



Ishita Drugs & Industries Limited

"Our basic drugs in the service of humanity worldwide"

TWENTY-FIRST ANNUAL REPORT AND ACCOUNTS

Board Of Directors	: Mr. Jagdish Agrawal - Chairman & Managing Director Mr. P. R. Rastogi - Director Mr. Govind Gupta - Director Dr. S. K. Agrawal - Director Mrs. Abha Agrawal - Director Mr. Niranjana Agrawal - Director
Bankers	: Corporation Bank ICICI Bank Ltd. Punjab National Bank Citibank N.A.
Auditors	: M/s. Kishor Goyal & Co. Chartered Accountants, Ahmedabad.
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 - 382 170.
Website	: www.ishitadrugs.com
Investors' Complaints may be addressed to	: Mr. Suresh Parmar Share Department at Corporate office. E-mail: investors@ishitadrugs.com

ANNUAL GENERAL MEETING
On Tuesday, 30th September, 2014
at 3.00 P.M. at Registered Office
of the Company

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **TWENTY - FIRST ANNUAL GENERAL MEETING** of the Members of **ISHITA DRUGS AND INDUSTRIES LIMITED** (CIN L24231GJ1992PLC017054) will be held on Tuesday, 30th September, 2014 at 3.00 P.M. at the Registered Office of the Company situated at Survey No. 179/1, Vasna-Iyava, Tal. Sanand, Dist. Ahmedabad to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2014, 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 appoint a Director in place of Mr. Govind Gupta (DIN 00052690), who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint the Auditors of the Company for the financial year 2014-15 and to fix their remuneration.

SPECIAL BUSINESS:

1. **Authority to Board of Directors to borrow :**

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

"RESOLVED THAT in supersession of the Ordinary Resolution previously passed by the members at their meeting and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), be and is hereby authorised to borrow from time to time, any sum or sums of money from any person(s) or bodies corporate including its holding company, on such terms and conditions as it may deem fit for the purpose of the company's business notwithstanding that the monies so borrowed (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from the company's bankers/ financial institutions in the ordinary course of business) may exceed the aggregate of the paid up share capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose, provided that the amount of such borrowings, at any time shall not exceed ` 20.00 Crore (Rupees Twenty Crore only)."

"RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof be and is hereby authorised to do or cause to be done all such acts, matters,

deeds and other things as may be required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, things, matters as may be considered necessary, desirable or expedient to give effect to the aforesaid resolution."

For and on behalf of the Board

Sd/-

Place: Ahmedabad
Dated: 26th May, 2014

Jagdish Agrawal
Managing Director

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 a proxy need not be a Member. The instrument appointing a proxy shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the meeting.
- b) Members are requested to advise immediately any change in their address to the Company.
- c) The Member Register and Share Transfer books shall remain closed from 24.09.2014 to 30.09.2014 (both days inclusive).
- d) Members may avail of the facility of nomination in terms of section 72 of the Companies Act, 2013 by nominating any person to whom their shares in the Company shall vest on occurrence of events stated in form –SH13. Form SH-13 is to be submitted in duplicates to Sharepro Services (India) Private Limited., RTA of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
- e) Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting
- f) **Voting through electronic means :**
Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all the resolutions set forth in the Notice convening the 21st Annual General Meeting to be held on Tuesday, September 30, 2014 at 3.00 p.m. The Company has engaged the services of National Securities Depositories Limited The e-voting facility is available at the link <https://www.evoting.nsdl.com>
The electronic voting particulars are set out below

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Veting event Number)	User ID	Password

The e-voting facility will be available during the voting period as indicated hereinbelow:

Commencement of e-voting	End of e-voting
September 23,2014 at 10.00 a.m. IST	September 25,2014 at 05.30 p.m. IST

Notes:

1. Please read the instructions printed overleaf before exercising your vote.
2. These details and instructions form an integral part of the Notice for the 21st Annual General Meeting to be held on Tuesday, September 30, 2014.
3. The voting rights of members shall be in proportion to the paid up value of their shares in the Equity share capital of the Company.

INSTRUCTIONS FOR E-VOTING

- a) Open your internet browser during the voting period and type the following link: <https://www.evoting.nsdl.com>
- b) Click on '**Shareholder – Login**'.
- c) If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for casting your vote. If you are logging in for the first time, please enter the User ID and Password mentioned above and click '**Login**'
- d) **The Password Change Menu** will appear on your screen. Change to a new Password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please do not share your Password with any other person and take utmost care to keep your Password confidential.
- e) Home page of e-voting will open. Click on **e-voting-Active Voting Cycles**.
- f) Select '**EVEN**' (**Electronic Voting Event Number**) of Ishita Drugs & Industries Limited
- g) Once you enter the number, the **Cast Vote** page will open. Now you are ready for e-voting.
- h) On the voting page, enter the number of shares (which represents the number of votes) and thereafter cast your vote by selecting either "**FOR**" or "**AGAINST**" on each resolution. Once you have voted on a resolution, click Submit.
- i) Click on '**Confirm**' when prompted. Please note that once your vote is cast on the selected resolution, it cannot be changed or modified. During the voting period, you can log in any number of times till you have voted on all the Resolution(s).
- j) Upon confirmation, the message '**Vote cast successfully**' will be displayed.
- k) Institutional members (i.e., other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, along with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer via e-mail at: ritikagargcs@gmail.com With a copy marked to evoting@nsdl.co.in. The documents should reach the Scrutinizer on or before the close of working hours (i.e. 5.30 p.m.) on September 25,2014
- l) In case of any queries regarding e-voting, you may refer to the '**Frequently Asked Questions**' (FAQs) and '**e-voting user manual**' available in the 'Download' Section of NSDL's e-voting website www.evoting.nsdl.com. You

may also contact NSDL via e-mail at evoting@nsdl.co.in.

