



23rd Annual Report

2015-16



Ishita Drugs & Industries Limited

"Our basic drugs in the service of humanity worldwide"

TWENTY- THIRD ANNUAL REPORT AND ACCOUNTS

Board of Directors : **Mr. Jagdish Agrawal** - Managing Director
Mr. P. R. Rastogi - Director
Mr. Govind Gupta - Director
Dr. S. K. Agrawal - Director
Mrs. Abha Agrawal - Director
Mr. Niranjana Agrawal - Director

Bankers : **Corporation Bank**
ICICI Bank Ltd.
Punjab National Bank
Citibank N.A.

Auditors : **M/s. Kishor Goyal & Co.**
Chartered Accountants,
Ahmedabad.

Secretarial Auditor : **M/s. Meenu Maheshwari & Associates**
Company Secretary
Ahmedabad

Corporate Office : **401, 3rd EYE -II, Opp.Parimal Garden,**
C.G.Road, Ahmedabad - 380 006.

Registered Office & Factory : **Survey No. 179/1, Village : Vasna-Iyava,**
Taluka : Sanand, District : Ahmedabad

Website : **www.ishitadrugs.com**

Investors' Complaints may be addressed to : **Mr.Suresh Parmar**
Share Department
at Corporate office.
E-mail: investors@ishitadrugs.com

ANNUAL GENERAL MEETING

On Friday, 30th September, 2016
at 3.00 P.M. at Registered Office
of the Company

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **TWENTY- THIRD ANNUAL GENERAL MEETING** of the Members of **ISHITA DRUGS AND INDUSTRIES LIMITED** (CIN L24231GJ1992PLC017054) will be held on Friday, 30th September, 2016 at 3.00 P.M. at the Registered Office of the Company situated at Survey No. 179/1, Vasna-Iyava, Tal. Sanand, Dist. Ahmedabad to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Statement of Profit & Loss for the year ended on 31st March, 2016, and the Balance Sheet as on that date, Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Prakash Ranjan Rastogi (DIN 00110862), who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mrs Abha Agrawal (DIN 01589479), who retires by rotation and, being eligible, offers herself for reappointment.
4. To appoint the Auditors of the Company for the financial year 2016-17 pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time and to fix their remuneration.

NOTES:

- a) A Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and not later than 48 hours before the time fixed for holding the meeting.
- b) Members are requested to advise immediately

any change in their address to the Company.

- c) The Member Register and Share Transfer books shall remain closed from 24.09.2016 to 30.09.2016 (both days inclusive).
- d) Members may avail of the facility of nomination in terms of section 72 of the Companies Act, 2013 by nominating any person to whom their shares in the Company shall vest on occurrence of events stated in Form SH-13. Form SH-13 is to be submitted in duplicates to Sharepro Services (India) Private Limited., RTA of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
- e) Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

f) Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 44 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The e-voting facility will be available during the voting period as indicated herein below :

Commencement of e-voting	End of e-voting
September 27, 2016 at 10.00 a.m. IST	September 29, 2016 at 05.00 p.m. IST

During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - Click on **Shareholder - Login**
 - Put user ID and password as initial password/PIN noted in step (i) above. Click **Login**.
 - Password change menu** appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - Home page of remote e-voting opens. Click on

remote e-voting: **Active Voting Cycles.**

- Select "**EVEN**" of "**Ishita Drugs & Industries Ltd**"
 - Now you are ready for remote e-voting as Cast Vote page opens.
 - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - Upon confirmation, the message "Vote cast successfully" will be displayed.
 - Once you have voted on the resolution, you will not be allowed to modify your vote.
 - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to maheshwarics@yahoo.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- Initial password is given on page 3 of the Report
 - Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the **Frequently Asked Questions (FAQs)** for Members and remote **e-voting user manual** for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: **1800-222-990**.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off

date of 23rd September 2016.

- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September 2016, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on **www.evoting.nsd.com** or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Meenu Maheshwari, Practicing Company Secretary of Meenu Maheshwari & Associates has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of

voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company (**www.ishitadrugs.com**) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By order of the Board of Directors
For Ishita Drugs & Industries Ltd.

Place: Ahmedabad
Dated: 28th May, 2016

Sd/-
Jagdish Agrawal
Managing Director

DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the **Twenty- Third Annual Report** together with the Audited Accounts of your Company for the year ended on 31st March-2016.

WORKING RESULTS

₹ in Lacs

	For the year ended 31.03.2016	For the year ended 31.03.2015
Turnover & other incomes	722.93	770.92
Operating gross profit	40.25	48.30
Financial Charges	(5.58)	(4.20)
Depreciation	(15.41)	(15.27)
Profit before tax & after exceptional items	19.26	28.83
Provision for Income Tax	(6.65)	(9.51)
Provision for Deferred Tax	1.05	0.49
Previous period adjustment	0.06	2.35
Net profit / loss (-)	13.72	22.16

DIVIDEND

With a view to consolidate the financial position of the Company, the Board has not recommended any dividend for the year under review.

BUSINESS OPERATIONS & FINANCIAL PERFORMANCE

The economic and business environment in India, as well as other parts of the world, during the year under review, continued to be subdued. This led to a decline in the total revenues of the company from ₹ 770.92 lakh in the previous year to ₹ 722.93 lakh in the year under review.

The decline in revenues has also led to a corresponding decrease in the operating profits of the company from ₹ 48.30 lakh in the previous year to ₹ 40.25 lakh during the year under review. The lower operating profits have also resulted in lower net profit of ₹ 13.72 lakh in the year under review compared to ₹ 22.16 lakh in the previous year.

FUTURE OUTLOOK

The business sentiment is expected to improve by the last quarter of the current year. Also, it is expected that if the GST Bill is passed by the Parliament of India and GST is implemented by next financial year, it would boost business prospects. The Board is hopeful that the company would be able to improve its performance in the current year.

With a view to return to the growth path, the Company is actively exploring newer business opportunities in other industry segments also. The Company is also trying to explore other export markets and increase its exports.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Review the adequacy and effectiveness of the Company's system and internal controls. Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Your Company does not have any Subsidiary or Joint Venture or Associate Company.

FIXED DEPOSIT

The Company has not accepted any fixed deposit from the public during the year. (PY ₹NIL).

STATUTORY AUDITORS

The Company, in its last annual general meeting, had appointed M/s. Kishor Goyal & Co. as auditors for the year 2015-16. The remarks made in the Auditors' report are self-explanatory. M/s. Kishor Goyal & Co., Chartered Accountants, Ahmedabad, the retiring auditors, offer themselves for reappointment.

SHARE CAPITAL

The paid up capital of the Company is ₹ 2,99,03,000/-. Your Company has not issue any kind of Shares during the financial Year ending on 31st March, 2016.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No.MGT – 9 shall form part of the Board's report and is set out at **Annexure A** to this Report.

PARTICULARS OF EMPLOYEE

There are no employees employed by the Company through out the financial year or for a part of the financial year who were drawing remuneration as per the limit provided in section 217 (2A) of the Companies Act, 2013 and therefore there are no details required to be given in the report.

DIRECTORS

- Mr. P.R. Rastogi (DIN 00110862) and Mrs Abha Agrawal (DIN 01589479) retire by rotation, and being eligible, have offered themselves for reappointment. The Board recommends their re-appointment.
- Declaration by an Independent Director(s) and re- appointment, if any: A declaration by an Independent Directors that they meet the criteria of independence as provided in sub-section (7) of Section 149 of the Companies Act, 2013 has been received and taken on note.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company promotes ethical behavior in all its business activities and has put in implementation of a mechanism wherein the Employees are free to report illegal or unethical behavior, actual or suspected fraud or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company or Chairman of the Company or the Compliance Officer. The Whistle Blower Policy has been appropriately communicated within the Company. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. No personnel have been denied access to the Audit Committee.

PARTICULARS OF LOANS GUARANTEES OR INVESTMENTS UNDER SECTION 186

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by company is given in the notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or 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 transactions under third proviso thereto shall be disclosed in Form No. AOC -2. However your company has not entered in any transaction attracting provision of Section 188 of Companies Act, 2013. Hence AOC-2 is not required to be attached.

DISCLOSURES RELATING TO MANAGERIAL REMUNERATION

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors / employees of your Company is set out in **Annexure B** to this Report .

Your Company does not have any employee, who was in receipt of remuneration in excess of limits specified in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SECRETARIAL AUDIT

A Secretarial Audit Report given by Ms. Meenu Maheshwari , a company secretary in practice (C.P. No. 8953) is set out as **Annexure C** to this Report. The Report contains observation about non-payment of listing fees within the prescribed time. However, your Company has protested and disputed the unprecedented abnormal increase in listing fees for the year under review and written to the concerned stock exchange. The shares of the Company continue to be actively listed and traded on the said stock exchange.

