

# 27<sup>th</sup> Annual Report

2019-20



**Ishita Drugs & Industries Limited**

*"Our basic drugs in the service of humanity worldwide"*

**TWENTY- SEVENTH ANNUAL REPORT AND ACCOUNTS**

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

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

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, 3<sup>rd</sup> 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](http://www.ishitadrugs.com)**

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

**ANNUAL GENERAL MEETING**

On Wednesday, 30th September, 2020  
at 3.00 P.M. at Registered Office  
of the Company

**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the **TWENTY- SEVENTH ANNUAL GENERAL MEETING** of the Members of **ISHITA DRUGS AND INDUSTRIES LIMITED** (CIN L24231GJ1992PLC017054) will be held on Wednesday, 30<sup>th</sup> September, 2020 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 31<sup>st</sup> March, 2020, 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 2020-21 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.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
 "RESOLVED THAT pursuant to the provision of Sections 149, 152 Schedule IV and all other applicable provisions of the companies Act 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr Arvind Sapkal (DIN : 08607096) who was appointed as an Additional Director (Independent) pursuant to the provision of section 161 of companies Act 2013 and the Articles of Association of the company and in respect of whom he company has received a notice in writing under section 160 of the companies Act 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the company to hold office for 5(Five) years effective from the date of appointment by the Board, i.e. from 12<sup>th</sup> November 2019 to 11<sup>th</sup> November 2024.

**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 24.09.2020 to 30.09.2020 (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 Participant(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

**ELECTRONIC VOTING PARTICULARS**

EVEN (Electronic Voting Event Number)	User ID	Password

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) The Securities and Exchange Board of India (SEBI) has decided that securities of listed companies can be transferred only in dematerialised w.e.f. December 05, 2018 onwards. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form
- k) Non Resident Indian members are requested to inform Big Share/ respective DPs, immediately of :
- Change in their residential status on return to India for permanent settlement.
  - 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.
- l) Members may also note that the notice of Annual General Meeting will also be available on the Company's website [www.ishitadrugs.com](http://www.ishitadrugs.com)
- m) A route map showing directions to reach the venue of the Annual General Meeting is given as per requirement of Secretarial Standards-2 on General Meetings.
- n) Voting through electronic means:
- 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).
  - 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.
  - 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.
  - The e-voting facility will be available during the voting period as indicated herein below :

Commencement of e-voting	End of e-voting
Sunday 27 <sup>th</sup> September, 2020 at 10:00 am IST	Tuesday 29 <sup>th</sup> September, 2020 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 23rd September, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

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

- 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.
- Once the home page of e-voting system is launched, click on the icon "Login" which is available under shareholder's section.
- 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***

v. Your password details are given below:

- If you are already registered for e-voting , then you can use your existing password to login and cast your vote.
- 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.
- 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'.
- If your email ID is not registered , your 'initial password' is communicated to you.
- 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](http://www.evoting.nsdl.com)
  - b) “Physical User Reset Password” (if you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, Your PAN, your name and your registered address.
  - vii. After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.
  - viii. Now, you will have to click on “Login” button.
  - ix. 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.

### VI. 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](mailto:maheshwarics@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll

- free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto: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, 2020.
  - 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, 2020 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [bssahd@bigshareonline.com](mailto: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](http://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](http://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: 30<sup>th</sup> June, 2020

## 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**

<b>Name of the Director :</b>	Mrs. Abha Agrawal
<b>DIN :</b>	01589479
<b>Age &amp; Date of Birth :</b>	69 years, February 12, 1951
<b>Date of first appointment on the Board :</b>	05.02.1992
<b>Qualifications:</b>	M. A. (Psychology)
<b>Directorship in other Companies :</b>	1. Ishita Overseas Private Limited 2. Anvi Lifesciences Private Limited
<b>Membership of Committee</b>	Member of : 1. Nomination and Remuneration Committee 2. Stakeholders Relationship Committee
<b>No. of Board Meetings attended during the Financial Year 2019-20 :</b>	5/5 (Five)
<b>No. of shares held in the Company:</b>	189957 (6.35 % )
<b>Relationship with other Directors / KMP</b>	No relationship with any Directors / KMP except : Mr. Jagdish Agrawal, Managing Director (Spouse) Mr. Sumit Agrawal, CFO (Son)
<b>Proposed Remuneration</b>	NIL

**Item No. 4**

Mr. Arvind Sapkal (DIN: 08607096) was appointed as an Additional Director in the category of Non - Executive Independent Director, for a period of five years commencing from 12th November, 2019 to 11th November, 2024 subject to approval by the members in general meeting. His appointment is now to be approved by the members. No remuneration is proposed to be paid to him.

Additional information on Director recommended for 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 2** hereto.

None of the Directors are in any way concerned or deemed to be interested in the proposed resolution at Item No. 4 of the Notice.

The Board of Directors of your Company recommend that the Resolution under Item No. 4 be passed in the interest of the Company.

**ANNEXURE 2****INFORMATION ON DIRECTOR SEEKING APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING OF THE COMPANY**

<b>Name of the Director :</b>	Mr. Arvind Sapkal
<b>DIN :</b>	08607096
<b>Age &amp; Date of Birth :</b>	65 years, May 28, 1955
<b>Date of first appointment on the Board :</b>	12.11.2019
<b>Qualifications:</b>	B. Tech (Mechanical Engg.), IIT Mumbai
<b>Directorship in other Companies :</b>	<b>N.A.</b>
<b>Membership of Committee</b>	Member of : 1. Nomination and Remuneration Committee 2. Stakeholders Relationship Committee
<b>No. of Board Meetings attended during the Financial Year 2019-20 :</b>	1/5 (Five) He was only eligible to attend 1 meeting)
<b>No. of shares held in the Company:</b>	NIL
<b>Relationship with other Directors / KMP</b>	No relationship with any Directors / KMP
<b>Proposed Remuneration</b>	NIL

**DIRECTORS' REPORT**

**Dear Shareholders,**

We have pleasure in presenting the **Twenty- Seventh Annual Report** together with the Audited Accounts of your Company for the year ended on 31<sup>st</sup> March-2020.

