imported and Indigenous Raw and Packing Materials, Stores and Spare Parts consumed:

	2008-09		2007-08	
	Value in Lacs	%	Value in Rs. Lacs	%
Raw and Packing Materials:				
Imported at landed cost	859.75	11.52	811.32	8.88
Indigenously Raw -Materials	7460.50	88.48	8320.55	91.12
Total	8320.25	100.00	9131.57	100.00

E. Expenditure in Foreign Currency:		Rs. In Lacs.	
	2008-09		2007-08
Import Purchase	859.75		811.32
Business Promotion & Traveling	23.11		159.75

F. Earnings in Foreign Currency:		Rs. In Lacs.	
	2008-09		2007-08
Exports	827.58		277.08

G. Segment information

The company is predominantly engaged in Pharmaceutical business & this constitutes the only reportable business segment in accordance with the requirement of Accounting Standard 17- Segment Reporting issued by the Institute of Chartered Accountants of India.

H. Installed Capacity, Actual Production:

At Thane, Mumbai

Product	Installed Capacity	Actual Production
Injectables	30,00,00,000 (Units)	23,43,32,836 (Units)

At Paonta Sahib, Himachal Pradesh

Product	Installed Capacity	Actual Production
Dry Powder	9,00,00,000 (Units)	3,15,00,000 (Units)
Small Vials	9,00,00,000 (Units)	3,15,00,000 (Units)
Small Ampoules	4,50,00,000 (Units)	1,57,50,000 (Units)

H. Auditors Remuneration

		(Rs. In Lacs)	
	2008-09		2007-08
Audit Fees	1.00		1.00
Tax Audit Fees	0.75		0.75
Taxation Matters	0.25		0.25
Other Services	0.25		0.25
	<u>2.25</u>		<u>2.25</u>

I. Remuneration to the Directors:

		(Rs. In Lacs)	
	2008-09		2007-08
Salary	31.95		25.94

J. Related Party Transactions

As per Accounting Standards (AS-18) on related party disclosures issued by the Institute of Chartered Accountants of India,

a) List of Related parties & Relationship

Name of the Company	Relationship
NBZ Pharma Ltd.	Promoter Group Company

b) Details of transactions entered between above mentioned parties are disclosed as below.

Particulars	Name of the Company
	NBZ Pharma Ltd.

(Rs. In Lacs)

		2008-09	2007-08
Job work charges -Net		123.60	67.89
K. Earning per Share:		2008-2009	2007-2008
a) Profit Attributable to Equity Shareholders		1,114.35	1,132.06
b) Weighted average no. of shares out - standing during the year		-	1,19,76,480
c) No. of Equity Share out - standing during the year.		1,32,02,122	1,32,02,122
d) Nominal value of Equity Share Rs		10/-	10/-
e) Earning Per Share			
Basic Earning Per Share (Rs.)		8.44	9.34
Diluted Earning Per Share (Rs)		8.44	8.47

L. Deferred Tax Liability: -

Deferred Tax Liability relating to earlier years is Rs. (7,02,790.07) and liability for current years is Rs. (9,34,790.00) .

As Per our report of even date attached

For R. S. NEGI & CO.
Chartered Accountants

For and on behalf of Board of Directors

Pratap K. Mehta : Chairman
Mukund P. Mehta : Managing Director & CEO
Paresh P. Mehta : Jt. Managing Director
Bhavin M. Mehta : Director

R.S. NEGI
Proprietor

PLACE : MUMBAI
DATE : 30th June, 2009

Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile.

I Registration Details :

Registration No.	66718	State Code	11
Balance Sheet Date	31-03-2009		

II Capital raised during the year (Amount in Rs. Thousands) :

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
		Preferential Allotment	Nil

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands) :

Total Liabilities	1,002,637	Total Assets	1,002,637
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Sources of Funds

Paid-up Capital	132,021
Reserves and Surplus	511,949
Secured Loans	354,242
Deffered Tax Liability	4,425

Application of Funds

Net Fixed Assets	539,416
Investments	2,158
Net Current Assets	443,161
Misc. Expenditure	17,902
Accumulated Losses	-

IV Performance of Company (Amount in Rs. Thousands) :

Turnover (Gross Revenue)	1,291,807
Total Expenditure	1,164,737
Profit Before Tax	127,070
Profit After Tax	111,435
Earnings per share in Rs.	8.44
Dividend (%)	10

V Generic Names of Three Principal Products/Services of Company (as per Monetary Terms) :