RISK MANAGEMENT POLICY

A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

The Board of Directors has duly developed and implemented a risk management policy for the company.

CODE OF CONDUCT

The Board has laid down a Code of Conduct for Board Members and for Senior Management and Employees of the Company ("Code"). All the Board Members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Managing Director to this effect is enclosed at the end of this Report.

The Board has also laid down a Code of Conduct for Independent Directors pursuant to section 149(8) and Schedule IV to the Companies Act, 2013 via terms and conditions for appointment of Independent Directors, which is a guide to professional conduct for Independent Directors and is uploaded on the website of the Company.

DISCLOSURE UNDER THE SEXUAL HARRASMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT, 2013

The Company has been employing about one woman employee. The Company has in place an Anti harassment policy in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee is set up to redress complaints received regularly, is monitored and directly report to the Chairman & Managing Director. There was no complaint received from employee during the financial year 2015-16 and hence no complaint is outstanding as on 31.03.2016 for redressal.

DIRECTOR RESPONSIBILITY STATEMENT : Your Directors confirm

- that in the preparation of annual accounts, the applicable accounting standards have been followed;
- that 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 ended 31st March, 2016 and of the profit of the Company for the year;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the annual accounts on a going concern basis.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The statement containing the necessary information required under Section 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 [Chapter IX] is annexed herewith at **Annexure D**.

CORPORATE GOVERNANCE

Provisions of Regulation 27 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, relating to corporate governance are not applicable to the Company. However, with a view to increase investors' trust and transparency in its operations, the Board has decided to voluntarily adopt and follow some of the provisions of the aforesaid regulations. A separate Report on Corporate Governance forms part of this Annual Report.

ACKNOWLEDGMENT

We wish to place on record our deep appreciation of the co-operation and assistance received by the Company from the staff and employees. We further wish to thank our bankers for their continued support to the Company.

For and on behalf of the Board

Place: Ahmedabad
Dated: 28th May, 2016

Sd/-
Jagdish Agrawal
Managing Director

ANNEXURE A TO THE BOARD'S REPORT
EXTRACT OF ANNUAL RETURNS AS ON 31st MARCH 2016

Form No. MGT-9

[Pursuant to Section 92(3) of the Companies Act,2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L24231GJ1992PLC017054
2.	Registration Date	5 th February 1992
3.	Name of the Company	ISHITA DRUGS & INDUSTRIES LTD
4.	Category of the Company Sub-Category of the Company	PUBLIC COMPANY COMPANY HAVING SHARE CAPITAL
5.	Address of the Registered office and contact details	SURVEY NO.179/1, VILLAGE VASNA-IYAVA, TAL SANAND, DIST AHMEDABAD-382170
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharepro Services (India) Private Limited, 13AB Samhita Warehousing Complex, 2 nd floor, Sakinaka ,Andheri (E), Mumbai-400072

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Bulk Drugs, Fine Chemicals and Intermediates	Chapter 28 & 29 products	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any holding, subsidiary or associate company.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	870181	109400	979581	32.76	870181	109400	979581	32.76	0.00
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	427300	0	427300	14.29	427300	0	427300	14.29	0.00
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub-total(A)(1):-	1297481	109400	1406881	47.05	1297481	109400	1406881	47.05	0.00
2) Foreign									
g) NRIs-Individuals	--	--	--	--	--	--	--	--	--
h) Other-Individuals	--	--	--	--	--	--	--	--	--
i) Bodies Corp.	--	--	--	--	--	--	--	--	--
j) Banks / FI	--	--	--	--	--	--	--	--	--
k) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total(A)(2):-	--	--	--	--	--	--	--	--	--

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) V. C. Funds	--	--	--	--	--	--	--	--	--
f) Ins. Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total(B)(1)	--	--	--	--	--	--	--	--	--
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	113924	3100	117024	3.91	113433	3100	116533	3.90	-0.01
(ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	782842	493945	1276787	42.70	808858	485845	1294703	43.30	0.60
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	185554	0	185554	6.21	163554	0	163554	5.47	-0.74
c) Others - NRIs	4054	0	4054	0.14	8629	0	8629	0.29	0.15
Sub-total(B)(2)	1086374	497045	1583419	52.95	1094474	488945	1583419	52.95	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1086374	497045	1583419	52.95	1094474	488945	1583419	52.95	0.00
C.Shares heldby Custodian for GDRs&ADRs	--	--	--	--	--	--	--	--	--
GrandTotal (A+B+C)	2383855	606445	2990300	100.00	2391955	598345	2990300	100.00	0.00

* Previous year figures have been regrouped and reclassified to be in conformity with the current year figures.

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares	% of Shares Pledged to total shares	No. of Shares	% of total Shares	% of Shares Pledged to total shares	
1.	PRATIBHA AGRAWAL	8200	0.27	NIL	8200	0.27	NIL	0.00
2.	VIRENDRA AGRAWAL	33250	1.11	NIL	33250	1.11	NIL	0.00
3.	VIRENDRA AGRAWAL	1800	0.06	NIL	1800	0.06	NIL	0.00
4.	MAHESH AGRAWAL	750	0.03	NIL	750	0.03	NIL	0.00
5.	ANJALI AGRAWAL	51500	1.72	NIL	51500	1.72	NIL	0.00
6.	AGRAWAL JAGDISHPRASAD G	85000	2.84	NIL	85000	2.84	NIL	0.00
7.	ABHA AGRAWAL	138259	4.62	NIL	138259	4.62	NIL	0.00
8.	JAGDISH AGRAWAL	232913	7.79	NIL	232913	7.79	NIL	0.00
9.	ISHITA AGRAWAL	25140	0.84	NIL	25140	0.84	NIL	0.00
10.	SUMIT AGRAWAL	239719	8.02	NIL	239719	8.02	NIL	0.00
11.	DIVYA PIPRIYA	89150	2.98	NIL	89150	2.98	NIL	0.00
12.	UMANG FINANCIAL SERVICES LTD.	297300	9.94	NIL	297300	9.94	NIL	0.00
13.	ISHITA OVERSEAS PVT.LTD.	130000	4.35	NIL	130000	4.35	NIL	0.00
14.	PRATIBHA AGRAWAL	1800	0.06	NIL	1800	0.06	NIL	0.00
15.	SUMAN AGRAWAL	12000	0.40	NIL	12000	0.40	NIL	0.00
16.	SUMIT AGRAWAL	60000	2.01	NIL	60000	2.01	NIL	0.00
17.	VIRENDRA AGRAWAL	100	0.00	NIL	100	0.00	NIL	0.00
	Total	1406881	47.05	--	1406881	47.05	--	--

iii. Change in Promoters' Share holding

No change in shareholding of any promoter

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

	Secured Loans excluding deposits ₹	Unsecured Loans	Deposits	Total Indebtedness ₹
Indebtedness at the beginning of the financial year				
i) Principal Amount	945070	---	---	945070
ii) Interest due but not paid	---	---	---	
iii) Interest accrued but not	---	---	---	
Total(i+ii+iii)	945070			945070
Change in Indebtedness during the financial year				
- Addition	---	11065093	---	11065093
- Reduction	(698152)	---	---	(698152)
Net Change	(698152)	11065093		10366941
Indebtedness at the end of the financial year				
i) Principal Amount	246925	11065093	---	11312018
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	246925	11065093		11312018

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director**

Sl. No.	Particulars of Remuneration	Mr. Jagdish Agrawal	Total Amount
1.	Gross salary	2400000	2400000
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission	0	0
5.	Others, please specify	0	0
6.	Total (A)	2400000	2400000
	Ceiling as per the Act*		7200000

* Remuneration to Managing Director is within the limits prescribed under Schedule V to the Companies Act, 2013

B. Remuneration to other Directors:

No remuneration including seating fees is being paid to any other Director.

C. Remuneration to Key Managerial Personnel Other Than MD

Sl. no.	Particulars of Remuneration	Key Managerial	Personnel
		CFO	Total ₹
1.	Gross salary	2100000	2100000
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission	0	0
5.	Others, please specify	0	0
6.	Total	2100000	2100000

VII. PENALTIES/ PUNISHMENT /COMPOUNDING OF OFFENCES :

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013.

ANNEXURE B TO THE BOARD'S REPORT

Information required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014

A. Ratio of Remuneration of each Director to the median remuneration of all the employees of your Company for the financial year 2015-16 is as follows:

Name of Director	Total Remuneration (₹)	Ratio of remuneration of Director to the median remuneration
Mr. Jagdish Agrawal	24,00,000/-	12.82

Notes : No remuneration is being paid to any other director. The median remuneration for all employees of the company has been calculated only for employees working with the company as on March 31, 2016.