General :

- a) The e-voting period commences on September 23,2014 at 10.00 a.m. IST and ends on September 25,2014 at 05.30 p.m. IST . During the period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **August 29, 2014** (record date for the purpose of e-voting), may cast their votes electronically. A member who has cast his/her vote through e-voting or a duly appointed proxy-proxies of such a member shall be entitled to attend the Annual General Meeting (AGM) of the Company. However, he/she cannot vote at the AGM.
- b) Ritika Agrawal , Practicing Company Secretary,of Ritika Agrawal & Associates has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- c) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses not in employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The results of the e-voting along with the Scrutinizer's Report shall be placed on the **Company's website www.ishitadrugs.com** and on the website of NSDL **www.evoting.nsdl.com** within two working days of passing of the resolutions at the 21st Annual General Meeting of the Company to be held on 30th September, 2014. The result will also be communicated to the stock exchanges where the shares of the Company are listed.

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

Place : Ahmedabad
Dated : 26th May, 2014

Sd/-
Jagdish Agrawal
Chairman & Managing Director

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

Item No. 5

Keeping in view the Company's expansion plans, intend growth and future fund requirements, it is proposed to authorize the Board of Directors under section 180(1)(c) of Companies Act, 2013 to borrow funds up to an amount not exceeding ₹. 20 Crore (Rupees Twenty Crore only) which may exceed the paid-up Capital and free reserves of the Company.

The proposal to authorize the Board of Directors to borrow money would attract provision of section 180(1)(c) of the Companies Act, 2013, inter-alia requiring approval of the Shareholders by way of Special Resolution.

None of the Directors of the Company, other key managerial personnel and relatives of Directors or key managerial personnel are in any way concerned or interested in the said Resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of the members.

DIRECTORS' REPORT

Dear Shareholders,
We have pleasure in presenting the Twenty-first Annual Report together with the Audited Accounts of your Company for the year ended on 31st March-2014

WORKING RESULTS

	` in Lacs	
	For the year ended 31.03.2014	For the year ended 31.03.2013
Turnover & other incomes	736.19	1195.63
Operating gross profit	45.17	73.24
Financial Charges	(3.11)	(2.90)
Depreciation	(11.59)	(9.25)
Profit before tax	30.47	61.09
Provision for Income Tax	(11.03)	(18.00)
Provision for Deferred Tax Assets	(0.23)	(1.75)
Previous period adjustment	1.22	0.45
Net profit / loss (-)	20.42	41.80

DIVIDEND

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

BUSINESS OPERATIONS & FINANCIAL PERFORMANCE

The operations of the company, during the year under review, were affected by the downturn in the economy across all industries, in India as well as in the rest of the world. The revenues of the company decreased to ` 736.19 lakh compared to ` 1195.63 lakh in the previous year. The dip in revenues was mostly on account of reduction in exports (direct and indirect) of the company, from ` 802.71 lakh in the previous year to ` 343.67 lakh during the period under review.

The decrease in revenues has also led to a corresponding decrease in the net profits of the company from ` 41.80 lakh in the previous year to ` 20.42 lakh during the year under review.

During the year, the company continued to explore alternate export products and markets, as per the guidelines of the Board. As part of this strategy, your company participated and exhibited at **THE INDIA SHOW, Almaty, Kazakhstan**, organized from 27th – 30th March 2014. **THE INDIA SHOW** at Almaty, Kazakhstan was an initiative of the Government of India, Ministry of Commerce & Industry, Department of Commerce, in close association with the Embassy of India in Kazakhstan and Confederation of Indian Industry (CII), to promote Indian Industry in that market. Kazakhstan is a relatively unexplored, untapped market and the participation in the show helped the company meet potential customers. The company has been receiving a few enquiries from Kazakhstan after the participation.

FUTURE OUTLOOK

In the current year, there are some initial signs of a revival in the economy. The Board is hopeful that with improvement in the business sentiment, the company would be able to improve its performance in the current year, especially with regards to its exports.

To increase its exports to semi regulated markets, the company plans to undertake upgradation of its facilities in the current year to GMP standards. This would open up newer markets for its products and help in improving the revenues and profits of the company.

PERSONNEL

Particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 are not applicable since none of employees is in receipt of remuneration in excess of the limits specified therein during the year under review.

DIRECTORS

Mrs. Abha Agrawal (DIN 01589479) and Mr. Govind Gupta (DIN 00052690) retire by rotation, and being eligible, have offered themselves for reappointment. The Board recommends their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- that in the preparation of annual accounts, the applicable accounting standards have been followed;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2014 and of the profit of the Company for the year;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

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

STATUTORY AUDITORS

The Company, in its last annual general meeting, had appointed M/s. Kishor Goyal & Co. as auditors for the year 2013-14. The remarks made in the Auditors' report are self-explanatory.

