



26th Annual Report
2018-19



Ishita Drugs & Industries Limited

“Our basic drugs in the service of humanity worldwide”

TWENTY- SIXTH 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

Chief Financial Officer : **Mr. Sumit Agrawal**

Company Secretary : **Ms. Niharika Shah**

Bankers : **Corporation Bank**
ICICI Bank Ltd.
Punjab National Bank

Auditors : **M/s. Jaymin Shah & Associates**
Chartered Accountants,
Ahmedabad.

Secretarial Auditor : **M/s. Meenu Maheshwari & Associates**
Company Secretaries
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 : **Ms. Niharika Shah**
Share Department
at Corporate office.
E-mail: investors@ishitadrugs.com

ANNUAL GENERAL MEETING

On Monday, 30th September, 2019
at 3.00 P.M. at Registered Office
of the Company

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **TWENTY- SIXTH ANNUAL GENERAL MEETING** of the Members of **ISHITA DRUGS AND INDUSTRIES LIMITED** (CIN L24231GJ1992PLC017054) will be held on Monday, 30th September, 2019 at 3.00 P.M. at the Registered Office of the Company situated at Survey No. 179/1, Vasna-Iyava, Tal. Sanand, Dist. Ahmedabad-382 170 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, 2019, and the Balance Sheet as on that date, Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mrs. Abha Agrawal (DIN 01589479), who retires by rotation and, being eligible, offers herself for reappointment.
3. To re-appoint the Auditors of the Company for the financial year 2019-20 pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, 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) Corporate members intending to send their authorized representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- d) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- e) Member Register and Share Transfer books shall remain closed from 24.09.2019 to 30.09.2019 (both days inclusive).
- f) 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 Bigshare Services Private Limited. (BigShare), RTA of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
- g) Relevant documents referred to in the accompanying notice and the Explanatory Statement thereto, are open for inspection at the Registered office of the Company on all working days (barring Tuesday and Sunday) between 11.00 a.m. to 5.00 p.m. prior to the date of AGM.
- h) Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- i) In line with the 'Green Initiative in the Corporate Governance' launched by the ministry of Corporate affairs, Electronic Copy of the Notice of Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy Form are being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants(s) and have given their positive consent to receive the same through electronic means. Members other than above, physical copies of the Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-voting along with attendance slip and Proxy Form are being sent in the permitted mode.
- j) Non Resident Indian members are requested to inform Big Share/ respective DPs, immediately of :
 - i. Change in their residential status on return to India for permanent settlement.
 - ii. Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- k) Members may also note that the notice of Annual General Meeting will also be available on the Company's website www.ishitadrugs.com
- l) A route map showing directions to reach the venue of the Annual General Meeting is given as per requirement

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password

of Secretarial Standards-2 on General Meetings.

m) 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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) 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 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
27 th September, 2019 at 10:00 am IST	29 th September, 2019 at 5:00 pm 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 13th May, 2019 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.

I. The process and manner for remote e-voting are as under:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

- i. Visit the e-voting website of NSDL. Open web browser by typing the following URL : <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
- ii. Once the home page of e-voting system is launched, click on the icon “Login” which is available under shareholder's section.
- iii. A new Screen will open. You will have to enter your USER ID, your password and a verification Code as Shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

iv. Your USER ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN3008*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

i. Your password details are given below:

- 1) If you are already registered for e-voting , then you can use your existing password to login and cast your vote.
 - 2) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter 'initial password' and the system will force you to change your password.
 - 3) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digit of Client ID for CDSL account or folio number for shares held in physical form. The Pdf file contains your 'USER ID' and your 'Initial password'.
 - 4) If your email ID is not registered , your 'initial password' is communicated to you.
- ii. If you are, unable to retrieve or have not received the “Initial password” or have forgotten your password:
- a) Click on “Forget User Details/Password” (if you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - b) “Physical User Reset Password” (if you are holding shares in physical mode) option available on www.evoting.nsdl.com
- iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, Your PAN, your name and your registered address.
- iv. After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.
 - v. Now, you will have to click on “Login” button.
 - vi. After you click on the “Login” button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system.

- i. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, Click on Active Voting Cycles.
- ii. After Click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is active status.
- iii. Select "EVEN" of company for which you wish to cast your vote.
- iv. Now you are ready for e-voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'submit' and also 'Confirm' when prompted.
- vi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

I. General Guidelines for shareholders

- i. 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 by e-mail to maheshwarics@yahoo.com with a copy marked to evoting@nsdl.co.in
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- iv. 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).
- v. The voting rights of members shall be in proportion to their shares of the paid up equity shares capital of the Company as on the cut off date of 23rd September, 2019.
- vi. 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 23rd September, 2019 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or bssahd@bigshareonline.com.
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.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- vii. 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.
- viii. Meenu Maheshwari, Practicing Company Secretary of Meenu Maheshwari & Associates has been appointed 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.
- ix. 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 "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.
- x. The Scrutinizer shall after the conclusion of voting at the Annual 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.
- xi. The Results declared along with 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.

Sd/-

Jagdish Agrawal
Managing Director

Place: Ahmedabad
Dated: 29th May, 2019

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

Item No. 2

Mrs. Abha Jagdishprasad Agrawal (DIN: 01589479) is Non-Executive Promoter Director of the Company. She retires by rotation, and being eligible, has offered herself for re-appointment. No remuneration is proposed to be paid to her.

Additional information on Director recommended for re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standards – 2 as prescribed by the Institute of Company Secretaries of India is provided in **Annexure 1** hereto.

None of the Directors, except Mrs. Abha Jagdishprasad Agrawal, and Mr. Jagdish Agrawal, Managing Director of the Company, are in any way concerned or deemed to be interested in the proposed resolution at Item No. 2 of the Notice.

The Board of Directors of your Company recommend that the Resolution under Item No. 2 be passed in the interest of the Company.