B. Details of percentage increase in the remuneration of Director and CFO in the financial year 2015-16:

Name	Designation	Remuneration in ₹		Increase (%)
		2015-16	2014-15	
Jagdish Agrawal	M. D.	2400000	2400000	0.00
Sumit Agrawal	CFO	2100000	2100000	0.00

C. Percentage increase in the median remuneration of all employees in the FY 2015-16

It is not practical to ascertain the above as the type and number of employees at different levels has changed between FY 2014-15 & FY 2015-16.

D. Number of permanent employees on the rolls of the Company as on 31.03.16 : 13 (Thirteen)

E. Explanation on the relationship between average increase in remuneration and Company performance:

There was a freeze on the remuneration of all employees in the financial year 2015-16 as compared to the financial 2014-15 due to the subdued financial performance and condition of the company. (Remuneration of only those employees was considered who were with the company in 2014-15 and 2015-16).

	Growth (%)
Total Revenues	(6.23)
Operating Profit	(16.67)
Profit After Tax	(38.09)

Your company offers competitive compensation to its employees. Also, the company has to offer salaries as per the prevailing industry rates, irrespective of the performance, to retain the employees. This ensures a healthy work environment and job satisfaction for the employees. Hence, there would be a positive co-relation in the increase in remuneration of the employees and the performance of the Company. However, a perfect co-relation will not be visible given the dependency of performance of the Company on other external factors.

F. Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company :

There was no increase in the remuneration of the Key Managerial Personnel while the total revenues of the company decreased by 6.23% in the year 2015-16 compared to 2014-15.

G. Details of Share price and market capitalization

	As on 31 st March 2016	As on 31 st March 2015	Increase / (Decrease) (%)
Closing Market Price on BSE	14.35	17.10	(16.08)
Price Earnings Ratio	31.20	23.10	35.06
Market Capitalization (₹. lakh)	429.11	511.34	(16.08)

Details of monthwise highs and lows of the price of the shares of the company on the BSE and the volumes traded are given in the Report on Corporate Governance, forming a part of this Annual Report.

H. Comparison of average increase in salary of employees other than the key managerial personnel and the percentage increase in the key managerial remunerations:

There was no increase in remuneration of all employees, including Key Managerial Personnel and the Managing Director, in the financial year 2015-16 as compared to the financial year 2014-15 (Remuneration of only those employees was considered who were with the company in 2014-15 and 2015-16).

I. Key Parameters of the variable Component of remuneration paid to the director

The remuneration payable to the Director for the year 2015-16 does not include any variable component.

J. There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company.

K. Affirmation

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, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company

L. Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014

The company has no such employees.

**ANNEXURE C TO THE BOARD'S REPORT
SECRETARIAL AUDIT REPORT
Form No.MR-3**

For the financial year ended 31/03/2016
[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,
ISHITA DRUGS AND INDUSTRIES LIMITED
SURVEY NO 179/1, VASNA-IYAVA
TALUKA SANAND
Ahmedabad – 382 170.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **ISHITA DRUGS AND INDUSTRIES LIMITED** (hereinafter called the 'Company'). 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, generally complied with the statutory provisions listed hereunder 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 as applicable;
- (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 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Report)
- (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Report)
 - (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 Report)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Report)
 - (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; (Not applicable to the Company during the Audit Report)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Report)
 - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Report)
 - (vi) I have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. I have relied on the report of Statutory Auditors of the Company for compliance system relating to direct tax, indirect tax and other tax laws.

The list of other Acts, Laws and Regulations as applicable to the Company is as given below:-

- Drugs & Cosmetics Act , 1940,
- Narcotic Drugs and psychotropic Substances Act , 1985,
- Indian Boilers Act ,1923,
- Factories Act, 1948
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees' State Insurance Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- Negotiable Instrument Act, 1881

- Sale of Goods Act, 1930
- Foreign Contribution Regulation Act, 2010
- Micro, Small and Medium Enterprises Development Act, 2006
- Income Tax Act, 1961
- Central Excise Act, 1944
- Customs Act, 1962
- Central Sales Tax Act, 1956
- VAT Act (State Acts)

Environmental Laws

- Water (Prevention and Control of Pollution) Act, 1974
- Water (Prevention and Control of Pollution) Cess Act, 1977
- Air (Prevention and Control of Pollution) Act, 1981
- Environment (Protection) Act, 1986
- Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 20081881

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (applicable for the period ending 31st March, 2016);
- (ii) Listing Agreements entered into by the Company with BSE (Stock Code: 524400) (BOMBAY STOCK EXCHANGE) Limited and ASE (Stock Code : 26940) (Ahmedabad Stock Exchange) and/or Securities Exchange Board Of India (Listing Obligations And Disclosure Requirement) Regulations , 2015

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

• Company has not paid listing fees for the year 2015-16 to Stock Exchanges within prescribed time during the year under review.

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 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 instances of;

- (i) Public/Rights/Preferential issue of shares/Debentures/Sweat Equity, etc.
- (ii) Redemption/Buy-back of securities.
- (iii) Major decision taken by the members in pursuance to Section 180 of the Companies Act, 2013,
- (iv) Merger/ Amalgamation/ Reconstruction, etc.
- (v) Foreign Technical Collaboration.

For Meenu Maheshwari & Associates

Sd/-
Proprietor
(Meenu Maheshwari)
Company Secretaries

Date: 28.05.2016
Place: Ahmedabad

Firm Regn No.: S2015GJ305400
FCS No. 7087 C.P. No. 8953

ANNEXURE A OF SECRETARIAL AUDIT REPORT

To,
The Members,
ISHITA DRUGS AND INDUSTRIES LIMITED
SURVEY NO 179/1, VASNA-IYAVA
TALUKA SANAND
Ahmedabad – 382 170.

My Report of even date is to be read along with this letter.

1) Management Responsibility :

(1) It is the responsibility of the management of the company to Maintain secretarial record, devise proper system to ensure compliance with the provisions of all applicable laws and regulation and to ensure that the system are adequate and operate effectively.

2) Auditors Responsibility :

(2) I am responsible to express an opinion on this secretarial record, standards and procedure followed by the company with respect to secretarial compliances.

(3) I believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.

(4) Wherever required, I have obtained the management representation about the compliance of laws , rules and regulation and happening of events etc.

(5) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company, and The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.

(6) The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

3) Disclaimer :

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Meenu Maheshwari & Associates

Sd/-

Proprietor

(Meenu Maheshwari)

Company Secretaries

Firm Regn No.: S2015GJ305400

FCS No. 7087 C.P. No. 8953

Date: 28.05.2016

Place: Ahmedabad

ANNEXURE D TO THE BOARD'S REPORT**CONSERVATION OF ENERGY**

The Company has been persistently striving to achieve improved efficiency in energy consumption by consistently running the plant at very high steam efficiency, close monitoring of energy consuming equipments, optimizing the use of steam centers minimizing losses and better housekeeping. The Company continues to make strenuous efforts to conserve and optimize the consumption of energy through improved operational methods.

FORM - A

Form for disclosure of particulars with respect to the conservation of energy.

POWER AND FUEL CONSUMPTION

	2015-16	2014-15
1) Electricity		
(a) Purchased units KWH (GEB)	102148	123958
Total amount ₹	894757	1051813
Average Rate per Unit ₹	8.76	8.49
(b) Own Generation through D.G.		
Amount of Diesel ₹	-----	-----
Units of Diesel consumed (Ltrs)	-----	-----
2) Other Fuels ₹	554014	920296

CONSUMPTION PER UNIT OF PRODUCTION

It is impractical to apportion the consumption and cost of utilities to each product in view of multiplicity of products.

RESEARCH AND DEVELOPMENT

The Company through its R&D efforts has made significant progress in various activities like Process Development, Analytical Methods, Development and Chemical Synthesis.

FORM-B

Form of disclosure of particulars with respect to the technology absorption.

(A) Research and Development (R&D)

- Specific areas in which R&D is carried out by the Company.
 - Process development for newer bulk drugs and process improvement for existing product
 - Development of new analytical methods for quality control and quality assurance during production.
- Benefits derived as a result
 - Successful Commercialization of the process developed by R&D department significant savings due to in house process development.
 - Better margins due to improvement in yields.
 - Improved quality of products due to adaptation of better methods of analysis by quality assurance.
- Future plan of action

Research and Development efforts will be continued in process development. The Company is considering technical tie-ups with Indian and Foreign research

institutes for new molecules in the chemical and biotechnology spheres.

