

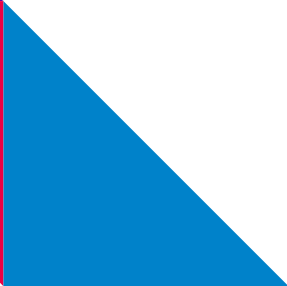
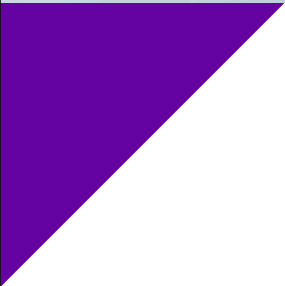
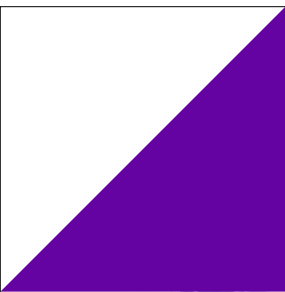


KILITCH DRUGS (INDIA) LTD.



24th ANNUAL REPORT 2015-16





FROM THE DESK OF MANAGING DIRECTOR!!

Dear Valued Shareholders,

On behalf of the Board of Directors

I extend a warm Welcome to all of you to the 24th Annual General Meeting of our company.

During the course of the year, exports touched the highest levels with business activities being opened up in new markets across the globe.

During the year 2015-16, we initiated a number of strategically guided and decisive steps which shall help us in establishing as market leader in years to come.

With the addition of more products in effervescence range, the company has now become a market leader in the said range in the Francophone Countries.

New Marketing techniques coupled with promotional campaigns have made way for our products in those markets.

I believe that we have opened up various new horizons across all our lines of business.

I intend to reassure our commitment to the stakeholders and we shall always thrive for the same.

Mukund P. Mehta

Managing Director

COMPANY INFORMATION

BOARD OF DIRECTORS

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

REGISTERED OFFICE

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

ADMINISTRATIVE OFFICE

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

COMPANY SECRETARY AND COMPLIANCE OFFICER KEERTI ACHARYA

AUDITORS

A.M. GHELANI & CO.
Chartered Accountants

BANKERS

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

REGISTRAR & SHARE 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

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NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of **KILITCH DRUGS (INDIA) LIMITED** will be held at C-301/2, MIDC, TTC Industrial Area, Pawane Village, Thane-400701, on **Friday, 30th September, 2016 at 09:00 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended March 31, 2016 together with the Reports of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Deepu Kesavan Panankattil (*DIN: 03514959*), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of **M/s. A.M. Ghelani & Company, Chartered Accountants** (Firm Registration no. 102860W) as statutory auditors of the Company and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“RESOLVED THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 30th September 2014, the appointment of M/s. A.M. Ghelani & Company, Chartered Accountants (Firm Registration no. 102860W) as the statutory auditors of the Company to hold office till the conclusion of the third consecutive AGM to be held in the year 2017 is hereby ratified and the Board of Directors be and are hereby authorized to fix such remuneration payable to them including any out of pocket expenses incurred, for the financial year ended 31st March 2017, as may be determined by the Audit Committee in consultation with the auditors and the Board of Director.”

SPECIAL BUSINESS:

4. **REPOINTMENT OF MR. MUKUND MEHTA (DIN: 00147876) AS MANAGING DIRECTOR OF THE COMPANY:**

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Mukund Mehta (DIN: 00147876) as Managing Director of the Company, for a period of 5 (five) years with effect from 30th September, 2016, on the terms and conditions including remuneration as set out in the Statement

annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Mukund Mehta, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

5. **SERVICE OF DOCUMENTS**

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

“RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member by the company by sending to him by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the company and that no such request shall be entertained by the company post the dispatch of such document by the company to the shareholder.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, director or key managerial personnel of the company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to above resolution.”

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

**MUKUND MEHTA
MANAGING DIRECTOR
[DIN: 00147876]**

**Place: Mumbai
Date: 12/08/2016**

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, September 23, 2016 to Friday, September 30, 2016 (both days inclusive)**.
3. 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.
4. 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.
5. 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.
6. 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'.
7. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 for items of Special Businesses is annexed herewith.
8. 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.
9. The Annual Report for 2015-2016, the Notice of the 24th 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.
10. 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.
11. 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.
12. 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.
13. 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 thereunder.
14. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting.
15. 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.
16. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
17. 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.
18. 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-13, Pannanlal Silk Mills Compound,

L.B.S. Marg, Bhandup(W), Mumbai-400078

Tel: 022- 25963838; Fax: 022-25946969

Instructions for Voting through electronics means:

In compliance with Regulation 44, 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 24th Annual General Meeting (AGM) by electronic means ("*e-Voting*") and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

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

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

The Remote E-voting facility will commence from **9.00 a.m. on Tuesday, 27th September, 2016 and will end at 5.00 p.m. on Thursday, 29th September, 2016**. Remote E-voting will not be allowed beyond the aforesaid date and time and the Remote E-voting module shall be disabled by CDSL upon expiry of aforesaid period.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner as on the **cut-off date i.e. Friday, 23rd September, 2016**.

The Members, whose names appear in the Register of Members / list of beneficial owners as on the cut-off date i.e. Friday, 23rd September, 2016 only shall be entitled to vote on the Resolutions set out in this Notice.

The Board of Directors at their meeting held on 12th August, 2016 has appointed Mr. Deep Shukla, Practicing Company Secretary (*Membership No. FCS 5652*) as the Scrutinizer to scrutinize the E-voting process and voting done through physical ballot paper at the AGM in a fair and transparent manner

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

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

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. Friday, 30th September, 2016.

The instructions for e-voting are as under:

- i. The voting period begins on **Tuesday, September 27, 2016 (09:00 a.m.)** and **ends on Thursday, September 29, 2016 (5:00 p.m.)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Friday, September 23, 2016**, may cast their vote electronically.

- ii. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- iii. Click on "Shareholders" tab.
- iv. Now, select the "**KILITCH DRUGS (INDIA) LIMITED**" from the drop down menu and click on "SUBMIT"
- v. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form 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) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL Letters. Eg. If your name is Rajesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
DOB	Enter the date of Birth as recorded in your demat account or in the company records for the said demat amount or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members

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

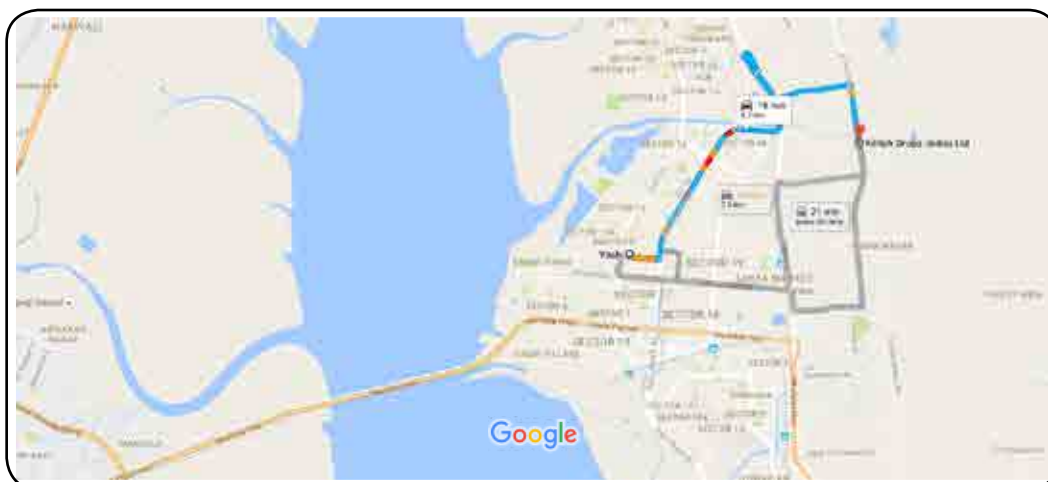
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant KILITCH DRUGS (INDIA) LIMITED on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

xx. Note for Institutional Shareholders & Custodians:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- xxii. The voting rights of the members shall be in proportion to their of paid-up equity share capital of the Company as on relevant date i.e. **Friday, September 23, 2016**.

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



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

Item No.4:

Mr. Mukund Mehta, aged 61 years is a Commerce and Law graduate and has a rich experience of banking and other related financial matters. He was instrumental in signing a Joint Venture MoU with the large trade organizations in various African nations to set up there an ultra-modern manufacturing facilities for manufacturing of pharmaceutical formulations. He is responsible for guiding the Company's management and global operation to its next phase of growth.

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

CATEGORY	PARTICULARS
Basic Salary	Upto maximum Rs. 5,00,000/- (Rupees Five Lacs Only) per month or Rs. 60,00,000/- (Rupees Sixty Lacs Only) per annum based on merit and taking into account the Company's Performance.
Perquisites and Allowances	<p>Category A</p> <p>Medical Reimbursement: Medical expenses actually incurred for self and family shall be reimbursed by the Company under the mediclaim Policy.</p> <p>Leave Travel Concession: Company shall provide leave travel fare for the Managing Director and his family once a year, anywhere in India as per the Rules applicable to the Company and per Income Tax Rules.</p> <p>Category B</p> <p>The Company shall contribute towards Provident Funds/ Superannuation Fund/Annuity Fund, as agreed upon, provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under the IT Act.</p> <p>The Company shall pay Gratuity, as agreed upon, at the rate not exceeding half month's salary for each completed year of service.</p> <p>Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Company rules.</p> <p>The perquisites under this category shall not be included in the computation of ceiling on remuneration.</p>
	<p>Category C</p> <p>The Company shall provide a car with a driver at the cost of the Company for business use of the Company.</p> <p>The Managing Director shall be entitled to reimbursement of all expenses incurred in connection with the business of the Company.</p> <p>Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be reimbursed.</p> <p>Any and all expenditure actually and properly incurred on Company's business shall be reimbursed to the Managing Director.</p>
Sitting Fees	The Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof. He shall, however be reimbursed the actual travelling, lodging and boarding expenses incurred by him for attending meeting of the Board of Directors and the Committees thereof.
General	<p>i. The Managing Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.</p> <p>ii. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.</p> <p>iii. The Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.</p>

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

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

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

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

Item No.5:

Pursuant to the provisions of Section 20 of the Companies Act, 2013, a document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed.

Further, for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed. However, if a member requests for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

Taking into consideration the above provision, your Board places before the Members the resolution proposed in Item No.5 for their approval.

None of the Directors, their relatives of any Key Managerial Personnel may be deemed to be in any way, concerned or interested, financially or otherwise in passing of this resolution.

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

**MUKUND MEHTA
MANAGING DIRECTOR
[DIN: 00147876]**

Place: Mumbai

Date: 12/08/2016

Registered Office:

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

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

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

Particulars	Mr. Deepu Panankattil	Mr. Mukund Mehta
(a) A brief resume of the director;	B.Tech. in Mech. Engg, DFT	B. COM , BGL
(b) Nature of his expertise in specific functional areas;	20 Years in Pharmaceutical industry with experience in Business Development Export.	31 Years in Pharmaceutical industry with vast personal with various export client.
(c) Disclosure of relationships between directors inter-se;	NIL	Father of Mr. Bhavin Mehta
(d) Names of listed entities in which the person also holds the directorship and the membership of Committees of the board; [Other than Kilitch Drugs (I) Ltd]; and	NIL	NIL
(e) Shareholding of Director.	NIL	549978

DIRECTORS' REPORT

To,

The Members,

KILITCH DRUGS (INDIA) LIMITED

Your Directors have pleasure in presenting their 24th Annual Report on the business and operations of your Company for the year ended March 31, 2016.

1. FINANCIAL RESULTS

The summarized financial performance of the Company for the FY 2015-16 and FY 2014-15 is given below:

[Amount in Rs. Lacs]

Particulars	Standalone		Consolidated	
	2015-2016	2014-2015	2015-2016	2014-2015
Gross Income	2375.66	2171.75	2376.98	2174.48
Profit Before Tax, Interest and Depreciation	(87.71)	(100.95)	(158.13)	(90.55)
Finance Charges	NIL	NIL	NIL	NIL
Provision for Depreciation	161.25	185.39	1004.74	185.39
Net Profit/ (Loss) Before Tax	(248.96)	(84.44)	(1162.87)	(94.84)
Provision for Tax	43.61	65.90	43.78	65.90
Net Profit/ (Loss) After Tax	(205.35)	(18.54)	(1119.09)	(28.94)
Balance of Profit brought forward	6188.52	6207.07	6188.52	(10.39)
Balance available for appropriation	5983.17	6188.52	5983.17	884.48
Proposed Dividend on Equity Shares	NIL	NIL	NIL	NIL
Tax on proposed Dividend	NIL	NIL	NIL	NIL
Transfer to General Reserve	NIL	(6.75)	NIL	NIL
Surplus carried to Balance Sheet	5983.17	6188.52	5983.17	884.48

2. REVIEW OF OPERATIONS

During the year under review, the Company has posted total Income of Rs. 2375.66 Lacs as against Rs. 2171.75 Lacs for the corresponding previous year.

Further, Net Loss after tax for the year under review was Rs. (205.35) Lacs as against Net Loss of Rs. (18.54) Lacs for the corresponding previous year.

3. STATE OF AFFAIRS AND FUTURE OUTLOOK

The environment in which Pharmaceutical and Life Sciences companies operate is increasingly challenging, being driven by a more and more demanding healthcare agenda.

The global need for innovative, cost effective medicines continues to rise whilst regulators, payers, health care providers and patients are demanding greater value for money,

proven effectiveness of products, more transparency and access to information. This global scenario has also effected us in a major way .

To meet these demands we are seeking ways to improve R&D productivity, increase the efficiency of our operations, rationalise spending on sales and marketing and enhance the financial performance.

With the back up of the seasoned professional management we have taken up the set up of 2 manufacturing units at Ethiopia and Burkina Faso primarily for the nutraceutical manufacturing. Upgradation of the manufacturing unit with state of the art machines and technology upgradation we are now ready to reach upcoming markets across the globe .

New markets, new product portfolio , innovative marketing techniques, new branding concepts have increased the momentum of the sales and expect the same to grow enormously in the coming year .

4. DIVIDEND AND RESERVES

In order to conserve the resources for the further growth of the Company, your Directors think fit not to recommend any dividend for the financial year under review.

5. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on 31st March, 2016 is Rs. 1323.18 Lacs, comprising of 13231828 shares of Rs. 10/- each. During the year under review, the Company has not issued any equity shares.

6. EMPLOYEE STOCK OPTION SCHEME:

As per Employee stock option Scheme (Kilitch ESOS 2007), each option is convertible into one equity shares of Rs.10/- each at exercise price of Rs.47.50 per share. During the year under review, fresh options were not granted and employees did not exercise any options. The employee compensation cost on account of this grant applicable for the year is Rs. Nil [P. Y. Rs. NIL].

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

At the 23rd Annual General Meeting held on September 30, 2015, Mr. Mukund Mehta was re-appointed as the Director of the Company, liable to retire by rotation.

Further, Mr. Pankaj Kamdar and Mr. Hemang Engineer were appointed as Independent Directors of the Company to hold office for a period of 5 (five) consecutive years at the 23rd Annual General Meeting.

The said Independent Directors fulfils the conditions specified in the Companies Act, 2013 and the Rules made there under and they are independent of the management and have submitted the declarations as prescribed under Section 149(6) of the Companies Act, 2013.

In accordance with section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company Mr. Deepu Panankattil (DIN: 03514959), Director of the Company, retires by rotation and being eligible; offers himself

for re-appointment at the forthcoming 24th Annual General Meeting. The Board recommends the said reappointment for shareholders' approval.

Further, Mr. Mukund Mehta is proposed to be reappointed as the Managing Director of the Company w.e.f. 30th September 2016 for a period of 5 (five) years.

Also, Mr. Paresh Mehta resigned as the Jt. Managing Director of the Company w.e.f. 13th April 2016.

Further, the Office of CFO became vacant due to untimely death of Mr. C.S. Kirshnan w.e.f. 12th April 2016.

Also, Ms. Keerti Acharya was appointed as the Company Secretary in Whole time in employment w.e.f. 31st March 2016 and, Mr. Nirmal Kumar tendered his resignation as the Company Secretary with effect from 15th December, 2015.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

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

Further, no employee of the Company is earning more than the limits as prescribed pursuant to Section 197 read with Rule

5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company.

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

10. NUMBER OF BOARD MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, 6 (Six) 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 Listing Agreement.

11. BOARD EVALUATION

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

12. INDEPENDENT DIRECTORS

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

13. NOMINATION AND REMUNERATION POLICY

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

14. EXTRACT OF ANNUAL RETURN:

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

15. DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

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

16. STATUTORY AUDIT

At the Annual General Meeting held on 30th September, 2014, M/s A.M. Ghelani & Co, Chartered Accountant were appointed as Statutory Auditors of the Company to hold office

till the conclusion of the Annual General Meeting to be held in Calendar year 2016. In the terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s A.M. Ghelani & Co, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the Shareholders. In regard to the Company has received a Certificate from the Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Auditors Report as issued by M/s A.M. Ghelani & Co, Chartered Accountants, Auditors of the Company is self explanatory and need not call for any explanation by your Board.