ANNEXURE 1

INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING OF THE COMPANY

Name of the Director :	Mrs. Abha Agrawal
DIN :	01589479
Age & Date of Birth :	68 years, February 12, 1951
Date of first appointment on the Board :	05.02.1992
Qualifications:	M. A. (Psychology)
Directorship in other Companies :	1. Ishita Overseas Private Limited 2. Anvi Lifesciences Private Limited
Membership of Committee	Member of : 1. Nomination and Remuneration Committee 2. Stakeholders Relationship Committee
No. of Board Meetings attended during the Financial Year 2018-19 :	4/4 (Four)
No. of shares held in the Company:	187309 (6.26 %)
Relationship with other Directors / KMP	No relationship with any Directors / KMP except : Mr. Jagdish Agrawal, Managing Director (Spouse) Mr. Sumit Agrawal, CFO (Son)
Proposed Remuneration	NIL

DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the **Twenty- Sixth Annual Report** together with the Audited Accounts of your Company for the year ended on 31st March-2019.

WORKING RESULTS

₹ in Lacs

	For the year ended 31.03.2019	For the year ended 31.03.2018
Turnover & other incomes	925.05	701.91
Operating gross profit	67.94	57.19
Financial Charges	(6.06)	(11.26)
Depreciation	(15.59)	(13.61)
Profit before tax & after exceptional items	46.29	32.32
Provision for Income Tax	(11.50)	(8.00)
Provision for Deferred Tax	0.37	0.46
Previous period adjustment	0.00	0.00
Net profit / loss (-)	35.16	24.78

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

Despite the subdued economic environment in India during the year under review, the total revenues of the company increased from ₹ 701.91 lakh in the previous year to ₹ 925.05 lakh in the year under review. The increase was partly on account of higher selling prices the company was able to get for its products.

The increase in revenues led to better operating profits for the company. The company was able to improve its operating profits from ₹ 57.19 lakh in the previous year to ₹ 67.94 lakh during the year under review, mainly due to higher selling prices for its products. The net profits of the company during the year under review also improved to ₹ 35.16 lakh compared to profit of ₹ 24.78 lakh in the previous year, partly due to reduced finance charges and better operating profits.

FUTURE OUTLOOK

The economic environment in the current year continues to be subdued. Yet, the Board is hopeful that the company would continue to improve its performance. The company is continuously making minor up gradation to its facilities and is hopeful of obtaining the certification required for exports to more countries during the current year. This would help improve the revenues and profits for the company.

The Board is also expecting the Govt. of India (GoI) to come out with policies to encourage domestic Active Pharma Ingredients (API) production in the near future. This would certainly provide an impetus to the performance of the company.

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

The Company has adequate and effective internal controls to provide reasonable assurance on achievement of its operational, compliance and reporting objectives. The Company has reviewed and discussed with the Management the Company's major financial risk exposures and taken steps 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.

DEPOSITS

During the year ended March 31, 2019, the Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

STATUTORY AUDITORS:

The Company, in its last annual general meeting, had appointed Pratik K Kikani & Associates, Chartered Accountants, Ahmedabad, as auditors for the year 2018-19. However, the auditors had resigned in March 2019 on ethical grounds, as some relative of the auditor had invested in the shares of the Company. This had resulted into a casual vacancy in the office of the Statutory Auditors of the Company as envisaged in Section 139(8) of the Companies Act, 2013.

Subsequently, M/s. Jaymin Shah & Associates Chartered Accountants (FRN : 129406W) were appointed as Statutory Auditors of the company for the year ended March 31, 2019, to fill the casual vacancy, by the shareholders at the Extraordinary General Meeting (EGM) held on 20th May, 2019.

The Auditors' Report on the financial statements for the financial year 2018-19 does not contain any qualification, reservation, or adverse remarks. The remarks made in the Auditors' report are self explanatory.

For the financial year 2019-20, it is proposed to re-appoint M/s Jaymin Shah & Associates, Chartered Accountants, as Statutory Auditors of the Company, pursuant to the provisions of Section 139 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any amendments if any thereof.

SHARE CAPITAL

The paid up capital of the Company is ₹ 2,99,03,000/-. Your Company has not issued any kind of Shares during the financial Year ending on 31st March, 2019.

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 as **Annexure A** to this Report.

PARTICULARS OF EMPLOYEE

There are no employees employed by the Company throughout the financial year or for a part of the financial year who were drawing remuneration above the limits provided in section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and therefore there are no details required to be given in the report.

DIRECTORS:

(a) Mrs. Abha Agrawal (DIN: 01589479) retires by rotation, and being eligible, has offered herself for reappointment. The Board has recommended her re-appointment.

(b) 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 are 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 Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

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, this 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 2018-19 and hence no complaint is outstanding as on 31.03.2019 for redressal.

DIRECTOR RESPONSIBILITY STATEMENT:

Your Directors confirm:

- i. that in the preparation of annual accounts, the applicable accounting standards have been followed;
- ii. 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, 2019 and of the profit of the Company for the year;
- iii. 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;
- iv. 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 as **Annexure D**.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis, for the year under review, as stipulated in SEBI (LODR), 2015, is presented in a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE

Provisions of Regulation 27 of the SEBI (Listing Obligation & 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: 29th May, 2019

Sd/-
Jagdish Agrawal
Managing Director

ANNEXURE A TO THE BOARD'S REPORT
EXTRACT OF ANNUAL RETURNS AS ON 31ST MARCH 2019

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. Contact : ishitadrugs@vsnl.net
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited, E-3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Mumbai – 400072, Maharashtra Mumbai-400072 Contact : bssahd@bigshareonline.com