4. Expenditure on R & D:

	2015-16	2014-15
(a) Capital	-----	-----
(b) Recurring	₹ 176855	₹ 148705
Total (a+b)	₹ 176855	₹ 148705
(c) Total R&D expenditure as a percentage of total turnover	0.25%	0.20%

(B) Technology Absorption, Adaptation and Innovation

- Efforts, in brief, made towards technology absorption, adaptation and innovation :
Our R&D laboratory has carried out detailed experiments for the Process development of drug intermediates.
- Benefits derived as a result of the above efforts, e.g., development, import substitution, etc.:-
Commercial Production of the specialty chemical product (Drug Intermediate) may be taken up in near future.
- In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) Nil

(C) Foreign exchange earnings and outgo

- Foreign Exchange Earning - ₹ 2262536 (PY ₹ 13305204)
- Foreign Exchange Outgo - ₹ 20250965 (PY ₹ 10326257)

For and on behalf of the Board

Place: Ahmedabad
Dated: 28th May, 2016

Sd/-
Jagdish Agrawal
Managing Director

REPORT ON CORPORATE GOVERNANCE & GENERAL SHAREHOLDER INFORMATION

A. REPORT ON CORPORATE GOVERNANCE

I. Company's philosophy on Corporate Governance:

Your company has always adapted the highest ethical standards in business and good Corporate Governance practices so that positive aspects of a "family-run" business are combined with the assurance that investors' interests would be recognized and addressed.

The salient features of the company's philosophy on corporate governance are:

1. Compliance with all Statutory laws as also other rules / requirements regarding directors / related person remuneration, disclosures, etc.
2. Clear separation of company owned resources and personal accounts
3. Reliance on structures and processes that are recognized as good and moral corporate practices rather on "family" persons, making it a truly professionally managed Company.
4. Full transparency in functioning and accountability of management to the Board
5. Internal controls and Risk management under supervision of Independent Directors

With transparent and honest administrative practices, the management of your company believes it can further increase investors trust and work responsibly to maximize all shareholders value.

II. Board of Directors:

Composition:

As on date, the Board of Directors of your Company comprises six (6) Directors of which four (4) are Non-Executive/Independent Directors, one (1) is a Non-Executive Promoter Director and one is Managing Director of the Company. The composition of the Board is in conformity with Regulation 27 and suitable applicable provisions of SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015 (hereinafter referred to as "SEBI (LODR) Regulations, 2015"). All directors, except the Managing Director, retire by rotation every two years. The details of the Directors being appointed / re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Regulation 27 and suitable applicable provisions of SEBI (LODR) guidelines, are mentioned in the Notice to the Annual General Meeting, forming part of the Report.

Number of Board Meetings:

During the financial year ended on March 31, 2016, four (4) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings did not exceed four (4) months.

Date(s) on which meeting(s) were held:

Board Meeting was held on 29/05/2015, 13/08/2015, 06/11/2015 and 12/02/2016.

The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues relating to the business.

Committees of the Board:

Currently, there are Three (3) Committees of the Board, namely: Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship committee. The Board decides the terms of reference for these Committees. The minutes / report of the meetings of the Committees are placed before the Board for information and action thereon, if any. The details as to the composition, terms of reference, number of meetings etc., of these Committees are provided hereunder:

AUDIT COMMITTEE:

The Committee comprises two independent directors and one non-independent director and is chaired by an Independent Director.

The constitution of Audit Committee meets with the requirements of Corporate Governance guidelines as well as the provisions of Section 177 of the Companies Act, 2013 and Clause Regulation 27 and suitable applicable provisions of SEBI (LODR) guidelines. Terms of reference of appointment of Audit Committee are as under,

The Audit Committee shall have the following powers:

- It shall have authority to investigate into any matter in relation to the items specified in Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary.
- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualification in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transaction of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings if any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Review in the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debentures, shareholders (in case of nonpayment of declared dividend) and creditors.
- It shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submissions to the Board.
- It shall ensure compliance of internal control systems.

Audit Committee met four times on 29/05/2015, 13/08/2015, 06/11/2015 and 12/02/2016. All the Meetings were also attended by the Auditors of the Company.

NOMINATION AND REMUNERATION COMMITTEE:

Composition and terms of reference:

In Compliance of section 178 of Companies Act, 2013 the Nomination and Remuneration Committee is constituted of three (3) Directors, and an Independent Director acts as the Chairman of the Committee. The Committee's terms of reference includes, inter-alia, reviewing and recommending to the Board – the salary, commission, other benefits, service agreements and employment conditions of the Whole-time and the Managing Director and to approve the selection, appointment and remuneration of relatives of Directors for holding an office of profit pursuant to Section 188 of the Companies Act, 2013.

Date(s) on which the meeting(s) were held

During the financial year ended 31st March 2016, four (4) Committee Meetings were held on 29/05/2015, 13/08/2015, 06/11/2015 and 12/02/2016.

Details of remuneration paid to the Directors of the Company are as follows:

Managing Director:

The present remuneration of the Managing Director includes a salary of 200000/- per month and other perquisites, as approved by the Remuneration committee and shareholders at the AGM held on 30th September, 2015. For the financial year 2015-16, the remuneration payable to **MR. JAGDISH AGRAWAL** is reviewed by the Remuneration Committee.

Non-executive Directors:

The Non-Executive Directors on the Board of your company are very senior and experienced professionals, and play a crucial role in defining the overall growth strategy of the company. They also play a pivotal role in safeguarding the interests of the investors at large by playing an appropriate control role. Their active involvement in the company's business processes and their independent views ensure a very high level of governance in the company.

The Non-Executive directors are providing honorary services and have not been paid any salary, sitting fees, performance based incentives or any stock options during the financial year 2015-16.

Relatives of the Directors

The Chief Financial Officer of the Company, **MR. SUMIT J. AGRAWAL**, is related to the Managing Director, MR. JAGDISH AGRAWAL and another promoter director, MRS. ABHA AGRAWAL. As such, his appointment and remuneration is approved by the Remuneration Committee and the shareholders. The present remuneration of the CFO is 175,000/- per month, including salary and other perquisites, as approved by the Remuneration Committee and shareholders at the AGM held on 30th September, 2013. For the financial year 2015-16, the remuneration payable to **MR. SUMIT AGRAWAL** is reviewed by the Remuneration Committee.

STAKEHOLDER RELATIONSHIP COMMITTEE:

Composition and terms of reference:

As per sub-section (5) section 178 of Companies Act, 2013 the Share transfers committee has been merged in to STAKEHOLDER RELATIONSHIP COMMITTEE.

The Board of Directors of the Company has constituted the Stakeholder Relationship Committee which is chaired by an Independent Director to specifically look into the redressal of shareholders queries and complaints.

The terms of reference of the Committee include, inter-alia, the following:

1. To specifically look into queries and complaints received from the shareholders of the Company,
2. To oversee the performance of the Registrar and Transfer Agent of the Company, and
3. To recommend measures for overall improvement in the quality of services to the investors.
4. To effect transfer of shares;
5. To effect transmission or deletion of shares;
6. To issue duplicate share certificates, issue of certificate on receipt of requests for rematerialisation, consolidation or split of share certificates;
7. To approve the register of members as on the record date(s) and/ or book closure dates for receiving dividends and other corporate benefits:

INVESTOR COMPLAINTS	
1 Pending at the beginning of the year	NIL
2 Received during the year	NIL
3 Disposed of during the year	NIL
4 Remaining unresolved at the end of the year	NIL

Date(s) on which the meeting(s) were held

During the financial year 2015-16, the Committee met four times on 29/05/15, 13/08/15, 6/11/15 & 12/02/16. There were no pending complaints at the end of the financial year 2015-16.

III. General Body Meetings :

The venue and the time of the last three Annual General Meetings of the Company are as follows:

Year	Location	Meeting Date	Time	No. of Special Resolution set Out at the AGM
2014-2015	Survey No.179/1, Village : Vasna-Iyava Ta. Sanand,	30/09/15	3.00 p.m.	1
2013-2014		30/09/14		1
2012-2013		30/09/13		1

All special resolutions set out in the notices for the Annual General Meetings were passed by the shareholders at the respective meetings with requisite majority.

IV. Disclosures:

1. Disclosures on materially significant related party transactions:

Your Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under Notes to the Financial Statements as stipulated under Accounting Standard 18 (AS-18), with the Promoters, Directors or the Management, their subsidiaries or relatives etc. All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the Company.

2. Disclosures on non-compliances by the Company :

Your Company has complied with all the requirements of the Stock Exchange(s) and the Securities Exchange Board of India on matters related to Capital Markets or any other matter, as may be applicable from time to time. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.

3. Disclosure of Accounting Treatment:

Your Company follows Accounting Standards prescribed by the Companies Accounting Standard Rules, 2006 and relevant provisions of the Companies Act, 2013. In preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standards.