Item Code No.	300.20
Product Description	Gentamicin Sulphate Inj. IP
Item Code No.	300.20
Product Description	Dexamethason Sodium Phosphate Inj. IP
Item Code No.	300.20
Product Description	Vit. B-Complex Inj. NFI

As Per our report of even date attached

For R. S. NEGI & CO.
Chartered Accountants

R.S. NEGI
Proprietor

PLACE : MUMBAI
DATE : 30th June, 2009

For and on behalf of Board of Directors

Pratap K. Mehta : Chairman
Mukund P. Mehta : Managing Director & CEO
Paresh P. Mehta : Jt. Managing Director
Bhavin M. Mehta : Director

Cash Flow Statement for the year ended March 31, 2009

(Rs. in Lacs)

	CY 31st March, 2009	PY 31st March, 2008
Cash Flow from Operating Activities:		
Net Profit before Tax	1,270.70	1,272.37
Adjustments for:		
Depreciation	613.30	627.76
Interest from Banks & Others	(10.70)	(4.96)
Dividend received	(0.95)	(0.14)
Profit on Sale of Investments	-	(0.07)
Miscellaneous expenditure w/off	20.91	17.74
Operating Profit before working capital changes	1,893.26	1,912.70
Adjustments for:		
Inventories	237.65	(952.93)
Sundry Debtors	(1,470.32)	(2,977.85)
Loans and Advances	112.21	(1,579.95)
Current Liabilities and Provisions	387.47	(360.82)
Taxes Paid	(110.00)	(76.00)
Net Cash flow from Operating Activities (A)	1050.27	(4,034.85)
Cash Flow from Investing Activities:		
Purchase of Fixed Assets (net)	(1,005.55)	(629.47)
Investments (Net of Profit)	-	(1.53)
Interest from Banks & Others	10.70	4.96
Dividend received	0.95	0.14
Preoperative Exp.	(11.27)	-
Net Cash flow from Investing Activities (B)	(1,005.17)	(625.90)
Cash Flow from Financing Activities:		
Increase on Share Capital (including Shares Premium)	-	2,920.22
Dividend paid (incl. div. tax)	(154.46)	(154.46)
Capital Subsidy for H.P. Project	-	30.00
Paid for long term loans	(723.52)	2,285.33
Proceeds from warrant	348.00	-
Net Cash flow from Financing Activities (C)	(529.98)	5,081.09
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	(484.88)	420.33
Cash & Cash Equivalents, beginning of the year	502.56	82.20
Cash & Cash Equivalents, end of the year	17.68	502.54

For and on behalf of Board of Directors

Pratap K. Mehta : Chairman
Mukund P. Mehta : Managing Director & CEO
Paresh P. Mehta : Jt. Managing Director
Bhavin M. Mehta : Director

PLACE : MUMBAI

DATE : 30th June, 2009

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of Kilitch Drugs (India) Limited for the year ended 31st March, 2009. The statement has been prepared by the Company in accordance with the requirements of clause 32 of the listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 30th June, 2009 to the members of the Company.

For R. S. NEGI & Co.
Chartered Accountants
R. S. Negi
Proprietor

PLACE : MUMBAI.

DATE : 30th June, 2009



KILITCH DRUGS (INDIA) LIMITED

REGISTERED OFFICE : C - 301/2, M.I.D.C., T.T.C. Industrial Area, Pawane Village, Thane.

PROXY - FORM

REGD. FOLIO NO. _____ NO. OF SHARES HELD _____

DP. ID Client ID. _____ PROXY NO. _____

I/We the undersigned _____ of _____

in the District of _____ being a member/s of the above named Company hereby appoint

_____ as my/our proxy to attend and vote for me/us my/our behalf at the 17th Annual General Meeting of the Company to be held at C-301/2, M.I.D.C., T.T.C. Ind. Area, Pawane Village, Thane at 9.00 a.m. on Tuesday, 22nd September, 2009 and at any adjournment thereof.

Signed this _____ day of _____ 2009.

Note :

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy and vote instead of himself.
2. Proxy need not be a member.
3. This form duly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

KILITCH DRUGS (INDIA) LIMITED

REGISTERED OFFICE : C - 301/2, M.I.D.C., T.T.C. Industrial Area, Pawane Village, Thane.