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	998827	100	998927	33.41	0.65
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	1426127	100	1426227	47.70	0.65
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	95014	3100	98114	3.28	98020	3100	101120	3.38	0.10
(ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	688238	473645	1161883	38.86	670408	447545	1117953	37.39	(1.47)
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	228931	0	228931	7.66	251489	0	251489	8.41	0.75
c) Others - NRIs									
(i) Clearing Members	600	0	600	0.02	700	0	700	0.02	0.00
(ii) NRI	82291	0	82291	2.75	81211	0	81211	2.72	(0.03)
(iii) NBFC Registered with RBI	11500	0	11500	0.38	11500	0	11500	0.38	0.00
(iv) Trusts	100	0	100	0.00	100	0	100	0.00	0.00
Sub-total(B)(2)	1100774	476745	1583419	52.95	1113428	450645	1564073	52.30	(0.65)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1100774	476745	1583419	52.95	1113428	450645	1564073	52.30	(0.65)
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	2398255	592045	2990300	100.00	2539555	450745	2990300	100	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	NIL	NIL	NIL	(0.27)
2.	VIRENDRA AGRAWAL	33250	1.11	NIL	NIL	NIL	NIL	(1.11)
3.	VIRENDRA AGRAWAL	1800	0.06	NIL	NIL	NIL	NIL	(0.06)
4.	MAHESH AGRAWAL	750	0.03	NIL	NIL	NIL	NIL	(0.03)
5.	ANJALI AGRAWAL	51500	1.72	NIL	NIL	NIL	NIL	(1.72)
6.	AGRAWAL JAGDISHPRASAD G	85000	2.84	NIL	85000	2.84	NIL	0.00
7.	ABHA AGRAWAL	138259	4.62	NIL	187309	6.26	NIL	1.64
8.	JAGDISH AGRAWAL	232913	7.79	NIL	245259	8.20	NIL	0.41
9.	ISHITA AGRAWAL	25140	0.84	NIL	25140	0.84	NIL	0.00
10.	SUMIT AGRAWAL	239719	8.02	NIL	297300	9.94	NIL	0.00
11.	DIVYA SUMIT AGRAWAL	89150	2.98	NIL	104150	3.48	NIL	0.5
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	NIL	NIL	NIL	(0.06)
15.	SUMAN AGRAWAL	12000	0.40	NIL	NIL	NIL	NIL	(0.40)
16.	SUMIT AGRAWAL (HUF)	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	NIL	1406881	47.05	NIL	0.65

iii. Change in Promoters' Share holding

Sr. no	Name of shareholders	Shareholding at the beginning of the year		Decrease	Increase	Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1.	Pratibha Agrawal	8200	0.27	8200	0	0	0.00
2.	Virendra Agrawal	33250	1.11	33250	0	0	0.00
3.	Virendra Agrawal	1800	0.06	1800	0	0	0.00
4.	Mahesh Agrawal	750	0.03	750	0	0	0.00
5.	Anjali Agrawal	51500	1.72	51500	0	0	0.00
6.	Abha Agrawal	138259	4.62	0	49050	187309	6.26
7.	Jagdish Agrawal	232913	7.79	0	12346	245259	8.20
8.	Sumit Agrawal	239719	8.02	0	52250	291969	9.76
9.	Divya Sumit Agrawal	89150	2.98	0	15000	104150	3.48
10.	Pratibha Agrawal	1800	0.06	1800	0	0	0.00
11.	Suman Agrawal	12000	0.40	12000	0	0	0.00

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	1241689	25262	---	1266951
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not	---	---	---	---
Total(i+ii+iii)	1241689	25262	--	1266951
Change in Indebtedness during the financial year				
- Addition	1197052	31000	---	1228052
- Reduction	392275	56262	---	448537
Net Change	804777	(25262)	--	779515
Indebtedness at the end of the financial year				
i) Principal Amount	2046466	---	---	2046466
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	2046466	---	---	2046466

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	28,80,000	28,80,000
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission	0	0
5.	Others, please specify	0	0
6.	Total (A)	28,80,000	28,80,000
	Ceiling as per the Act*		60,00,000

* 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		Total ₹
		CFO	CS	
1.	Gross salary	26,40,000	1,78,396	28,18,396
2.	Stock Option	0		0
3.	Sweat Equity	0		0
4.	Commission	0		0
5.	Others, please specify	0		0
6.	Total	26,40,000	1,78,396	28,18,396

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 2018-19 is as follows:

Name of Director	Total Remuneration (₹)	Ratio of remuneration of Director to the median remuneration
Mr. Jagdish Agrawal	28,80,000/-	10.96

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, 2019.

B. Details of percentage increase in the remuneration of Director and CFO in the financial year 2018-19:

Name	Designation	Remuneration in ₹		Increase (%)
		2018-19	2017-18	
Jagdish Agrawal	M. D.	28,80,000	2400000	20.00
Sumit Agrawal	CFO	26,40,000	2100000	25.71

It is pertinent to mention here that there was no increase in remuneration of the Managing Director since October 2012 and no increase in remuneration of the CFO since October 2013.

C. Percentage increase in the median remuneration of all employees in the FY 2018-19

It is not practical to ascertain the above as the type and number of employees at different levels has changed between FY 2017-18 & FY 2018-19.

D. Number of permanent employees on the rolls of the Company as on 31.03.19: 18 (Eighteen)

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

There was an increase of 17.03% in remuneration of all employees in the financial year 2018-19 as compared to the financial year 2017-18. The increase was essential to retain employees and possible due to better operating and net profit margins during the year. The increase is largely in line with the increase in revenues and net profits of the company. (Remuneration of only those employees was considered who were with the company in 2017-18 and 2018-19).

	Growth (%)
Total Revenues	31.79
Operating Profit	18.80
Profit After Tax	41.89

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:

The Average increase in the managerial remuneration was 22.85% while the net profits of the company increased by 41.89% in the year 2018-19 compared to 2017-18.

G. Details of Share price and market capitalization

	As on 31 st March 2019	As on 31 st March 2018	Increase / (Decrease) (%)
Closing Market Price on BSE	14.65	22.45	(34.74)
Price Earnings Ratio	12.46	27.09	(54.01)
Market Capitalization (₹. lakh)	438.08	671.32	(34.74)

Details of month wise 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 an increase of 1.43% in the remuneration of all employees, excluding Key Managerial Personnel, during the year under review. There was an increase of 22.85% in the remuneration of Key Managerial Personnel in the financial year 2018-19 as compared to the financial year 2017-18. However, it must be mentioned that the remuneration of Key Managerial Personnel (MD and CFO) had not been increased for many years. (Remuneration of only those employees was considered who were with the company in 2017-18 and 2018-19).

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

The remuneration payable to the Director for the year 2018-19 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 31/03/2019

[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 – 382 210.

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, 2019, 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, 2019, 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 ((Listing Obligations And Disclosure Requirements)) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009; (Not applicable to the Company during the Audit Report)
 - (e) 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)
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Report)
 - (g) 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)
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Report)
 - (i) 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. However it has been observed from the audited Balance Sheet that there were certain dues relating to taxes and duties which were not deposited due to disputes.