4. Details of compliance with mandatory and non-mandatory requirements of Clause Regulation 27 and suitable applicable provisions of SEBI (LODR) Regulations 2015 of the Listing Agreement:

As already mentioned in the Director's Report, the provisions of the Clause Regulation 27 and suitable applicable provisions of SEBI (LODR) Regulations, 2015, do not apply to the Company. However, the company has voluntarily chosen to adopt and follow certain provisions of the Clause Regulation 27 and suitable applicable provisions of SEBI (LODR) Regulations 2015.

The company complies with all the mandatory requirements of the SEBI (LODR) Regulations 2015 with regard to corporate governance.

5. Vigil Mechanism

The company has established vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or the ethical policy.

The company has provided opportunities to encourage employees to become whistle blowers. It has also ensured a mechanism within the same framework to protect them from any kind of harm. It is hereby affirmed that no personnel has been denied access to the audit committee.

B. GENERAL SHAREHOLDER INFORMATION:				
1.AGM for the F.Y 2015-16	30/09/2016 at 3.00 p.m at Survey No.179/1, Village :Vasna-Iyava, Ta. Sanand, Dist. A-bad			
2.Date of Book closure	24/09/2016 to 30/09/2016 (both days inclusive)			
3. Listing on Stock Exchanges	BSE (Scrip Code : 524400) & ASE (Scrip Code : 26940)			
4. Share Registrar	Sharepro Services (India) Private Limited, 13AB Samhita Warehousing Complex, 2 nd floor, Sakinaka ,Andheri (E), Mumbai-400072.			
5. Share Transfer System	The shares of the company are compulsorily traded in dematerialized form. Shares received in physical form are transferred within a period of 30 days from the date of lodgement subject to documents being valid and complete in all respects			
6. De-materilisation of Shares	As on 31/03/16, approx. 80% shares of the company were held in de-materialized form			
7. Market Data : High, Low during each month in last financial year	Month	High	Low	Volume (Nos)
	Apr-15	20.50	16.20	22506
	May-15	18.20	13.25	4780
	Jun-15	18.25	13.30	17201
	Jul-15	15.40	12.15	27938
	Aug-15	15.43	12.60	32017
	Sep-15	14.50	11.82	17253
	Oct-15	16.95	13.94	6485
	Nov-15	18.50	13.65	39697
	Dec-15	21.15	17.05	46215
	Jan-16	20.50	15.75	34514
	Feb-16	18.00	15.05	3228
	Mar-16	16.80	14.35	5816
8. Plant Locations	Survey No.179/1, Village : Vasna-Iyava, Ta. Sanand, A-bad			

GREEN INITIATIVE IN CORPORATE GOVERNANCE:

Pursuant to Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, Ministry of Corporate Affairs (MCA) has launched "Green Initiative in Corporate Governance" whereby the companies are allowed to send notices, documents and other communication to the shareholders in electronic mode. In view of the above circulars issued by MCA, your Company proposes to send documents like the Notice convening the general meetings, Financial statements, Directors' Report, Auditors' Report, etc to the email address provided by you to your Depository Participant (DP). Your Company encourages its shareholders to support the "Green Initiative" by registering their email addresses with their respective depositories/ Company's Registrar and Transfer Agent and intimate changes in the email address from time to time.

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that the company has obtained from all the members of the Board and employees at senior management level, affirmation that they have complied with the code of conduct for Board of Directors and senior management level employees.

For, ISHITA DRUGS AND INDUSTRIES LIMITED

Date : 28th May, 2016
Place : Ahmedabad

Sd/-
Jagdish Agrawal
Managing Director

CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE LISTING REGULATIONS

Mr. Jagdish Agrawal, Managing Director and Mr. Sumit Agrawal, CFO of the company shall certify that, to the best of their knowledge and belief:

- (a) They have reviewed the balance sheet and profit and loss account and all its schedules and notes on accounts, as well as the cash flow statements and the Directors' Report;
- (b) These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
- (c) These statements together present a true and fair view of the company, and are in compliance with the existing accounting standards and / or applicable laws / regulations;
- (d) They are responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company; and they have also disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and what they have done or propose to do to rectify these;
- (e) They have also disclosed to the auditors as well as the Audit Committee, instances of significant fraud, if any, that involves management or employees having a significant role in the company's internal control systems; and
- (f) They have indicated to the auditors, the Audit Committee and in the notes on accounts, whether or not there were significant changes in internal control and / or of accounting policies during the year.

For, ISHITA DRUGS AND INDUSTRIES LIMITED

Date : 28th May, 2016
Place : Ahmedabad

Sd/-
Jagdish Agrawal
Managing Director

Sd/-
(Sumit Agrawal)
CFO

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ISHITA DRUGS AND INDUSTRIES LTD.**

Report on the Financial Statements

We have audited the accompanying financial statements of ISHITA DRUGS AND INDUSTRIES LTD. ("the Company"), which comprise the Balance Sheet as at 31/03/2016, the Statement of Profit and Loss, the cash flow statement for the year then ended, and a summary of the 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 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 provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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. An audit also includes evaluating the appropriateness of the 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 aforesaid 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 state of affairs of the Company as at 31/03/2016, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure A statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

As required by 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 it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the 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 the written representations received from the directors as on 31/03/2016 taken on record by the Board of Directors, none of the directors is disqualified as 31/03/2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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, 2016, in our opinion and to the best of our information and according to the explanations given to us:
 1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 2. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Kishor Goyal & Co.
Chartered Accountants
Reg No. : 008897N

Sd/-
(Kishor Goyal)
Partner
M. No.047286

Date : 28th May, 2016
Place : Ahmedabad

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

(1) In Respect of Fixed Assets

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
- (c) Yes, in the name of the company.

(2) In Respect of Inventories

Physical verification of inventory has been conducted at reasonable intervals by the management and no major discrepancies have been noticed.

(3) Compliance under section 189 of The Companies Act, 2013

The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.

- (a) This clause is not applicable to the Company as there was no loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.
- (b) This clause is not applicable to the Company as there was no loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.
- (c) This clause is not applicable to the Company as there was no loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.

(4) Compliance under section 185 and 186 of The Companies Act, 2013

This clause is not applicable to the Company as there were no loans, investments, guarantees and security provided to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.

(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed there under while accepting Deposits

During the year no deposit has been accepted by the company and accordingly this clause is not applicable.

(6) Maintenance of cost records

The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

(7) Deposit of Statutory Dues

- (a) The company is regular in depositing with appropriate authorities 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 any other statutory dues applicable to it.
- (b) There is no dispute with the revenue authorities regarding any duty or tax payable.

(8) Repayment of Loans and Borrowings

Based on our audit procedures and as per the information and

explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank of debenture holders.

(9) Utilization of Money Raised by Public Offers and Term Loan For which they Raised

The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Hence this clause is not applicable.

(10) Reporting of Fraud During the Year

Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.

(11) Managerial Remuneration

Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(12) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio

As per information and records available with us The company is not Nidhi Company.

(13) Related party compliance with Section 177 and 188 of companies Act - 2013

Yes, All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(14) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures

Not applicable as no preferential allotment made during the year.

(15) Compliance under section 192 of Companies Act - 2013

The company has not entered into any non-cash transactions with directors or persons connected with him.

(16) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act.

For Kishor Goyal & Co.
Chartered Accountants
Reg No. : 008897N

Sd/-
(Kishor Goyal)
Partner
M. No.047286

Date : 28th May, 2016
Place : Ahmedabad

BALANCE SHEET AS AT 31ST MARCH, 2016

(Amount in ₹)

S.N	PARTICULARS	Note No		As at 31/03/2016	As at 31/03/2015
I	<u>EQUITY AND LIABILITIES</u>				
1	<u>SHAREHOLDERS FUNDS</u>				
	(a) SHARE CAPITAL	A	29903000		29903000
	(b) RESERVES AND SURPLUS	B	26418295		25046517
	TOTAL(1)			56321295	54949517
2	<u>NON-CURRENT LIABILITIES</u>				
	(a) LONG TERM BORROWINGS	C	0		246925
	(b) DEFERRED TAX LIABILITIES (NET)		743915		849041
	TOTAL(2)			743915	1095966
3	<u>CURRENT LIABILITIES</u>				
	(a) SHORT TERM BORROWINGS	D	11065093		0
	(b) TRADE PAYABLES		12577945		11158755
	(c) OTHER CURRENT LIABILITIES	E	330123		804737
	(d) SHORT TERM PROVISIONS	F	863557		1504448
	TOTAL(3)			24836718	13467939
	TOTAL(1+2+3)			81901928	69513422
II	<u>ASSETS</u>				
1	<u>NON-CURRENT ASSETS</u>				
	(a) FIXED ASSETS				
	(i) TANGIBLE ASSETS	G	11132854		12585321
	(b) NON-CURRENT INVESTMENTS	H	1536900		1536900
	(c) LONG-TERM LOANS AND ADVANCES	I	498200		493200
	TOTAL(1)			13167954	14615421
2	<u>CURRENT ASSETS</u>				
	(a) CURRENT INVESTMENTS	J	20001641		16653802
	(b) INVENTORIES	K	7654559		13068774
	(c) TRADE RECEIVABLES		18808076		12549463
	(d) CASH AND CASH EQUIVALENTS	L	21945498		11425102
	(e) SHORT-TERM LOANS AND ADVANCES	M	177553		1052603
	(f) OTHER CURRENT ASSETS	N	146646		148257
	TOTAL(2)			68733973	54898001
	TOTAL(1+2)			81901928	69513422

Notes on Accounts & Significant Accounting Policies

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As per our attached report of even date.