M/s. Kishor Goyal & Co, Chartered Accountants, Ahmedabad the retiring auditors, offer themselves for reappointment.

COST AUDITOR

Pursuant to the Government Order no.52/26/CAB-2010 dated 02/05/2011 under Section 233B of the Companies Act, 1956, the Company has appointed M/s. Dalwadi & Associates, Cost Accountants, Ahmedabad (Registration No. 0338) as the Cost Auditor of the Company for the Financial year ended 31st March, 2014, for audit of cost accounting records relating to the products manufactured by your company.

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

The statement containing the necessary information required under Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed herewith.

CORPORATE GOVERNANCE

Provisions of Clause 49 of the Listing Agreement 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 Clause 49 of the Listing Agreement. 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

Sd/-

Place: Ahmedabad
Dated: 26th May, 2014

Jagdish Agrawal
Managing Director

ANNEXURE**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

	2013-14	2012-13
(1) Electricity		
(a) Purchased units KWH (GEB)	105248	129312
Total amount	829709	925144
Average Rate per Unit	7.88	7.15
(b) Own Generation through D.G.		
Amount of Diesel	---	---
Units of Diesel consumed (Ltrs)	---	---
(2) Other Fuels	1235126	1166860

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 :

	2013-14	2012-13
(a) Capital	---	---
(b) Recurring	143461	202837
Total (a+b)	143461	202837
(c) Total R&D expenditure as a percentage of total turnover	0.20%	0.17%

(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 - 11967199 (PY 23314152)
 - Foreign Exchange Outgo - 1786095 (PY 607300)

For and on behalf of the Board

Sd/-

Place: Ahmedabad
Dated: 26th May, 2014

Jagdish Agrawal
Managing Director

AUDITORS' REPORT**TO THE SHAREHOLDERS 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 31/03/2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance of the company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956 ("the Act") The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements, 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 conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

Audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depends upon auditor's judgement, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements gives 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:

- in case of the Balance Sheet, of the state of affairs of the Company as at 31/03/2014;
- in case Statement of Profit and Loss Account, of the Profit for the year ended on that date; and

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order
- As required by section 227(3) of the Act, we report that:

- a. We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by Law have been kept by the Company so far as appears from our examinations of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act,1956;
- e. On the basis of written representations received from the directors as on 31/03/2014 and taken on record by the Board of Directors, none of the director is disqualified as on 31/03/2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Kishor Goyal & Co.
Chartered Accountants

sd/-
(Kishor Goyal)
Partner
Membership No.047286

Place : Ahmedabad
Dated : 26th May, 2014

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 1 of our report of even date to the members of Ishita Drugs and Industries Limited.

1.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - (b) The Company has physically verified certain assets during the year in accordance with a programme of verification, which in our opinion provides for physical verification of the Fixed Assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) During the year, the Company has not disposed of any substantial / major part of the Fixed Assets.
2.
 - (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
3. According to the information and explanations given to us, the Company has not taken / granted any loan from parties listed in the Register maintained under Section 301 of the Companies Act. 1956. Accordingly clause (iii) (b) (c) & (d) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
 - a. Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
 - b. In our opinion and according to the explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding in the value of rupees five lacs in respect of any party during the year have been made at price which are reasonable having regard to prevailing market prices at that time.

6. The Company has not accepted deposits from the public and has complied with the directives issued by the Reserve Bank of India from time to time in this regard.
7. The Company has no internal audit system as the volume of commercial production has not reached optimum levels.
8. Pursuant to the Government Order no.52/26/CAB-2010 dated 06/11/2012 under Section 233B of the Companies Act, 1956, the Company has appointed Dalwadi & Associates, Cost Accountant, Ahmedabad (Membership No. 30680) as the Cost Auditor of the Company for the financial year ended 31st March, 2013, for audit of cost accounting records relating to the products manufactured by your company.
9. According to the records of the Company and information given to us, Company is regular in depositing P.F. etc. with the appropriate authority and there are no arrears of such dues.
10. The accumulated losses of the Company have not exceeded fifty per cent of its net worth as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and on the basis of the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
12. According to our examinations of the records of the Company and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. Based on the examinations of the records and evaluation of the related internal controls, the Company has maintained proper records of transactions and contracts in respect of its dealing in shares, securities and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us, Company has not given guarantees for loans taken by others from banks or financial institutions during the year.
16. On the basis of examinations of records and as per the information and explanations given to us, the Company has raised term loan during the year. But the company has not taken disbursement of the same and hence this clause is not applicable.
17. According to the information and explanations given to us and overall examination of the Balance Sheet of the Company, we report that no funds have been raised on short term or long-term basis during the year.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. According to the information and explanation given to us, the Company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the course of our audit.

For Kishor Goyal & Co.
Chartered Accountants

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

Place : Ahmedabad
Dated : 26th May, 2014

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 Clause 49 of the Listing Agreement. All directors, except the Managing Director, retire by rotation every two years. The details of the Directors being appointed / re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Clause 49(IV)(G) of the Listing Agreement, 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, 2014, 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 25/05/13, 31/07/13, 13/11/13 & 12/02/14. 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: Remuneration Committee, Shareholders / Investors Grievance Committee and Share Transfer 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:

REMUNERATION COMMITTEE :

Composition and terms of reference:

The Remuneration Committee comprises of five (5) Directors and Mr. Govind Gupta (DIN 00052690), 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 314 of the Companies Act, 1956.

