

**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the **TWENTY- SECOND ANNUAL GENERAL MEETING** of the Members of **ISHITA DRUGS AND INDUSTRIES LIMITED** (CIN L24231GJ1992PLC017054) will be held on Wednesday, 30th September, 2015 at 3.00 P.M. at the Registered Office of the Company situated at Survey No. 179/1, Vasna-Iyava, Tal. Sanand, Dist. Ahmedabad to transact the following business:

**ORDINARY BUSINESS:**

- To receive, consider and adopt the Statement of Profit & Loss for the year ended on 31st March, 2015, and the Balance Sheet as on that date, Directors' Report and the Auditors' Report thereon.
- To appoint a Director in place of Mr. Niranjan Agrawal (DIN 06503361), who retires by rotation and, being eligible, offers himself for reappointment.
- To appoint a Director in place of Dr. S.K. Agrawal (DIN 00808820), who retires by rotation and, being eligible, offers himself for reappointment.
- To appoint the Auditors of the Company for the financial year 2015-16 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:**5. **Reappointment of Managing Director :**

To consider and if thought fit, to pass, with or without modification the following resolution as an Special Resolution.

"RESOLVED THAT subject to the pursuant to the provisions of section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed thereunder, as amended from time to time, Shri Jagdish Agrawal, be and is hereby appointed as Managing Director of the Company for a period of 3 years w.e.f. 01.10.2015, not liable to retire by rotation, on the remuneration including salary and perquisites to be paid or granted to him as laid out in the draft agreement between the Company and Shri Jagdish Agrawal placed before the meeting and initialed by the Chairman of the Board for the purpose of identification, be and the same is hereby approved."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized further to increase, enlarge, vary and including salary, dearness allowances, perquisites, commission and other allowance etc. up to the limits prescribed in this behalf under Schedule V of the companies Act, 2013 or any further statutory revision, modification, clarification or re-enactment thereof for the time being in force and / or the guidelines for managerial

remuneration issued by the Central Government from time to time and from the date the statutory provisions and / or the guidelines coming into force without any further reference to the Company in General Meeting.

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

For and on behalf of the Board

Sd/-

**Jagdish Agrawal**  
Managing Director

Place: Ahmedabad  
Dated: 29<sup>th</sup> May, 2015

**NOTES:**

- A Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and a proxy need not be a Member. The instrument appointing a proxy shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the meeting.
- Members are requested to advise immediately any change in their address to the Company.
- The Member Register and Share Transfer books shall remain closed from 24.09.2015 to 30.09.2015 (both days inclusive).
- Members may avail of the facility of nomination in terms of section 72 of the Companies Act, 2013 by nominating any person to whom their shares in the Company shall vest on occurrence of events stated in form –SH13. Form SH-13 is to be submitted in duplicates to Sharepro Services (India) Private Limited., RTA of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
- Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 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 Clause 35B of the Listing Agreement, 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

**ELECTRONIC VOTING PARTICULARS**

EVEN (Electronic Voting event Number)	User ID	Password

entitled to cast their vote again.

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

Commencement of e-voting	End of e-voting
September 27, 2015 at 10.00 a.m. IST	September 29, 2015 at 05.00 p.m. IST

During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL
- Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
  - Click on **Shareholder - Login**
  - Put user ID and password as initial password/PIN noted in step (i) above. Click **Login**.
  - Password change menu** appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password.
  - Home page of remote e-voting opens. Click on remote **e-voting: Active Voting Cycles**.
  - Select "**EVEN**" of "**Ishita Drugs & Industries Ltd**".
  - Now you are ready for remote e-voting as Cast Vote page opens.
  - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - Upon confirmation, the message "Vote cast successfully" will be displayed.
  - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [maheshwarics@yahoo.com](mailto:maheshwarics@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- Initial password is given page 3 of the Report
  - Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the **Frequently Asked Questions (FAQs)** for Members and remote **e-voting user manual** for Members available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: **1800-222-990**.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **23<sup>rd</sup> September, 2015**.
- IX. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL.
- X. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

- XI. 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.
- XII. Meenu Maheshwari, Practicing Company Secretary of Meenu Maheshwari & Associates has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. 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.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared alongwith 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: 29<sup>th</sup> May, 2015

**Explanatory Statement pursuant to Section 102(1) of Companies Act, 2013**

**Item No. 5:**

Mr. Jagdish Agrawal is looking after the overall management of the Company. His term of appointment expires on 01.10.2015. Pursuant to the recommendation of the Remuneration Committee, the Board of Directors, proposes to reappoint him for a period of 3 years from 1st October, 2015 on the terms and conditions mentioned herein below:

- Salary:** In the range of Rs. 2,00,000 – Rs. 3,00,000 per month, within which his basic salary, house rent allowance, special allowances, LTA, other allowances etc. would be determined, with annual increments, within the aforesaid range, as may be decided by the Board in accordance with the company's policy and provisions of Schedule V of the Companies Act, 2013.
- Perquisites:** In addition to Salary Mr. Jagdish Agrawal will be entitled to the following perquisites / benefits.

**CATEGORY – A**

- Medical Reimbursement**  
Expenses incurred for the Director and his family, subject to a ceiling of one month's salary over a period of one year
- Leave Travel Concession**  
For self and his family, once in a year in accordance with the rules of the Company.
- Personal Accident Insurance**  
Premium not exceeding 25000/- per annum.

**CATEGORY – B**

- Company's contribution towards provident fund as per the rules of the Company.
- Company's contribution towards superannuation fund as per the rules of the Company.
- Gratuity as per the rules of the Company not exceeding one half month's salary for each completed year of service as a Director.