17. SECRETARIAL AUDIT

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

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

1. Due to some technical reasons, the website of the Company faced some difficulties in proper functioning; however the said issues were sorted out and the website is working effectively.
2. The Company has faced technical difficulties in filing eforms on MCA portal and hence the same were pending. However the pending forms were subsequently filed by the company.

18. COST AUDIT

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

19. INTERNAL AUDIT & CONTROLS

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

Further, M/s. Rishi Sekhri & Associates, Chartered Accountants, M.No.126656 were appointed as Internal Auditors of the Company.

20. COMPOSITION OF AUDIT COMMITTEE

Your Company has formed an Audit Committee as per the Companies Act, 2013 and the 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.

21. VIGIL MECHANISM

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

22. RISK MANAGEMENT POLICY

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

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.

23. DEPOSITS

The Company has neither accepted nor renewed any fixed deposits during the year under review under Section 76 of the Companies Act, 2013. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2016.

24. LOANS & GUARANTEES

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

25. INSURANCE

The properties/assets of the Company are adequately insured.

26. RELATED PARTY TRANSACTIONS

During FY 2015-16, the Company entered into certain Related Party Transactions which are in the ordinary course of business and at arm's length basis, with approval of the Audit Committee. The Audit Committee grants omnibus approval for the transactions which are of foreseen and repetitive

nature. A detailed summary of Related Party Transactions is placed before the Audit Committee and the Board of Directors for their review every quarter.

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

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

27. CORPORATE GOVERNANCE CERTIFICATE

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

28. CORPORATE SOCIAL RESPONSIBILITY

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

29. MANAGEMENT DISCUSSION AND ANALYSIS

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

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

(A) Conservation of Energy:

- i. steps taken or impact on conservation of energy;

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

- ii. steps taken for utilising alternate sources of energy;

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

- iii. capital investment on energy conservation equipments; Our Company firmly believes that our planet is in dire need of energy resources 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.

FOREIGN EXCHANGE EARNING AND OUTGO:

- a) **Earnings in Foreign Currency** (Rs. In Lacs)

Earnings In Foreign Currency	2015-2016	2014-2015
Export Sale	1460.81	951.31

- b) **Expenditure in foreign currency** (Rs. In Lacs)

Expenses In Foreign Currency	2015-2016	2014-2015
Business Promotion & Travelling	30.70	47.24
Export Registration	147.09	131.29
Export Expenses	0.06	0.61

31. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

Dates of declaration of dividends since 2008-2009 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 31.03.2016 (Rs.)	Last date for claiming unpaid dividend amount (before)	Last date for transfer to IEPF
2008-2009	22.09.2009	3,33,103	31.07.2017	30.09.2017
2009-2010	20.10.2010	3,81,280	31.07.2018	30.09.2018
2010-2011	10.09.2011	4,75,219	31.07.2019	30.09.2019
2011-2012	29.09.2012	86,76,450	31.07.2020	30.09.2020

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

32. GENERAL

During the year ended 31st March, 2016, there were no cases filed /reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

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

33. HUMAN RESOURCES

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

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

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

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

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

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.

36. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

MUKUND MEHTA
MANAGING
DIRECTOR
[DIN: 00147876]

BHAVIN MEHTA
WHOLE-TIME
DIRECTOR
[DIN:00147895]

Place: Mumbai
Date: August 12, 2016

Annexure I

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

- The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and**
- 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 2015-2016**

Name & Designation	Remuneration of each Director & KMP for Financial Year 2015-16 (Rs.)	% increase/ decrease in remuneration in the Financial Year 2015-16	Ratio of remuneration of each Directors to median remuneration of employees
A. Directors			
Mukund.P.Mehta –Managing Director	24,00,000/-	-	1:12.6
*Paresh Mehta – Jt. Managing Director	-	-	-
Bhavin.M.Mehta-Executive Director	12,00,000/-	-	1:6.3
Mira Bhavin Mehta-Whole Time Director	12,00,000/-	-	1:6.3
Deepu.K - Whole Time Director	20,81,940/-	15%	1: 0.9
Mukesh Shah –Independent Director	-	-	-
Shailesh.H.Cheda –Independent Director	-	-	-
Hemang Engineer-Independent Director	-	-	-
Pankaj.O.Kamdar-Independent Director	-	-	-
Ramesh B. Modi - Independent Director	-	-	-
B. Key Managerial Personnel			
**C.S. Krishnan -CFO	12,01,500/-	-	1:6.3
***Nirmal Kumar-CS	1,27,267/-	-	1:.07

CFO – Chief Financial Officer; CS - Company Secretary.

Notes:

- Median remuneration of all the employees of the Company for the financial year 2015-16 is Rs.190680/-*
- *Resigned w.e.f. 13th April 2016.*
- **Ceased office w.e.f. 12th April 2016.*
- ***Resigned w.e.f. 15th December 2015.*

- The percentage increase in the median remuneration of employees in the financial year 2014-15**

	Financial Year 2015 - 16 (Rs.)	Financial Year 2014 - 15 (Rs.)	Increase (%)
Median remuneration of all employees	190680/-	140470/-	35.74%

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

- The number of permanent employees on the rolls of Company.**
There were 89 permanent employees on the rolls of Company as on March 31, 2016.
- 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 35.74% in the salaries of employees was in line with the market projection, the performance of the Company in the financial year 2015-16, the individual performance of the employees, the criticality of the roles they play and skills set they possess. The there is no increase in the salary of the Managing Director during the year under review.
- 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 and on behalf of the Board of Directors

**Place: Mumbai
Date: August 12, 2016**

**MUKUND MEHTA
MANAGING DIRECTOR
[DIN: 00147876]**

**BHAVIN MEHTA
WHOLE-TIME DIRECTOR
[DIN:00147895]**

Annexure II

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

Name of employees	Designation/ Nature of Duties	Remuneration Received [Rs.] p.a. in Lacs	Qualifica- tion	Experi- ence in years	Age in years	Date of com- mencement of employment	Last em- ployment held	% of share- holding
Mukund Mehta	Managing Director	24.00	Bcom, BGL,	31	63	12.05.1992	-	4.16
Deepu K Panankattil	Wholetime Director	20.819	B.Tech. in Mech. Engg, DFT	20	45	20.08.2009	Alice Pharma	-
Chitoor Seshadri Krishnan	CFO	12.015	CWA	30	62	14.06.2013	Novartis	-
Bhavin Mehta	Wholetime Director	12.00	B Pharm	15	40	29.09.2007	-	0.78
Mira Mehta	Wholetime Director	12.00	Bcom	8	38	01.03.2013	-	-
Rama S Sharma	Sr. Manager	11.748	Bsc	10	58	15.07.2007	-	-
Archana S Kitkaru	Q.A. Manager	8.538	M. Pharm	17	43	03.02.1999	-	-
Simi Santosh	Q.C. Manager	7.250	Bsc	1	47	01.08.2015	Cheryl lab Pvt. Ltd.	-
Sachin Dilip Pol	Dy. Mgr. Supply Chain	6.393	Bsc	6	36	06.12.2010	Chandre Bhagat Pharma	-
Janki Thirumalai Nambi	Asst. Mgr. R.A.	4.800	B. Pharm	1	36	10.10.2015	Cipla Limited	-

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)
Deepu K Panankattil	-
Chitoor Seshadri Krishnan	-
Bhavin Mehta	Mukund Mehta (Father)
Mira Mehta	Bhavin Mehta (Husband)
Rama S Sharma	-
Archana S Kitkaru	-
Simi Santosh	-
Sachin Dilip Pol	-
Janki Thirumalai Nambi	-

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 12, 2016

MUKUND MEHTA
MANAGING DIRECTOR
[DIN: 00147876]

BHAVIN MEHTA
WHOLE-TIME DIRECTOR
[DIN:00147895]

Annexure III

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

CIN	L24239MH1992PLC066718
Registration Date	12/05/1992
Name of the Company	KILITCH DRUGS (INDIA) LIMITED
Category/Sub-category of the Company	PUBLIC COMPANY/ LIMITED BY SHARES
Address of the Registered office & contact details	C 301/2 MIDC TTC INDL AREA, PAWANE, THANE Tel. No. 022-65144185
Whether listed company	YES
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. Registrar & Share Transfer Agent C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, : 400078, Maharashtra. Tel. No. 022-25963838

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	ONECEF INJ.1GM	3042	38%
2	KILITCH SRO 20.80GMS	3042	12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN/GLN	% of Shares held	Applicable Section
1	KILITCH COMPANY PHARMA LIMITED Add: Unit No.37, Ujagar Indl Estate, W.T. Patil Marg, Deonar, Mumbai: 400088.	U24230MH1983PLC030632	50.1	2(46)
2	MONARCHY HEALTHSERVE PRIVATE LIMITED Add: Unit No.37, Ujagar Indl Estate, W.T. Patil Marg, Deonar, Mumbai: 400088.	U74999MH2007PTC167204	100	2(87)
3	Kilitch Estro Biotech PLC Add: Head Office: BOLE FUB City, K08, HNO: New, Addis ababa, Ethiopia, P. O. Box: 160 412	-	100	2(87)

V. 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 1 st April-2015]				No. of Shares held at the end of the year[As on 31 st -March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1904831	0	1904831	14.40	1904831	0	1904831	14.40	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	6629342	0	6629342	50.10	6629342	0	6629342	50.10	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1 st April-2015]				No. of Shares held at the end of the year[As on 31 st -March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total shareholding of Promoter (A)	8534173	0	8534173	64.50	8534173	0	8534173	64.50	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	100	0	100	-	100	0	100	-	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	00	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	100	0	100	-	100	0	100	-	0
2. Non-Institutions									
a) Bodies Corp.	412039	1233	413272	3.12	263222	1233	264455	1.99	1.13
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	2714690	767931	3482621	26.32	2496325	751647	3247972	24.54	-1.78
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	559683	0	559683	4.23	745199	0	745199	5.63	1.4
c) Others (specify)									
Non Resident Indians	166654	0	166654	1.26	183400	0	183400	1.38	0.12
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	75325	0	75325	0.57	144103	0	144103	1.08	0.51
HUF/Trusts	0	0	0	0	112426	0	112426	0.84	0.84
Foreign Bodies - D R					0	0	0	0	0
Sub-total (B)(2):-	3928391	769164	4697555	35.50	3944675	752880	4697555	35.50	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	12462664	769164	13231828	100	12478948	752880	13231828	100	

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year [1 st April 2015]			Shareholding at the end of the year [31 st March 2016]			% 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	66,29,342	50.10	0	66,29,342	50.10	0	0
2	Paresh Prataprai Mehta	9,56,785	7.23	0	956785	7.23	0	0
3	Mukund Prataprai Mehta	5,49,978	4.16	0	5,49,978	4.16	0	0

4	Neeta Mukund Mehta	2,94,768	2.23	0	2,94,768	2.23	0	0
5	Bhavin Mukund Mehta	1,03,300	0.78	0	1,03,300	0.78	0	0

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

SN	Particulars	Shareholding at the beginning of the year [1 st April 2015]		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	85,34,173	64.50	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year	NIL	NIL	-	-
	At the end of the year	85,34,173	64.50	-	-

D) Shareholding Pattern of top ten Shareholders:

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

SN	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year [1 st April 2015]		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		0	0		
	Transfer	30 Sep 2015	5000	-	5000	0.037
	Transfer	23 Oct 2015	26000	-	31000	0.2343
	Transfer	30 Oct 2015	97041	-	128041	0.9677
	Transfer	06 Nov 2015	13500	-	141541	1.0697
	Transfer	27 Nov 2015	387	-	141928	1.0726
	Transfer	04 Dec 2015	3325	-	145253	1.0978
	Transfer	11 Dec 2015	5000	-	150253	1.1355
	Transfer	18 Dec 2015	2415	-	152668	1.1538
	Transfer	31 Dec 2015	2000	-	154668	1.1689
	Transfer	08 Jan 2016	10000	-	164668	1.2445
	Transfer	15 Jan 2016	1200	-	165868	1.2536
	Transfer	22 Jan 2016	4000	-	169868	1.2838
	Transfer	05 Feb 2016	132	-	170000	1.2848
	Transfer	19 Feb 2016	200	-	170200	1.2863
	At the end of the year				170200	1.2863
2	ROOMY NOZER DARUWALLA					
	At the beginning of the year		1000	0.0076		
	Transfer	24 Apr 2015	44000	-	45000	0.3401
	Transfer	01 May 2015	42000	-	87000	0.6575
	Transfer	08 May 2015	40083	-	127083	0.9604
	Transfer	05 Jun 2015	1000	-	128083	0.9680
	Transfer	20 Nov 2015	200	-	128283	0.9695
	At the end of the year				128283	0.9695
3	NEETA MANOJ RUPAREL					
	At the beginning of the year		104003	0.7860		
	Transfer	10 Apr 2015	(2000)	-	102003	0.7709
	Transfer	17 Apr 2015	(2147)	-	99856	0.7547
	Transfer	24 Apr 2015	5750	-	105606	0.7981
	Transfer	11 Dec 2015	3500	-	109106	0.8246
	Transfer	08 Jan 2016	(4106)	-	105000	0.7935
	Transfer	22 Jan 2016	5000	-	110000	0.8313
	Transfer	05 Feb 2016	5000	-	115000	0.8691
	At the end of the year				115000	0.8691
4	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED					

SN	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year [1 st April 2015]		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		0	0.0000		
	Transfer	04 Dec 2015	5248	-	5248	0.0397
	Transfer	11 Dec 2015	11564	-	16812	0.1271
	Transfer	18 Dec 2015	21529	-	38341	0.2898
	Transfer	25 Dec 2015	13875	-	52216	0.3946
	Transfer	31 Dec 2015	22224	-	74440	0.5626
	Transfer	01 Jan 2016	7865	-	82305	0.6220
	Transfer	08 Jan 2016	16107	-	98412	0.7438
	Transfer	22 Jan 2016	9293	-	107705	0.8140
	Transfer	12 Feb 2016	(7490)	-	100215	0.7574
	Transfer	19 Feb 2016	(4770)	-	95445	0.7213
	At the end of the year				95445	0.7213
5	DARSHANA JIGNESH KOTHARI					
	At the beginning of the year		69108	0.5223		
	Transfer	10 Apr 2015	(2000)	-	67108	0.5072
	Transfer	17 Apr 2015	892	-	68000	0.5139
	Transfer	24 Apr 2015	1750	-	69750	0.5271
	Transfer	18 Dec 2015	3500	-	73250	0.5536
	Transfer	08 Jan 2016	(3250)	-	70000	0.5290
	Transfer	22 Jan 2016	5000	-	75000	0.5668
	At the end of the year				75000	0.5668
6	ANUJ SHAH					
	At the beginning of the year		73495	0.5554		
	Date wise Increase / Decrease in Shareholding during the year		-	-	-	-
	At the end of the year				73495	0.5554
7	MINAL B. PATEL					
	At the beginning of the year		69293	0.5237		
	Transfer	28 Aug 2015	(3537)	-	65756	0.4970
	Transfer	30 Sep 2015	3537	-	69293	0.5237
	Transfer	09 Oct 2015	(3537)	-	65756	0.4970
	Transfer	31 Dec 2015	3537	-	69293	0.5237
	Transfer	01 Jan 2016	(3537)	-	65756	0.4970
	Transfer	18 Mar 2016	3537	-	69293	0.5237
	At the end of the year				69293	0.5237
8	ANGEL FINCAP PRIVATE LIMITED					
	At the beginning of the year		35962	0.2718		
	Transfer	03 Apr 2015	(165)	-	35797	0.2705
	Transfer	10 Apr 2015	(1866)	-	33931	0.2564
	Transfer	17 Apr 2015	12588	-	46519	0.3516
	Transfer	24 Apr 2015	(2871)	-	43648	0.3299
	Transfer	01 May 2015	9078	-	52726	0.3985
	Transfer	08 May 2015	(3337)	-	49389	0.3733
	Transfer	15 May 2015	1201	-	50590	0.3823
	Transfer	22 May 2015	6665	-	57255	0.4327
	Transfer	29 May 2015	(42)	-	57213	0.4324
	Transfer	12 Jun 2015	(3300)	-	53913	0.4074
	Transfer	19 Jun 2015	58	-	53971	0.4079
	Transfer	26 Jun 2015	2000	-	55971	0.4230
	Transfer	17 Jul 2015	(2000)	-	53971	0.4079
	Transfer	24 Jul 2015	1288	-	55259	0.4176
	Transfer	31 Jul 2015	(3479)	-	51780	0.3913
	Transfer	07 Aug 2015	200	-	51980	0.3928