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

During the financial year ended 31st March 2014, four (4) Committee Meetings were held on 25/05/13, 31/07/13, 13/11/13 & 12/02/14.

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

Managing Director:

The present remuneration of the Managing Director includes a salary of ₹ 200000/- per month and other perquisites, as approved by the Remuneration committee and shareholders at the AGM held on 29th September, 2012. For the financial year 2013-14, 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 2013-14.

Relatives of the Directors

The Chief Financial Officer of the Company, Mr. Sumit J. Agrawal, is related to the Managing Director, Mr. Jagdish Agrawal and another promoter director, Mrs. Abha Agrawal. As such, his appointment and remuneration is approved by the Remuneration Committee and the shareholders. The present remuneration of the CFO is ₹ 1,75,000/- per month, including salary and other perquisites, as approved by the Remuneration Committee and shareholders at the AGM held on 30th September, 2013. For the financial year 2013-14, the remuneration payable to Mr. Sumit Agrawal is reviewed by the Remuneration Committee.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

Composition and terms of reference:

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

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

1. To specifically look into queries and complaints received from the shareholders of the Company,
2. To oversee the performance of the Registrar and Transfer Agent of the Company, and
3. To recommend measures for overall improvement in the quality of services to the investors.

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

During the financial year 2013-14, the Committee met four times on 25/05/13, 31/07/13, 13/11/13 & 12/02/14. There were no pending complaints at the end of the financial year 2013-14.

SHARE TRANSFER COMMITTEE:

Composition and terms of reference:

The Board of Directors of the Company has constituted the Share Transfer Committee to monitor, supervise and approve the requests received from the shareholders of the Company and others, for transfers, transmissions, etc. The requests are handled by the Company in co-ordination with Sharepro Services (India) Private

Limited, the Company's Registrar and Transfer Agent. The Share Transfer Committee has been delegated powers to administer the following:

- To effect transfer of shares;
- To effect transmission or deletion of shares;
- To issue duplicate share certificates, issue of certificates on receipt of requests for rematerialisation, consolidation or split of share certificates;
- To approve the register of members as on the record date(s) and/ or book closure dates for receiving dividends and other corporate benefits;

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

During the financial year 2013-14, the Committee met four times on 25/05/13, 31/07/13, 13/11/13 & 12/02/14..

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
2012-13	Survey No. 179/1,	29/09/13	3.00 p.m	1
2011-12	Village : Vasna-lyava, Ta.Sanand	30/09/12		1
2010-11	Dist. A-bad	30/09/11		Nil

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.

B. GENERAL SHAREHOLDER INFORMATION:

1. AGM for the F.Y 2013-14	30/09/2014 at 3.00 p.m at Survey No.179/1, Village : Vasna-lyava, Ta. Sanand, Dist. A-bad			
2. Date of Book closure	24/09/2014 to 30/09/2014 (both days inclusive)			
3. Listing on Stock Exchanges	BSE (Stock Code : 524400) & ASE (Stock Code : 26940)			
4. Share Registrar	Sharepro Services (India) Private Limited, 13AB Samhita Warehousing Complex, 2 nd floor, Sakinaka, Andheri (E), Mumbai-400072			
5. Share Transfer System	The Shares of the compny 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 31/03/14, over 75% shares of the company were held in de-materialised form			
7. Market Data, High, Low & volume during each month in last financial year	Month	High	Low	Volume (Nos.)
	Apr-13	18.50	15.30	12072
	May-13	20.25	17.95	4711
	Jun-13	21.00	19.05	407
	Aug-13	24.00	21.00	5655
	Sep-13	30.70	23.95	7320
	Oct-13	30.00	23.80	11739
	Nov-13	23.00	22.65	502
	Dec-13	24.90	24.90	2673
	Jan-14	26.85	26.85	35
	Feb-14	25.55	25.55	101
Mar-14	24.30	14.75	1475	
8. Plant Locations	Survey No.179/1, Village : Vasna-lyava, 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, from the current financial year 2013-14, 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)/ Company's Registrar, Sharepro Services (India) Private Limited. 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.

IV. Disclosures:

1. Disclosures on materially significant related party transactions:

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

2. Disclosures on non-compliances by the Company :

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

3. Disclosure of Accounting Treatment:

Your Company follows Accounting Standards prescribed by the Companies Accounting Standard Rules, 2006 and relevant provisions of the Companies Act, 1956. In preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standards.

4. Details of compliance with mandatory and non-mandatory requirements of Clause 49 of the Listing Agreement:

As already mentioned in the Director's Report, the provisions of the Clause 49 of the Listing Agreement do not apply to the Company. However, the company has voluntarily chosen to adopt and follow certain provisions of the Clause 49 of the Listing Agreement.