**WORKING RESULTS**

₹ in Lacs

	For the year ended 31.03.2020	For the year ended 31.03.2019
Turnover & other incomes	1499.46	925.05
Operating gross profit	92.56	67.94
Financial Charges	(3.47)	(6.06)
Depreciation	(17.75)	(15.59)
Profit before tax & after exceptional items	71.34	46.29
Provision for Income Tax	(17.50)	(11.50)
Provision for Deferred Tax	0.87	0.37
Net profit / loss (-)	54.71	35.16

**DIVIDEND**

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

**BUSINESS OPERATIONS & FINANCIAL PERFORMANCE**

The Board is pleased to report that the company has clocked its highest ever turnover during the year under review. The total revenues of the company increased from Rs. 925.05 lakh in the previous year to Rs. 1499.46 lakh in the year under review, an year on year increase of nearly 62%. The increase was partly on account of newer products introduced by the company.

The increase in revenues led to higher operating profits for the company. The company was able to improve its operating profits from ₹ 67.94 lakh in the previous year to ₹ 92.56 lakh during the year under review, mainly due to higher selling prices for its products.

The company also recorded its highest ever net profit. During the year under review, the net profits of the company improved to ₹ 54.71 lakh compared to profit of ₹ 35.16 lakh in the previous year.

**IMPACT OF COVID-19 & FUTURE OUTLOOK**

The COVID-19 pandemic has greatly affected the economic scenario in the country and around the world. The Company's products - Bulk Drugs / Medicines - were declared as "Essential Commodities" by the Govt. of India and consequently, the factory was permitted to operate throughout the lockdown period. Despite this, due to migration of labour, lack of raw materials, non-availability of goods transport, problems in movement of staff and labour, the operations of the Company were impacted and the factory was operational at around 35% capacity. Now that some of the lockdown restrictions have been eased, the operations have improved but complete normalisation may take some more time. There is no end in sight to the pandemic so far. Thus, the ongoing pandemic is likely to have some impact on the business of the Company during the current year; but it is difficult to quantify or estimate the same presently. However, it must be mentioned that the Company has no liquidity concerns, and has adequate funds to meet all its statutory and other financial obligations.

There is, though, a silver lining - due to the COVID-19 pandemic, the Govt. of India has realized the importance of API industry and decided to reduce dependence on China for APIs by supporting and encouraging domestic API industry. The Govt. of India is likely to come up with various schemes to promote / encourage domestic API industry. The Board is hopeful that such policies as and when declared, would help the company in the long term.

**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, 2020, 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 M/s. Jaymin Shah & Associates Chartered Accountants (FRN : 129406W) as Statutory Auditors of the company for the year ended March 31, 2020.

The Auditors' Report on the financial statements for the financial year 2019-20 does not contain any qualification, reservation, or adverse remarks. The remarks made in the Auditors' report are self explanatory.

For the financial year 2020-21, 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, 2020.

**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) Mr. Arvind Sapkal, (DIN: 08607096) was appointed as Additional Director in the category of Independent Non-Executive Director, subject to approval of members at general meeting, for a 5 year period from November 12, 2019 to November 11, 2024. His appointment is to be approved by the members. The Board recommends his appointment.

(c) Dr. S. K. Agrawal (DIN: 00808820) resigned as an Independent Director during the year under review, due to personal reasons. The Board at its meeting held on November 12, 2019 accepted his resignation. The Board was appreciative of his contribution and guidance to the Company during his tenure.

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** and Certificate of Non disqualification of Directors as **Annexure D** 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 HARASSMENT 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 2019-20 and hence no complaint is outstanding as on 31.03.2020 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, 2020 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 E**.

#### **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: 30<sup>th</sup> June, 2020

Sd/-  
**Jagdish Agrawal**  
Managing Director



**ANNEXURE A TO THE BOARD'S REPORT**  
**EXTRACT OF ANNUAL RETURNS AS ON 31<sup>ST</sup> MARCH 2020**

**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 <sup>th</sup> 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 : <a href="mailto:ishitadrugs@vsnl.net">ishitadrugs@vsnl.net</a>
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 : <a href="mailto:bssahd@bigshareonline.com">bssahd@bigshareonline.com</a>

**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	
<b>A. Promoter</b>									
1) Indian									
a) Individual/ HUF	998827	100	998927	33.40	1001575	--	1001575	33.49	0.09
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):-	1426127	100	1426227	47.70	1428875	--	1428875	47.78	0.09
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	98020	3100	101120	<b>3.38</b>	86994	3100	<b>90094</b>	<b>3.01</b>	<b>(0.37)</b>
(ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	670408	447545	1117953	<b>37.39</b>	649656	442265	<b>1091921</b>	<b>36.52</b>	<b>(0.87)</b>
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	251489	0	251489	<b>8.41</b>	252439	0	<b>252439</b>	<b>8.44</b>	<b>0.03</b>
c) Others - NRIs									
(i) Clearing Members	700	0	700	<b>0.02</b>	19	0	<b>19</b>	<b>0.00</b>	<b>(0.02)</b>
(ii) NRI	81211	0	81211	<b>2.72</b>	94115	0	<b>94115</b>	<b>3.15</b>	<b>0.43</b>
(iii) NBFC Registered with RBI	11500	0	11500	<b>0.38</b>	11500	0	11500	<b>0.38</b>	<b>0.00</b>
(iv) Trusts	100	0	100	<b>0.00</b>	100	0	100	<b>0.00</b>	<b>0.00</b>
(v) HUF	0	0	0	<b>0.00</b>	21237	0	21237	<b>0.71</b>	<b>0.71</b>
Sub-total(B)(2)	1113428	450645	<b>1564073</b>	<b>52.30</b>	1116060	445365	<b>1561425</b>	<b>52.21</b>	<b>(0.09)</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1113428	450645	<b>1564073</b>	<b>52.30</b>	1116060	445365	<b>1561425</b>	<b>52.21</b>	<b>(0.09)</b>
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	2539555	450745	<b>2990300</b>	<b>100.00</b>	2544935	445365	<b>2990300</b>	<b>100.00</b>	<b>0.00</b>