SN	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year [1 st April 2015]		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer	21 Aug 2015	100	-	52080	0.3936
	Transfer	28 Aug 2015	1	-	52081	0.3936
	Transfer	04 Sep 2015	(1195)	-	50886	0.3846
	Transfer	11 Sep 2015	(1)	-	50885	0.3846
	Transfer	30 Sep 2015	734	-	51619	0.3901
	Transfer	16 Oct 2015	9692	-	61311	0.4634
	Transfer	23 Oct 2015	(2100)	-	59211	0.4475
	Transfer	30 Oct 2015	1000	-	60211	0.4550
	Transfer	06 Nov 2015	2000	-	62211	0.4702
	Transfer	13 Nov 2015	2508	-	64719	0.4891
	Transfer	20 Nov 2015	565	-	65284	0.4934
	Transfer	27 Nov 2015	3812	-	69096	0.5222
	Transfer	04 Dec 2015	(150)	-	68946	0.5211
	Transfer	11 Dec 2015	3180	-	72126	0.5451
	Transfer	18 Dec 2015	(19)	-	72107	0.5450
	Transfer	25 Dec 2015	(2884)	-	69223	0.5232
	Transfer	31 Dec 2015	(2125)	-	67098	0.5071
	Transfer	01 Jan 2016	(1086)	-	66012	0.4989
	Transfer	08 Jan 2016	(2688)	-	63324	0.4786
	Transfer	15 Jan 2016	3800	-	67124	0.5073
	Transfer	22 Jan 2016	250	-	67374	0.5092
	Transfer	29 Jan 2016	(250)	-	67124	0.5073
	Transfer	12 Feb 2016	(5400)	-	61724	0.4665
	Transfer	19 Feb 2016	(4400)	-	57324	0.4332
	Transfer	11 Mar 2016	250	-	57574	0.4351
	Transfer	18 Mar 2016	(250)	-	57324	0.4332
	Transfer	31 Mar 2016	(18000)	-	39324	0.2972
	At the end of the year				39324	0.2972
9	GEETA BALDEV PANCHAL					
	At the beginning of the year		37525	0.2836		
	Date wise Increase / Decrease in Shareholding during the year		-	-	-	-
	At the end of the year				37525	0.2836
10	HARSHA NARESH PANCHAL					
	At the beginning of the year		36629	0.2768		
	Date wise Increase / Decrease in Shareholding during the year		-	-	-	-
	At the end of the year				36629	0.2768

E) Shareholding of Directors and Key Managerial Personnel:

SN	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
1	Mr. Mukund Mehta				
	At the beginning of the year	5,49,978	4.16	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	-	-
	At the end of the year	5,49,978	4.16	5,49,978	4.16
2	Mr. Pares Mehta				
	At the beginning of the year	9,56,785	7.23	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	-	-
	At the end of the year	9,56,785	7.23	9,56,785	7.23

SN	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
3	Mr. Bhavin Mehta				
	At the beginning of the year	1,03,300	0.78	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	-	-
	At the end of the year	1,03,300	0.78	1,03,300	0.78
4	Mrs. Mira Mehta				
	At the beginning of the year	0	0	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year.	-	-	-	-
	At the end of the year	0	0	-	-
5	Mr. Deepu K.				
	At the beginning of the year	0	0	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	-	-
	At the end of the year	0	0	-	-
6	Mr. Mukesh Shah				
	At the beginning of the year	0	0	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	-	-
7	Mr. Shailesh Chheda				
	At the beginning of the year	0	0	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	-	-
8	Mr. Pankaj Kamdar				
	At the beginning of the year	0	0	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	-	-
9	Mr. Hemang Engineer				
	At the beginning of the year	0	0	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	-	-
10	Mr. Ramesh Modi				
	At the beginning of the year	0	0	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	0	0	-	-

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

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

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		MUKUND MEHTA	BHAVIN MEHTA	MIRA MEHTA	DEEPU K.	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000/-	12,00,000/-	12,00,000/-	20,81,940/-	68,81,940/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total (A)	24,00,000/-	12,00,000/-	12,00,000/-	20,81,940/-	68,81,940/-
	Ceiling as per the Act					

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					TOTAL AMT. (in Rs.)
		MUKESH SHAH	PAMKAJ KAMDAR	SHAILESH CHEDA	HEMANG ENGINEER	RAMESH MODI	
1	Independent Directors						
	Fee for attending board committee meetings	9,000/-	9,000/-	9,000/-	9,000/-	9,000/-	45,000/-
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (1)	9,000/-	9,000/-	9,000/-	9,000/-	9,000/-	45,000/-
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	0	0	0	0	0	0
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0
	Total (B)=(1+2)	9,000/-	9,000/-	9,000/-	9,000/-	9,000/-	45,000/-
	Total Managerial Remuneration	9,000/-	9,000/-	9,000/-	9,000/-	9,000/-	45,000/-
	Overall Ceiling as per the Act						

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	1,27,267/-	12,01,500/-	13,28,767/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	Others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total	1,27,267/-	12,01,500/-	13,28,767/-

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 12, 2016

MUKUND MEHTA
MANAGING DIRECTOR
[DIN: 00147876]

BHAVIN MEHTA
WHOLE-TIME DIRECTOR
[DIN:00147895]

**Annexure – IV
FORM AOC-I**

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

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

Part “A”: Subsidiaries

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

Sl. Nos.	1.	2.
Name of the subsidiary	Monarchy Healthserve Pvt. Ltd.	Kilitch Estro Biotech PLC (w.e.f. 11.09.2015)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	March 31, 2016	September 11, 2015
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	N. A.	66.25 INR/USD
Share capital	47.09	126.03
Reserves & surplus	3271.09	-
Total assets	3390.12	127.22
Total Liabilities	3390.12	127.22
Investments	0	0
Turnover	36.03	0
Profit before taxation	(874.27)	0
Provision for taxation	0.17	0
Profit after taxation	(874.09)	0
Proposed Dividend	0	0
% of shareholding	100%	100%

For and on behalf of the Board of Directors

Place: Mumbai

Date: August 12, 2016

**MUKUND MEHTA
MANAGING DIRECTOR
[DIN: 00147876]**

**BHAVIN MEHTA
WHOLE-TIME DIRECTOR
[DIN:00147895]**

Part “B”: Associates and Joint Ventures

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

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

For and on behalf of the Board of Directors

Place: Mumbai

Date: August 12, 2016

**MUKUND MEHTA
MANAGING DIRECTOR
[DIN: 00147876]**

**BHAVIN MEHTA
WHOLE-TIME DIRECTOR
[DIN:00147895]**

Annexure - V
FORM NO. AOC -2

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

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

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

SL. No.	Particulars		
	Name (s) of the related party & nature of relationship	NBZ Healthcare LLP	Kilitch Estro Biotech PLC
	Nature of contracts/arrangements/transaction	Contract Manufacturing	Manufacturing
	Duration of the contracts/arrangements/transaction	5 Years	20 Years
	Salient terms of the contracts or arrangements or transaction including the value, if any	Loan Linance Manufacturing by kilitch drugs india limited for NBZ Heathcare LLP	Manufacturing of Nutractal
	Date of approval by the Board	30 th May, 2013	11 th November, 2015
	Amount paid as advances, if any	Nil	Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 12, 2016

MUKUND MEHTA
MANAGING DIRECTOR
[DIN: 00147876]

BHAVIN MEHTA
WHOLE-TIME DIRECTOR
[DIN:00147895]

ANNEXURE VI
SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
KILITCH DRUGS (INDIA) LIMITED
C 301/2,MIDC TTC Indl Area,
Pawane,Thane,
Maharashtra – 400705.

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 2016 ('Audit Period') complied with the statutory provisions listed hereunder, subject to specified observation(s) mentioned below, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (to the extent as may be applicable to the Company);

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);

(vi) Other laws applicable specifically to the Company, namely:

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

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

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

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

- Updation of website of the Company in compliance of applicable provisions.
- Filing of certain e-forms on MCA portal.

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 at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the resolutions were passed with consent of majority Directors and minutes were prepared accordingly.

I further report that:

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

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

**For: M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES**

**Place: Mumbai
Date: 12/08/2016**

**DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364**

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
CP NO.5364**

Place: Mumbai

Date: 12/08/2016

Management Discussion and Analysis:

(a) Industry structure and developments.

There is a genuine possibility, therefore, that the restructuring of the pharmaceutical industry will ultimately prove quite costly in terms of lower productivity. Drug development under the new set of institutional arrangements might turn out to be faster and better, but not cheaper. Resources burned up in the vertical struggle for profits in the industry, or wastefully over invested in unviable enterprises, might be a significant offset to those saved through superior research tools and competitive pressure to be efficient.

Of course, these extra costs could be worth incurring if the technological opportunities opened up by recent scientific advances are realized. The rise of the pharmaceutical sector might ultimately generate even larger social returns than those attributable to a similar surge of entrepreneurship, technological dynamism, and industry restructuring in the computer business during the transition from the era of mainframes. But in the meantime, the industry is in a particularly vulnerable position. System productivity is increasingly dependent on Big Pharma's ability to support academic and for-profit research through commercial relationships, which could be the first to break down if price regulation or changes to third-party payer arrangements subject the industry to a profit squeeze.

(b) Opportunities and Threats.

Our Company is in the process of launching new products in ophthalmic / OTC / NASAL segment in the next financial year for the west ,east and southern african markets as well the ASEAN markets other which will have a positive impact on the Company's revenue and profitability streams.

The price fluctuaitaions and the change in the regulatory norms in various markets coupled with the political instability in these areas have a bigger impact on the company's growth in terms of profitability .

(c) Segment-wise or product-wise performance.

the launch of the effervescent tablets range has turned out to be a boon in the previous year and the same has added up to the list of highly potential products in our basket . The effervescent range shall be the flag bearer for years to come . In the antibiotics sector we have a strong foothold and we continue to do so .

(d) Outlook

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

(e) Risks and concerns.

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

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

(f) Internal control systems and their adequacy

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

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

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

(a) Material developments in Human Resources / Industrial Relations front, including number of people employed.

In line with KILITCH HR policy of providing safe, rewarding and industrial relationship environment at the manufacturing unit, the Kilitch HR function is continuously monitoring the environment to align with the Company's overall vision and road-map and the Company was able to retain the talents through various HR initiatives taken.

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

2. BOARD OF DIRECTORS:

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

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

The Company has an optimum combination of Directors on the Board and is in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2016, the Board comprised of 10 Directors out of which 5 are Non-Executive Independent Directors and 5 are Executive Directors.

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

The composition of the Board of Directors and also the number of other Companies of which he/she is a Director and Member/ Chairman as on March 31, 2016, 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 Mehta	Managing Director	4	-	-	549978
*Mr. Paresh Mehta	Jt. Managing Director	3	-	-	956785
Mr. Bhavin Mehta	Whole time Director	5	-	-	103300
Mrs. Mira Mehta	Whole time Director	1	-	-	-
Mr. Mukesh Shah	Independent Director	2	-	-	-
Mr. Pankaj Kamdar	Independent Director	-	-	-	-
Mr. Hemang Engineer	Independent Director	1	-	-	-
Mr. Shailesh Chheda	Independent Director	1	-	-	-
Mr. Deepu Pannankatil	Whole time Director	-	-	-	-
Mr. Ramesh Modi	Independent Director	-	-	-	-

* Resigned as Director w.e.f. 13.04.2016.

BOARD PROCEDURE:

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

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

During the year **06 (Six)** Board Meetings were held during the financial year ended March 31, 2016, the dates of which are 14/04/2015, 27/04/2015, 28/05/2015, 14/08/2015, 11/11/2015 and 12/02/2016.

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

Name of the Directors	No. of Board meetings attended	Attendance of last AGM held on 30/09/2015.
Mr. Mukund Mehta	06	Present
Mr. Paresh Mehta	-	Absent
Mr. Bhavin Mehta	06	Present
Mrs. Mira Mehta	01	Absent
Mr. Mukesh Shah	05	Present
Mr. Pankaj Kamdar	02	Absent
Mr. Hemang Engineer	03	Absent
Mr. Shailesh Chheda	03	Absent
Mr. Deepu Pannankatil	01	Present
Mr. Ramesh Modi	01	Present

3. AUDIT COMMITTEE:

BROAD TERMS OF REFERENCE:

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

COMPOSITION:

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

The constitution of the Audit Committee is as follows:

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

MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2016, Four Audit Committee Meetings were held on 28/05/2015, 14/08/2015, 11/11/2015 and 12/02/2016.

The attendance at the Audit Committee Meetings is as under:

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

The Chairman of the Committee was present at the Annual General Meeting of the Company held on 30/09/2015 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, 2016.

COMPOSITION:

The constitution of the Committee of Directors is as under:

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

MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2015, 04 Committee Meetings were held on 28/05/2015, 14/08/2015, 11/11/2015 and 12/02/2016.

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

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

5. NOMINATION AND REMUNERATION COMMITTEE:

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

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

The constitution of the Committee of Directors is as under:

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

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

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

Role of the Nomination and Remuneration Committee:

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

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

- (2) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- (3) devising a policy on diversity of Board of Directors;
- (4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- (5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

The details of Remuneration paid to the Managing and Executive Directors for the Financial Year 2015-2016.

S.N	Names of Directors	Executive/Non-Executive Independent	Amt. (in Rs.)
1.	Mr. Mukund Prataprai Mehta	Managing Director	24,00,000/-
2.	Mr. Bhavin Mukund Mehta	Executive Director	12,00,000/-
3.	Mrs. Mira Bhavin Mehta	Executive Director	12,00,000/-
4.	Mr. Deepu Kesavan Pannankatil	Executive Director	20,81,940/-

MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2016, 02 Committee Meetings were held to consider and approve the remuneration package of the Executive Directors of the Company.

The attendance at the Remuneration Committee Meeting is as under:

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

6. COMPENSATION COMMITTEE:

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

The composition of the said Compensation Committee is as under:

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

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

7. GENERAL BODY MEETINGS:

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

Financial Year	Date	Location of the Meeting	Time	Special Resolution(s) Passed
2012-2013	30/09/2013	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane-400705.	9.30 A.M.	02
2013-2014	30/09/2014	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane-400705.	9.30 A.M.	04
2014-2015	30/09/2014	C-301/2, M.I.D.C. TTC Industrial Area, Pawane Village, Thane-400705.	9.00 A.M.	-

8. TRAINING FOR BOARD MEMBERS

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

The Company has adopted a system to familiarize its Independent Directors with the Company, to make them aware of their roles, rights & responsibilities in the Company, and nature of the industry in which the Company operates business model of the Company,

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

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

9. PERFORMANCE EVALUATION

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

10. DISCLOSURES:

i. Related Party Transactions:

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

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

ii. Disclosures from Senior Management

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

iii. Compliances by the Company

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

iv. Whistle Blower Policy/ Vigil Mechanism

The Company has adopted a Whistle Blower Policy to provide a vigil mechanism to directors, employees, agents, consultants, vendors and business partners to disclose instances of wrong doing in the workplace. The object of this Whistle Blower Policy is to encourage individuals to disclose and protect such individuals in the event of a disclosure. The Company is keen on demonstrating the right values and ethical, moral and legal business practices in every field of activity within the scope of its work. The objective of this policy is to provide a vigil mechanism and framework to promote responsible whistle blowing and ensure effective remedial action and also protect the interest of the whistle blower as guided by legal principles. This policy is intended to:

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

- b. Ensure that directors, employees, agents, consultants, vendors and business partners can raise issues or concerns without fear of victimization, subsequent discrimination or disadvantage thereof.
- c. Reassure the whistle blower(s) that they will be protected from possible reprisals or victimization if they have made disclosure/s in good faith.
- d. Ensure that where any wrong doing by the Company or any of its directors, employees, agents, consultants, vendors or business partners is identified and reported to the Company under this policy, it will be dealt with expeditiously and thoroughly investigated and remedied. The Company will further examine the means of ensuring how such wrong doing can be prevented in future and will take corrective action accordingly.

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

v. Code of Conduct for Directors and Senior Management

The Board has laid down Codes of Conduct for Executive Directors & Senior Management and for Non-Executive/ Independent Directors of the Company. The Codes of Conduct have been circulated to the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the MD in this regard is given at the end of this Report. The Code of Conduct is available on website of the Company at the 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 March 31, 2016.

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 this Annual Report.

xi. Independent Directors

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

xii. Share Reconciliation Audit

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited

(CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

9. MEANS OF COMMUNICATION:

The Quarterly Reports of the Company are published in accordance with the requirements of the Listing Agreement / SEBI (LODR) Regulations, 2015 of the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd.

News Papers in which results are normally published:

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

10. GENERAL SHAREHOLDERS' INFORMATION:

1. Annual General Meeting Scheduled to be Held:

Day & Date : Friday, 30th September, 2016
Time : 9.00 A.M.
Venue [Regd. Off.] : C-301/2, M.I.D.C. Industrial Area,
Pawane Village, Thane- 400705.

- 2. Date of Book Closure** : Friday, 23rd September, 2016 to
Friday, 30th September, 2016 [both days inclusive]

3. Financial Calendar:

The next financial calendar year of the Company will be from 1st April, 2016 to 31st March, 2017.