BALANCE SHEET AS AT 31ST MARCH, 2014

S. N.	Particulars	Note No.	As at 31-03-14 Amount in `	As at 31-03-13 Amount in `
I	EQUITY AND LIABILITIES			
1	Share Capital			
	(a) Share Capital	A	29903000	29903000
	(b) Reserve and Surplus	B	22830494	20788064
	Total (1)		52733494	50691064
2	Non Current Liabilities			
	(a) Long Term Borrowings	C	945077	1114014
	(b) Deferred Tax Liabilities (net)		897795	874337
	Total (2)		1842872	1988351
3.	Current Liabilities			
	(a) Short Term Borrowings	D	----	----
	(b) Trade Payables		9243989	24632030
	(c) Other Current Liabilities	D	1014545	1060147
	(d) Short Term Provisions	E	1257190	1461444
	Total (3)		11515725	27153621
	Total (1+2+3)		66092090	79833036
II	ASSETS			
1.	Non-Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	F	13568620	11719282
	(ii) Capital Work in progress		—	337199
	(b) Non Current Investment	G	1536900	1536900
	(c) Long-term Loans & Advances	H	493200	493200
	Total (1)		15598720	14086581
2.	CURRENT ASSETS			
	(a) Current Investment	I	12957250	10600000
	(b) Inventories	J	9655242	12930284
	(c) Trade Receivables		10535793	28344614
	(d) Cash and Cash Equivalents	K	14365612	11175406
	(e) Short Term Loans and Advances	L	2836601	2558160
	(f) Other Current Assets	M	142872	137991
	Total (2)		50493370	65746455
	Total (1+2)		66092090	79833036

Notes on Accounts & Significant Accounting Policies N

As per our attached report of even date.

For Kishor Goyal & Co.
Chartered Accountants

Sd/-
Kishor Goyal
Partner

Ahmedabad,
Dated : 26th May, 2014

Sd/-
Jagdish Agrawal
Managing Director

Sd/-
Mrs. Abha Agrawal
Director

Ahmedabad,
Dated : 26th May, 2014

Sd/-
Govind Gupta
Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

S. N.	Particulars	Note No.	Year 2013-14 Amount in `	Year 2012-13 Amount in `
REVENUES				
I	Revenue from operation		73360189	117634520
II	Other Income	PL-1	258906	1928926
III	Total Revenue (I+II)		73619095	119563445
IV EXPENSES				
	(a) Cost of Material Consumed	PL-2	37131237	73914269
	(b) Purchase of Stock in Trade	PL-3	9579865	13479838
	(c) Changes in inventories of finished goods, work-in- Progress and Stock-in-Trade	PL-4	1779970	(534083)
	(d) Employee benefit expenses	PL-5	6134960	4997322
	(e) Financial Charges	PL-6	311313	289898
	(f) Depreciation		1158792	924909
	(g) Manufacturing and other Exp.	PL-7	14476491	20370408
	Total Expenses		70572628	113442561
V	Profit before exceptional and extra ordinary Item and tax (III-IV)		3046467	6120885
	Exceptional Items			11500
VI	Profit for before extra ordinary item and		3046467	6109385
VII	Tax (V-VI)			
VIII	Tax Expense			
	(a) Previous Year's Tax		(122154)	(45174)
	(b) Provision for Income Tax		1102733	1800000
	(c) Provision for Deferred Tax		23458	174590
IX	Profit (Loss) for the Period (V+VI)		2042430	4179969
X	Earning Per Equity Share			
	(a) Basic		0.68	1.40
	(b) Diluted		0.68	1.40

Notes on Accounts & Significant Accounting Policies N

As per our attached report of even date.

For Kishor Goyal & Co.
Chartered Accountants

Sd/-
Jagdish Agrawal
Managing Director

Sd/-
Govind Gupta
Director

Sd/-
Kishor Goyal
Partner
Ahmedabad,
Dated : 26th May, 2014

Sd/-
Mrs. Abha Agrawal
Director
Ahmedabad,
Dated : 26th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	For the year 2013-14 Amount in `	For the year 2012-13 Amount in `
A Cash flow from operating activities :		
Profit before tax	3046467	6109385
Add : Depreciation	1158792	924909
Interest & Other financial charges	311313	289898
Less : Interest received	651326	804241
Dividend received	1500	1500
Income from Investments	487168	844015
Operating profit before change in working capital	<u>3376577</u>	<u>5674436</u>
Add : Trade Debtors	17808821	(17540177)
Decrease / (Increase) in Inventory	3275042	(6261338)
Decreases / Increase) in Loans and advances	(283323)	(2135411)
Less : Provision for Taxation	1102733	1800000
Prior Period Expenses	(122154)	(45174)
Trade creditors / Current Liabilities / Provisions	15803010	(19785006)
Net cash generated from operating activities (A)	<u>7393529</u>	<u>(2232309)</u>
B Cash inflow from investing activities :		
Add : Investment sold / (purchased)	(2357250)	4524317
Dividend received	1500	1500
Income from Investments	487168	844015
Less : Capital work in progress	(337199)	134717
Investment in fixed assets	3008130	3034048
Net cash generated from investing activities (B)	<u>(4539513)</u>	<u>2201066</u>
C Cash flow from financial activities :		
Add : Interest received	651326	804241
Add: Borrowing	(3823)	1336469
Less : Interest & Other financial charges	311313	289898
Net cash generated from financial activities (C)	<u>336190</u>	<u>1850812</u>
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	3190206	1819569
Opening balance of Cash and cash equivalents	11175406	9355838
Closing balance of Cash and cash equivalents	14365612	11175406
Net Increase/(decrease) in Cash & Cash Equivalents	<u>3190206</u>	<u>1819569</u>
Note : Figures in bracket indicate negative value		
Correctly extracted from Audited accounts of the Company		

Sd/-

Mrs. Abha Agrawal

Director

Place : Ahmedabad,

Dated : 26th May, 2014

Sd/-

Jagdish Agrawal

Managing Director

Sd/-

Govind Gupta

Director

Auditors' Certificate

We have verified the above cash flow statements of Ishita Drugs And Industries Limited from the audited financial statement for the year ended on 31st March, 2014 and found the same to be drawn in accordance therewith and also with requirements of clause 32 of the listing agreement with the Stock Exchanges.