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
- Payment of Wages Act, 1936 and other applicable labour laws
- Employees' State Insurance Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Employers Liability Act, 1938
- Environment Protection Act, 1986 and other environmental laws

- Equal Remuneration Act, 1976
- Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003
- Indian Contract Act, 1872
- Income Tax Act, 1961 and Indirect Tax Laws
- Indian Stamp Act, 1999
- Industrial Dispute Act, 1947
- Maternity Benefits Act, 1961
- Negotiable Instruments Act, 1881
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- Sale of Goods Act, 1930
- Micro, Small and Medium Enterprises Development Act, 2006

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

- (i) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India (applicable for the period ending 31st March, 2019);
- (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.

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: 29.05.2019
Place: Ahmedabad

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

Note:- This Report is to be read with my letter of above date which is annexed as Annexure A and it forms an integral part of this report.

ANNEXURE A OF SECRETARIAL AUDIT REPORT

To,
The Members,
ISHITA DRUGS AND INDUSTRIES LIMITED
SURVEY NO 179/1, VASNA-IYAVA
TALUKA SANAND
AHMEDABAD – 382 210.

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 efficiency 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: 29.05.2019

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

	2018-19	2017-18
1) Electricity		
(a) Purchased units KWH (GEB)	106882	116708
Total amount ₹	905686	970874
Average Rate per Unit ₹	8.47	8.32
(b) Own Generation through D.G.		
Amount of Diesel	-----	-----
Units of Diesel consumed (Ltrs)	-----	-----
2) Other Fuels ₹	1530022	1017683

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.

Expenditure on R & D:

	2018-19	2017-18
(a) Capital	-----	-----
(b) Recurring	₹ 164450	₹ 189407
Total (a+b)	₹ 166450	₹ 189407
(c) Total R&D expenditure as a percentage of total turnover	0.18%	0.25%

(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 - ₹ 5966953 (PY ₹ 6184057)
- Foreign Exchange Outgo - ₹ 2198533 (PY ₹ 20635050)

For and on behalf of the Board

Sd/-

Jagdish Agrawal
Managing Director

Place: Ahmedabad
Dated: 29th May, 2019

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"). 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, 2019, 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 29/05/2018, 13/08/2018, 13/11/2018 and 12/02/2019.

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 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 29/05/2018, 13/08/2018, 13/11/2018 and 12/02/2019.

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 Four (4) 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 2019, four (4) Committee Meetings were held on 29/05/2018, 13/08/2018, 13/11/2018 and 12/02/2019.

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 ₹ 2,80,000/- per month and other perquisites, as approved by the Remuneration committee and shareholders at the AGM held on 29th September, 2018. For the financial year 2018-19, 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 2018-19.

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. The present remuneration of the CFO is ₹ 2,65,000/- per month and other perquisites, as approved by the Remuneration Committee. For the financial year 2018-19, 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 Non Executive 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 2018-19, the Committee met four times on 29/05/2018, 13/08/2018, 13/11/2018 and 12/02/2019. There were no pending complaints at the end of the financial year 2018-19.

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
2017-2018	Survey No.179/1, Village : Vasna-Iyava Ta. Sanand,	29/09/18	3.00 p.m.	1
2016-2017		30/09/17		0
2015-2016		30/09/16		0

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:**a) 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 Indian Accounting Standard 24 (AS-24), 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.

b) 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.

c) 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.

d) Details of compliance with mandatory and non-mandatory requirements of 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 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 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.

e) Vigil mechanism

The company has established vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behavior, 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 2018-19	30/09/2019 at 3.00 p.m at Survey No.179/1, Village : Vasna-Iyava, Ta. Sanand, Dist. Ahmedabad			
2. Date of Book closure	24/09/2019 to 30/09/2019 (both days inclusive)			
3. Listing on Stock Exchanges	BSE (Scrip Code : 524400) & ASE (Scrip Code : 26940)			
4. Share Registrar	Bigshare Services Private Limited, E-3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Mumbai – 400072, Maharashtra.			
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 31/03/19, approx. 85% 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-18	22.55	17.10	6664
	May-18	17.60	15.20	8331
	Jun-18	16.80	14.60	8188
	Jul-18	19.60	13.85	10904
	Aug-18	19.55	14.30	9737
	Sep-18	18.90	14.90	8596
	Oct-18	16.20	11.40	1982
	Nov-18	16.00	11.97	5858
	Dec-18	17.65	15.35	1608
	Jan-19	20.25	16.75	4914
	Feb-19	20.20	14.95	2768
	Mar-19	16.93	14.50	3502
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.

MANAGEMENT DISCUSSION & ANALYSIS REPORT**GENERAL INFORMATION ABOUT THE COMPANY**

The company is engaged in the business of manufacturing of various APIs (Active Pharma Ingredients) and drug intermediates. It has built up a reputation as a manufacturer of "high quality" products and is known for its ethical dealings in business. The company supplies its products to leading pharmaceutical companies of India. The products are also being exported to various countries across the world.

NATURE OF THE INDUSTRY

The Indian API industry has been facing a challenging business environment for last few years. With opening up of the Indian markets and signing of the WTO arrangement, the imported APIs and Intermediates became available at a very competitive price. This impacted the indigenous API and Intermediates manufacturers, who could not compete with the imported pricing. The Indian API industry has also been affected by stringent pollution control norms. Presently, almost 60-70% of total APIs consumed in India are imported. Over a period of time, the manufacturing capabilities & capacities for APIs in India has gone down. However, the present Govt. has recognized this fact and has affirmed its commitment to encourage domestic API industry by introducing special measures for its development.

OPPORTUNITY AND THREAT:

The biggest threat for the API industry is from imports. Other threats include requirement of resources for continuous up gradation of the facility as per the GMP standards. This is especially more important for small scale industries like your Company.

However, with the Govt. focusing on the API industry, it is likely to come out with some measures to encourage the domestic API industry. Your company, with its built up reserves and debt free status, is in a good position to take advantage of any such measures declared by the Govt.

FUTURE OUTLOOK:

The management's opinion on the future outlook for the Company is given under the Directors' Report forming part of the Annual Report of the company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate and effective internal controls to provide reasonable assurance on achievement of its operational, compliance and reporting objectives.

The Company has deployed controls through its policies and procedures. It helps the Management to accomplish its objectives by bringing a systematic and disciplined approach to improve the effectiveness of risk management towards good corporate governance. The Directors handle most of the day-to-day functions. The Directors are regularly looking after all the key areas of the operations.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The management's view on the business operations and financial performance of the company, including export performance and earnings, is given under the Directors' Report forming part of the Annual Report of the company.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company's operations are managed by technically and educationally qualified staff at all levels, who in turn are guided and supervised by the Directors of the Company. During the year under review, the company has increased the number of employees to better look after the various operations and to prepare for a better growth in the future.

CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis, describing the Company's objective, projections and estimates are forward looking statements and progressive within the meaning of applicable security Laws and Regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors.

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 and on behalf of the Board

Place: Ahmedabad
Dated: 29th May, 2019

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:

- 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;
- These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
- 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;
- 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;
- 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
- 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 and on behalf of the Board

Place: Ahmedabad
Dated: 29th May, 2019

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 **31/03/2019**, the Statement of Profit and Loss, **the cash flow statement** for the year 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 **31/03/2019**, 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 **31/03/2019** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2019** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. 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.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date : 29th May, 2019
Place : Ahmedabad

FOR Jaymin Shah & Associates
Chartered Accountants
Reg No. : 129406W

CA Mayank Sancheti
Partner
M.No. : 170863

ANNEXURE - A

**Reports under The Companies (Auditor's Report)
Order, 2016 (CARO 2016)
for the year ended on 31st March 2019**

To,
The Members of **ISHITA DRUGS AND INDUSTRIES LTD.**

(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.

(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

The Company has not accepted any Deposits.

(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) N.A.
- (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.

Date : 29th May, 2019
Place : Ahmedabad

FOR Jaymin Shah & Associates
Chartered Accountants
Reg No. : 129406W

CA Mayank Sancheti
Partner
M.No. : 170863

"Annexure B"**To the Independent Auditor's Report of even date on the Standalone Financial Statements of ISHITA DRUGS AND INDUSTRIES LTD. Company Ltd.****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **ISHITA DRUGS AND INDUSTRIES LTD. Company Limited** ("The Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR Jaymin Shah & Associates
Chartered Accountants
Reg No. : 129406W

Date : 29th May, 2019
Place : Ahmedabad

CA Mayank Sancheti
Partner
M.No. : 170863

BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount in ₹)

S.N	PARTICULARS	Note No		As at 31/03/2019	As at 31/03/2018
I	ASSETS				
1	NON-CURRENT ASSETS				
	(a) PROPERTY, PLANT AND EQUIPMENT	A	12998979		11879886
	(b) FINANCIAL ASSETS				
	(i) INVESTMENTS	B	1592254		1592254
	(ii) LOANS	C	506200		498200
	TOTAL(1)			15097433	13970340
2	CURRENT ASSETS				
	(a) INVENTORIES	D	7387752		7200886
	(b) FINANCIAL ASSETS				
	(i) INVESTMENTS	E	38787641		29936585
	(ii) TRADE RECEIVABLES		11803412		8215528
	(iii) CASH AND CASH EQUIVALENTS	F	3248456		6752062
	(iv) OTHER BALANCES WITH BANK	G	6862594		5209138
	(v) LOANS	H	10340		92682
	(c) OTHER CURRENT ASSETS	I	168263		168440
	TOTAL(2)			68268458	57575321
	TOTAL ASSETS(1+2)			83365891	71545661
II	EQUITY AND LIABILITIES				
1	EQUITY				
	(a) EQUITY SHARE CAPITAL	J	29903000		29903000
	(b) OTHER EQUITY	K	34236519		30720893
	TOTAL (1)			64139519	60623893
2	NON-CURRENT LIABILITIES				
	(a) FINANCIAL LIABILITIES				
	(i) BORROWINGS	L	1224637		849414
	(b) DEFERRED TAX LIABILITIES (NET)		556394		593317
	TOTAL(2)			1781031	1442731
3	CURRENT LIABILITIES				
	(a) FINANCIAL LIABILITIES				
	(i) BORROWINGS	M	45052		25262
	(ii) TRADE PAYABLES		13785833		5616188
	(b) OTHER CURRENT LIABILITIES	N	974234		418325
	(c) PROVISIONS	O	1714600		1156530
	(d) CURRENT TAX LIABILITIES (NET)		925622		2262732
	TOTAL(3)			17445341	9479037
	TOTAL LIABILITIES(1+2+3)			83365891	71545661

Notes on Accounts & Significant Accounting Policies

P

As per our attached report of even date.

Sd/-

For Jaymin Shah & Associates
Chartered Accountants

Sd/-

Jagdish Agrawal
Managing Director

Sd/-

Govind Gupta
Director

Sd/-

Mrs. Abha Agrawal
Director
Ahmedabad
Dated : 29th May, 2019

Sd/-

Sumit Agrawal
CFO

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2019

(Amount in ₹)

S.N	PARTICULARS	Note No		Year 2018-19	Year 2017-18
	INCOME				
I	REVENUE FROM OPERATIONS		90871702		68998294
II	OTHER INCOME	PL-1	1633717		1192766
III	TOTAL INCOME (I+II)			92505419	70191060
IV	EXPENSES:				
	(a) COST OF MATERIAL CONSUMED	PL-2	62062009		47674163
	(b) PURCHASE OF STOCK IN TRADE	PL-3	635753		922500
	(c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	PL-4	1316145		(1270590)
	(d) EMPLOYEE BENEFIT EXPENSES	PL-5	9554957		7999615
	(e) FINANCIAL CHARGES	PL-6	605776		1126025
	(f) DEPRECIATION		1559075		1360905
	(g) MANUFACTURING AND OTHER EXP.	PL-7	12143001		9146559
	TOTAL EXPENSES			87876716	66959177
V	PROFIT FOR BEFORE TAX (III-IV)			4628703	3231883
VI	TAX EXPENSE				
	(a) CURRENT TAX			1150000	800000
	(b) DEFERRED TAX			(36923)	(46111)
VII	PROFIT / (LOSS) FOR THE YEAR			3515626	2477994
VIII	OTHER COMPREHENSIVE INCOME			0	0
IX	TOTAL COMPREHENSIVE INCOME FOR THE YEAR			3515626	2477994
X	EARNING PER EQUITY SHARE (FACE VALUE ₹ 10 EACH)				
	(a) BASIC			1.18	0.83
	(b) DILUTED			1.18	0.83

Notes on Accounts & Significant Accounting Policies

P

As per our attached report of even date.