Audited/ Unaudited	Particulars of Financial Reporting	Date
Unaudited	Financial Reporting for the quarter ending 30 th June, 2015.	Up to 15 th August, 2016
Unaudited	Financial Reporting for the quarter ending 30 th September, 2015.	Up to 15 th November 2016
Unaudited	Financial Reporting for the quarter ending 31 st December, 2015.	Up to 15 th February 2017
Audited	Financial Reporting for the Audited Financial Result as on 31 st March, 2016.	Up to 30 th May 2017

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 : **B2 - 524500**

6. Stock Price Data:

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

MONTH	BSE, MUMBAI		
	High (Rs.)	Low (Rs.)	No. of shares Traded
April, 2015	40.90	27.75	265842
May, 2015	38.00	28.05	363130
June, 2015	30.55	25.25	93435
July, 2015	45.45	27.15	337331
August, 2015	46.70	30.65	174716
Sept, 2015	36.00	30.00	43725
Oct, 2015	55.30	31.05	1023784
Nov, 2015	44.40	36.65	146159
Dec, 2015	49.70	41.00	231846
Jan, 2016	61.0	37.95	586867
Feb, 2016	44.00	31.80	77451
March, 2016	42.25	32.40	77434

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

MONTH	NSE, MUMBAI		
	High (Rs.)	Low (Rs.)	Average Total Traded Quantity (in no. of shares)
April, 2015	40.65	27.25	17088
May, 2015	38.00	27.80	32174
June, 2015	32.90	25.15	6804
July, 2015	46.10	27.6	27281
August, 2015	46.75	30.50	17378
Sept, 2015	36.90	30.00	6868
Oct, 2015	55.15	31.25	95416
Nov, 2015	44.50	36.10	10929
Dec, 201	49.50	40.30	19960
Jan, 2016	61.20	38.10	71665
Feb, 2016	44.90	31.10	6308
March, 2016	42.15	32.55	9037

7. Address for Correspondence:

Administrative Office

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

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

Link Intime India Private Limited

C-13, Pannanlal Silk Mills Compound, L.B.S. Marg,

Bhandup (W), Mumbai-400078

Tel. No. : 022-25963838 Fax No. : 022-25946969

Web Site : www.kilitch.com.

e-mail : investor_complaints@kilitch.com

8. Share Transfer System:

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

9. Dematerialisation of shares:

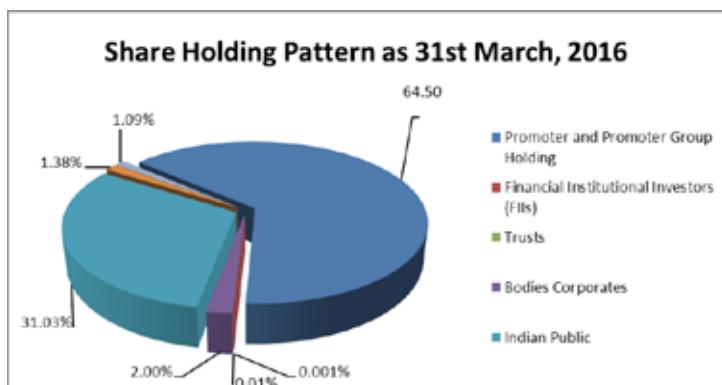
As on 31st March, 2016, 1,24,78,948 Equity Shares are held in dematerialized form with NSDL and CDSL out of total Equity Shares of 1,32,31,828 aggregating to 94.31%.

10. Distribution of shareholding as on 31st March, 2016:

No. of shares held	No. of shareholders	No. of shares held	% of shareholding
1 to 500	8704	15009310	11.3433
501 to 1000	763	6317480	4.7745
1001 to 2000	307	4755630	3.5941
2001 to 3000	83	2153790	1.6277
3001 to 4000	42	1508400	1.1400
4001 to 5000	23	1072470	0.8105
5001 to 10000	46	3326040	2.5137
10001 and above	43	98175160	74.1962
TOTAL	10011	132318280	100.000

11. Shareholding Pattern as on 31st March, 2016:

Particulars of Category	Number of Shareholders	Shares	
		Number	% to total Capital
(A) Promoter and Promoter Group Holding			
1. Individual / Hindu Undivided Family	4	1904831	14.40
Bodies Corporate	1	6629342	50.10
Total (A)	5	8534173	64.50
(B) Non – Promoter Holding			
Institutions			
Financial Institutional Investors (FIIs)/Banks	1	100	-
Trusts	-	-	-
Non-Institutions			
Bodies Corporate	125	264455	2.00
Indian Public	9816	4105697	31.03
NRIs	90	183400	01.38
Clearing Members	73	144103	1.09
Total (B)	10105	4697655	35.50
Grand Total (A)+(B)	10110	1,32,31,828	100.00



Note:

The total foreign shareholding for the year ended 31st March, 2016 is 183400 shares which in percentage terms is 1.38% of the issued and subscribed capital.

There is no any Equity Shares under Lock-in for the period ended as on 31/03/2016.

Shareholding pattern in case of demated shares has been prepared based on download of data received from NSDL / CDSL as on 31st March 2016.

CERTIFICATION FROM THE MANAGING DIRECTOR:

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. I have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 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. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I 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 and On behalf of the
Board of Directors**

**Mukund Mehta
Managing Director
[DIN: 00147876]**

**Place: Mumbai
Date: 12/08/2016**

DECLARATION

I, Mukund Mehta, Managing Director of Kilitch Drugs (India) Limited, based on confirmations received from all the Directors and Senior Management of the Company, do hereby state that all Board Members and senior management personnel have affirmed compliances with the Code of Conduct of the Company for the financial year ended 31st March 2016.

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

**Mukund Mehta
Managing Director
[DIN: 00147876]**

**Place: Mumbai
Date: 12/08/2016**

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

To

The Members of

KILITCH DRUGS (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by KILITCH DRUGS (INDIA) LIMITED for the year ended on 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement and Part E of SEBI (LODR) Regulations, 2015 for the respective periods (i.e. from April 1, 2015 to November 30 2015 and December 1, 2015 to March 31, 2016), of the said Company with the stock exchanges.

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

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

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: M/s. DEEP SHUKLA & ASSOCIATES
COMPANY SECRETARIES**

**DEEP SHUKLA
{PROPRIETOR}
FCS: 5652
CP NO.5364**

**Place: Mumbai
Date: 12/08/2016**

INDEPENDENT AUDITORS' REPORT

To,
The Members of

KILITCH DRUGS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Kilitch Drugs (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- ii. In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date.
- iii. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 of the Act (11 of 2013), we give in the "Annexure A" statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required under provisions of section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

- d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.\
- e. On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of the pending litigations on its financial position vide Note No. 22 (b) to the financial statements.
- ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
- iii. There were no amounts which are required to be 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

Chintan A. Ghelani
Partner
Membership No. : 104391

Date : 30th May, 2016
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. In our Opinion and According to the information and explanations given to us 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) According to the information and explanations given to us the Company has not granted any loans, guarantee and has not purchased security of other body corporate. Therefore, the provision of Clause (iv) of paragraph 3 of the Order not applicable to the Company.
- v) According to the information and explanations given to us, the company has not accepted any deposits within the meaning of provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed hereunder. Therefore, provisions of Clause (v) of paragraph 3 of the Order are not applicable to the company.
- vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the Central Government under Sub Section (1) of Section 148 of the Act and are of the opinion that, prima facie,

the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) In respect of Statutory dues :

- a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues, which are applicable to the company, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.
- b. According to the records examined by us and the information and explanation given to us the disputed statutory dues aggregating to Rs. 50,305,650/- that have not been deposited on account of the matters pending before the appropriate authorities are as under:

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

- viii) According to the records examined by us and the information and explanation given to us, we are of the opinion that the company has not defaulted in re-payment of dues, if any, to financial institutions/banks.
- ix) The Company has not obtained any term loans during the year under report.
- x) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- xi) Based upon the audit procedures performed and information and explanation given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with "schedule v" to the companies Act, 2013.
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Paragraph 3 of the Order are not applicable to the Company.
- xiii) In our opinion and as per the information & 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) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- xv) The Company has not entered into any Non-Cash transaction with Director or Persons connected with him. Hence, the requirements of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause (xvi) of the paragraph 3 of Order are not applicable to the Company

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

Chintan A. Ghelani
Partner
Membership No. : 104391

Date : 30th May, 2016
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, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For A. M. Ghelani & Company

Chartered Accountants

Firm Registration No. : 103173W

Chintan A. Ghelani

Partner

Membership No. : 104391

Date : 30th May, 2016

Place : Mumbai

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in Lacs)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	1,323.18	1,323.18
Reserves and Surplus	3	10,469.01	10,674.36
Current liabilities			
Short Term Borrowings	4	8.92	-
Trade Payables	5	362.95	235.52
<i>Total outstanding dues of creditors other than micro and small enterprises</i>			
Other Current Liabilities	6	328.82	391.16
Short-Term Provisions	7	76.78	54.64
TOTAL		12,569.67	12,678.86
ASSETS			
Non-current assets			
Fixed assets	8		
Tangible Assets		831.25	934.25
Intangible Assets		2.81	4.11
Non-Current Investments	9	6,910.98	4,715.56
Deferred tax Assets (Net)	27	94.43	50.82
Long-Term Loans and Advances	10	71.59	2,309.99
Current assets			
Current investments	10	2,312.07	2,466.87
Inventories	11	262.08	238.12
Trade Receivables	12	1,636.55	1,262.30
Cash and Bank Balances	13	251.86	498.02
Short-term Loans and Advances	14	194.53	192.55
Other Current Assets	15	1.52	6.26
TOTAL		12,569.67	12,678.86
Significant Accounting Policies and Notes on Financial Statements	1 TO 33		

As per our report of even date

For and on behalf of the Board of Directors

For A. M. Ghelani & Company

Chartered Accountants
FRN:103173W

Chintan A. Ghelani

Partner
M. No. 104391

Mumbai,
Dated: 30th May, 2016

Mukund P. Mehta

(Managing Director)

Bhavin M. Mehta

(Whole Time Director)

Mukesh Shah

(Director)

Keerti Acharya

(Company Secretary)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(₹ in Lacs)

Particulars	Notes	2015-16	2014-15
Income			
Revenue from operations	16	2,102.16	1,902.73
Other income	17	273.51	269.02
Total Revenue		2,375.66	2,171.75
Expenditure			
Cost of materials consumed	18	891.84	648.59
Variation in inventories of finished goods & work-in-progress	19	(18.61)	53.02
Employee benefits expenses	20	342.20	312.80
Depreciation and amortisation expenses	8	161.25	185.39
Other expenses	21	1,247.94	1,056.39
Total Expenses		2,624.62	2,256.20
Profit before Extraordinary items and Tax		(248.96)	(84.45)
Less: Extraordinary Items		-	-
Profit before tax		(248.96)	(84.45)
Less: Tax Expense:-			
a) Current Tax		-	-
b) Deferred Tax		43.61	65.90
c) Tax Adjustments of Earlier years		-	-
PROFIT/ (LOSS) FOR THE YEAR		(205.35)	(18.55)
EARNINGS PER EQUITY SHARE [Face Value Rs. 10]	26		
Basic		(1.55)	(0.14)
Diluted		(1.55)	(0.14)
Significant Accounting Policies and Notes on Financial Statements	1 TO 33		

As per our report of even date

For and on behalf of the Board of Directors

For A. M. Ghelani & Company

Chartered Accountants

FRN:103173W

Chintan A. Ghelani

Partner

M. No. 104391

Mumbai,

Dated: 30th May, 2016

Mukund P. Mehta

(Managing Director)

Bhavin M. Mehta

(Whole Time Director)

Mukesh Shah

(Director)

Keerti Acharya

(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016

(₹ in Laacs)

Particulars	31st March 2016		31st March 2015	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		(248.96)		(84.45)
<i>Adjustments for:</i>				
Depreciation and amortisation	161.25		185.39	
Interest income	(13.73)		(45.14)	
Dividend income	(88.09)		(155.82)	
(Profit)/Loss on sale of Investments	14.92		(44.90)	
Sundry Balances written back	(97.85)		-	
Provision for Gratuity & Leave Encashment	21.69		14.13	
Loss/(Profit) from Trading in Securities	25.28		(17.45)	
Bad Debts / Provision for Doubtful Debts	100.00		194.38	
Profit / (Loss) on assets sold/ discarded	-		42.22	
Net unrealised exchange (gain) / loss	(51.47)	72.00	37.54	210.36
Operating profit / (loss) before working capital changes		(176.96)		125.91
<i>Changes in working capital:</i>				
<i>Operating Assets:</i>				
Inventories	(23.96)		21.78	
Trade receivables	(422.78)		(630.82)	
Short-term loans and advances	(1.98)		(38.60)	
Long-term loans and advances	2,238.40		(41.37)	
Other current assets	4.74		0.22	
<i>Operating Liabilities:</i>				
Trade payables	225.28		(232.50)	
Short Term Borrowing	8.92			
Other current liabilities	(53.44)		44.93	
Short-term provisions	0.45	1,975.63	(7.19)	(883.55)
Gross cash flow from / (used in) operating activities		1,798.67		(757.66)
Less : Direct Taxes Paid / (refunded)		(1.85)		(5.53)
Net cash flow from / (used in) operating activities		1,796.82		(763.19)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(56.97)		(239.46)	
Proceeds (Net) from the sale of Current investments	114.60		1,494.36	
Purchase (Net) of long-term investments:				
- Subsidiaries	(129.09)		(4,200.00)	
- Others	(2,066.32)		(395.86)	
Interest received	13.73		45.14	
Income from Futures & Options	-		17.45	
Dividend received	88.09		155.82	
		(2,035.96)		(3,122.55)
		(2,035.96)		(3,122.55)
Net cash flow from / (used in) investing activities (B)		(2,035.96)		(3,122.55)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016

(₹ in Laacs)

Particulars	31st March 2016		31st March 2015	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid(Inclusive of tax on Dividend)	(7.03)		(1.51)	
Net cash flow from / (used in) financing activities (C)		(7.03)		(1.51)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(246.16)		(3,887.25)
Cash and cash equivalents at the beginning of the year		498.02		4,385.26
Cash and cash equivalents at the end of the year		251.86		498.02
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		1.06		0.88
(b) Balances with banks				
(i) In current accounts		152.14		391.45
(ii) In earmarked accounts		98.66		105.69
		251.86		498.02

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

The figures in brackets represent Cash outflows.

As per our report of even date

For and on behalf of the Board of Directors

For A. M. Ghelani & Company

Chartered Accountants

FRN:103173W

Chintan A. Ghelani

Partner

M. No. 104391

Mumbai,

Dated: 30th May, 2016

Mukund P. Mehta

(Managing Director)

Bhavin M. Mehta

(Whole Time Director)

Mukesh Shah

(Director)

Keerti Acharya

(Company Secretary)

NOTE “1”

SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Preparation of Financial Statements

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

b) Inflation

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

c) Use of Estimates

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

d) Inventories

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

e) Revenue Recognition

- i. Sales are recognized net of returns, trade discounts, rebates and include excise duty on manufactured products.
- ii. Revenue in respect of export sales is recognized on shipment of products.
- iii. Service Income (Processing Charges) is recognized pro-rata over the period of the contract as and when services are rendered.
- iv. Export incentive benefits consist of duty drawback, high value added licenses and DEPB entitlements. These are recognized on the basis of receipt of proof of export.
- v. Interest is recognised on time proportion basis.
- vi. Dividend Income is recognised when the right to receive the same is established.

f) Fixed Assets

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

g) Depreciation

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

h) Impairment of Assets

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

i) Investments

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

j) Foreign Currency Transactions

- i. Transactions denominated in foreign currencies are recorded at exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at Balance sheet date are restated at the year-end rates. Non Monetary foreign currency items are carried at cost.
- ii. Exchange differences arising as a result of the subsequent settlements or on transactions are recognized as income or expenses in the statement of Profit & Loss except the exchange differences arising on long term foreign currency monetary items relating to the acquisition of the fixed assets, which are adjusted to the carrying cost of the assets.

k) Employee Benefits

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

l) Taxes on Income

- i. Provision for income tax (current tax) is determined on the basis of the taxable income of the current year in accordance with the Income Tax Act, 1961.
- ii. Deferred tax, if any, is recognized in respect of deferred tax assets (subject to the consideration of prudence) and deferred tax liabilities on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

m) Borrowing Costs

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

n) Employee Stock Option Plan

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

o) Provisions, Contingent Liabilities And Contingent Assets

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

(₹ in Lacs)

Note 2

Share capital

<u>Share Capital</u>	As at 31st March, 2016		As at 31st March, 2015	
	Number	Amount	Number	Amount
Authorised 20,00,0000 Equity Shares of Rs. 10 each	20,000,000	200,000,000	20,000,000	200,000,000
Issued, Subscribed & Paid up 1,32,31,828 Equity Shares of Rs. 10 each fully paid up	132.32	1,323.18	132.32	1,323.18
Total	132.32	1,323.18	132.32	1,323.18

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

Particulars	2015-16		2014-15	
	Number	Amount	Number	Amount
Equity Shares outstanding at the beginning of the year	132.32	1,323.18	132.32	1,323.18
Additions during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	132.32	1,323.18	132.32	1,323.18

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

Name of Shareholder	2015-16		2014-15	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Paresh P. Mehta	956,785	7.23	956,785	7.23
Kilitch Company Pharma Limited	6,629,342	50.1	6,629,342	50.1

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

Note 3

Reserves and surplus

	As at 31st March, 2016	As at 31st March 2015
a. Securities Premium Account	2,778.13	2,778.13
b. General Reserve	1,511.76	1,518.51
Adjustment of Depreciation as per transitional provision of Part C paragraph 7 (b) of Schedule II of the Companies Act, 2013	-	(6.75)
c. Employee Stock Options	137.94	137.94
d. Other Reserves (Call on shares forfeited A/c)	58.00	58.00
e. Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	6,188.52	6,207.07
(+) Net Profit For the current year	(205.35)	(18.55)
	5,983.17	6,188.52
Total	10,469.01	10,674.36

Note 4

Short term Borrowings

	As at 31st March, 2016	As at 31st March 2015
Secured:		
Bank Overdraft (Kotak Mahindra Bank Ltd.)	8.92	-
[Secured Against the Mutual Fund Investments held by the Company]		
Total	8.92	-