For Kishor Goyal & Co.

Chartered Accountants

Sd/-

Kishor Goyal

Partner

Place : Ahmedabad,

Dated: 26th May, 2014

Notes	As at 31-Mar-14 Amount in `	As at 31-Mar-13 Amount in `								
A Share Capital										
(1) Authorised :										
35,00,000 Equity Shares of Rs. 10/- each	<u>35000000</u>	<u>35000000</u>								
(2) Issued, Subscribed and paid up :										
2990300 Equity Shares of Rs.10/- each fully paid up	<u>29903000</u>	<u>29903000</u>								
Total	<u>29903000</u>	<u>29903000</u>								
B Reserve & Surplus										
1 Capital Reserve										
State Cash Subsidy	<u>1500000</u>	<u>1500000</u>								
2 General Reserve										
As per Last Balancesheet	<u>19123564</u>	<u>14943595</u>								
Add : Transfer surplus in Statement of profit & Loss A/c	<u>2042430</u>	<u>4179969</u>								
	<u>21165994</u>	<u>19123564</u>								
3 Forfeited Shares	<u>164500</u>	<u>164500</u>								
	<u>22830494</u>	<u>20788064</u>								
C Long Term Borrowings										
HDFC Bank Ltd. - Vehicle Loan	<u>514964</u>	<u>--</u>								
Kotak Mahindra Prime Ltd.- Vehicle Loan	<u>430113</u>	<u>1114014</u>								
Total	<u>945077</u>	<u>1114014</u>								
D Other Current Liabilities										
Current Maturities of Long term debts (Vehicle Loan)	<u>924126</u>	<u>759012</u>								
TDS Payable	<u>90419</u>	<u>287110</u>								
Current year's tax payable (Net of advance tax)	<u>----</u>	<u>14025</u>								
Total	<u>1014545</u>	<u>1060147</u>								
E Short Term Provisions										
(a) Provision for Employee Benefits	<u>43269</u>	<u>39807</u>								
(b) Others	<u>1213921</u>	<u>1421637</u>								
Total	<u>1257190</u>	<u>1461444</u>								
F Fixed Assets										
Particulars	Gross Block				Depreciation				Net Block	
	As at 01/04/13	Addition	Deduction	As at 31/03/14	As at 01/04/13	Addition	Deduction	As at 31/03/14	As at 31/03/14	As at 31/03/13
Factory Land	904811	---	---	904811	---	---	---	---	904811	904811
Plant and Machinery	20815447	435938	---	21251385	1793479	333511	---	18270970	2980415	2877988
Laboratory Equipment	1288181	1185272	600000	1873453	898140	81892	---	980032	893421	390041
Cylinders	14441	---	---	14441	14441	---	---	14441	---	---
Effluent Treatment Plant	1608641	---	---	1608641	1528209	---	---	1528209	80432	80432
Factory Building	5905137	---	---	5905137	3201404	197232	---	3398636	2506501	2703733
Office Building	1264568	---	---	1264568	384726	20612	---	405338	859230	879842
Furniture and Fixtures	811439	1313547	31656	2093330	799898	91876	---	891774	1201556	11541
Office Equipment	638495	185252	3000	820747	276240	23128	---	299368	521379	362255
Computers	594349	---	---	594349	415787	43373	---	459160	135189	178562
Vehicles	3864381	911000	597610	4177771	534304	367168	209387	692085	3485686	3330077
Total	37709889	4031009	1232266	40508633	25990607	1158792	209387	26940012	13568620	11719282
Previous Year	34675841	3034048	---	37709889	25065698	924909	---	25990607	11719282	9610143