For Kishor Goyal & Co.
Chartered Accountants

Sd/-
Jagdish Agrawal
Managing Director

Sd/-
Niranjan Agrawal
Director

Sd/-
Kishor Goyal
Partner
Ahmedabad,
Dated : 28th May, 2016

Sd/-
Mrs. Abha Agrawal
Director
Ahmedabad,
Dated : 28th May, 2016

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2016

(Amount in ₹)

S.N	PARTICULARS	Note No		Year 2015-16	Year 2014-15
	REVENUES				
I	REVENUE FROM OPERATIONS		71017093		75362339
II	OTHER INCOME	PL-1	1276165		1729563
III	TOTAL REVENUE(I+II)			72293258	77091902
IV	EXPENSES:				
	(a) COST OF MATERIAL CONSUMED	PL-2	49191635		466607949
	(b) PURCHASE OF STOCK IN TRADE	PL-3	2530075		6118401
	(c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	PL-4	(1246585)		(509240)
	(d) EMPLOYEE BENEFIT EXPENSES	PL-5	6506191		6626968
	(e) FINANCIAL CHARGES	PL-6	558039		419991
	(f) DEPRECIATION		1541277		1527339
	(g) MANUFACTURING AND OTHER EXP.	PL-7	11287125		134117591
	TOTAL EXPENSES			70367757	74209000
V	PROFIT BEFORE EXCEPTIONAL AND EXTRA ORDINARY ITEM AND TAX (III - IV)			1925501	2882903
VI	EXCEPTIONAL ITEMS			---	---
VII	PROFIT BEFORE EXTRA ORDINARY ITEM AND TAX (V - VI)			1925501	2882903
VIII	TAX EXPENSE				
	(a) EARLIER YEAR'S TAX		(6151)		(234877)
	(b) PROVISION FOR INCOME TAX		665000		950510
	(c) PROVISION FOR DEFERRED TAX		(105126)		(48754)
IX	PROFIT (LOSS) FOR THE PERIOD (VII-VIII)			1371777	2216024
X	EARNING PER EQUITY SHARE				
	a BASIC			0.46	0.74
	b DILUTED			0.46	0.74
	Notes on Accounts & Significant Accounting Policies	O			

As per our attached report of even date.

For Kishor Goyal & Co.
Chartered Accountants

Sd/-
Jagdish Agrawal
Managing Director

Sd/-
Niranjan Agrawal
Director

Sd/-
Kishor Goyal
Partner
Ahmedabad,
Dated : 28th May, 2016

Sd/-
Mrs.Abha Agrawal
Director
Ahmedabad,
Dated : 28th May, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

	For the Year 2015-16	For the Year 2014-15
A Cash flow from operating activities :		
Profit before tax	1925501	2882903
Add : Depreciation	1541277	1527339
Interest & Other financial charges	558039	419991
Less : Interest received	898485	643606
Dividend received	142942	---
Income from Investments	497137	868437
Operating profit before change in working capital	2486253	3318190
Add : Trade Debtors	(6258613)	(2013670)
Decrease / (Increase) in Inventory	5414215	(3413532)
Decrease / (Increase) in Loans and advances	871660	1778614
Less : Provision for Taxation	665000	950510
Prior Period Expenses	(6151)	(234877)
Trade creditors, Current liabilities & Provisions	(754912)	(2178189)
Net cash generated from operating activities (A)	2609578	1132158
B Cash inflow from investing activities :		
Add : Investment sold / (purchased)	(3347839)	(3696553)
Dividend received	142942	---
Income from Investments	497137	868437
Less : Investment in fixed assets	88810	544040
Net cash generated from investing activities (B)	(2796570)	(3372156)
C Cash flow from financial activities :		
Add : Interest received	898485	643606
Add : Borrowing	10366941	(924126)
Less : Interest & Other financial charges	558039	419991
Net cash generated from financial activities (C)	10707388	(700512)
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	10520396	(2940510)
Opening balance of Cash and cash equivalents	11425102	14365612
Closing balance of Cash and cash equivalents	21945498	11425102
Net Increase/(decrease) in Cash & Cash Equivalents	10520396	(2940510)
Note : Figures in bracket indicate negative value		

Correctly extracted from Audited accounts of the Company

Sd/-

Mrs. Abha Agrawal

Director

Ahmedabad,

Dated : 28th May, 2016

Auditors' Certificate

We have verified the above cash flow statements of Ishita Drugs And Industries Limited has been compiled from and is based on the balance sheet as at 31 March 2016 and the related statement of profit and loss for the year ended on that date. 2. The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statements as notified under Section 133 of the Companies Act, 2013 ('the Act'), read with rule 7 of the Companies (Accounts) Rules, 2014.

Sd/-

Jagdish Agrawal

Managing Director

Sd/-

Niranjan Agrawal

Director

For Kishor Goyal & Co.
Chartered Accountants

Sd/-
Kishor Goyal
Partner

Place : Ahmedabad,
Dated : 28th May, 2016

(Amount in ₹)

Notes	As at 31-Mar-16	As at 31-Mar-15
A SHARE CAPITAL		
(1) Authorised :		
35,00,000 Equity Shares of ₹ 10/- each	35000000	35000000
(2) Issued, Subscribed and paid up :		
29,90,300 Equity Shares of ₹10/- each fully paid up	29903000	29903000
Total	29903000	29903000
B RESERVES & SURPLUS		
1. Capital Reserve		
State Cash Subsidy	1500000	1500000
2. General Reserve		
As per Last Balance sheet	23382017	21165994
Add : Transfer surplus from Statement of Profit & Loss A/c	1371777	2216024
	24753795	23382017
3. Forfeited Shares	164500	164500
	26418295	25046517
C LONG TERM BORROWINGS		
HDFC Bank Ltd- Vehicle Loan	----	246925
Total	0	246925
D SHORT-TERM BORROWINGS		
Bank Credit (Against LoU of Corporation Bank)	11065093	----
	11065093	----
E OTHER CURRENT LIABILITIES		
Current Maturities of Long term debts (Vehicle loan)	246925	698152
TDS Payable	83198	106585
Total	330123	804737
F SHORT-TERM PROVISIONS		
Provisions for Employee Benefits	97757	76765
Others	765800	1427683
Total	863557	1504448

G TANGIBLE ASSETS

Particulars	Gross Block			Depreciation				Net Block		
	As at 01/04/15 ₹	Addition ₹	Deduction ₹	As at 31/03/16 ₹	As at 01/04/15 ₹	Addition ₹	Deduction ₹	As at 31/03/16 ₹	As at 31/03/16 ₹	As at 31/03/15 ₹
Factory Land	904811	---	---	904811	---	---	---	---	904811	904811
Plant and Machinery	21576882	---	---	21576882	18515928	282390	---	18798318	2778564	3060954
Lab. Equipment	1896310	---	---	1896310	1142624	162593	---	1305217	591093	753685
Cylinders	14441	---	---	14441	14441	---	---	14441	----	----
ETP	1608641	---	---	1608641	1528209	---	---	1528209	80432	80432
Factory Building	5905137	---	---	5905137	3568178	169542	---	3737720	2167417	2336959
Office Building	1264568	---	---	1264568	426285	20947	---	447232	817336	838283
Furniture & Fixtures	2093330	---	---	2093330	1016875	125102	---	1141978	951353	1076455
Office Equipment	885149	24920	---	910069	365522	67413	---	432935	477134	519627
Computers	686242	---	---	686242	543344	92534	---	635878	50364	142899
Vehicles	4217161	63890	---	4281051	1345945	620754	---	1966700	2314351	2871216
Total	41052672	88810	---	41141482	28467351	1541277	---	30008628	11132854	12585321
Previous Year	40508633	736843	192803	41052672	26940012	1527339	---	28467351	12585321	13568620

(Amount in ₹)