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(₹ in Lacs)

Note 5

Trade Payables

	As at 31st March, 2016	As at 31st March 2015
i) Micro & Small Enterprises [Refer Note No. 32]	-	-
ii) Others	362.95	235.52
Total	362.95	235.52

Note 6

Other Current Liabilities

	As at 31st March, 2016	As at 31st March 2015
(a) Unpaid dividends	98.66	105.69
(b) Statutory dues	5.09	12.89
(c) Provision for Expenses	24.86	47.56
(d) Taxation (Net of taxes paid)	0.71	2.56
(e) Book Overdraft	56.98	-
(f) Others	142.51	222.45
Total	328.82	391.15

Note 7

Short Term Provisions

	As at 31st March, 2016	As at 31st March 2015
<u>Provision for employee benefits:</u>		
Salary & Reimbursements	42.23	40.51
Gratuity	32.39	12.15
Leave Encashment	2.17	1.98
Total	76.78	54.64

Note 8 - FIXED ASSETS

PARTICULARS	GROSS BLOCK [At Cost]				DEPRECIATION				NET BLOCK [W. D. V.]		
	As at 01-04-15	Additions during the year	Deductions/ Write-offs during the year	As at 31-03-16	As at 01-04-15	Adjusted against Retained Earnings	For the Year	Deductions/ Write-offs during the year	As at 31-03-16	As at 31-03-16	As at 31-03-15
<u>Tangible Assets:</u>											
Land	29.88	-	-	29.88	-	-	-	-	-	29.88	29.88
Rights on Lease Hold Land	96.78	-	-	96.78	-	-	-	-	-	96.78	96.78
Factory Building	261.02	-	-	261.02	226.43	-	7.65	-	234.08	26.94	34.58
Office premises	133.24	-	-	133.24	63.80	-	3.37	-	67.17	66.07	69.44
Plant & Machinery	1,271.07	34.87	-	1,305.93	681.91	-	107.34	-	789.25	516.68	589.16
Furniture & Equipment	59.51	6.92	-	66.42	44.83	-	4.95	-	49.78	16.64	14.67
Computer	39.30	2.89	-	42.19	32.60	-	4.31	-	36.90	5.28	6.70
Motor Car	106.60	-	-	106.60	67.90	-	11.19	-	79.09	27.52	38.70
Office Equipments	14.14	1.34	-	15.48	12.06	-	1.12	-	13.18	2.30	2.08
Air Conditioners	25.00	3.22	-	28.22	18.35	-	1.78	-	20.13	8.09	6.66
Electrical Installations	25.12	0.91	0.02	26.01	14.98	-	3.22	-	18.20	7.81	10.13
Laboratory Equipments	175.42	4.98	-	180.41	140.52	-	13.87	-	154.39	26.02	34.90
Mobile Phone	5.09	1.01	-	6.10	4.53	-	0.33	-	4.86	1.24	0.56
[A]	2,242.17	56.13	0.02	2,298.28	1,307.92	-	159.12	-	1,467.04	831.25	934.25
<u>Intangible Assets:</u>											
Computer software	12.34	0.84	-	13.17	8.23	-	2.14	-	10.36	2.81	4.11
[B]	12.34	0.84	-	13.17	8.23	-	2.14	-	10.36	2.81	4.11
GRAND TOTAL [A + B]	2,254.51	56.97	0.02	2,311.46	1,316.15	-	161.25	-	1,477.40	834.06	938.36
PREVIOUS YEAR	2,408.00	239.46	392.47	2,254.51	1,474.25	6.75	185.39	350.24	1,316.15	938.36	933.26

Note 9 - INVESTMENTS

(₹ in Lacs)

A] Non Current Investments

	As at 31st March, 2016	As at 31st March 2015
Non- Trade [At Cost]		
A. Investments in Shares:		
i. Quoted Shares:		
[Equity Shares of Face value Rs. 10/- each, fully paid-up, unless otherwise stated]		
15 (P.Y. 15) - Bengal and Assam Co Ltd.	4.99	4.99
1,000 (P.Y. 1000) - Century Enka Ltd.	0.74	0.74
500 (P.Y. 500) - Century Textiles & Ind Ltd.	2.28	2.28
200 (P.Y. 100) - Colgate Pamolive India Ltd.	0.95	0.95
720 (P.Y. 720) - J K Laxmi Cement Ltd.	0.33	0.33
400 (P.Y. 400) - Pfizer Ltd.	4.94	4.94
2,616 (P.Y. 2,616) - Reliance Power Ltd.	7.36	7.36
Book Value of Quoted Instruments (Total of A.i)	21.58	21.58
Market Value of Quoted Instruments	16.97	21.83
ii. Unquoted Shares:		
Investment in Indian Subsidiary		
[Preference Shares of Face value Rs. 10/- each, fully paid-up, unless otherwise stated]		
4,20,000 (P.Y. 4,20,000) Monarchy Healthserve Pvt Ltd	4,200.00	4,200.00
[Equity Shares of Face value Rs. 10/- each, fully paid-up, unless otherwise stated]		
50,860 (P.Y. 31700) Monarchy Healthserve Pvt. Ltd.(W.e.f F.Y. 14-15)	2.02	0.10
Investment in Foreign Subsidiary		
3,040 (P.Y. Nil) Kilitch Estro Biotech PLC. (W.e.f 11-09-15)	127.18	-
Others		
7000 (P.Y. 7000) Novo Informatics Pvt Ltd	48.02	48.02
Estee Advisors Pvt. Ltd.	-	445.86
Arham Neeta Realities Llp	2,246.97	-
Ask Iep Pms	100.00	-
Pragya Securities Pvt Ltd	11.85	-
1,00,000 (P.Y. Nil) Preference Shares of Rs. 100 each fully paid Tata Motors Finance Limited	100.13	-
Book Value of Unquoted Instruments (Total of A.ii)	6,836.16	4,693.98
Total Investment in Shares (A.i + A. ii)	6,857.74	4,715.56
B. Investments in Bonds:		
i. Quoted Bonds:		
National Highways Authority of India	45.71	-
Housing And Urban Development Corporation Ltd	7.53	-
Total Investment in Bonds (B.i)	53.24	-
Aggregate Value of All Non Current Investments (A+B)	6,910.98	4,715.56

B] Current Investments

	As at 31st March, 2016	As at 31st March 2015
QUOTED:		
Investments in Units of Mutual Funds: [At Cost]		
[Units of Face value Rs. 10/- each, unless otherwise stated]		
Nil (PY -11,732.679) Frp Direct Growth	-	22.39
Axis Liquid Fund Direct Growth		
5,188.74 (PY 5120.474) Axis Liquid Fund Direct Growth	86.80	79.13
124131.082(PY 124131.082)Axis Equity Fund Direct Plan-Growth	25.00	25.00
98386.462 (PY 98386.462)Axis Mid Cap Fund Direct Growth	25.00	25.00
Kotak Mutual Fund		
83,267.60 (PY 83,267.60) Birla Sun Life Frontline Equity Fund Dividend - DP	24.00	24.00
4,324.64 (PY 4,324.64) Birla Sun Life Frontline Equity Fund - Growth	6.00	6.00
40,610.23 (PY 40,610.23) HDFC Equity Fund Dividend Plan - DP	24.00	24.00
NIL (PY 23446.66) ICICI Prudential Focused Bluechip Equity Fund - Regular Plan - Growth	-	6.00
317,255.52(PY 128779.13) Kotak Select Focus Fund Regular Plan Dividend - DP	59.00	24.00

	(₹ in Laacs)	
	As at 31st March, 2016	As at 31st March 2015
329,680.95 (PY 128550.78) Mirae Asset India Opportunities Fund Regular Dividend Plan - DP	59.00	24.00
190054.63 (PY 134535.83) SBI Blue Chip Fund Regular Plan Dividend - DP	33.40	24.00
353,174.43 (PY 26098.30) SBI Blue Chip Fund Regular Plan Growth	94.00	6.00
6,972.02 (PY 6,972.02) UTI EQUITY FUND (Formerly UTMastergain Unit Scheme) GROWTH PLAN	6.00	6.00
NIL (PY 120162.72) Franklin India Prima Fund Dividend - DP	-	70.00
18,961.074 (PY 1193.37) Franklin India Prima Fund-Growth	78.00	6.00
NIL (PY 139,625.45) Franklin India Smaller Companies Fund - Dividend - DP	-	35.00
NIL (PY 259,907.75) HDFC Mid Cap Opportunities Fund - Dividend - DP	-	70.00
NIL (PY 20674.68) HDFC Mid Cap Opportunities Fund - Growth	-	6.00
NIL (PY 208,858.41) ICICI Prudential Value Discovery Fund Regular Plan Dividend - DP	-	70.00
NIL (PY 6,513.24) ICICI Prudential Value Discovery Fund Regular Plan Growth	-	6.00
110,000 (PY 110,000) Reliance Capital Builder Fund Series A Dividend - DP	11.00	11.00
NIL (PY 168,443.33) Sundaram SMILE - Dividend - DP	-	35.00
NIL (PY 147,725.24) UTI Mid Cap Fund - Dividend Plan - DP	-	70.00
13,327.41 (PY 13,327.41) Birla Sun Life Infrastructure Fund Plan Growth Regular Plan	3.00	3.00
20,807.32 (PY 20,807.32) HDFC Infrastructure Fund - Growth Plan	3.00	3.00
NIL (PY 1,767.72) ICICI Prudential Top 200 Fund - Regular Plan - Growth	-	3.00
1,935,021.96 (PY 1,935,021.96) HDFC Corporate Debt Opportunities Fund Regular Growth	200.00	200.00
1,124,095.24 (PY 1,124,095.24) IDFC Banking Debt Fund Regular Plan Growth	125.33	125.33
NIL (PY 3181542.86) ICICI Prudential Blended Plan A Regular Plan Dividend - DR.	-	430.08
262,631.94 (PY NIL) Reliance Regular Savings Fund Balanced Plan Growth Option	100.00	-
536,541.13 (PY 536,541.13) ICICI Prudential Income Opportunities Fund - Regular Plan - Growth	100.00	100.00
312,640.69 (PY 312,640.69) IDFC Dynamic Bond Fund Regular Plan Growth	50.00	50.00
131,245.65 (PY 131,245.65) Kotak Bond Scheme Plan A Regular Plan Growth	50.00	50.00
277,200.28 (PY 277,200.28) Reliance Dynamic Bond Fund Growth Plan Growth Option	50.00	50.00
537,143.47 (PY 537,143.47) Sundaram Flexible Fund Flexible Income Plan Regular Growth	100.00	100.00
331,749.78 (PY 331,749.78) UTI Dynamic Bond Fund Growth	50.00	50.00
29,554.18 (PY 37,606) ICICI Prudential Liquid - Regular Plan - Growth	65.86	75.53
300,000.00 (PY NIL) Birla Sun Life Fixed Term Plan Corporate Bond Series A 1170 days Growth Regular	33.06	-
22,95,000.44 (PY NIL) Edelweiss Arbitrage Fund Dividend - DR	238.11	-
11,39,572.63 (PY NIL) Reliance Arbitrage Advantage Fund Dividend Plan - DR	135.89	-
1,767.72 (PY NIL) ICICI PRUD. MULTICAP FUND REG PLAN GROWTH	3.00	-
663.29 (PY 15,474) Kotak Floater Short Term Growth	16.21	346.34
10,00,000 (PY NIL) KOTAK FMP Series 183 1204 Days Reg. Growth	100.00	-
365,493.65 (PY NIL) Kotak Select Focus Fund Regular Plan Growth	78.00	-
258,732.21 (PY NIL) Mirae Asset India Opportunities Fund Regular Growth Plan	78.00	-
[In Quoted Equity shares, through the Mutual Fund - Portfolio Managers]		
NIL (PY 3500) CROMPTON GREAVES LTD	-	5.65
360 (PY 300) GRASIM INDUSTRIES LTD	12.20	10.14
320 (PY 320) HERO MOTOCORP LTD	10.09	10.09
7800 (PY 6470) I D F C LTD	7.38	10.14
4450 (PY 2890) ICICI BANK LTD	14.73	10.16
820 (PY 660) LARSEN & TOUBRO LTD	12.71	10.19
290 (PY 290) MARUTI SUZUKI INDIA LTD	10.02	10.02
1780 (PY 1780) OIL INDIA LTD	9.88	9.88
NIL (PY 1130) RELIANCE INDUSTRIES LTD	-	10.20
380 (PY 380) TATA CONSULTANCY SERVICES LTD	9.54	9.54
360 (PY 360) UNITED SPIRITS LTD	10.00	10.00
7800 (PY NIL) IDFC BANK LTD	4.80	-
IIFL Mutual Fund		
174,825.1750 (PY 174,825.1750) Birla Sun Life India Reforms Fund Growth	25.00	25.00
83,175.5010 (PY 83,175.5010) Franklin India High Growth Com. Fund Growth	25.01	25.01
100,628.4660 (PY 100,628.4660) Reliance Top 200 Retail Growth	25.01	25.01
32,121.8440 (PY 32,121.8440) UTI Mid Cap Fund Growth Plan	25.02	25.02
Book Value of the Current Investments	2,312.07	2,466.87
Market Value of Quoted Investments	2,165.00	2,521.40
Aggregate Value of All Current Investments	2,312.07	2,466.87

Note 10

(₹ in Lacs)

Long Term Loans and Advances

	As at 31st March, 2016	As at 31st March 2015
(a) Deposits	9.29	16.03
(b) Advance to Related parties	52.04	2,261.26
(c) Other Advances	10.26	32.71
	71.59	2,309.99

Note 11

Inventories

	As at 31st March, 2016	As at 31st March 2015
<i>[As taken, valued and certified by the Management]</i>		
a. Raw Materials and components	133.46	128.11
b. Work-in-progress	33.41	50.24
c. Finished goods	95.21	59.77
Total	262.08	238.12

Note 12

Trade Receivables

	As at 31st March, 2016	As at 31st March 2015
<i>[UNSECURED, considered good unless otherwise stated]</i>		
Receivables outstanding for a period exceeding six months from the due date		
Considered Good	328.15	791.47
Considered Doubtful	204.94	104.94
Less: Provision for doubtful debts	(204.94)	(104.94)
	328.16	791.47
Other Receivables	1,308.39	470.83
	1,308.39	470.83
Total	1,636.55	1,262.30

Trade Receivable stated above include debts due by:

	As at 31st March, 2016	As at 31st March 2015
Due by Pvt Ltd co in which Directors are members	1.99	0.28
Subsidiary - Kilitch Estro Biotech PLC	1.16	-
	3.16	0.28

Note 13

Cash and Bank Balances

	As at 31st March, 2016	As at 31st March 2015
a. Cash on hand	1.06	0.88
b. Balances with banks	250.80	497.14
	251.86	498.02
<i>Bank Balances include:</i>		
Earmarked Balances (eg/- unpaid dividend accounts)	98.66	105.69
Margin money	1.34	1.34

(₹ in Lacs)

Note 14

Short-term loans and advances

	As at 31st March, 2016	As at 31st March 2015
Balances with Government Authorities	155.91	146.83
Advance to Suppliers	38.62	45.72
	194.53	192.55

Note 15

Other Current Assets

	As at 31st March, 2016	As at 31st March 2015
Prepaid Expenses	1.52	6.26
	1.52	6.26

Note 16

Revenue from operations

Particulars	2015-16	2014-15
Sale of products/services:		
Local sales	60.23	64.34
OMS	157.48	54.28
Export Sales	1,864.85	1,725.10
[incl. 70.76 to subsidiary - Kilitch Estro Biotech PLC]		
Other operating revenues	19.70	59.01
(Less) Sales Returns	(0.10)	-
Total	2,102.16	1,902.73

Note 17

Other income

Particulars	2015-16	2014-15
Interest Income	13.73	45.14
Dividend Income	88.09	155.82
Profit on sale of Investments [Net]	-	44.90
Foreign Exchange Gain :		
Realised	17.30	-
Unrealised	51.47	-
Income from Trading in Securities	-	17.45
Miscellaneous Income	5.06	5.72
Sundry balances written back	97.85	-
Total	273.51	269.03

Note 18

Cost of materials consumed

Particulars	2015-16	2014-15
Opening Stock	128.11	96.87
Purchases	897.19	679.83
Less: Closing Stock	133.46	128.11
Total	891.84	648.59

Note 19

(₹ in Lacs)

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

Particulars	2015-16	2014-15
Opening Stock :		
Work-in-Process	50.24	25.52
Finished Goods	59.77	137.50
	110.01	163.03
Closing Stock :		
Work-in-Process	33.41	50.24
Finished Goods	95.21	59.77
	128.62	110.01
Total	(18.61)	53.02

Note 20

Employee Benefits Expenses

Particulars	2015-16	2014-15
Salaries and incentives	290.41	277.76
Contributions to Provident fund	12.44	12.75
Gratuity fund contributions & Leave Encashment	21.69	3.00
Staff welfare expenses	17.65	19.29
Total	342.20	312.80