Notes	As at 31-Mar-14 Amount in `	As at 31-Mar-13 Amount in `
G Non Current Investment :		
(a) Unquoted		
500 Equity of Textile Traders Co-operative	12500	12500
Bank Ltd. Each of ` 25 fully paid up		
70000 Shares of Umang Financial Services Ltd Each of ` 10/- fully paid up	700000	700000
3000 Shares of Anvi Lifescience Pvt. Ltd Each of ` 100/- fully paid up	600000	600000
Aggregate value of Unquoted Investment At Cost ` 1312500 (PY ` 1312500)		
(b) Quoted		
204 Shares of Jet Airways Each of ` 10/- fully paid up [Market value ` 50684 (PY ` 105407)]	224400	224400
Total	<u>1536900</u>	<u>1536900</u>
H Long Term Loans and Advances		
Security Deposits	493200	493200
Total	<u>493200</u>	<u>493200</u>
I Current Investment		
Investment in units of Mutual Fund	12957250	10600000
	<u>12957250</u>	<u>10600000</u>
J Inventories :		
As taken, valued and certified by the M.D.		
Raw material (at cost)	7530597	6594126
Raw material in transit (at cost)	2069655	3849625
Work in Process (at cost)	54990	49545
Packing, Fuel Etc. (at cost)	—	2436988
Closing Stock of Traded goods	9655242	12930284
Total	<u>9655242</u>	<u>12930284</u>
K Cash & Cash Equivalent :		
Cash on Hand	419449	193126
Banks Balance		
In Current Accounts	1814299	460699
In EEFC Accounts	3241762	130248
In Fixed Deposite Accounts	8890103	10391333
Total	<u>14365612</u>	<u>11175406</u>
L Short term Loans & Advances :		
(Unsecured - Considered good)		
Advances recoverable in cash or kind or for value to be received	2872053	2558160
Advance Payment of Income Tax (Net of Provision)	(35452)	---
Total	<u>2836601</u>	<u>2558160</u>
M Other Current Assets :		
Prepaid Expenses	142872	137991
Total	<u>142872</u>	<u>137991</u>
PL-1 Other Income :		
Discount & Kasar	47767	21899
Dividend Income	1500	1500
Interest Income	651326	804241
Income From Investments	487168	844015
Foreign Exchange Gain	(928855)	257271
Total	<u>258906</u>	<u>1928926</u>
PL-2 Cost of Materials Consumed :		
Consumption of Raw Material	36869440	73420844
Consumption of Packing Material	261797	493425
Total	<u>37131237</u>	<u>73914269</u>

Notes		For the year 2013-14 Amount in `	For the year 2012-13 Amount in `
PL-3 PURCHASES OF TRADED GOODS			
Consumption of Goods Traded		9579865	13479838
	Total	9579865	13479838
PL-4 INVENTORY ADJUSTMENTS			
(a) Opening Stock		----	----
Manufacturing Goods		----	----
Work in process		3849625	3315542
		3849625	3315542
(b) Closing Stock		----	----
Manufacturing Goods		----	----
Work in process		2069655	3849625
		2069655	3849625
Net Inventory Adjustments (a-b)	Total	1779970	(534083)
PL-5 EMPLOYEE BENEFITS EXPENSE			
Salary & wages & Bonus		3673364	2882285
Gratuity		3462	17653
Staff Welfare Exp.		31414	62966
Director's Remuneration		2400000	2010000
Contribution for Provident Fund		26720	24418
	Total	6134960	4997322
PL-6 FINANCIAL CHARGES			
Interest		200355	132471
Other financial charges		110958	157428
	Total	311313	289898
PL-7 OTHER EXPENSES			
A . MANUFACTURING EXPENSE			
Stores & Spare		372827	511954
Brokrage on Purchase		66000	304581
Power & Fuel		2064835	2092004
Repairs to Plant & machinery		255141	261767
Conversion charges		47640	16534
Laboratory Exp.		32298	65989
Research & Development Expenses		143461	202837
Excise duty on sales		5934921	10506182
ETP Maintenance exp.		61230	55020
		8978353	14016867
B ADMINISTRATIVE EXPENSE			
Books & Periodicals		38346	23465
Repairs To Building		581351	477043
Repairs To Others		89451	204352
Insurance Exp.		201742	224499
Security Exp.		270859	75937
Printing & Stationery Exp.		87601	91168
Postage & Telephones		166163	141484
Office and General Exp.		326735	348189
Motor Car Expenses		280214	195669
Payment to Auditor		15000	15000
Legal & Professional fees		383257	395781
Listing, filling & license fees		65214	67568
Share Transfer Exp.		24928	26296
Rent,Rates & Taxes		1123390	882893
Loss on sale of Fixed Asseis		258223	----
		3912474	3169325
C SELLING & DISTRIBUTION EXPENSE			
Traveling & Conveyance		441201	273910
Freight & Forwarding		805475	1645580
Sales Commission		303607	1064466
Advertisement		35380	200260
		1585663	3184216
GRAND TOTAL (A + B+C)	Total	14476491	20370408

NOTE N : SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31.03.2014.

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

ACCOUNTING CONVENTION

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

FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

DEPRECIATION

Depreciation of Fixed Assets is provided on straight-line method particularly on Plant and Machineries on Triple Shift Basis. Rates of Depreciation adopted are as specified in Schedule XIV of the Companies Act, 1956. Depreciation on the additions is calculated pro rata from the date of additions. Depreciation is not provided on deletion of assets, as it has no effect on the results of the Company.

INVESTMENTS

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

INVENTORIES

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

MODVAT

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

SALES

Sales are accounted inclusive of excise duty.

FOREIGN CURRENCY TRANSACTIONS

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

EXCISE DUTY

As per past practice, the Company is accounting for liability for excise duty on finished goods lying in factory premises as and when the same are cleared. Accordingly, estimated liability amounting to ` NIL (P.Y. ` NIL) in respect of such goods as on 31.03.2014 has not been provided for in the accounts and hence not included in valuation of inventory. Non-provision of this liability will not affect profit for the year.