\* 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.	AGRAWAL JAGDISHPRASAD G	85000	2.84	NIL	85000	2.84	NIL	0.00
2.	ABHA AGRAWAL	187309	6.26	NIL	189957	6.35	NIL	0.09
3.	JAGDISH AGRAWAL	245259	8.20	NIL	205259	6.86	NIL	(1.34)
4.	ISHITA AGRAWAL	25140	0.84	NIL	25140	0.84	NIL	0.00
5.	SUMIT AGRAWAL	291969	9.76	NIL	231969	7.75	NIL	(2.01)
6.	DIVYA SUMIT AGRAWAL	104150	3.48	NIL	104150	3.48	NIL	0.00
7.	UMANG FINANCIALSERVICES LTD.	297300	9.94	NIL	297300	9.94	NIL	0.00
8.	ISHITA OVERSEAS PVT.LTD.	130000	4.35	NIL	130000	4.35	NIL	0.00
9.	SUMIT AGRAWAL (HUF)	60000	2.01	NIL	60000	2.01	NIL	0.00
10.	VIRENDRA AGRAWAL	100	0.00	NIL	100	0.00	NIL	0.00
11.	VARLIKA SUMIT AGRAWAL	NIL	NIL	NIL	40000	1.34	NIL	1.34
12.	KRISHN SUMIT AGRAWAL	NIL	NIL	NIL	60000	2.01	NIL	2.01
	<b>Total</b>	<b>1426227</b>	<b>47.70</b>	<b>NIL</b>	<b>1428875</b>	<b>47.78</b>	<b>NIL</b>	<b>0.09</b>

## 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.	Abha Agrawal	187309	6.26	0	2648	189957	6.35
2.	Jagdish Agrawal	245259	8.20	40000	0	205259	6.86
3.	Sumit Agrawal	291969	9.76	60000	0	231969	7.75
4.	Varlika Sumit Agrawal	0	0	0	40000	40000	1.34
5.	Krishn Sumit Agrawal	0	0	0	60000	60000	2.01

**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	2046466	---	---	2046466
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not	---	---	---	---
<b>Total(i+ii+iii)</b>	<b>2046466</b>	<b>---</b>	<b>---</b>	<b>2046466</b>
Change in Indebtedness during the financial year				
- Addition	1610465	---	---	1610465
- Reduction	776777	---	---	776777
<b>Net Change</b>	<b>833688</b>	<b>---</b>	<b>---</b>	<b>833688</b>
Indebtedness at the end of the financial year				
i) Principal Amount	<b>2880154</b>	---	---	<b>2880154</b>
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
<b>Total (i+ii+iii)</b>	<b>2880154</b>	<b>---</b>	<b>---</b>	<b>2880154</b>

**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	33,60,000	33,60,000
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission	0	0
5.	Others, please specify	0	0
6.	Total (A)	33,60,000	33,60,000
	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	31,80,000	2,76,960	34,56,960
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
5.	Others, please specify	0	0	0
6.	Total	31,80,000	2,76,960	34,56,960

**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 2019-20 is as follows:**

Name of Director	Total Remuneration (₹)	Ratio of remuneration of Director to the median remuneration
Mr. Jagdish Agrawal	33,60,000/-	12.76

**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, 2020.

**B. Details of percentage increase in the remuneration of Director and CFO in the financial year 2019-20:**

Name	Designation	Remuneration in ₹ (Per Month)		Increase (%)
		2019-20	2018-19*	
Jagdish Agrawal	M. D.	2,80,000	2,80,000	0.00
Sumit Agrawal	CFO	2,65,000	2,65,000	0.00

\* As on March 31, 2019

**C. Percentage increase in the median remuneration of all employees in the FY 2019-20**

It is not practical to ascertain the above as the type and number of employees at different levels has changed between FY 2018-19 & FY 2019-20.

**D. Number of permanent employees on the rolls of the Company as on 31.03.20: 14 (Fourteen)**

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

There was an increase of 6.00% in remuneration of all employees in the financial year 2019-20 as compared to the financial year 2018-19. The increase was essential to retain employees and possible due to better operating and net profit margins during the year. (Remuneration of only those employees was considered who were with the company in 2018-19 and 2019-20.)

	Growth (%)
Total Revenues	62.01
Operating Profit	36.24
Profit After Tax	55.60

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

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

There was no increase in the remuneration of the Key Managerial Personnel during the FY 2019-20 while the net profits of the company increased by 55.60% in the year 2019-20 compared to 2018-19.

**G. Details of Share price and market capitalization**

	As on 31 <sup>st</sup> March 2020	As on 31 <sup>st</sup> March 2019	Increase / (Decrease) (%)
Closing Market Price on BSE	10.95	14.65	(25.26)
Price Earnings Ratio	5.98	12.46	(51.97)
Market Capitalization (₹. lakh)	327.43	438.08	(25.26)

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 6.00% in the remuneration of all employees, excluding Key Managerial Personnel, during the year under review. There was no increase in the remuneration of Key Managerial Personnel in the financial year 2019-20 as compared to the financial year 2018-19. (Remuneration of only those employees was considered who were with the company in 2018-19 and 2019-20).

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

The remuneration payable to the Director for the year 2019-20 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 31/03/2020

[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**  
CIN No. L24231GJ1992PLC017054

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, 2020, 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, 2020, 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;
- (vi) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009; (Not applicable as there was no reportable event during the financial year under review)
- (vii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable as there was no reportable event during the financial year under review)
  - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Report)
  - (e) 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)
- (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as there was no reportable event during the financial year under review)
- (ix) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; (Not applicable as there was no reportable event during the financial year under review)
- (x) Circulars/Guidelines issued thereunder;
- (xi) 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. Management has identified and confirmed the following laws as being specifically applicable to the Company;

- Pharmacy Act, 1948;
- Drugs & Cosmetics Act , 1940,;
- Narcotic Drugs and psychotropic Substances Act , 1985;
- Indian Boilers Act , 1923;
- Factories Act, 1948;
- The Insecticide Act, 1968;
- Environment Protection Act, 1986 and other environmental laws
- Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003
- Maternity Benefits Act, 1961
- Sale of Goods Act, 1930
- The Payment of Gratuity Act, 1972

- The Payment of Wages Act, 1936
  - Equal Remuneration Act, 1976
  - The Industrial Disputes Act, 1947
  - The Child Labour (Regulation & Abolition) Act, 1970
- 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, 2020);
- (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.