Note 21

Operating & other Expenses

Particulars	2015-16	2014-15
Consumption of stores and spare parts.	29.97	20.55
Labour Charges	125.23	95.80
Power and Fuel	92.65	77.75
Water Charges	3.82	4.57
Foreign Exchange Loss - Realised	-	11.50
Foreign Exchange Loss - Unrealised	-	37.54
Bank & Other Charges	6.19	5.05
Repairs to Buildings	31.72	5.61
Repairs - Others	78.87	43.65
Insurance	4.21	3.00
Rent, Rates and Taxes	11.61	18.58
Auditors Remuneration	7.50	7.87
Miscellaneous expenses	183.08	75.18
Fixed Assets written off	-	42.22
Provision for Doubtful Debts	100.00	95.00
Directors' Sitting Fees	0.51	0.24
Foreign Travelling Expenses	85.86	85.62
Printing & Stationery	12.60	11.48
Professional charges	37.39	66.28
Communication Expenses	20.41	16.85
Vehicle Expenses	7.00	13.06
<u>Travelling Expenses:</u>		
Directors	17.07	7.45
Others	4.58	11.94
Factory	10.12	10.16
Export Freight Expenses	89.54	-
Business Promotion Expenses	87.41	52.03
Advertising / Sales Commission Expenses	2.50	3.25
Discount Allowed [Sales]	8.60	9.16

		(₹ in Lacs)	
Particulars	2015-16	2014-15	
Export Product Registration Expenses			
Export product registration	147.09	109.35	
Export Expenses	2.19	0.77	
Clearing & Forwarding Expenses	-	12.69	
Other Expenses	-	0.06	
Loss from Trading in Securities	25.28	-	
Bad Debts	-	99.38	
Loss on sale of Investments	14.92	-	
Prior Period Items	-	2.75	
Total	1,247.94	1,056.39	

22. Contingent Liabilities:-

- Estimated amount of guarantees & Letter of Credit given not provided for in the accounts is **Rs. 63.08 Lakhs** (Previous Year Rs. **63.08/- Lakhs**).
 - Disputed Statutory Dues in Respect of Income Tax aggregating to Rs. 50,305,650/- pertaining to A.Y. 2008-09 have not been deposited as the matter is pending before the CIT (Appeals)
23. Disclosure as per Accounting Standard 15 (Revised) "Employee Benefits" notified under the relevant provisions of the Companies Act, 2013

Defined Benefit Plan:

The company provides gratuity benefit to its 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) Reconciliation of opening and closing balances of Defined Benefit Obligation

Particulars	2015-16		2014-15	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of the obligation at the beginning of the year	12,15,355	1,97,933	0	0
Current Service Cost	3,35,717	21,903	1,53,041	29,543
Interest Cost	94,190	15,340	0	0
Actuarial (Gain) / Loss on Obligation	16,57,477	44,203	10,62,314	1,87,365
Benefits Paid	(64,615)	(62,549)	0	(18,975)
Present value of the obligation at the end of the year	32,38,124	2,16,380	12,15,355	1,97,933

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

Particulars	2015-16		2014-15	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of the obligation at the end of the year	32,38,124	2,16,830	12,153,55	1,97,933
Fair Value of Plan Assets at the end of the year	0	0	0	0
Net Obligation at the end of the year	32,38,124	2,16,830	12,153,55	1,97,933

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

Particulars	2015-16		2014-15	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	3,35,717	21,903	153,041	29,543
Interest cost on Obligation	94,190	15,340	0	0
Expected return on Plan Assets	0	0	0	0
Net Actuarial (Gain) / Loss recognised in the year	16,57,477	44,203	10,623,14	1,87,365
Net Cost Included in Personnel Expenses	20,87,384	81,446	12,153,55	2,16,908

(₹ in Lacs)

24. The Company is mainly engaged in the development and operations of Pharmaceutical business. All the activities of the company revolve around this main business. Considering the nature of the company's business and operations, there are no separate reportable segments (Business and/or geographically) In accordance with the requirement of Accounting Standard 17, 'Segment Reporting', issued by the Institute of Chartered Accountants of India.
25. As per Accounting Standard 18 (AS- 18) "Related Party Disclosures", issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:- [As identified by the Management]

Related Party Transactions

Name of the related parties and Nature of Relationship

I) Subsidiary of the Companies

Monarchy Healthserve Pvt Ltd (W.e.f. FY 2014-15)	Subsidiary
Kilitch Estro Biotech PLC (W.e.f. 11.09.2015)	Subsidiary

II) Key Managerial Personnel

Mr. Mukund Mehta	Managing Director
Mr. Paresh Mehta	Jt. Managing Director
Mr. Bhavin Mehta	Whole Time Director
Mr. Deepu K.	Whole Time Director
Mrs. Mira Bhavin Mehta	Whole Time Director

III) Enterprises significantly influenced by Key Managerial Personnel

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

Related Party Transactions

Nature of Transaction	Subsidiary of the Company		Key Managerial Personnel		Enterprises significantly influenced by Directors and their relatives	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Purchases	-	-	-	-	-	7.14
Sales	70.76	-	-	-	4.41	8.21
Director's Remuneration and Sitting Fees	-	-	44.77	66.07	-	-
Expenses incurred by KDL	2.74	7.64	25.08	14.43	-	2.85
Expenses incurred on behalf of KDL	-	-	-	-	-	-
Advance/Loan Given to/ returned by	32.84	-	-	4.67	178.83	7.75
Advance Returned By Parties/ Taken by us	1.00	-	-	4.67	172.59	7.75
Reimbursement of Expenses [Net]	0.94	-	28.19	3.19	-	-
Sundry Balance Written Off	-	-	-	-	0.11	-
Purchase/Transfer of Shares	127.18	-	-	-	1.92	-
Balances at the end of the year						
a) Trade Payables	-	-	-	-	-	-
b) Trade Receivables	52.50	7.64	-	3.11	43.61	60.50
c) Advances given	-	-	-	-	20.10	-
d) Investment in Equity Shares	4,329.19	4,200.10	-	-	-	-

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

Basic as well as Diluted EPS	Amount (Rs.)	Amount (Rs.)
	2015-16	2014-15
Net Profit attributable to Equity shareholders.	(205.35)	(18.54)
Weighted average number of equity shares outstanding during the year	13,231,828	13,231,828
Nominal Value of Equity Shares	10	10
Basic & Diluted Earnings per Share	(1.55)	(0.14)

(₹ in Lacs)

27. DEFERRED TAX

In accordance with the 'Accounting Standard -AS 22 Accounting for Taxes on Income' notified under the relevant provisions of the Companies Act, 2013, the company has created a deferred tax Asset of **Rs 43.61 Lakhs** [P. Y. 65.90 Lakhs] for the year under Report. The break-up of the Net Deferred Tax Assets as on 31st March, 2016 is as under:

Particulars	Deferred Tax Asset/ (Liability) as at 01-04-15	For The Year	Deferred Tax Asset/ (Liability) as at 31-03-2016
Deferred tax Liability			
Related to fixed assets	12.18	8.24	20.42
Deferred tax Assets			
Disallowance under income tax act:			
Provision for Gratuity/Leave Encashment	4.59	6.08	10.67
Provision for Doubtful Debtors	34.05	29.28	63.33
Total	50.82	43.61	94.43

28. Expenditure in foreign currency:

Particulars	2015-16	2014-15
Business Promotion & Travelling	30.70	47.24
Export Registration	147.09	131.29
Export Expenses	0.06	0.61

29. Earning in Foreign Currency :

Particulars	2015-16	2014-15
Export Sale	1460.81	951.31

30. Employee Stock Option Plan

As per Employee stock options Scheme (Kilitch ESOS 2007), each option is convertible into one equity shares Rs. 10/- each at exercise price of Rs. 47.50/- per share. During the year, fresh options were not granted and the employees did not exercise any options.

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

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

32. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2016. The above information, regarding Micro, Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

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

As per our report of even date

For and on behalf of the Board of Directors

For A. M. Ghelani & Company

Chartered Accountants

FRN:103173W

Chintan A. Ghelani

Partner

M. No. 104391

Mumbai,

Dated: 30th May, 2016

Mukund P. Mehta

(Managing Director)

Bhavin M. Mehta

(Whole Time Director)

Mukesh Shah

(Director)

Keerti Acharya

(Company Secretary)

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS

KILITCH DRUGS (I) LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **KILITCH DRUGS (I) LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

We believe that the audit evidence obtained by us 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 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 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, 2016, its consolidated loss and its consolidated cash flows for the year ended on that date.

Other Matters

Financial statements of the Subsidiary, which reflect total assets of Rs. 3,390.12 Lacs as at 31st March, 2016, total Revenue of Rs. 40.96/- Lacs and net cash inflow of Rs. 5,180/- for the year ended on that date have been audited by us.

We have relied on the unaudited financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 127.22 lacs as at 31st March, 2016. 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 are not modified in respect of the above matter viz. the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 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, 2016 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 A".
 - (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statement disclosed the impact of the pending litigation on the consolidated financial position of the Group and its associates vide Note no 37 (2) to the Consolidated Financial Statements.
 - ii. The Group and its associates did not have any material foreseeable losses on long term contracts including derivative contracts.
 - 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

Chintan A. Ghelani

Partner

Membership No. : 104391

Date : 30th May, 2016

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Kilitch Drugs (India) Limited** (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Group’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to group’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on “the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For A. M. Ghelani & Company

Chartered Accountants

Firm Registration No. : 103173W

Chintan A. Ghelani

Partner

Membership No. : 104391

Date : 30th May, 2016

Place : Mumbai

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

(₹ in Lacs)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
Equity and Liabilities			
Shareholders Funds			
Share Capital	2	1,323.18	1,323.18
Reserves and Surplus	3	9,545.52	10,664.71
		10,868.70	11,987.90
Current Liabilities			
Short Term Borrowings	4	18.62	0.10
Trade Payables	5	369.15	239.12
<i>Total outstanding dues of creditors other than micro and small enterprises</i>			
Other Current Liabilities	6	334.54	391.53
Short Term Provisions	7	76.97	54.64
		799.28	685.39
TOTAL		11,667.98	12,673.28
Assets			
Non current assets			
Fixed assets	8		
Tangible		867.91	934.25
Intangible Assets		3,372.99	4.11
Deferred Tax Assets		94.60	50.82
Non Current Investments	9	2,581.89	4,715.56
Long Term Loans and Advances	10	20.26	2,293.75
Other Non Current Assets	11	3.44	2.58
		6,941.09	8,001.08
Current Assets			
Current Investments	12	2,312.07	2,466.87
Inventories	13	262.08	238.12
Trade Receivables	14	1,636.55	1,262.30
Cash and Cash Equivalents	15	274.73	498.11
Short Term Loans and Advances	16	233.22	199.69
Other Current Assets	17	8.24	7.12
		4,726.89	4,672.22
TOTAL		11,667.98	12,673.28
Significant Accounting Policies and Notes to Accounts	1 to 45		
The accompanying Notes are an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board of Directors

For A. M. Ghelani & Company

Chartered Accountants

FRN:103173W

Chintan A. Ghelani

Partner

M. No. 104391

Mumbai,

Dated: 30th May, 2016

Mukund P. Mehta

(Managing Director)

Bhavin M. Mehta

(Whole Time Director)

Mukesh Shah

(Director)

Keerti Acharya

(Company Secretary)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2016
(₹ in Lacs)

Particulars	Notes	2015-2016	2014-2015
Income:			
Revenue from operations	18	2,098.54	1,902.73
Other Income	19	278.44	272.08
TOTAL REVENUE		2,376.98	2,174.81
Expenses:			
Cost of materials consumed	20	891.84	648.59
Variation in inventories of finished goods & work-in-progress	21	(18.61)	53.02
Employee benefits expenses	22	346.73	312.80
Depreciation and amortization Expenses		1,004.74	185.39
Operating & Other expenses	23	1,315.14	1,069.85
TOTAL EXPENSES		3,539.85	2,269.65
Profit Before Tax		(1,162.87)	(94.84)
Tax Expenses :			
Current Tax			-
Deferred Tax		43.78	65.90
Profit for the year		(1,119.09)	(28.94)
Less: Share of Minority Profit/(Loss)		-	-
PROFIT AFTER TAX AND MINORITY INTEREST		(1,119.09)	(28.94)
Earning Per Equity Share:			
[Refer Note "26"]			
Basic & Diluted EPS (Face Value of Rs. 10/- each)		(8.46)	(0.22)
Significant Accounting Policies and Notes to Accounts	1 to 45		

As per our report of even date

For and on behalf of the Board of Directors

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

Chintan A. Ghelani
Partner
M. No. 104391

Mumbai,
Dated: 30th May, 2016

Mukund P. Mehta
(Managing Director)

Bhavin M. Mehta
(Whole Time Director)

Mukesh Shah
(Director)

Keerti Acharya
(Company Secretary)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016

(₹ in Lacs)

Particulars	31st March 2016		31st March 2015	
<u>A. CASH FLOW FROM OPERATING ACTIVITIES</u>				
Net Profit / (Loss) before extraordinary items and tax		(1,162.87)		(94.84)
<u>Adjustments for:</u>				
Depreciation and amortisation	1,004.74		185.39	
Interest income	(13.73)		(45.14)	
Dividend income	(88.09)		(155.82)	
(Profit)/Loss on sale of Investments	14.92		(47.96)	
Sundry Balances written back	(97.85)		-	
Provision for Gratuity & Leave Encashment	21.69		14.13	
Preliminary Expenses written off	-		0.86	
Loss/(Profit) from Trading in Securities	25.28		(17.45)	
Bad Debts / Provision for Doubtful Debts	100.00		194.38	
Profit / (Loss) on assets sold/ discarded	-		42.22	
Net unrealised exchange (gain) / loss	(51.47)	915.49	37.54	208.16
Operating profit / (loss) before working capital changes		<u>(247.38)</u>		<u>113.32</u>
<u>Changes in working capital:</u>				
<u>Operating Assets:</u>				
Inventories	(23.96)		21.78	
Trade receivables	(422.78)		(630.82)	
Short-term loans and advances	(33.53)		(45.74)	
Long-term loans and advances	2,273.50		(25.13)	
Other current assets	(1.12)		1.07	
<u>Operating Liabilities:</u>				
Trade payables	227.87		(228.90)	
Short Term Borrowing	18.52		-	
Other current liabilities	(48.11)		45.30	
Short-term provisions	0.63	1,991.03	(7.19)	(869.63)
Gross cash flow from / (used in) operating activities		1,743.66		(756.31)
Less : Direct Taxes Paid / (refunded)		<u>(1.85)</u>		<u>(5.53)</u>
Net cash flow from / (used in) operating activities		<u>1,741.81</u>		<u>(761.84)</u>
<u>B. CASH FLOW FROM INVESTING ACTIVITIES</u>				
Capital expenditure on fixed assets, including capital advances	(4,307.56)		(239.46)	
Proceeds (Net) from the sale of Current investments	139.87		1,497.42	
(Purchase)/Sale (Net) of long-term investments:				
- Others	2,133.68		(4,595.86)	
Interest received	13.73		45.14	
Income from Futures & Options	(25.28)		17.45	
Dividend received	88.09		155.82	
		<u>(1,957.46)</u>		<u>(3,119.50)</u>
		<u>(1,957.46)</u>		<u>(3,119.50)</u>
Net cash flow from / (used in) investing activities (B)		<u>(1,957.46)</u>		<u>(3,119.50)</u>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016

(₹ in Lacs)

Particulars	31st March 2016		31st March 2015	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Preliminary Expenses incurred	-		(4.30)	
Dividends paid(Inclusive of tax on Dividend)	(7.03)		(1.51)	
Net cash flow from / (used in) financing activities (C)		(7.03)		(5.81)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(222.68)		(3,887.15)
Cash and cash equivalents at the beginning of the year		498.11		4,385.26
Acquisition of New subsidiaries		(0.70)		-
Cash and cash equivalents at the end of the year		274.73		498.11
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		1.10		0.88
(b) Balances with banks				
(i) In current accounts		174.97		391.54
(ii) In earmarked accounts		98.66		105.69
		274.73		498.11

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

The figures in brackets represent Cash outflows.