Sd/-

For Jaymin Shah & Associates
Chartered Accountants

Sd/-

Jagdish Agrawal
Managing Director

Sd/-

Govind Gupta
Director

Sd/-

Mrs. Abha Agrawal
Director
Ahmedabad
Dated : 29th May, 2019

Sd/-

Sumit Agrawal
CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(Amount in ₹)

	For the Year 2018-19	For the Year 2017-18
A Cash flow from operating activities :		
Profit before tax	4628703	3231883
Add : Depreciation	1559075	1360905
Interest & Other financial charges	605776	1126025
Less : Interest received	692450	426043
Dividend received	195	897
Income from Investments	941072	765826
Operating profit before change in working capital	5159837	4526046
Add : Trade Debtors	(3587884)	8825447
Decrease / (Increase) in Inventory	(186866)	(1584582)
Decrease / (Increase) in Loans and advances	74519	132097
Less : Provision for Taxation	1150000	800000
Increase / (Decrease) Short term provisions	(558070)	(247690)
Trade creditors, Current liabilities & Provisions	(7003941)	4126270
Net cash generated from operating activities (A)	7871617	7220428
B Cash inflow from investing activities :		
Add : Investment sold / (purchased)	(8851057)	(4575293)
Dividend received	195	897
Income from Investments	941072	765826
Less : Investment in fixed assets	2678168	3069647
Net cash generated from investing activities (B)	(10587957)	(6878217)
C Cash flow from financial activities :		
Add : Interest received	692450	426043
Add : Borrowing	779515	1194722
Less : Interest & Other financial charges	605776	1126025
Net cash generated from financial activities (C)	866190	494740
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	(1850151)	836952
Opening balance of Cash and cash equivalents & Other Bank Balances	11961201	11124250
Closing balance of Cash and cash equivalents & Other Bank Balances	10111050	11961202
Net Increase/(decrease) in Cash & Cash Equivalents & Other Bank Balances	(1850151)	836952
Note : Figures in bracket indicate negative value		

Correctly extracted from Audited accounts of the Company

Sd/-
Mrs. Abha Agrawal
 Director
 Ahmedabad
 Dated : 29th May, 2019

Sd/-
Jagdish Agrawal
 Managing Director

Sd/-
Govind Gupta
 Director

Sd/-
Sumit Agrawal
 CFO

Auditors' Certificate

We have verified the above cash flow statements of Ishita Drugs And Industries Limited. It has been compiled from and is based on the balance sheet as at 31st March 2019 and the related statement of profit and loss for the year ended on that date. The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (IndAS -7) - Statement of Cash Flow.

For Jaymin Shah & Associates

Place : Ahmedabad
 Dated : 29th May, 2019

Chartered Accountants

NOTES :

A PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block				Depreciation				Net Block	
	As at 01/04/18 ₹	Addition ₹	Deduction ₹	As at 31/03/19 ₹	As at 01/04/18 ₹	Addition ₹	Deduction ₹	As at 31/03/19 ₹	As at 31/03/19 ₹	As at 31/03/18 ₹
Factory Land	904811	---	---	904811	---	---	---	---	904811	904811
Plant and Machinery	23408443	1250497	---	24658940	19482304	421523	---	19903827	4755114	3926139
Laboratory Equipment	1984012	150610	---	2134622	1433884	76253	---	1510137	624485	550128
Cylinders	14441	---	---	14441	14441	---	---	14441	---	---
Effluent Treatment Plant	1608641	---	---	1608641	1528209	---	---	1528209	80432	80432
Factory Building	5905137	---	---	5905137	4076805	169542	---	4246347	1658790	1828332
Office Building	1264568	---	---	1264568	489127	20947	---	510074	754494	775441
Furniture and Fixtures	2125295	---	---	2125295	1397190	128139	---	1525329	599966	728105
Office Equipment	1009327	80367	---	1089694	575631	83434	---	659065	430629	433695
Computers	783507	11550	---	795057	726539	42247	---	768786	26271	56968
Vehicles	5641051	1185143	---	6826194	3045216	616990	---	3662206	3163988	2595835
Total	44649232	2678168	---	47327400	32769346	1559075	---	34328421	12998979	11879886
Previous Year	41579585	3069647	---	44649232	31408441	1360905	---	32769346	11879886	10171144

(Amount in ₹)

Notes	As at 31-Mar-19	As at 31-Mar-18
B 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 (India) Ltd. each of ₹ 10/- fully paid up [Market value ₹ 54947 (PY ₹ 124338)]	224400	224400
39 Shares of BSE Ltd. each of ₹ 2/- fully paid up [Market value ₹ 23835 (PY ₹ 29492)]	31434	31434
80 Shares of Avenue Supermart Ltd. each of ₹ 10/- fully paid up [Market value ₹ 117608 (PY ₹ 106160)]	23920	23920
Total	1592254	1592254
C NON CURRENT LOANS		
Security Deposits (Unsecured Considered Good Unless Otherwise stated)	506200	498200
Total	506200	498200
D INVENTORIES:		
As taken, valued and certified by the M.D.		
Raw material (at cost)	4603661	3231144
Raw Material in transit (at cost)	131250	0
Work in Process (at cost)	2506075	3822220
Packing, Fuel Etc. (at cost)	146766	147522
Total	7387752	7200886
E CURRENT INVESTMENTS		
Investments in units of Mutual Fund	38787641	29936585
Total	38787641	29936585

(Amount in ₹)