1. As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**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

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

**Date: 30.06.2020**  
**Place: Ahmedabad**

**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  
CIN No. L24231GJ1992PLC017054

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.

I further report that I could not physically verify few documents/ registers/returns due to Lockdown situation in relation to outbreak of Pandemic Covid-19 and I have relied upon the soft copies/information shared with me.

For Meenu Maheshwari & Associates

Sd/-  
Proprietor  
(Meenu Maheshwari )  
Company Secretaries

Date: 30.06.2020 Firm Regn No.: S2015GJ305400  
Place: Ahmedabad FCS No. 7087 C.P. No. 8953

**ANNEXURE D TO THE BOARD'S REPORT  
CERTIFICATE OF NON-DISQUALIFICATION  
OF DIRECTORS**

[Pursuant to Regulations 34(3) and Schedule V Para C  
Clause (10) (i) of the SEBI (Listing Obligations and  
Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
ISHITA DRUGS AND INDUSTRIES LIMITED  
SURVEY NO 179/1, VASNA-IYAVA,  
TALUKA, SANAND, AHMEDABAD GJ- 382210 INDIA

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ISHITA DRUGS AND INDUSTRIES LIMITED** having CIN **L24231GJ1992PLC017054** and having registered office at **SURVEY NO 179/1, VASNA-IYAVA, TALUKA SANAND AHMEDABAD GJ 382210 IN** and (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the effici conducted the affairs of the Company.

For Meenu Maheshwari & Associates

Sd/-  
Proprietor  
(Meenu Maheshwari )  
Company Secretaries

Date: 30.06.2020 Firm Regn No.: S2015GJ305400  
Place: Ahmedabad FCS No. 7087 C.P. No. 8953

**ANNEXURE E 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**

	2019-20	2018-19
1) Electricity		
(a) Purchased units KWH (GEB)	94640	106882
Total amount ₹	893673	905686
Average Rate per Unit ₹	9.44	8.47
(b) Own Generation through D.G.		
Amount of Diesel	-----	-----
Units of Diesel consumed (Ltrs)	-----	-----
2) Other Fuels ₹	1493149	1530022

**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:**

	2019-20	2018-19
(a) Capital	----	----
(b) Recurring	₹ 140302	₹ 164450
Total (a+b)	₹ 140302	₹ 166450
(c) Total R&D expenditure as a percentage of total turnover	0.10%	0.18%

**(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 - ₹ 6823700 (PY ₹ 5966953)
- Foreign Exchange Outgo - ₹ 24629740 (PY ₹ 2198533)

For and on behalf of the Board

Place: Ahmedabad  
Dated: 30<sup>th</sup> June, 2020

Sd/-  
**Jagdish Agrawal**  
Managing Director



## **REPORT ON CORPORATE GOVERNANCE & GENERAL SHAREHOLDER INFORMATION**

### **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 (1) is Managing Director of the Company. The composition of the Board is in conformity with Regulation 17 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 17 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, 2020, five (5) 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 09/04/2019, 29/05/2019, 13/08/2019, 12/11/2019 and 11/02/2020.

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 18 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 five times on 09/04/2019, 29/05/2019, 13/08/2019, 12/11/2019 and 11/02/2020.

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 31<sup>st</sup> March 2020, five (5) Committee Meetings were held on 09/04/2019, 29/05/2019, 13/08/2019, 12/11/2019 and 11/02/2020.

#### 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 2019-20, 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 2019-20.**

##### 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, including salary and other perquisites, as approved by the Remuneration Committee. For the financial year 2019-20, 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 2019-20, the Committee meet five times on 09/04/2019, 29/05/2019, 13/08/2019, 12/11/2019 and 11/02/2020. There were no pending complaints at the end of the financial year 2019-20.

#### 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
2018-2019	Survey No.179/1, Village : Vasma-Iyava Ta. Sanand,	30/09/19	3.00 p.m.	0
2017-2018		29/09/18		1
2016-2017		30/09/17		0

The venue and the time of Extra ordinary General Meetings (EGM) of the Company held during FY 2019-20 are as follows:

Year	Location	Meeting Date	Time	No. of Special Resolution set Out at the AGM
2018-2019	Survey No.179/1, Village : Vasma-Iyava Ta. Sanand,	20/05/19	3.00 p.m.	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>B. GENERAL SHAREHOLDER INFORMATION:</b>				
1. AGM for the F.Y 2019-20	30/09/2020 at 3.00 p.m at Survey No.179/1, Village : Vasna-Iyava, Ta. Sanand, Dist. Ahmedabad			
2. Date of Book closure	24/09/2020 to 30/09/2020 (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 31/03/20, approx. 85.11% 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-19	21.50	14.33	2170
	May-19	21.80	15.50	7261
	Jun-19	18.75	14.60	1173
	Jul-19	19.00	17.85	641
	Aug-19	20.00	17.10	7321
	Sep-19	19.00	19.00	512
	Oct-19	18.45	12.80	2465
	Nov-19	14.07	11.85	10450
	Dec-19	12.45	10.75	3486
	Jan-20	15.50	12.17	5811
	Feb-20	15.80	13.55	3977
Mar-20	13.50	10.45	3910	
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 21<sup>st</sup> April, 2011 and Circular No. 18/2011 dated 29<sup>th</sup> 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, due to the COVID-19 pandemic, the present Govt. has recognized the importance of reducing dependence on China for APIs 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: 30<sup>th</sup> June, 2020

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 our knowledge and belief:

- We 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 or 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;
- We are responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company; and we 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;
- We 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
- We 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: 30<sup>th</sup> June, 2020

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 **31/03/2020**, 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 safe guarding 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 **31/03/2020**, 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 **31/03/2020** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2020** 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 : 29<sup>th</sup> June, 2020  
Place : Ahmedabad

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

Sd/-  
**CA Mayank Sancheti**  
Partner  
M.No. : 170863  
UDIN : 20170863AAAABE3134

## ANNEXURE - A

**Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on 31st March 2020**

To,

The Members of ISHITA DRUGS AND INDUSTRIES LTD.