As per our report of even date

For and on behalf of the Board of Directors

For A. M. Ghelani & Company

Chartered Accountants
FRN:103173W

Chintan A. Ghelani

Partner
M. No. 104391

Mumbai,

Dated: 30th May, 2016

Mukund P. Mehta

(Managing Director)

Bhavin M. Mehta

(Whole Time Director)

Mukesh Shah

(Director)

Keerti Acharya

(Company Secretary)

SIGNIFICANT ACCOUNTING POLICIES

I. Principles of consolidation

- a) The financial statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- c) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- d) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- e) The Company accounts for its share in the change in the net assets of the Subsidiary, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the Subsidiary's Statement of Profit and Loss and through its reserves for the balance, based on the available information.
- f) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

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

III. Other significant accounting policies

a) Basis of Preparation of Financial Statements

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

b) Use of estimates:

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

c) Inflation

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

d) Inventories

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

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

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

f) Fixed Assets:

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

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

g) Depreciation:

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

h) Impairment of Assets:

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

i) Investments:

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

j) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets/stocks in trade are capitalised as part of

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

k) Employee Stock Option Plan

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

l) Revenue recognition:

- i. Sales are recognized net of returns, trade discounts, rebates and include excise duty on manufactured products.
- ii. Revenue in respect of export sales is recognized on shipment of products.
- iii. Service Income (Processing Charges) is recognized pro-rata over the period of the contract as and when services are rendered.
- iv. Export incentive benefits consist of duty drawback, high value added licenses and DEPB entitlements. These are recognized on the basis of receipt of proof of export.
- v. Interest is recognised on time proportion basis.
- vi. Dividend Income is recognised when the right to receive the same is established.

m) Employee Benefits:

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

n) Foreign Currency transactions:

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

o) Taxes on Income:

- i) Provision for income tax (current tax) is determined on the basis of the taxable income of the current year in accordance with the Income Tax Act, 1961.
- ii) Deferred tax is recognised in respect of deferred tax assets (subject to the consideration of prudence) and deferred tax liabilities on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.
- iii) Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.
In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement".
The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will be able to utilise the MAT Credit Entitlement within the period specified under the Income-tax Act, 1961.

p) Preliminary Expenses:

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

q) Provisions, Contingent Liabilities and Contingent Assets:

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

Notes 2

(₹ in Lacs)

Share Capital

Particulars	2015-16	2014-15
Authorised 20,00,000 (P.Y. 20,00,000) Equity Shares of Rs.10 each fully paid	2,000.00	2,000.00
Issued, subscribed and fully paid up 1,32,31,828 (1,32,31,828) Equity Shares of Rs. 10 each	1,323.18	1,323.18
	1,323.18	1,323.18

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

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

b) Shares held by :-

Holding company

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

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

	March 31, 2016		March 31, 2015	
	Number of shares	% of Holdings	Number of shares	% of Holdings
Equity Shares of Rs. 10 each fully paid up				
Paresh P. Mehta	956,785	7.23	956,785	7.23
Kilitch Company Pharma Limited	6,629,342	50.10	6,629,342	50.10

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

Note 3

Reserves and Surplus

	As at 31st March, 2016	As at 31st March 2015
a. Securities Premium	2,778.13	2,778.13
b. General Reserve		
As at the Beginning of the year	1,511.76	1,518.51
Adjustment of Depreciation as per transitional provision of Part C paragraph 7 (b) of Schedule II of the Companies Act, 2013	-	(6.75)
	1,511.76	1,511.76
c. Employee Stock Options	137.94	137.94
	137.94	137.94
d. Other Reserves (Call on shares forfeited A/c)	58.00	58.00
	58.00	58.00
e. Surplus/(deficit) in the statement of Profit and Loss		
As at the Beginning of the year	6,178.13	6,207.07
(+) Net Profit/(Net Loss) For the year	(1,119.09)	(28.94)
As at the end of the year	5,059.03	6,178.12
f. Capital Reserve on Consolidation	0.65	0.75
	9,545.52	10,664.71

(₹ in Lacs)

Note 4

Short Term Borrowings

	As at 31st March, 2016	As at 31st March 2015
Loan from Director	9.70	0.10
Bank Overdraft (Kotak Mahindra Bank Ltd.)	8.92	-
[Secured Against the Mutual Fund Investments held by the Company]		
	18.62	0.10

Note 5

Trade Payables

	As at 31st March, 2016	As at 31st March 2015
i) Micro & Small Enterprises [Refer Note No. 42]	-	-
ii) Others	369.15	239.12
	369.15	239.12

Note 6

Other Current Liabilities

	As at 31st March, 2016	As at 31st March 2015
(a) Unpaid dividends	98.66	105.69
(b) Statutory dues	6.11	13.27
(c) Provision for Expenses	24.86	47.56
(d) Taxation (Net of taxes paid)	0.71	2.56
(e) Outstanding Expenses	1.53	-
(f) Bank Overdraft	3.17	-
(g) Book Overdraft	56.98	-
(h) Others	142.51	222.45
	334.54	391.53

Note 7

Short Term Provisions

	As at 31st March, 2016	As at 31st March 2015
Provision for employee benefits:		
Salary & Reimbursements	42.23	40.51
Gratuity	32.57	12.15
Leave Encashment	2.17	1.98
	76.97	54.64

Note 8 - FIXED ASSETS

(₹ in Lacs)

PARTICULARS	GROSS BLOCK [At Cost]				DEPRECIATION				NET BLOCK [W.D.V.]		
	As at 01-04-15	Additions during the year	Deductions/ Write-offs during the year	As at 31-03-16	As at 01-04-15	Adjustments	For the Year	Deductions/ Write-offs during the year	As at 31-03-16	As at 31-03-16	As at 31-03-15
Tangible Assets:											
Land	29.88	-	-	29.88	-	-	-	-	-	29.88	29.88
Rights on Lease Hold Land	96.78	-	-	96.78	-	-	-	-	-	96.78	96.78
Factory Building	261.02	-	-	261.02	226.43	-	7.65	-	234.08	26.94	34.58
Office premises	133.24	-	-	133.24	63.80	-	3.37	-	67.17	66.07	69.44
Plant & Machinery	1,271.07	67.88	-	1,338.95	681.91	-	107.34	-	789.25	549.70	589.16
Furniture & Fixtures	59.51	8.92	-	68.43	44.83	0.13	5.46	-	50.44	17.99	14.67
Computer	39.30	3.27	-	42.57	32.60	0.08	4.52	-	37.20	5.37	6.70
Motor Car	106.60	-	-	106.60	67.90	-	11.19	-	79.09	27.51	38.70
Office Equipments	14.14	1.97	-	16.11	12.06	0.03	1.25	-	13.34	2.76	2.08
Air Conditioners	25.00	3.22	-	28.22	18.35	-	1.78	-	20.13	8.09	6.66
Electrical Installations	25.12	2.77	0.02	27.87	14.98	0.01	3.30	-	18.29	9.57	10.13
Laboratory Equipments	175.42	4.98	-	180.40	140.52	-	13.87	-	154.39	26.02	34.90
Mobile Phone	5.09	1.01	-	6.10	4.53	-	0.33	-	4.86	1.24	0.56
[A]	2,242.17	94.01	0.02	2,336.16	1,307.92	0.25	160.06	-	1,468.24	867.92	934.25
Intangible Assets:											
Computer software	12.34	0.84	-	13.18	8.23	-	2.14	-	10.37	2.81	4.11
Goddwill On Merger	-	4,212.73	-	4,212.73	-	-	842.55	-	842.55	3,370.18	-
[B]	12.34	4,213.57	-	4,225.91	8.23	-	844.68	-	852.92	3,372.99	4.11
GRAND TOTAL [A + B]	2,254.51	4,307.58	0.02	6,562.08	1,316.15	0.25	1,004.74	-	2,321.16	4,240.91	938.36
PREVIOUS YEAR	2,408.00	239.46	392.47	2,254.51	1,474.25	6.75	185.39	350.24	1,316.15	938.36	933.26

Note 9

Non Current Investments

	As at 31st March, 2016	As at 31st March 2015
Non- Trade [At Cost]		
A. Investments in Shares:		
i. Quoted Shares:		
[Equity Shares of Face value Rs. 10/- each, fully paid-up, unless otherwise stated]		
15 (P.Y. 15) - Bengal and Assam Co Ltd.	4.99	4.99
1,000 (P.Y. 1000) - Century Enka Ltd.	0.74	0.74
500 (P.Y. 500) - Century Textiles & Ind Ltd.	2.28	2.28
200 (P.Y. 100) - Colgate Pamolive India Ltd.	0.95	0.95
720 (P.Y. 720) - J K Laxmi Cement Ltd.	0.33	0.33
400 (P.Y. 400) - Pfizer Ltd.	4.94	4.94
2,616 (P.Y. 2,616) - Reliance Power Ltd.	7.36	7.36
Book Value of Quoted Instruments (Total of A.i)	21.58	21.58
Market Value of Quoted Instruments	16.97	21.83
ii) Others [Unquoted]		
7000 (P.Y. 7000) Novo Informatics Pvt Ltd	48.02	48.02
Estee Advisors Pvt. Ltd.	-	445.86
Arham Neeta Realities Llp	2,246.97	-
Ask Iep Pms	100.00	-
Nbz Pharma Ltd	0.10	-
Pragya Securities Pvt Ltd	11.85	-
1,00,000 (P.Y. Nil) Preference Shares of Rs. 100 each fully paid TATA MOTORS FINANCE LIMITED	100.13	-
Book Value of Unquoted Instruments (Total of A.ii)	2,507.06	493.88
Total Investment in Shares (A.i + A. ii)	2,528.65	515.46

	(₹ in Laacs)	
	As at 31st March, 2016	As at 31st March 2015
B. Investments in Bonds:		
i.Quoted Bonds:		
National Highways Authority of India	45.71	-
Housing And Urban Development Corporation Ltd	7.53	-
Total Investment in Bonds (B.i)	53.24	-
Aggregate Value of All Non Current Investments (A+B)	2,581.89	515.46

Note 10

Long Term Loans and Advances

	As at 31st March, 2016	As at 31st March 2015
(a) Deposits	9.29	16.03
(b) Advance to Related parties	0.70	2,261.26
(c) Other Advances	10.26	16.47
	20.26	2,293.76

Note 11

Other Non-Current Assets

	As at 31st March, 2016	As at 31st March 2015
Preliminary Expenses [To the extent not written off/remaining unadjusted]	3.44	2.58
	3.44	2.58

Note 12

Current Investments

	As at 31st March, 2016	As at 31st March 2015
<u>QUOTED:</u>		
Investments in Units of Mutual Funds: [At Cost]		
[Units of Face value Rs. 10/- each, unless otherwise stated]		
Nil (PY -11,732.679) Frp Direct Growth	-	22.39
Axis Liquid Fund Direct Growth	86.80	79.13
5,188.74 (PY 5120.474) Axis Liquid Fund Direct Growth	25.00	25.00
124131.082(PY 124131.082)Axis Equity Fund Direct Plan-Growth	25.00	25.00
98386.462 (PY 98386.462)Axis Mid Cap Fund Direct Growth		
Kotak Mutual Fund		
83,267.60 (PY 83,267.60) Birla Sun Life Frontline Equity Fund Dividend - DP	24.00	24.00
4,324.64 (PY 4,324.64) Birla Sun Life Frontline Equity Fund - Growth	6.00	6.00
40,610.23 (PY 40,610.23) HDFC Equity Fund Dividend Plan - DP	24.00	24.00
NIL (PY 23446.66) ICICI Prudential Focused Bluechip Equity Fund - Regular Plan - Growth	-	6.00
317,255.52(PY 128779.13) Kotak Select Focus Fund Regular Plan Dividend - DP	59.00	24.00
329,680.95 (PY 128550.78) Mirae Asset India Opportunities Fund Regular Dividend Plan - DP	59.00	24.00
190054.63 (PY 134535.83) SBI Blue Chip Fund Regular Plan Dividend - DP	33.40	24.00
353,174.43 (PY 26098.30) SBI Blue Chip Fund Regular Plan Growth	94.00	6.00
6,972.02 (PY 6,972.02) UTI EQUITY FUND (Formerly UTIMastergain Unit Scheme) GROWTH PLAN	6.00	6.00
NIL (PY 120162.72) Franklin India Prima Fund Dividend - DP	-	70.00
18,961.074 (PY 1193.37) Franklin India Prima Fund-Growth	78.00	6.00
NIL (PY 139,625.45) Franklin India Smaller Companies Fund - Dividend - DP	-	35.00
NIL (PY 259,907.75) HDFC Mid Cap Opportunities Fund - Dividend - DP	-	70.00
NIL (PY 20674.68) HDFC Mid Cap Opportunities Fund - Growth	-	6.00

	(₹ in Lacs)	
	As at 31st March, 2016	As at 31st March 2015
NIL (PY 208,858.41) ICICI Prudential Value Discovery Fund Regular Plan Dividend - DP	-	70.00
NIL (PY 6,513.24) ICICI Prudential Value Discovery Fund Regular Plan Growth	-	6.00
110,000 (PY 110,000) Reliance Capital Builder Fund Series A Dividend - DP	11.00	11.00
NIL (PY 168,443.33) Sundaram SMILE - Dividend - DP	-	35.00
NIL (PY 147,725.24) UTI Mid Cap Fund - Dividend Plan - DP	-	70.00
13,327.41 (PY 13,327.41) Birla Sun Life Infrastructure Fund Plan Growth Regular Plan	3.00	3.00
20,807.32 (PY 20,807.32) HDFC Infrastructure Fund - Growth Plan	3.00	3.00
NIL (PY 1,767.72) ICICI Prudential Top 200 Fund - Regular Plan - Growth	-	3.00
1,935,021.96 (PY 1,935,021.96) HDFC Corporate Debt Opportunities Fund Regular Growth	200.00	200.00
1,124,095.24 (PY 1,124,095.24) IDFC Banking Debt Fund Regular Plan Growth	125.33	125.33
NIL (PY 3181542.86) ICICI Prudential Blended Plan A Regular Plan Dividend - DR.	-	430.08
262,631.94 (PY NIL) Reliance Regular Savings Fund Balanced Plan Growth Option	100.00	-
536,541.13 (PY 536,541.13) ICICI Prudential Income Opportunities Fund - Regular Plan - Growth	100.00	100.00
312,640.69 (PY 312,640.69) IDFC Dynamic Bond Fund Regular Plan Growth	50.00	50.00
131,245.65 (PY 131,245.65) Kotak Bond Scheme Plan A Regular Plan Growth	50.00	50.00
277,200.28 (PY 277,200.28) Reliance Dynamic Bond Fund Growth Plan Growth Option	50.00	50.00
537,143.47 (PY 537,143.47) Sundaram Flexible Fund Flexible Income Plan Regular Growth	100.00	100.00
331,749.78 (PY 331,749.78) UTI Dynamic Bond Fund Growth	50.00	50.00
29,554.18 (PY 37,606) ICICI Prudential Liquid - Regular Plan - Growth	65.86	75.53
300,000.00 (PY NIL) Birla Sun Life Fixed Term Plan Corporate Bond Series A 1170 days Growth Regular	33.06	-
22,95,000.44 (PY NIL) Edelweiss Arbitrage Fund Dividend - DR	238.11	-
11,39,572.63 (PY NIL) Reliance Arbitrage Advantage Fund Dividend Plan - DR	135.89	-
1,767.72 (PY NIL) ICICI PRUD. MULTICAP FUND REG PLAN GROWTH	3.00	-
663.29 (PY 15,474) Kotak Floater Short Term Growth	16.21	346.34
10,00,000 (PY NIL) KOTAK FMP Series 183 1204 Days Reg. Growth	100.00	-
365,493.65 (PY NIL) Kotak Select Focus Fund Regular Plan Growth	78.00	-
258,732.21 (PY NIL) Mirae Asset India Opportunities Fund Regular Growth Plan	78.00	-
[In Quoted Equity shares, through the Mutual Fund - Portfolio Managers]		
NIL (PY 3500) CROMPTON GREAVES LTD	-	5.65
360 (PY 300) GRASIM INDUSTRIES LTD	12.20	10.14
320 (PY 320) HERO MOTOCORP LTD	10.09	10.09
7800 (PY 6470) I D F C LTD	7.38	10.14
4450 (PY 2890) ICICI BANK LTD	14.73	10.16
820 (PY 660) LARSEN & TOUBRO LTD	12.71	10.19
290 (PY 290) MARUTI SUZUKI INDIA LTD	10.02	10.02
1780 (PY 1780) OIL INDIA LTD	9.88	9.88
NIL (PY 1130) RELIANCE INDUSTRIES LTD	-	10.20
380 (PY 380) TATA CONSULTANCY SERVICES LTD	9.54	9.54
360 (PY 360) UNITED SPIRITS LTD	10.00	10.00
7800 (PY NIL) IDFC BANK LTD	4.80	-
IIFL Mutual Fund		
174,825.1750 (PY 174,825.1750) Birla Sun Life India Reforms Fund Growth	25.00	25.00
83,175.5010 (PY 83,175.5010) Franklin India High Growth Com. Fund Growth	25.01	25.01
100,628.4660 (PY 100,628.4660) Reliance Top 200 Retail Growth	25.01	25.01
32,121.8440 (PY 32,121.8440) UTI Mid Cap Fund Growth Plan	25.02	25.02
	2,312.07	2,466.87
Book Value of the Current Investments	2,312.07	2,466.87
Market Value of Quoted Investments	2,165.00	2,521.40
Aggregate Value of All Current Investments	2,312.07	2,466.87

(₹ in Lacs)

Note 13

Inventories

	As at 31st March, 2016	As at 31st March 2015
a. Raw Materials and components	133.46	128.11
b. Work-in-progress	33.41	50.24
c. Finished goods	95.21	59.77
	262.08	238.12

Note 14

Trade Receivables

[UNSECURED, considered good unless otherwise stated]

	As at 31st March, 2016	As at 31st March 2015
Receivables outstanding for a period exceeding six months from the due date		
Considered Good	328.16	791.47
Considered Doubtful	204.94	104.94
Less: Provision for doubtful debts	(204.94)	(104.94)
	328.16	791.47
Other Receivables	1,308.39	470.83
	1,308.39	470.83
Total	1,636.55	1,262.30
Trade Receivables stated above include debts:		
Due from Pvt Ltd co in which Directors are members	1.99	0.28
	1.99	0.28

Note 15

Cash & Cash Equivalents

	As at 31st March, 2016	As at 31st March 2015
a. Cash on hand	1.10	0.88
b. Balances with Banks		
In current accounts	273.63	497.22
	274.73	498.10
<i>Bank Balance include:</i>		
Earmarked Balances (Eg/- Unpaid Dividend Accounts)	98.66	105.69
Margin Money	1.34	1.34