ATTENDANCE SLIP

REGD. FOLIO NO. _____ NO. OF SHARES HELD _____

DP. ID Client ID. _____ PROXY NO. _____

I hereby record my/our presence at the 17th Annual General Meeting of the Company to be held on at C-301/2, M.I.D.C., T.T.C. Ind. Area, Pawane Village, Thane at 9.00 a.m. on Tuesday, 22nd September, 2009.

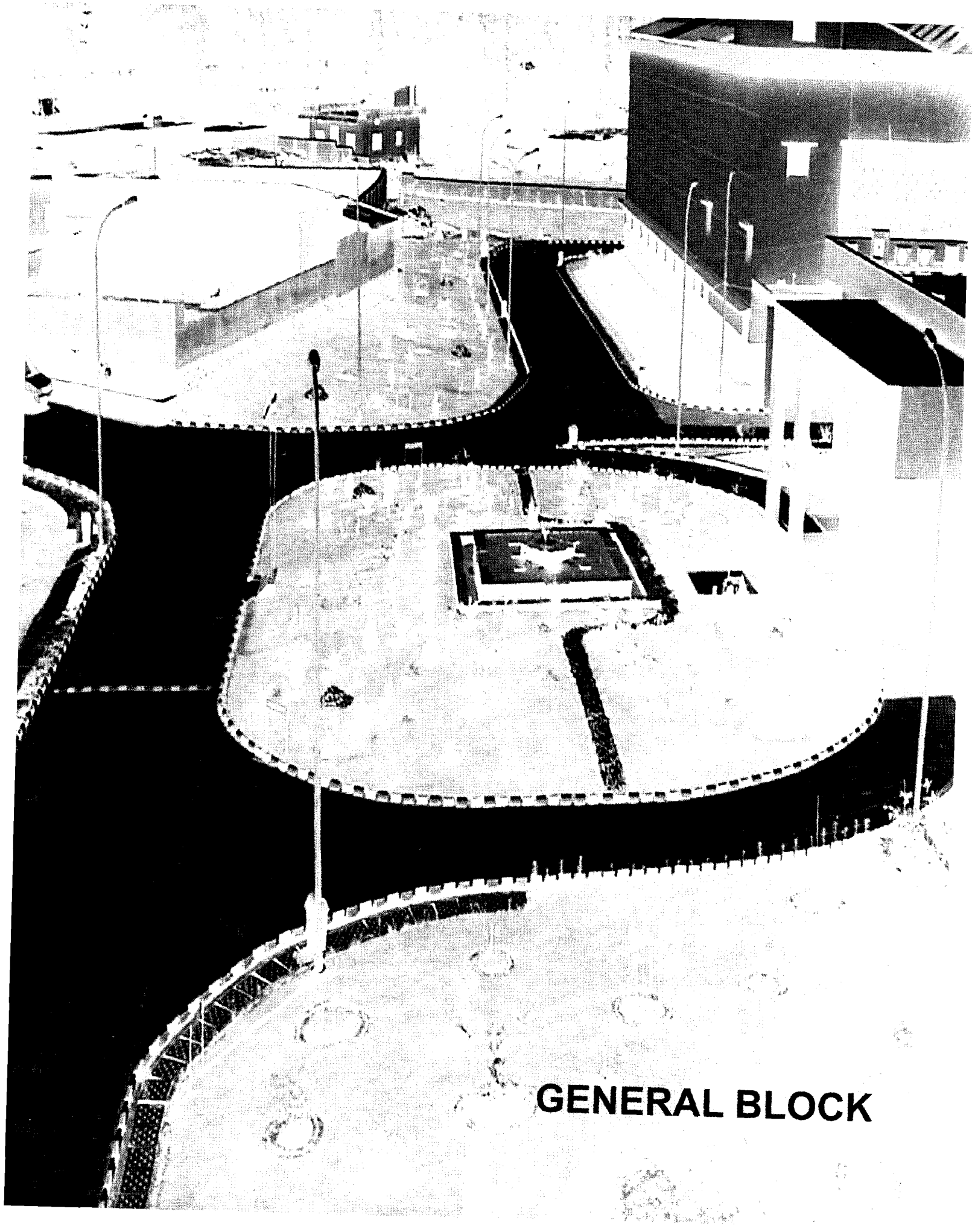
Name of the Shareholders :

Name of the proxy :

Signature of Member/Proxy :

Note:

1. To be Signed and handed over at the Meeting
2. Members are requested to register their name at least 15 minutes prior to the commencement of the meeting.



GENERAL BLOCK

BOOK - ROST