We report that: -

Sl. No.	Comment Required on	Auditor's Opinion on Following Matter	Auditor's Remark
(i)	Fixed Assets	a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets?	The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
		b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of accounts?	Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
		c) Whether the title deeds of immovable properties are held in the name of the company? If not, provide the details thereof.	Yes, held in the name of Company.
(ii)	Inventory	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account?	Physical verification of inventory has been conducted at reasonable intervals by the management.
(iii)	Loans Secured or Unsecured Granted	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of The Companies Act, 2013? if so,	As informed, the company, company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
		a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest?	As informed, the company, company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
		b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular?	As informed, the company, company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
		c) If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest?	As informed, the company, company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
(iv)	Loan to director and investment by the company	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	While doing transaction for loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
(v)	Public Deposits	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal whether the same has been complied with or not?	The company has not accepted any Deposits.
(vi)	Cost Accounting Records	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained?	To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the company.

(vii)	Statutory Compliance	a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated?  b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute)	The company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales, tax wealth tax, service tax, custom duty, excise duty. Cess and other statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.  There is no dispute with the revenue authorities regarding any duty or tax payable.
(viii)	Loan from Banks/ Financial Institution	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and government, lender wise details to be provided)	The company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
(ix)	Application of Money Received from Equity or Loan	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification? if any, as may be applicable, be reported.	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.
(x)	Fraud Reporting	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year? If yes, the nature and the amount involved is to be indicated;	Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.
(xi)	Managerial Remuneration	whether 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? If not, state the amount involved and steps taken by the company for securing refund of the same.	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.
(xii)	Nidhi Company - Compliance with Deposits	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability?	As per information and records available with us The company is not Nidhi Company.
(xiii)	Related Party Transactions	Whether 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?	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.
(xiv)	Issue of Share Capital and use of Amount Raised	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance?	No Preferential allotment or Private Placement of shares done during the Financial Year Under Consideration.
(xv)	Transaction with Director	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with?	The company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of Companies Act, 2013 have been complied with.
(xvi)	Registration from RBI	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained?	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act.

Date : 29<sup>th</sup> June, 2020  
Place : Ahmedabad

**FOR Jaymin Shah & Associates**  
Chartered Accountants  
Reg No. : 129406W  
**CA Mayank Sancheti**  
Partner  
M.No. : 170863  
UDIN : 20170863AAAABE3134

**"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, 2020 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**Date : 29<sup>th</sup> June, 2020  
Place : AhmedabadChartered Accountants  
Reg No. : 129406WSd/-  
**CA Mayank Sancheti**  
PartnerM.No. : 170863  
UDIN : 20170863AAAABE3134



## BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in ₹)

S.N	PARTICULARS	Note No		As at 31/03/2020	As at 31/03/2019
I	<b>ASSETS</b>				
1	<b>NON-CURRENT ASSETS</b>				
	(a) PROPERTY, PLANT AND EQUIPMENT	A	11369951		12998979
	(b) FINANCIAL ASSETS				
	(i) INVESTMENTS	B	2068098		1592254
	(ii) LOANS	C	506200		506200
	<b>TOTAL(1)</b>			13944249	15097433
2	<b>CURRENT ASSETS</b>				
	(a) INVENTORIES	D	5809314		7387752
	(b) FINANCIAL ASSETS				
	(i) INVESTMENTS	E	50866475		38787641
	(ii) TRADE RECEIVABLES		13109813		11803412
	(iii) CASH AND CASH EQUIVALENTS	F	4017892		3248456
	(iv) OTHER BALANCES WITH BANK	G	5978175		6862594
	(v) LOANS	H	0		10340
	(c) OTHER CURRENT ASSETS	I	284000		168263
	<b>TOTAL(2)</b>			80065668	68268458
	<b>TOTAL ASSETS(1+2)</b>			94009916	83365891
II	<b>EQUITY AND LIABILITIES</b>				
1	<b>EQUITY</b>				
	(a) EQUITY SHARE CAPITAL	J	29903000		29903000
	(b) OTHER EQUITY	K	39707583		34236519
	<b>TOTAL (1)</b>			69610583	64139519
2	<b>NON-CURRENT LIABILITIES</b>				
	(a) FINANCIAL LIABILITIES				
	(i) BORROWINGS	L	419486		1224637
	(b) DEFERRED TAX LIABILITIES (NET)		469729		556394
	<b>TOTAL(2)</b>			889216	1781031
3	<b>CURRENT LIABILITIES</b>				
	(a) FINANCIAL LIABILITIES				
	(i) BORROWINGS	M	1655517		45052
	(ii) TRADE PAYABLES		18936050		13785833
	(b) OTHER CURRENT LIABILITIES	N	993862		974234
	(c) PROVISIONS	O	1669022		1714600
	(d) CURRENT TAX LIABILITIES (NET)		255666		925622
	<b>TOTAL(3)</b>			23510118	17445341
	<b>TOTAL LIABILITIES(1+2+3)</b>			94009916	83365891

Notes on Accounts &amp; 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 : 30<sup>th</sup> June, 2020

Sd/-

**Sumit Agrawal**  
CFO

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2020

(Amount in ₹)