Note 16

Short Term Loans and Advances

	As at 31st March, 2016	As at 31st March 2015
Balances with Statutory/Government Authorities	156.41	152.61
Advance to parties	76.81	47.09
	233.22	199.70

Note 17

Other Current Assets

	As at 31st March, 2016	As at 31st March 2015
Preliminary Expenses [To the extent not written off/remaining unadjusted]	1.72	-
Rent Deposit	5.00	-
Prepaid Expenses	1.52	7.12
	8.24	7.12

(₹ in Lacs)

Note18

Revenue from operations

Particulars	2015-16	2014-15
Sale of products/services:		
Local sales	60.65	64.34
OMS	157.48	54.28
Export Sales	1,825.20	1,725.10
Other operating revenues	55.21	59.01
	2,098.54	1,902.73

Note 19

Other Income

Particulars	2015-16	2014-15
Interest Income	13.73	45.14
Dividend Income	88.09	155.82
Profit on sale of Investments [Net]	-	47.96
<u>Foreign Exchange Gain :</u>		
Realised	17.30	-
Unrealised	51.47	-
Income from Futures & Options	-	17.45
Miscellaneous Income	5.06	5.72
Sundry balances written back	97.85	-
Discount Received	4.93	-
	278.44	272.09

Note 20

Cost of materials consumed

Particulars	2015-16	2014-15
Opening Stock	128.11	96.87
Purchases	897.19	679.83
Less: Closing Stock	133.46	128.11
	891.84	648.59

Note 21

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

Particulars	2015-16	2014-15
Opening Stock :		
Work-in-Process	50.24	25.52
Finished Goods	59.77	137.50
	110.01	163.02
Closing Stock :		
Work-in-Process	33.41	50.24
Finished Goods	95.21	59.77
	128.62	110.01
Total	(18.61)	53.01

(₹ in Lacs)

Note 22

Employee Benefits Expenses

Particulars	2015-16	2014-15
Salaries and incentives	294.86	277.76
Contributions to Provident fund	12.44	12.75
Gratuity fund contributions & Leave Encashment	21.69	3.00
Staff welfare expenses	17.74	19.29
Total	346.73	312.80

Note 23

Operating & other Expenses

Particulars	2015-16	2014-15
Consumption of stores and spare parts.	29.97	20.55
Labour Charges	125.23	95.80
Power and Fuel	93.41	77.75
Water Charges	3.82	4.57
Foreign Exchange Loss - Realised	-	11.50
Foreign Exchange Loss - Unrealised	-	37.54
Bank & Other Charges	6.31	5.07
Repairs to Buildings	31.72	5.61
Repairs - Others	81.07	43.65
Insurance	4.21	2.99
Rent, Rates and Taxes	19.19	19.16
Auditors Remuneration	7.79	8.12
Miscellaneous expenses	185.29	75.18
Fixed Assets written off	-	42.22
Provision for Doubtful Debts	100.00	95.00
Directors' Sitting Fees	0.51	0.24
Foreign Travelling Expenses	85.86	85.62
Printing & Stationery	13.31	11.48
Professional charges	37.39	76.93
Communication Expenses	20.64	16.85
Vehicle Expenses	7.00	13.06
<u>Travelling Expenses:</u>		
Directors	17.07	7.45
Others	4.58	11.94
Factory	10.12	10.16
Export Freight Expenses	89.54	-
Business Promotion Expenses	87.41	52.03
Advertising / Sales Commission Expenses	4.04	3.34
Discount Allowed [Sales]	8.60	9.16
Export product registration	147.09	109.36
Export Expenses	2.19	0.77
Loss from Trading in Futures & Options	25.28	-
Loss on sale of Investments	14.92	-
Clearing & Forwarding Expenses	-	12.69
Office Expenses	1.99	1.06
Bad Debts	-	99.38
Prior Period Items	-	2.75
Legal and Professional charges	47.87	-
Preliminary Expenses written off	1.72	0.86
	1315.14	1069.84

(₹ in Lacs)

24. The Group is mainly engaged in the development and operations of Pharmaceutical business. All the activities of the Group revolve around this main business. Considering the nature of the Group's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17; "Segment Reporting", issued by the Institute of Chartered Accountants of India.
25. As required by the Accounting Standard : AS 18 - the Disclosures in respect of the Related Party transactions for the year ended on 31st March 2016 are as under:

Name of the related parties and Nature of Relationships:

I) Key Managerial Personnel

Mr. Mukund Mehta	Chairman and Managing Director
Mr. Paresh Mehta	Whole Time Director
Mr. Bhavin Mehta	Whole Time Director
Mr. Deepu K.	Whole Time Director
Mrs. Mira Bhavin Mehta	Whole Time Director

II) Enterprises significantly influenced by Key Managerial Personnel

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

Related Party Transactions

Nature of Transaction	Key Managerial Personnel		Enterprises significantly influenced by Directors and their relatives	
	2015-16	2014-15	2015-16	2014-15
Purchases	-	-	-	7.14
Sales	-	-	4.41	8.21
Director's Remuneration and Sitting Fees	44.77	66.07	-	-
Expenses incurred by KDL	25.08	14.43	-	2.85
Advance Given	-	4.67	178.83	7.75
Advance Returned By Parties/Taken by us	(9.60)	4.67	172.50	7.75
Reimbursement of Expenses [Net]	28.19	3.19	-	-
Sundry Balance Written Off	-	-	0.11	-
Purchase/Transfer of Shares	-	-	1.92	-
Outstanding				
a) Trade Receivables	-	-	43.61	60.5
b) Advances given/ (taken) [Net]	(9.70)	(0.10)	20.10	-

26. Earnings Per Share of the Group Shareholders :

Basic as well as Diluted EPS	Amount	Amount
	2015-16	2014-15
Net Profit attributable to Equity shareholders.	(111,9.09)	(28.94)
Weighted average number of equity shares outstanding during the year	13,231,280	13,231,280
Nominal Value of Equity Share (Rs.)	10/-	10/-
Basic & Diluted Earning per Equity Share (Rs.)	(8.46)	(0.22)

(₹ in Lacs)

27. DEFERRED TAX

In accordance with the 'Accounting Standard -AS 22 Accounting for Taxes on Income' notified under the relevant provisions of the Companies Act, 2013, the Holding company has created a deferred tax Asset of **Rs 43.78 Lakhs** for the current year. The break-up of the Net Deferred Tax Assets as on 31st March, 2016 is as under:

Particulars	Deferred Tax Asset/ (Liability) as at 01-04-15	For The Year	Deferred Tax Asset/ (Liability) as at 31-03-16
Deferred tax Liability			
Difference between Book & Tax Depreciation	12.18	8.36	20.54
Deferred tax Assets			
Disallowance under income tax Act- Provisions for Gratuity/ Leave Encashment	4.59	6.14	10.73
Provision for Doubtful Debts	34.05	29.28	63.33
Total	50.82	43.78	94.60

28. Expenditure in foreign currency:

Particulars	2015-16	2014-15
Business Promotion & Travelling	30.70	47.24
Export Registration	147.09	131.29
Export Expenses	0.06	0.61

29. Earnings in Foreign Currency

Particulars	2015-16	2014-15
Export Sale	1460.81	951.31

30. Contingent liabilities:

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

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

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest 2015-16	Proportion of ownership interest 2014-15
Monarchy Healthserve Pvt Ltd	India	100%	100%
Kilitch Estro Biotech Plc.	Ethiopia	100%	-

- The balances in respect of Trade Receivables & Payables and loans and advances, whether debit or credit as appearing in the books of accounts of the Holding and the Subsidiary Companies are subject to confirmations from the respective parties and are pending reconciliations/adjustments arising there from, if any.
- However, in the opinion of the Management, the Current Assets, Loans and advances are approximately of the value stated in the balance sheet if realized in the ordinary course of the business and the provision for all known liabilities is adequate and not in excess of amounts considered reasonably necessary.
- The Holding Company did not have any Internal Audit System during the year.
However, as per the information and explanation given to us by the management, the company's internal control procedures together with the internal checks conducted by the management during the year can be considered as an internal audit system commensurate with the size of the company and nature of its business.
- There are no Micro and Small Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at March 31, 2016. The above information, regarding Micro, Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the Auditors.

(₹ in Lacs)

43. Additional information as required under Section 186 (4) of the Companies Act, 2013 during the year:

- i) No investment is made in Body Corporate.
- ii) No Guarantee is given by the Company.
- iii) No Loans given to any Body corporate

44. Details required as per Schedule III of the Companies Act 2013 as below:-

- i) Details of Net Assets & share in profit or loss

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated Profit	Amount
Parent	108.50%	11,792.19	(18%)	-205.35
Subsidiaries				
A) Indian				
Monarchy Healthserve Pvt Ltd	30.53%	3,318.17	(78%)	-874.10
B) Foreign				
Kilitch Estro Biotech Plc.	1.16%	126.03	-	-

45. 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 and on behalf of the Board of Directors

For A. M. Ghelani & Company

Chartered Accountants

FRN:103173W

Chintan A. Ghelani

Partner

M. No. 104391

Mumbai,

Dated: 30th May, 2016

Mukund P. Mehta

(Managing Director)

Bhavin M. Mehta

(Whole Time Director)

Mukesh Shah

(Director)

Keerti Acharya

(Company Secretary)



24th Annual General Meeting
KILITCH DRUGS (INDIA) LIMITED

[CIN : L24239MH1992PLC066718]

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

Phone: 022 27680913 Fax: 022 2768091

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

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

Date	Venue	Time
September 30, 2016	C-301/2, M.I.D.C. Industrial Area, Pawane Village, Thane: 400 705	9.00 A.M.

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

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

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

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

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

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

I hereby record my presence at the 24th Annual General Meeting of the Company held on Friday, September 30, 2016 at 9.00 a.m. at C-301/2, M.I.D.C. Industrial Area, Pawane Village, Thane: 400 705.

Signature of the Member/ Proxy

Note: Electronic copy of the Annual Report for 2016 and Notice of the 24th 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 24th Annual General Meeting can print copy of this Attendance Slip.

Physical copy of the Annual Report for 2016 and Notice of the 24th 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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23rd Annual General Meeting
KILITCH DRUGS (INDIA) LIMITED
[CIN : L24239MH1992PLC066718]

Registered office: C-301/2, M.I.D.C. Industrial Area, Pawane Village, Thane: 400 705
Phone: 022 27680913 Fax: 022 2768091; Website www.kilitch.com; email: info@kilitch.com

Form No. MGT-11

FORM OF PROXY

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

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

* Applicable for investors holding shares in electronic form.

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Friday, September 30, 2016 at 9.00 a.m. at C-301/2, M.I.D.C. Industrial Area, Pawane Village, Thane: 400 705 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Sr. No.	Resolutions	Number of Shares held	For	Against
Ordinary Business				
1.	To Adopt Standalone and Consolidated Audited Financial Statements for the financial year ended March 31, 2016 and reports of the Board of Directors and the Auditors thereon;			
2.	Re-appointment of Mr. Deepu Kesavan Panankattil, who retires by rotation and being eligible offers himself for reappointment			
3.	Ratification of appointment of M/s A.M. Ghelani & Co., Chartered Accountants, Mumbai as Auditors			
Special Business				
4.	Reappointment of Mr. Mukund Mehta (DIN: 00147876) as the Managing Director of the Company			
5.	To fix a fee on service of documents pursuant to Section 20 of the Companies Act, 2013			

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

Signature(s) of the Member(s)

1. _____
2. _____
3. _____

Affix One
rupee
Revenue
Stamp

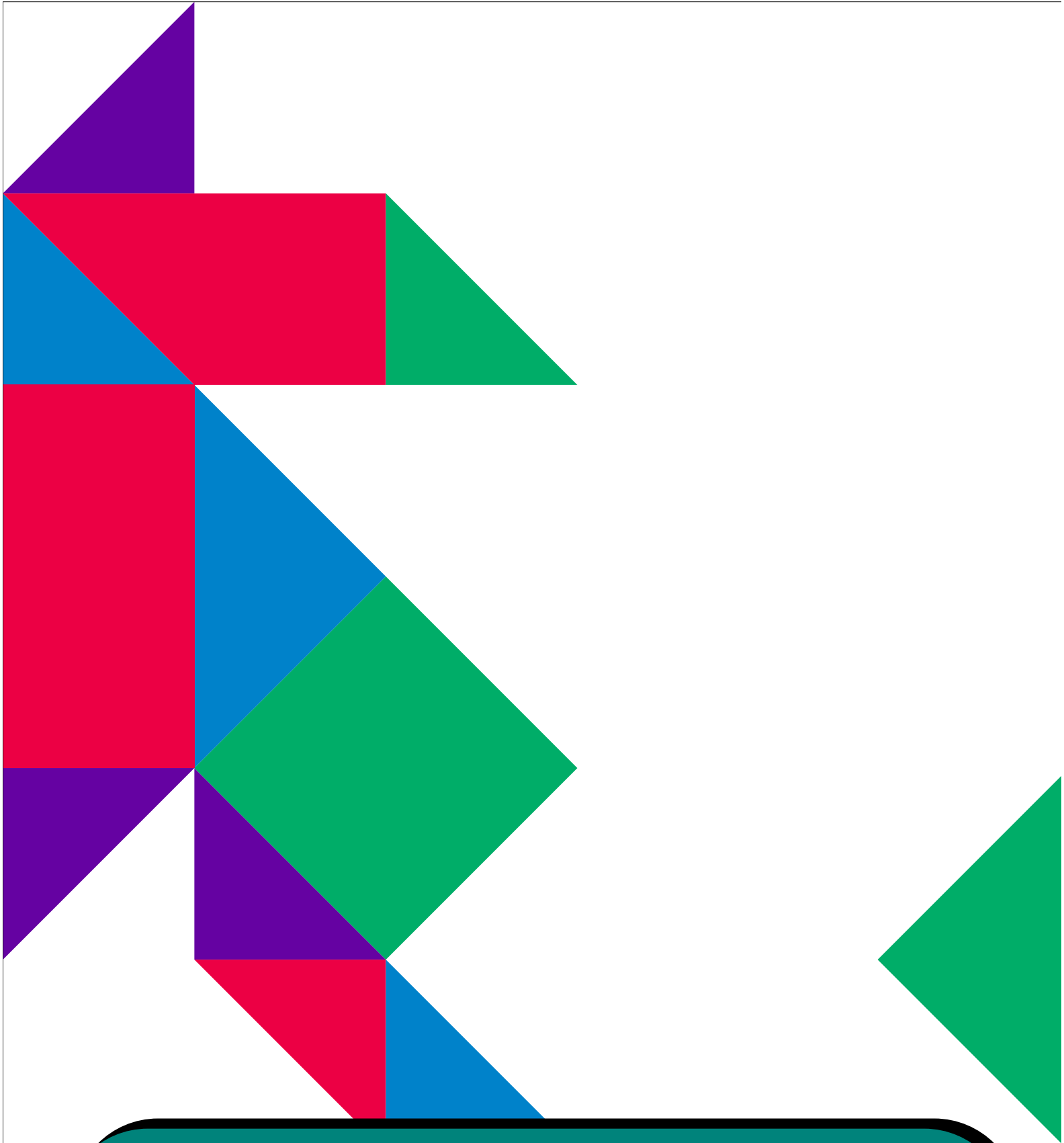
Signed this _____ day of _____ 2016

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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If undelivered, please return to :

LINK INTIME INDIA PVT.LTD.

C-13,Pannalal Silk Mills Compound, L.B.S. Marg,Bhandup (W), Mumbai - 400 078.
Tel.:22-2596 3838 Fax : 22-2594 6969

24th Annual General Meeting
KILITCH DRUGS (INDIA) LIMITED

[CIN: L24239MH1992PLC066718]

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

Phone: 022 27680913 Fax: 022 2768091

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

BALLOT/ POLL FORM

(The members who are not able to attend the 24th Annual General Meeting can send their assent or dissent in writing in respect of the resolution set out in the Notice by sending the duly filled and signed ballot/ Poll Form to **Mr. Deep Shukla, Practicing Company Secretary (the Scrutinizer)** at c/o. **LINK INTIME INDIA PRIVATE LIMITED, Unit: Sudar Industries Limited, C-13, Pannanlal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai- 400078**, so as to reach him on or before September 29, 2016, being end of e-voting period).

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 hereby exercise my/our vote in respect of the Ordinary resolutions as specified in the Notice of Kilitch Drugs (India) Limited dated August 12, 2016 to be passed through Ballot/ Poll for the businesses stated in the said Notice by conveying my/our assent or dissent to the said Resolution in the relevant box below:

Sl. 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, 2016 and reports of the Board of Directors and the Auditors thereon;			
2.	Re-appointment of Mr. Deepu Kesavan Panankattil, who retires by rotation and being eligible offers himself for reappointment			
3.	Ratification of appointment of M/s A.M. Ghelani & Co., Chartered Accountants, Mumbai as Auditors			
Special Business				
4.	Reappointment of Mr. Mukund Mehta (DIN: 00147876) as the Managing Director of the Company			
5.	To fix a fee on service of documents pursuant to Section 20 of the Companies Act, 2013			

Place:

Date:

Signature of Member/ Beneficial owner

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