Notes	As at 31-Mar-16	As at 31-Mar-15
H NON CURRENT INVESTMENT :		
(a) Unquoted		
500 Equity Shares of Textile Traders Co-operative Bank Ltd. each of ₹. 25 fully paid up	12500	12500
70000 Shares of Umang Financial Services Ltd. each of ₹ 10/- fully paid up	700000	700000
3000 Shares of Anvi Lifesciences Pvt Ltd. each of ₹100/- fully paid up	600000	600000
Aggregate value of Unquoted Investment- At cost ₹1312500 (PY ₹.1312500)		
(b) Quoted		
204 Shares of Jet Airways each of ₹.10/- fully paid up	224400	224400
[Market value ₹ 111588 (PY ₹ 99572)]		
Total	1536900	1536900
I LONG TERM LOANS AND ADVANCES:		
Security Deposits	498200	493200
(Unsecured Considered Good Unless Otherwise stated)		
Total	498200	493200
J CURRENT INVESTMENTS		
Investments in units of Mutual Fund	20001641	16653802
	20001641	16653802
K INVENTORIES:		
As taken, valued and certified by the M.D.		
Raw material (at cost)	3762787	9838598
Raw Material in transit (at cost)	0	552150
Work in Process (at cost)	3825480	2578895
Packing, Fuel Etc. (at cost)	66292	99131
Total	7654559	13068774
L CASH & CASH EQUIVALENTS :		
Cash on hand	1666002	691283
Banks Balance		
In Current Accounts	720686	229023
In EEFC Account	839388	413664
In Fixed Deposit Accounts	18719422	10091132
Total	21945498	11425102
M SHORT TERM LOANS & ADVANCES:		
(Unsecured - Considered good)		
Advances recoverable in cash or kind or for value to be received	304499	1238407
Advance Payment of Income Tax (Net of Provision)	(126946)	(185804)
Total	177553	1052603
N OTHER CURRENT ASSETS:		
Prepaid Expenses	146646	148257
Total	146646	148257
PL-1 OTHER INCOME:		
Discount & Kasar	(83955)	101571
Dividend Income	142942	0
Interest Income	898485	643606
Income from Investments	497137	868437
Foreign Exchange Gain/(Loss)	(178444)	115949
Total	1276165	1729563
PL-2 COST OF MATERIALS CONSUMED:		
Consumption of Raw Material	48942469	46316237
Consumption of Packing Material	249167	291713
Total	49191635	46607949
PL-3 PURCHASES OF TRADED GOODS		
Consumption of Goods Traded	2530075	6118401
Total	2530075	6118401

(Amount in ₹)

Notes	As at 31-Mar-16	As at 31-Mar-15
PL-4 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
Inventory Adjustments		
(a) Opening Stock		
Manufacturing Goods	---	---
Work in process	2578895	2069655
	2578895	2069655
(b) Closing Stock		
Manufacturing Goods	---	---
Work in process	3825480	2578895
	3825480	2578895
Net Inventory Adjustments (a-b)	Total	
	(1246585)	(509240)
PL-5 EMPLOYEE BENEFITS EXPENSE		
Salary & wages & Bonus	4018863	4146116
Gratuity	8943	8943
Staff Welfare Exp.	37898	33571
Director's Remuneration	2400000	2400000
Contribution for Provident Fund	26394	29512
Contribution for ESIC	14093	8826
	Total	
	6506191	6626968
PL-6 FINANCIAL CHARGES:		
Interest	160001	195307
Other financial charges	398038	224685
	Total	
	558039	419991
PL-7 OTHER EXPENSES:		
A MANUFACTURING EXPENSE :		
Stores & Spare	250303	494397
Power & Fuel	1448771	1986098
Repairs to Plant & machinery	89552	133747
Conversion charges	57246	28944
Laboratory Exp.	34045	34609
Research & Development Expenses	176855	148705
Excise duty on sales	5613020	5673471
ETP Maintenance exp.	244385	230035
	7914176	8730006
B ADMINISTRATIVE EXPENSE		
Books & Periodicals	31151	20081
Repairs To Building	66155	255429
Repairs To Others	82425	125337
Insurance Exp.	159210	216149
Security Exp.	----	40397
Printing & Stationery Exp.	97770	70438
Postage & Telephones	215777	167442
Office and General Exp.	389242	454137
Motor Car Expenses	214983	207979
Payment to Auditor	29000	29000
Legal & Professional fees	147433	538403
Listing, filling & license fees	250700	158561
Share Transfer Exp.	40690	28552
Rent,Rates & Taxes	923507	923191
	2648113	3235095
C SELLING & DISTRIBUTION EXPENSE		
Traveling & Conveyance	414561	370312
Freight & Forwarding	207574	618597
Sales Commission	36076	387621
Advertisement	66625	75960
	724836	1452490
GRAND TOTAL (A+B+C)	Total	
	11287125	13417591

NOTE O : SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31.03.2016.

Significant Accounting Policies adopted by the Company in the preparation and presentation of the Accounts.

ACCOUNTING CONVENTION

The financial statements are prepared and presented under historical cost convention on accrual basis of accounting, in accordance with Indian Generally Accepted Accounting Principles and Accounting Standard issued by the Institute of Chartered Accountants of India.

FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

DEPRECIATION

Depreciation of Fixed Assets is calculated and provided as per Companies Act, 2013. The depreciation has been calculated considering the useful life of an asset as stipulated in Part C of Schedule II of Section 123 of the Companies Act 2013. However, in case of certain asset class, as detailed below, the useful life has been considered based on the present condition of the assets.:

1. Computers & Data processing units : Against the stipulated useful life of 3 years, we have considered useful life of 5 years, as even 4 years old computers are presently in use.
2. Office equipment : Against the stipulated useful life of 5 years, we have considered useful life of 10 years, based on the condition and our experience of the office equipment.

Apart from the above, for assets where the residual useful life is nil as per the Part C, the carrying amount of the asset (after retaining the residual value) has been depreciated in the current year.

In the previous year, rates and method of calculation for Depreciation adopted were as specified in Schedule XIV of the Companies Act, 1956.

Depreciation on the additions is calculated pro rata from the date of additions. Depreciation is not provided on deletion of assets, as it has no effect on the results of the Company.

INVESTMENTS

Long term investments are stated at cost less provision for diminution, if any, in the value of such investments. Diminution in the value is provided for where the management is of the opinion that the diminution is of a permanent nature. Short term investments are valued at lower of cost or net realizable value.

INVENTORIES

- a) Packing & fuel are valued at cost on FIFO Basis.
- b) Raw materials are valued at cost on FIFO Basis.
- c) Finished goods are valued at cost or market value whichever is lower.
- d) Work in progress is valued at cost.

MODVAT

Cenvat benefit is accounted on accrual basis on purchases of raw materials and capital goods and on actual payment basis on input services. The Cenvat benefit is appropriated against payment of excise duty on clearance of excisable goods.

SALES

Sales are accounted inclusive of excise duty.

FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transactions are recorded at exchange rate prevailing on the date of transaction/ realization. Current Assets / Liabilities are taken at transaction value. Diminution in the value is provided for where the management is of the opinion that the diminution is of a permanent nature. The resultant difference, if any, on realization is recognized in the profit & loss account.

EXCISE DUTY

As per past practice, the Company is accounting for liability for excise duty on finished goods lying in factory premises as and when the same are cleared. Accordingly, estimated liability amounting to ₹ NIL (P.Y. ₹ NIL) in respect of such goods as on 31.03.2016 has not been provided for in the accounts and hence not included in valuation of inventory. Non-provision of this liability will not affect profit for the year.

CUSTOM DUTY

Custom duty is charged in the year when it is paid.

PROVISION FOR RETIREMENT BENEFITS

Gratuity : The Company's obligations towards gratuity to employees has been provided for at actuals and other retirement benefits as per policy of the company have been provided for as per AS-15(Revised). The same have been charged in the profit and loss of the Company.

Provident Fund : The employer and employee make statutory contribution towards the Government's Provident Fund and the same is charged in the profit and loss of the Company.

EXPENSES

Material known liabilities are provided based on available information / estimates.

TIMING REVENUE RECOGNITION

In appropriate circumstances, revenue (income) is recognized when no significant uncertainty as to measurability or collectability exists.

TAXATION

Provision for taxation is made based on the current tax rates in force.

Deferred tax charge or credit (reflecting the tax effect of timing difference

between accounting income and taxable income for the period) is determined in accordance with the Accounting Standard-22 of the Institute of Chartered Accountants of India. The deferred tax charged or credited and the corresponding deferred tax liabilities or assets are recognized using the tax rate that have been enacted or subsequently established by the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

CASH FLOW STATEMENT

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past and future cash receipts and payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

CONTINGENT LIABILITIES

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value in the notes on accounts.