Notes	As at 31-Mar-19	As at 31-Mar-18
F CASH & CASH EQUIVALENTS : Cash on hand Banks Balance In Current / EEFC Account	239078 3009378	251974 6500089
Total	3248456	6752062
G OTHER BALANCES WITH BANK In Fixed Deposit Accounts	6862594	5209138
Total	6862594	5209138
H CURRENT LOANS: (Unsecured - Considered good) Advances recoverable in cash or kind or for value to be received	10340	92682
Total	10340	92682
I OTHER CURRENT ASSETS: Prepaid Expenses	168263	168440
Total	168263	168440
J EQUITY SHARE CAPITAL (1) Authorised : 35,00,000 Equity Shares of ₹ 10/- each (2) Issued, Subscribed and paid up : 29,90,300 Equity Shares of ₹ 10/- each fully paid up	35000000 29903000	35000000 29903000
Total	29903000	29903000
K OTHER EQUITY (1) Capital Reserve State cash Subsidy (2) General Reserve As per Last Balance sheet Add : Transfer surplus in statement of Profit & Loss A/c (3) Shares Forfeited	1500000 29056393 3515626 32572019 164500 34236519	1500000 26578400 2477994 29056393 164500 30720893
L NON CURRENT BORROWINGS ICICI Bank Ltd- Vehicle Loan HDFC Bank Ltd-Vehicle Loan	422212 802425	849414 0
Total	1224637	849414
M CURRENT BORROWINGS: Working Capital Facility from Bank (Secured by first charge on stocks and fixed assets of the Company) Loans repayable on demand from Bank (Unsecured)	45052 0 45052	0 25262 25262
N OTHER CURRENT LIABILITIES (1) Current Maturities of Long Term Debts (Vehicle Loan) (2) TDS Payable	776777 197457	392275 26050
Total	974234	418325
O PROVISIONS (1) Provisions For Employee Benefits (2) Others	370158 1344442	241093 915437
Total	1714600	1156530
PL-1 OTHER INCOME: Dividend Income Interest Income Income from Investments	195 692450 941072	897 426043 765826
Total	1633717	1192766
PL-2 COST OF MATERIALS CONSUMED: Consumption of Raw Material Consumption of Packing Material	61711369 350640	47454695 219468
Total	62062009	47674163
PL-3 PURCHASES OF TRADED GOODS Consumption of Goods Traded	635753	922500
Total	635753	922500

(Amount in ₹)

Notes	As at 31-Mar-19	As at 31-Mar-18
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	3822220	2551630
	3822220	2551630
(b) Closing Stock		
Manufacturing Goods	---	---
Work in process	2506075	3822220
	2506075	3822220
Net Inventory Adjustments (a-b) Total	1316145	(1270590)
PL-5 EMPLOYEE BENEFITS EXPENSE		
Salary & wages & Bonus	6270558	5397005
Gratuity	40443	43844
Staff Welfare Exp.	273480	62975
Director's Remuneration	2880000	2400000
Contribution for Provident Fund	49039	48424
Contribution for ESIC	41437	47367
Total	9554957	7999615
PL-6 FINANCIAL CHARGES:		
Interest	494722	937972
Other financial charges	111054	188052
Total	605776	1126025
PL-7 OTHER EXPENSES:		
A MANUFACTURING EXPENSE :		
Stores & Spare	615893	326837
Power & Fuel	2435709	1986004
Repairs to Plant & machinery	797204	225713
Conversion charges	110560	89860
Laboratory Exp.	196910	68129
Research & Development Expenses	164450	146792
Excise duty on sales	0	1259104
ETP Maintenance exp.	1699104	861326
Total	6019829	4963765
B ADMINISTRATIVE EXPENSE		
Books & Periodicals	27358	27013
Repairs To Building	255039	63361
Repairs To Others	176085	160180
Insurance Exp.	240437	168130
Printing & Stationery Exp.	141040	106752
Postage & Telephones	159249	167356
Office and General Exp.	544872	456261
Motor Car Expenses	331248	185254
Payment to Auditor	29000	29000
Legal & Professional fees	646731	300561
Listing, filling & license fees	259700	300330
Share Transfer Exp.	54330	42084
Rent, Rates & Taxes	1541742	1394423
Total	4406832	3400703
C SELLING & DISTRIBUTION EXPENSE		
Traveling & Conveyance	697728	407625
Freight & Forwarding	355189	219315
Sales Commission	575605	145436
Advertisement	87818	9715
Total	1716341	782091
GRAND TOTAL (A+B+C)	12143001	9146559

NOTE P: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31.03.2019.

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

ACCOUNTING CONVENTION

The financial statements have been prepared in accordance with the Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standard) Rules, 2015, and stipulations as applicable under Section 133 of the Companies Act, 2013, as amended from time to time, and other provisions of applicable laws.

These financial statements are prepared and presented under historical cost convention on accrual basis of accounting, except for certain assets and liabilities, which are to be measured at fair value, in accordance with IndAS.

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.

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 exclusive of Goods and Services Tax (GST) post GST implementation and 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 31.03.2019 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 IndAS-19. 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 IndAS-12. 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 IndAS-36.

PRIOR PERIOD ITEMS

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

NOTES :

- Tax provision for income tax has been made as per the Income Tax Act, 1961.
- Debit and credit balances in respect of debtors, loans and advances and creditors are subject to confirmation and reconciliation.
- In accordance with the IndAS-21, net profit of ₹ 0.52 lacs (PY Profit of ₹ 4.75 lacs) due to foreign exchange fluctuations arising on foreign currency transactions has been considered in the Profit and Loss Account.
- In the year under review, the Company has provided the gratuity ₹ 40443 (P.Y. ₹ 43844) towards gratuity calculated up to the date of Balance Sheet date according to the Gratuity Act on incremental basis.
- The company has accounted for deferred tax assets of ₹ 36923 (P.Y. deferred tax assets of ₹ 46111) for the year under review as per IndAS-12 in the profit and loss account.
- Contingent liability to the extent not provided for NIL (P.Y ₹ NIL)
- Previous year figures have been regrouped and reclassified wherever necessary to be in conformity with the current year figures.
- Estimated amount of capital contracts remaining to be executed and not provided for net of advance paid ₹ NIL (PY ₹ NIL).

9. Managerial Remuneration paid :

	<u>2018-19</u>	<u>2017-18</u>
	<u>Mg. Dir.</u>	<u>Mg. Dir.</u>
(a) Salary ₹	2880000	2400000
(b) Perks/ Reimbursement ₹	-----	----

10. Payment to Auditors (₹)

	<u>2018-19</u>	<u>2017-18</u>
As an auditor	29000	15000
For Taxation & Other works	5000	5000
For Tax Audit	3000	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 2019 is not ascertainable.