S.N	PARTICULARS	Note No		Year 2019-20	Year 2018-19
	<b>INCOME</b>				
I	REVENUE FROM OPERATIONS			148322553	90871702
II	OTHER INCOME	PL-1		1623209	1633717
III	<b>TOTAL INCOME (I+II)</b>			149945762	92505419
IV	<b>EXPENSES:</b>				
	(a) COST OF MATERIAL CONSUMED	PL-2		113552709	62062009
	(b) PURCHASE OF STOCK IN TRADE	PL-3		925290	635753
	(c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	PL-4		(26517)	1316145
	(d) EMPLOYEE BENEFIT EXPENSES	PL-5		10979474	9554957
	(e) FINANCIAL CHARGES	PL-6		347019	605776
	(f) DEPRECIATION			1774670	1559075
	(g) MANUFACTURING AND OTHER EXP.	PL-7		15258719	12143001
	<b>TOTAL EXPENSES</b>			142811363	87876716
V	PROFIT FOR BEFORE TAX (III-IV)			7134399	4628703
VI	<b>TAX EXPENSE</b>				
	(a) CURRENT TAX			1750000	1150000
	(b) DEFERRED TAX			(86665)	(36923)
VII	<b>PROFIT / (LOSS) FOR THE YEAR</b>			5471064	3515626
VIII	OTHER COMPREHENSIVE INCOME			0	0
IX	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			5471064	3515626
X	EARNING PER EQUITY SHARE (FACE VALUE ₹ 10 EACH)				
	(a) BASIC			1.83	1.18
	(b) DILUTED			1.83	1.18

Notes on Accounts &amp; 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 : 30<sup>th</sup> June, 2020

Sd/-

**Sumit Agrawal**  
CFO

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in ₹)

	For the Year 2019-20	For the Year 2018-19
<b>A Cash flow from operating activities :</b>		
Profit before tax	7134399	4628703
Add : Depreciation	1774670	1559075
Interest & Other financial charges	347019	605776
Less : Interest received	455685	692450
Dividend received	975	195
Income from Investments	1166549	941072
Operating profit before change in working capital	7632878	5159837
Add : Trade Debtors	(1306401)	(3587884)
Decrease / (Increase) in Inventory	1578438	(186866)
Decrease /(Increase) in Loans and advances	(105397)	74519
Less : Provision for Taxation	1750000	1150000
Increase / (Decrease) Short term provisions	45578	(558070)
Trade creditors, Current liabilities & Provisions	(4471517)	(7003941)
Net cash generated from operating activities (A)	10475457	7871617
<b>B Cash inflow from investing activities :</b>		
Add : Investment sold / (purchased)	(12554678)	(8851057)
Dividend received	975	195
Income from Investments	1166549	941072
Less : Investment in fixed assets	145642	2678168
Net cash generated from investing activities (B)	(11532795)	(10587957)
<b>C Cash flow from financial activities :</b>		
Add : Interest received	455685	692450
Add : Borrowing	833688	779515
Less : Interest & Other financial charges	347019	605776
Net cash generated from financial activities (C)	942354	866190
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(114983)</b>	<b>(1850151)</b>
Opening balance of Cash and cash equivalents & Other Bank Balances	10111050	11961201
Closing balance of Cash and cash equivalents & Other Bank Balances	9996067	10111050
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents &amp; Other Bank Balances</b>	<b>(114983)</b>	<b>(1850151)</b>
Note : Figures in bracket indicate negative value		

Correctly extracted from Audited accounts of the Company

Sd/-  
**Mrs.Abha Agrawal**  
 Director  
 Ahmedabad  
 Dated : 30<sup>th</sup> June, 2020

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 2020 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.

Sd/-  
**For Jaymin Shah & Associates**

Place : Ahmedabad  
 Dated : 30<sup>th</sup> June, 2020

Chartered Accountants

## NOTES :

## A PROPERTY, PLANT &amp; EQUIPMENT

Particulars	Gross Block				Depreciation				Net Block	
	As at 01/04/19 ₹	Addition ₹	Deduction ₹	As at 31/03/20 ₹	As at 01/04/19 ₹	Addition ₹	Deduction ₹	As at 31/03/20 ₹	As at 31/03/20 ₹	As at 31/03/19 ₹
Factory Land	904811	---	---	904811	---	---	---	---	904811	904811
Plant and Machinery	24658940	---	---	24658940	19903827	507257	---	20411084	4247857	4755114
Laboratory Equipment	2134622	---	---	2134622	1510137	84918	---	1595055	539567	624485
Cylinders	14441	---	---	14441	14441	---	---	14441	---	---
Effluent Treatment Plant	1608641	---	---	1608641	1528209	---	---	1528209	80432	80432
Factory Building	5905137	---	---	5905137	4246347	169542	---	4415889	1489248	1658790
Office Building	1264568	---	---	1264568	510074	20947	---	531021	733547	754494
Furniture and Fixtures	2125295	---	---	2125295	1525329	128139	---	1653468	471827	599966
Office Equipment	1089694	15624	--	1105318	659065	87730	---	746795	358523	430629
Computers	795057	78818	---	873875	768786	31876	---	800662	73213	26271
Vehicles	6826194	51200	---	6877394	3662206	744261	---	4406467	2470927	3163988
<b>Total</b>	<b>47327400</b>	<b>145642</b>	<b>---</b>	<b>47473042</b>	<b>34328421</b>	<b>1774670</b>	<b>---</b>	<b>36103091</b>	<b>11369951</b>	<b>12998979</b>
Previous Year	44649232	2678168	---	47327400	32769346	1559075	---	34328421	12998979	11879886

(Amount in ₹)

Notes	As at 31-Mar-20	As at 31-Mar-19
<b>B NON CURRENT INVESTMENT</b>		
<b>(a) Unquoted</b>		
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>(b) Quoted</b>		
204 Shares of Jet Airways (India) Ltd. each of ₹ 10/- fully paid up [ Market value ₹ 2723 (PY ₹ 54947) ]	224400	224400
28 Shares of BSE Ltd. each of ₹ 2/- fully paid up [ Market value ₹ 8310 (PY ₹ 17112) ]	22568	31434
80 Shares of Avenue Supermart Ltd. each of ₹ 10/- fully paid up [ Market value ₹ 176056 (PY ₹ 117608) ]	23920	23920
642 Shares of SBI Cards & Payment Services Ltd. each of ₹ 10/- fully paid up [Market value ₹ 397013 (PY ₹ N.A.)]	484710	0
Total	<b>2068098</b>	<b>1592254</b>
<b>C NON CURRENT LOANS</b>		
Security Deposits (Unsecured Considered Good Unless Otherwise stated)	506200	506200
Total	<b>506200</b>	<b>506200</b>
<b>D INVENTORIES</b>		
As taken, valued and certified by the M.D.		
Raw material ( at cost )	3233903	4603661
Raw Material in transit (at cost)	0	131250
Work in Process ( at cost )	2532592	2506075
Packing, Fuel Etc. ( at cost )	42819	146766
Total	<b>5809314</b>	<b>7387752</b>