CUSTOM DUTY

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

PROVISION FOR RETIREMENT BENEFITS

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

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

EXPENSES

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

TIMING REVENUE RECOGNITION

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

TAXATION

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

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

CASH FLOW STATEMENT

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

CONTINGENT LIABILITIES

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

IMPAIRMENT OF ASSETS

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

PRIOR PERIOD ITEMS

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

NOTES :

- 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 Accounting Standard AS-11 issued by the Institute of Chartered Accountants of India, net loss of ` 9.29 lacs (PY gain of ` 2.57 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 ` 3462 (P.Y. ` 17653) towards gratuity calculated up to the date of Balance Sheet date according to the Gratuity Act on incremental basis.
- The company has provided for deferred tax of ` 23458 (P.Y. ` 174590) for the year under review as per AS-22 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).
- Managerial Remuneration paid:

	2013-14	2012-13
	Mg. Dir.	Mg. Dir.
(a) Salary `	2400000	2010000

	2013-14	2012-13
10. Payment to Auditors		
As an auditor	15000	15000
For Taxation & Other works	5000	10000
For Tax Audit	7000	7000
Out of Pocket Expense	2000	5000

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 2014 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
J & J Chemicals
Anvi Lifesciences Pvt Ltd
- Transactions / balances outstanding with Related parties

Particulars	Key Management Personnel	Relative Relatives of Key Management Personnel
	Amount `	Amount `
Managerial Remuneration	4050000	----
Sales of Goods / Services	---	9526089
Purchases of Goods /Services	---	13501837
Investment in equity shares/ Share Application Money	---	1300000
Debtors outstanding at the year end		3890966
Loans/advance at year end	---	300000

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

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

Particulars	2013-14	2012-13
	Amount `	Amount `
Profit after Tax	2042430	4179969
Weighted Average no. of equity shares of ` 10 each		
Basic	2990300	2990300
Diluted	2990300	2990300
EPS (`)		
Basic	0.68	1.40
Diluted	0.68	1.40

Additional information pursuant to the provisions of paragraph 3, 4C, and 4D of part-II of the schedule VI of the Companies Act, 1956.

14. Quantitative details and other information :

A	Curr. Yr. `	Prev. Yr. `
Material	1712403	525200
Capital Goods	----	-----
B Expenditure in foreign currency :		
Purchases of materials	1712403	525200
Advertisement Expenses	73692	82100
C Value of raw materials, stores and spares consumed :		
	%	%
(a) Value of raw material consumed :		
Imported	1575324	4.27%
Indigenous	35294116	95.73%
	36869440	100.00%
(b) Value of stores and spares consumed :		
Indigenous	372827	100.00%
	372827	100.00%
D Amount remitted in foreign currency on account of dividend	NIL	
E Earnings in foreign exchange `	11967199	23314152

Signature to Notes A to O

For Kishor Goyal & Co
Chartered Accountants

Sd/-
Jagdish Agrawal
Managing Director

Sd/-
Govind Gupta
Director

Sd/-
Kishor Goyal
Partner
Ahmedabad,
Dated : 26th May, 2014

Sd/-
Mrs. Abha Agrawal
Director
Ahmedabad,
Dated : 26th May, 2014

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details

Registration No.	L24231GJ1992PLC017054	State Code	04
Balance Sheet Date	31-Mar-14		

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	66092	Total Assets	66092
Source of Funds			
Paid up Capital	29903	Secured Loans	945
Reserves & Surplus	22830	Deferred Tax	898
		Current Liabilities	11516
Application of Funds			
Net Fixed Assets	13569	Current Assets	50493
Investments	1537		
Long term Loans & Advance	493		

Performance of the Company (Amount in thousands)

Turnover	73619	Total expenditure	70314
Profit before tax	3046	Profit after tax	2042
Earning per Share Rs.	0.68	Dividend Rate (%)	0%

Generatic Names of Three Principal Products/services of Company.

(as per monetary terms)

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

Note : Classification of products/services under ITC code being of a technical nature is not verified by the Auditors.

As per our attached report of even date.

	Sd /-	Sd /-
For Kishor Goyal & Co	Jagdish Agrawal	Govind Gupta
Chartered Accountants	Managing Director	Director
Sd /-		Sd /-
Kishor Goyal		Mrs.Abha Agrawal
Partner		Director
Ahmedabad,		Ahmedabad,
Dated : 26th May, 2014		Dated : 26th May, 2014

ISHITA DRUGS AND INDUSTRIES LTD

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

Form No. MGT-11Proxy 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 21st Annual General Meeting of the Company, to be held on Tuesday, 30th September, 2014 and at any adjournment thereof.

Sr. No	Particulars	For	Against
	ORDINARY BUSINESS		
1	To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2014, 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, who retires by rotation and, being eligible, offers himself for reappointment.		
3	To appoint a Director in place of Mr. Govind Gupta, who retires by rotation and, being eligible, offers himself for reappointment.		
4	To appoint the Auditors of the Company for the financial year 2014-15 and to fix their remuneration		
	SPECIAL BUSINESS		
5	Special Resolution for borrowing powers as per provisions of section 180 (1) (c) of the Companies Act, 2013		

Signed this _____ day of _____ 2014

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 Iyava , Sanand.

Attendance Slip(To be handed over at the entrance of the meeting hall)
21st Annual General Meeting - 30th September 2014

DP ID : _____

CLIENT ID : _____

FOLIO No. : _____

No. Of Shares held _____

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

Full name of Proxy (in BLOCK LETTERS) _____

Member's/Proxy's Signature _____