IMPAIRMENT OF ASSETS

Impairment loss, if any, is recognized in accordance with the accounting standard AS-28 issued by the Institute of Chartered Accountants of India.

PRIOR PERIOD ITEMS

Material items of prior period non-recurring and extra ordinary items, if any, are disclosed separately.

NOTES :

1. Tax provision for income tax has been made as per the Income Tax Act, 1961.
2. Debit and credit balances in respect of debtors, loans and advances and creditors are subject to confirmation and reconciliation.
3. In accordance with the Accounting Standard AS-11 issued by the Institute of Chartered Accountants of India, net loss of ₹ 1.78 lacs (PY gain of ₹ 1.16 lacs) due to foreign exchange fluctuations arising on foreign currency transactions has been considered in the Profit and Loss Account.
4. In the year under review, the Company has provided the gratuity ₹ 8943 (P.Y. ₹ 8943) towards gratuity calculated up to the date of Balance Sheet date according to the Gratuity Act on incremental basis.
5. The company has accounted for deferred tax assets of ₹ 105126 (P.Y. deferred tax assets of ₹ 48754) for the year under review as per AS-22 in the profit and loss account.
6. Contingent liability to the extent not provided for ₹ NIL (P.Y ₹ NIL)
7. Previous year figures have been regrouped and reclassified wherever necessary to be in conformity with the current year figures.
8. Estimated amount of capital contracts remaining to be executed and not provided for net of advance paid ₹. NIL (PY ₹. NIL).

9. Managerial Remuneration paid:

	2015-16	2014-15
	Mg. Dir.	Mg. Dir.
(a) Salary Rs.	2400000	2400000
(b) Perks/ Reimbursement Rs.	----	----

10. Payment to Auditors

	2015-16	2014-15
As an auditor	15000	15000
For Taxation & Other works	5000	5000
For Tax Audit	7000	7000
Out of Pocket Expense	2000	2000

11. The Company has not received any information from any of the suppliers of their status as Small Scale Industrial Unit. Hence, the amounts due to them outstanding as at 31st March 2015 is not ascertainable.
12. Related party disclosures as per the Accounting Standard AS-18 issued by the Institute of Chartered Accountants of India:
 - a. List of related parties
 - i. Subsidiaries: The Company does not have any subsidiary Company.
 - ii. Key Management personnel
 - Mr. Jagdish Agrawal
 - Mr. Sumit Agrawal
 - Relatives of Key Management Personnel
 - Ishita Pharmaceuticals
 - Anvi Lifesciences Pvt Ltd
 - J & J Chemicals
 - Umang Financial Services Ltd.
 - iii.
 - b. Transactions / balances outstanding with Related parties

Particulars	Key Management Personnel Amount ₹	Relatives of Key Management Personnel Amount ₹
Managerial Remuneration	4500000	---
Sales of Goods / Services	---	10700621
Purchases of Goods /Services	---	13126868
Investment in equity shares/ Share Application Money	---	1300000
Loans/advance at year end	---	300000

Note: Related parties are as identified by the Company and relied upon by the auditors.

13. Earning per Shares (EPS) as per Accounting Standard AS-20

Particulars	2015-16 Amount ₹	2014-15 Amount ₹
Profit after Tax	1371777	2216024
Weighted Average no. of equity shares of ₹ 10 each		
Basic	2990300	2990300
Diluted	2990300	2990300
EPS (₹ .)		
Basic	0.46	0.74
Diluted	0.46	0.74

Additional information pursuant to the provisions of Companies Act, 2013.**14. Quantitative details and other information:****A Value of imports in rupees calculated on CIF basis in respect of ;**

	Curr. Yr. ₹	Prev. Yr. ₹
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Material	19332259	17129400
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B Expenditure in foreign currency :

Purchases of materials	20200444	10266000
Miscellaneous Expenses	34840	---
Travelling and Conveyance Expenses	15681	60257

C Value of raw materials, stores and spares consumed :

	₹	%	₹.	%
(a) Value of raw material consumed :				
Imported	25385517	51.87	16517670	35.66
Indigenous	23556952	48.13	29798566	64.34
	48942469	100.00	46316237	100.00
(b) Value of stores and spares consumed :				
Indigenous	250303	100.00	494397	100.00
	250303	100.00	494397	100.00

D Amount remitted in foreign currency on account of dividend

	NIL	NIL
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E Earnings in foreign exchange ₹

	2262536	13305204
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Signature to Notes A to O

For Kishor Goyal & Co.
Chartered Accountants

Sd/-
Jagdish Agrawal
Managing Director

Sd/-
Niranjan Agrawal
Director

Sd/-
Kishor Goyal
Partner
Ahmedabad,
Dated : 28th May, 2016

Sd/-
Mrs. Abha Agrawal
Director
Ahmedabad,
Dated : 28th May, 2016

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details

Registration No.	L24231GJ1992PLC017054	State Code	04
Balance Sheet Date	31-Mar-16		

Capital raised during the year (Amount in thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

Position of Mobilisation and Deployment of Funds. (Amount in thousands)

Total Liabilities	81902	Total Assets	81902
Source of Funds			
Paid up Capital	29903	Secured Loans	0
Reserves & Surplus	26418	Deferred Tax	744
		Current Liabilities	24837
Application of Funds			
Net Fixed Assets	11133	Current Assets	68734
Investments	1537		
Long term Loans & Advance	498		

Performance of the Company (Amount in thousands)

Turnover	72293	Total expenditure	70368
Profit before tax	1926	Profit after tax	1372
Earning per Share Rs.	0.46	Dividend Rate (%)	0%

Generatic Names of Three Principal Products/services of Company.

(as per monetary terms)

Item Code No. (ITC Code)	29419060
Product Description	NORFLOXACIN
Item Code No. (ITC Code)	29362920
Product Description	NICOTINIC ACID
Item Code No. (ITC Code)	29350015
Product Description	SULFONAMIDES

Note : Classification of products/services under ITC code being of a technical nature is not verified by the Auditors. As per our attached report of even date.

For Kishor Goyal & Co.
Chartered Accountants

Sd/-
Jagdish Agrawal
Managing Director

Sd/-
Niranjan Agrawal
Director

Sd/-
Kishor Goyal
Partner
Ahmedabad,
Dated : 28th May, 2016

Sd/-
Mrs.Abha Agrawal
Director
Ahmedabad,
Dated : 28th May, 2016

ISHITA DRUGS AND INDUSTRIES LTD

Registered Office : Survey No. 179/1 , Vasna lyava, Sanand.

*Form No. MGT-11**Proxy Form*

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

Name of the Members	
Registered address :	
E-mail Id:	
Folio No. / Client Id :	
DP ID :	

I/We, being the holder(s) of _____ equity shares of ISHITA DRUGS AND INDUSTRIES LIMITED, hereby appoint

1. Name : _____ E-mail Id : _____

Address: _____

Signature : _____ or failing him/her

2. Name : _____ E-mail Id : _____

Address : _____

Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on Friday, 30th September, 2016 and at any adjournment thereof.

Sr. No.	Particulars	For	Against
	ORDINARY BUSINESS		
1.	Adoption of Audited Profit & Loss Account for the year ended on 31st March, 2016, and the Balance Sheet as on that date, Directors' Report and the Auditors' Report thereon.		
2.	Re-appointment of Mr.Prakash Ranjan Rastogi (DIN 00110862), as Director, who retires by rotation.		
3.	Re-appointment of Mrs Abha Agrawal (DIN 01589479), as Director, who retires by rotation.		
4.	Appointment of the Auditors of the Company for the financial year 2015-16 and to fix their remuneration		

Signed this _____ day of _____ 2016

Signature of Share holder _____

Signature of Proxy holder(s) _____

Affix
100 Paise
Revenue
Stamp

Note : This form duly completed and signed must be deposited at the registered Office of the Company not less than 48 hours before the Meeting.

ISHITA DRUGS AND INDUSTRIES LTD

Registered Office : Survey No. 179/1 , Vasna lyava , Sanand.

Attendance Slip

(To be handed over at the entrance of the meeting hall)

23rd Annual General Meeting - 30th September 2016

DP ID : _____

CLIENT ID : _____

FOLIO No. : _____

No. of Shares held _____

I hereby record my presence at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company held at Survey no. 179/1, Vasna lyava, Sanand. Dist : Ahmedabad at 3.00 P.M.

Full name of Proxy (in BLOCK LETTERS) _____

Member's/Proxy's Signature _____

By Courier / Registered / Speed Post

To,

If undelivered, please return to :
Ishita Drugs & Industries Limited
Regd. Office : Survey No. 179/1, Village : Vasna-Iyava,
Taluka : Sanand, District : Ahmedabad - 382 170.