(Amount in ₹)

Notes	As at 31-Mar-20	As at 31-Mar-19
<b>E</b> <b>CURRENT INVESTMENTS</b> Investments in units of Mutual Fund	50866475	38787641
<i>Total</i>	50866475	38787641
<b>F</b> <b>CASH &amp; CASH EQUIVALENTS</b> Cash on hand Banks Balance In Current / EEFC Account	27992	239078
<i>Total</i>	3989900	3009378
<b>G</b> <b>OTHER BALANCES WITH BANK</b> In Fixed Deposit Accounts	4017892	3248456
<i>Total</i>	5978175	6862594
<b>H</b> <b>CURRENT LOANS</b> (Unsecured - Considered good) Advances recoverable in cash or kind or for value to be received	0	10340
<i>Total</i>	0	10340
<b>I</b> <b>OTHER CURRENT ASSETS</b> Prepaid Expenses	284000	168263
<i>Total</i>	284000	168263
<b>J</b> <b>EQUITY SHARE CAPITAL</b> (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	35000000
<i>Total</i>	29903000	29903000
<b>K</b> <b>OTHER EQUITY</b> (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	1500000
<i>Total</i>	32572019	29056393
	5471064	3515626
	38043083	32572019
	164500	164500
	39707583	34236519
<b>L</b> <b>NON CURRENT BORROWINGS</b> ICICI Bank Ltd- Vehicle Loan HDFC Bank Ltd-Vehicle Loan	0	422212
<i>Total</i>	419486	802425
<b>M</b> <b>CURRENT BORROWINGS</b> Working Capital Facility from Bank (Secured by first charge on stocks and fixed assets of the Company)	1655517	45052
<i>Total</i>	1655517	45052
<b>N</b> <b>OTHER CURRENT LIABILITIES</b> (1) Current Maturities of Long Term Debts (Vehicle Loan) (2) TDS Payable	805150	776777
<i>Total</i>	188712	197457
<b>O</b> <b>PROVISIONS</b> (1) Provisions For Employee Benefits (2) Others	993862	974234
<i>Total</i>	546437	370158
	1122585	1344442
	1669022	974234
<b>PL-1</b> <b>OTHER INCOME</b> Dividend Income Interest Income Income from Investments	975	195
<i>Total</i>	455685	692450
	1166549	941072
	1623209	1633717
<b>PL-2</b> <b>COST OF MATERIALS CONSUMED:</b> Consumption of Raw Material Consumption of Packing Material	113224781	61711369
<i>Total</i>	327928	350640
	113552709	62062009
<b>PL-3</b> <b>PURCHASES OF TRADED GOODS</b> Consumption of Goods Traded	925290	635753
<i>Total</i>	925290	635753

(Amount in ₹)

Notes	As at 31-Mar-20	As at 31-Mar-19
<b>PL-4</b> <b>Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</b>		
Inventory Adjustments		
(a) Opening Stock		
Manufacturing Goods	---	---
Work in process	2506075	3822220
	2506075	3822220
(b) Closing Stock		
Manufacturing Goods	---	---
Work in process	2532592	2506075
	2532592	2506075
Net Inventory Adjustments (a-b)	Total	
	(26517)	1316145
<b>PL-5</b> <b>EMPLOYEE BENEFITS EXPENSE</b>		
Salary & wages & Bonus	7034590	6270558
Gratuity	16603	40443
Staff Welfare Exp.	441608	273480
Director's Remuneration	3360000	2880000
Contribution for Provident Fund	100119	49039
Contribution for ESIC	26554	41437
	26554	41437
	Total	
	10979474	9554957
<b>PL-6</b> <b>FINANCIAL CHARGES</b>		
Interest	211580	494722
Other financial charges	135438	111054
	135438	111054
	Total	
	347019	605776
<b>PL-7</b> <b>OTHER EXPENSES:</b>		
<b>A</b> <b>MANUFACTURING EXPENSE</b>		
Stores & Spare	621341	615893
Power & Fuel	2386822	2435709
Repairs to Plant & Machinery	1287874	797204
Process Related Exp.	96840	110560
Laboratory Exp.	307207	196910
Research & Development Expenses	140302	164450
ETP Maintenance Exp.	1636014	1699104
	1636014	1699104
	Total	
	6476399	6019829
<b>B</b> <b>ADMINISTRATIVE EXPENSE</b>		
Books & Periodicals	29549	27358
Repairs To Building	428756	255039
Repairs To Others	504538	176085
Insurance Exp.	275886	240437
Printing & Stationery Exp.	169008	141040
Postage & Telephones	126105	159249
Office and General Exp.	1080149	544872
Motor Car Expenses	335952	331248
Payment to Auditor	29000	29000
Legal & Professional fees	721531	646731
Listing, filling & license fees	339098	259700
Share Transfer Exp.	46296	54330
Rent, Rates & Taxes	2469856	1541742
	2469856	1541742
	Total	
	6555725	4406832
<b>C</b> <b>SELLING &amp; DISTRIBUTION EXPENSE</b>		
Traveling & Conveyance	877719	697728
Freight & Forwarding	470781	355189
Sales Commission	818355	575605
Advertisement	59740	87818
	59740	87818
	Total	
	2226595	1716340
<b>GRAND TOTAL (A+B+C)</b>		
	15258719	12143001

**NOTE P: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31.03.2020.**

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.