12. Related party disclosures as per the Accounting Standard AS-18 issued by the Institute of Chartered Accountants of India:

- List of related parties
 - Subsidiaries: The Company does not have any subsidiary Company.
 - Key Management Personnel
Mr. Jagdish Agrawal
Mr. Sumit Agrawal
 - Relatives of Key Management Personnel
Ishita Pharmaceuticals
Anvi Lifesciences Pvt Ltd
J & J Chemicals

b. Transactions / balances outstanding with Related parties

Particulars	Key Management Personnel Amount in ₹	Relatives of Key Management Personnel Amount in ₹
Managerial Remuneration	5520000	---
Sales of Goods / Services	---	21053271
Purchases of Goods /Services	---	32250389
Investment in equity shares/ Share Application Money	---	1300000
Loans/advance at year end	---	300000
Lease Rent	---	1614240

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

13. Earning per Shares (EPS) as per Indian Accounting Standard AS-33

Particulars	2018-19 Amount ₹	2017-18 Amount ₹
Profit after Tax	3515626	2477994
Weighted Average no. of equity shares of ₹ 10 each		
Basic	2990300	2990300
Diluted	2990300	2990300
EPS (₹ .)		
Basic	1.18	0.83
Diluted	1.18	0.83

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. ₹
--	-------------	-------------

Material	9457892	15686797
----------	---------	----------

B Expenditure in foreign currency :

Purchases of materials	2025275	2059553
Miscellaneous Expenses	173258	39497
Travelling and Conveyance Expenses and Other Expenses	0	0

C Value of raw materials, stores and spares consumed :

	₹	%	₹.	%
(a) Value of raw material consumed :				
Imported	10136424	16.26	16402486	34.56
Indigenous	51574945	83.74	31052209	65.44
	61711369	100.00	47454695	100.00
(b) Value of stores and spares consumed :				
Indigenous	615893	100.00	326837	100.00
	615893	100.00	326837	100.00

D Amount remitted in foreign currency on account of dividend

	NIL	NIL
--	-----	-----

E Earnings in foreign exchange (₹)

	5966953	6184057
--	---------	---------

Signature to Notes A to P

Sd/-

For Jaymin Shah & Associates
Chartered Accountants

Sd/-

Jagdish Agrawal
Managing Director

Sd/-

Govind Gupta
Director

Sd/-

Mrs. Abha Agrawal
Director

Sd/-

Sumit Agrawal
CFO

Ahmedabad

Dated : 29th May, 2019

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details

Registration No.	L24231GJ1992PLC017054	State Code	04
Balance Sheet Date	31-Mar-19		

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	83366	Total Assets	83366
Source of Funds			
Paid up Capital	29903	Secured Loans	1225
Reserves & Surplus	34237	Deferred Tax	556
		Current Liabilities	17445
Application of Funds			
Net Fixed Assets	12999	Current Assets	68268
Investments	1592		
Long term Loans & Advance	506		

Performance of the Company (Amount in thousands)

Turnover	92505	Total expenditure	87877
Profit before tax	4629	Profit after tax	3516
Earning per Share Rs.	1.18	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)	29359015
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.

Sd/-
For Jaymin Shah & Associates
Chartered Accountants

Sd/-
Jagdish Agrawal
Managing Director

Sd/-
Govind Gupta
Director

Sd/-
Mrs.Abha Agrawal
Director
Ahmedabad
Dated : 29th May, 2019

Sd/-
Sumit Agrawal
CFO

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 26th Annual General Meeting of the Company, to be held on Monday, 30th September, 2019 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, 2019, and the Balance Sheet as on that date, Directors' Report and the Auditors' Report thereon.		
2.	Re-appointment of Mrs. Abha Agrawal (DIN 01589479), as Director, who retires by rotation.		
3.	Appointment of the Auditors of the Company for the financial year 2019-20 and to fix their remuneration		

Signed this _____ day of _____ 2019

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)

26th Annual General Meeting - 30th September 2019

DP ID : _____

CLIENT ID : _____

FOLIO No. : _____

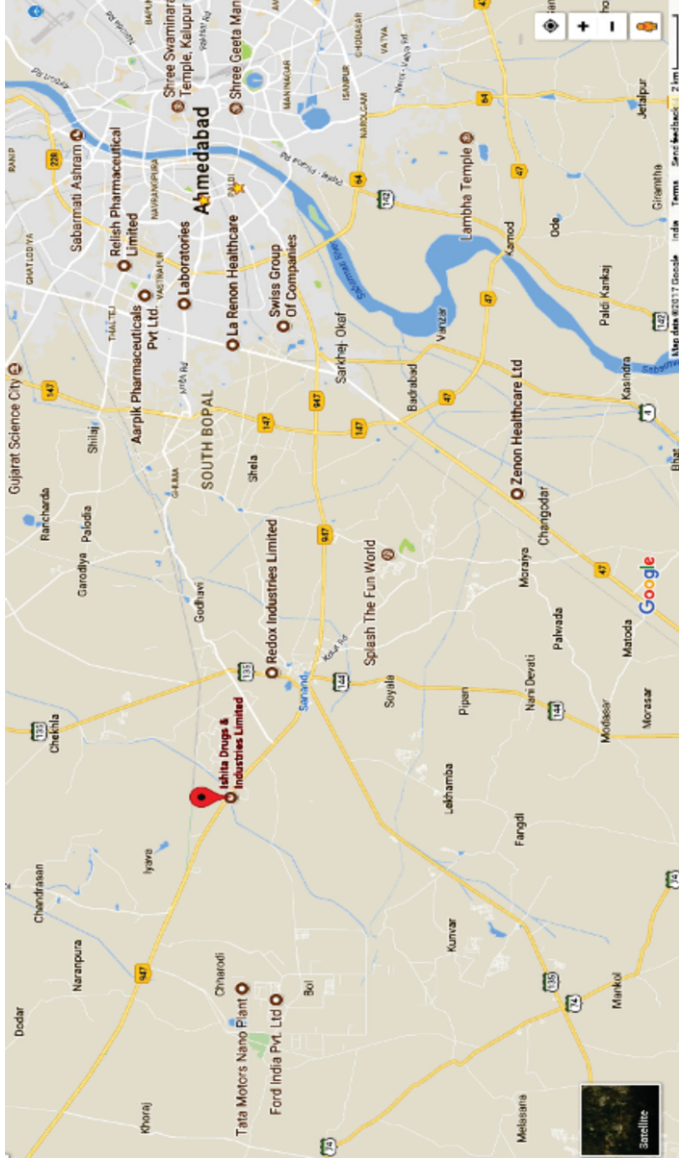
No. of Shares held _____

I hereby record my presence at the TWENTY SIXTH 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 _____

Route Map of Venue of AGM



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.