**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.

**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 ₹ 1.26 lacs (PY Loss of ₹ 0.52 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 ₹ 16603 (P.Y. ₹ 40443) 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 ₹ 86665 (P.Y. deferred tax assets of ₹ 36923) 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>2019-20</u>	<u>2018-19</u>
	<u>Mg. Dir.</u>	<u>Mg. Dir.</u>
(a) Salary ₹	3360000	2880000
(b) Perks/ Reimbursement ₹	-----	----

**10. Payment to Auditors (₹)**

	<u>2019-20</u>	<u>2018-19</u>
As an auditor	29000	29000
For Taxation & Other works	10000	5000
For Tax Audit	6000	3000
Out of Pocket Expense	4000	2000

- 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 31<sup>st</sup> March 2020 is not ascertainable.

- 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

- Transactions / balances outstanding with Related parties

Particulars	Key Management Personnel Amount in ₹	Relatives of Key Management Personnel Amount in ₹
Managerial Remuneration	6540000	---
Sales of Goods / Services	---	40249727
Purchases of Goods /Services	---	56829600
Investment in equity shares/ Share Application Money	---	1300000
Loans/advance at year end	---	300000
Lease Rent	---	1795842

**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	2019-20 Amount ₹	2018-19 Amount ₹
Profit after Tax	5471064	3515626
Weighted Average no. of equity shares of ₹ 10 each		
Basic	2990300	2990300
Diluted	2990300	2990300
EPS (₹ .)		
Basic	1.83	1.18
Diluted	1.83	1.18

## 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	27365720	9457892
----------	----------	---------

## B Expenditure in foreign currency :

Purchases of materials	24624108	2025275
Miscellaneous Expenses	5632	173258

## C Value of raw materials, stores and spares consumed :

	₹	%	₹.	%
(a) Value of raw material consumed :				
Imported	26704634	23.59	10136424	16.43
Indigenous	86520147	76.47	51574945	83.57
	113224781	100.00	61711369	100.00
(b) Value of stores and spares consumed :				
Indigenous	621341	100.00	615893	100.00
	621341	100.00	615893	100.00

## D Amount remitted in foreign currency on account of dividend

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

## E Earnings in foreign exchange (₹)

	6823700	5966953
--	---------	---------

## 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  
Ahmedabad

Dated : 30<sup>th</sup> June, 2020

Sd/-

**Sumit Agrawal**  
CFO

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

## Registration Details

Registration No.	L24231GJ1992PLC017054	State Code	04
Balance Sheet Date	31-Mar-20		

**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	94010	Total Assets	94010
Source of Funds			
Paid up Capital	29903	Secured Loans	419
Reserves & Surplus	39708	Deferred Tax	470
		Current Liabilities	23510
Application of Funds			
Net Fixed Assets	11370	Current Assets	80066
Investments	2068		
Long term Loans & Advance	506		

**Performance of the Company ( Amount in thousands )**

Turnover	149946	Total expenditure	142811
Profit before tax	7134	Profit after tax	5471
Earning per Share Rs.	1.83	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 : 30<sup>th</sup> June, 2020

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 27<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 30<sup>th</sup> September, 2020 and at any adjournment thereof.

Sr. No.	Particulars	For	Against
	<b>ORDINARY BUSINESS</b>		
1.	Adoption of Audited Profit & Loss Account for the year ended on 31st March, 2020, 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 2020-21 and to fix their remuneration		
	<b>SPECIAL BUSINESS</b>		
4.	Regularization of Mr. Arvind Sapkal (DIN 08607096) as Director.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020

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)

27<sup>th</sup> Annual General Meeting - 30th September 2020

DP ID : \_\_\_\_\_

CLIENT ID : \_\_\_\_\_

FOLIO No. : \_\_\_\_\_

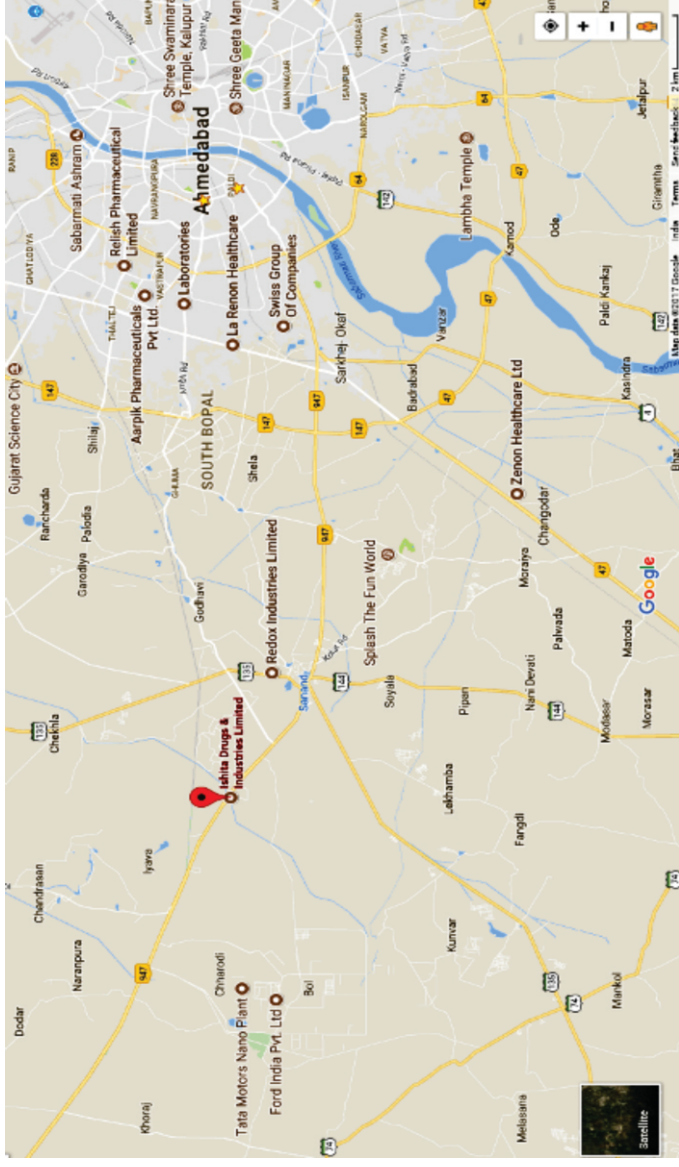
No. of Shares held \_\_\_\_\_

I hereby record my presence at the TWENTY SEVENTH 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.