**CATEGORY – C**

- Free telephone facility at residence.
- Provision of car with driver for use on Company's business.
- Leave on full salary and perquisites for a period of one month for

every eleven months service subject to a condition that leave accumulated but not availed of will not be allowed to be encashed.

4. The Director shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

The remuneration, inclusive of salary and perquisites, of Mr. Jagdish Agrawal would be governed by and subject to the ceilings prescribed under Schedule V to the Companies Act, 2013, or any other amendment, modification, verification or re-enactment thereof.

The explanatory statement together with the notice should be treated as an abstract of the terms of Agreement and Memorandum of concern or interest under section 190 of the Companies Act, 2013. Mr. Jagdish Agrawal is deemed to be concerned or interested in Resolution which pertains to his appointment and remuneration payable to him. Further Mrs. Abha Agrawal is deemed to be concerned in this resolution being relative of Mr. Jagdish Agrawal. None of the other Directors is concerned or interested in this Resolution.

#### Explanatory Statement pursuant to SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013

##### ITEM No. 5

#### I. GENERAL INFORMATION ABOUT THE COMPANY

##### (i) Nature of the Industry

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.

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.

- (ii) Date or expected date of Commencement of Commercial production: The Company was incorporated on 5th February, 1992 as a Public Limited Company and the Certificate of Commencement of Business was obtained on 14<sup>th</sup> February 1992. The company had commenced commercial production by late 1997.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- (iv) Financial performance based on given indicators – Its already described in Director Report as well as Auditor report forming part of the Annual Report of the Company.
- (v) Foreign Investment or collaborations, if any: The Company has not entered into any foreign collaboration. The Company has not made any foreign investments.

#### II. INFORMATION ABOUT THE APPOINTEE

Mr. Jagdish Agrawal, the Managing Director of the Company, has been associated with the company right from the conceptual stage till date. His current tenure is for a period of 3 years w.e.f 01.10.2012.

Mr. Jagdish Agrawal is a highly qualified person with a B. E. (Chemical Engineering) from U.D.C.T. Mumbai and a M.S. (Chem. Engg.) from University of Florida, USA. He has over 40 years of experience in the chemicals and pharmaceuticals industry and is widely acknowledged as an industry expert. He is a member of various Govt. Committees and Industry Association committees, in an advisory and executive role. He is also a first generation entrepreneur and often lectures at prestigious institutes of Ahmedabad on that subject. He was honoured with the UDYOG PATRA Award in 1982 at the hands of the Vice – President of India.

He has been at the helm of your Company for many years and is responsible for the overall strategic growth of the company as well as the day-to-day functioning of the company. Under his leadership, the company has been able to turn around and wipe out all carried forward losses. Being an industry expert, he provides invaluable technical guidance to the production department and is fully involved at a micro level with all issues pertaining to the factory and production. He is also liaising with various regulatory bodies and govt. departments.

Under his leadership, your Company was declared as the "BEST SME FOR CORPORATE GOVERNANCE (SMALL)" at the Business Today – Yes Bank SME Awards 2011 in New Delhi. The award is a reflection of the high ethical standards and transparency adopted by the company, under the leadership of Mr. Jagdish Agrawal, in its business dealings and serving of shareholders' interests.

The present remuneration of the Managing Director includes a salary of ₹ 200000/- per month and other perquisites. The remuneration has been kept at the same level for the last three years.

The present salary is below the industry standard of salary for similarly qualified and experienced professionals at such high positions. In the last few years, the remuneration levels in the pharmaceutical industry have gone up significantly, at all levels and across all sizes of industry. It is becoming increasingly difficult to retain technically qualified people at lower salary levels.

It is now proposed to re-appoint Mr. Jagdish Agrawal at a salary range of ₹ 200000/- to ₹ 300000/- per month and other perquisites, as per details given in the Notice to the AGM along with the Explanatory statement(s) forming part of the Notice, subject to approval of the shareholders

Mr. Jagdish Agrawal is related to Mr. Sumit Agrawal, CFO of your company and Mrs. Abha Agrawal, Director of your Company.

#### III. OTHER INFORMATION

The company is presently in a phase of financial consolidation. The difficult times faced by the company during its initial years of operations had resulted in carried forward losses, which the company has been able to wipe off in the last few years. On account of its prior experiences, the company is presently working in certain low volume high margin niche products and also limiting its sales to few select prestigious customers. Consequently, the profits of the company are presently seen to be inadequate.

However, the company is now focusing on adjusting its growth strategy with the rapidly changing economic scenario. The present consolidation phase will provide a good launching pad to the company. The company is also working with some international merchant exporters to increase its exports as also trying to identify some high volume, low margin products to improve capacity utilization of its facilities. The Board of the company has also decided to commence business activities in areas of agri-commodities. All these steps should improve the working of the company in the next few years.

#### IV. DISCLOSURES

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual report in the Corporate Governance Report Section under the heading "Remuneration paid to Managing Director for the year ended 31st March, 2015.

The proposed remuneration of the Managing Director is within the ceiling limits prescribed under Schedule V of the Companies Act, 2013. The proposed enhancement in salary has been approved by a resolution passed by the Remuneration Committee.

The explanatory statement together with the notice should be treated as an abstract of the terms of Agreement and Memorandum of concern or interest under section 190 of the Companies Act, 2013. Mr. Jagdish Agrawal is deemed to be concerned or interested in this resolution, as resolutions at Item No.5 pertains to his re-appointment and fixing of his remuneration. Mrs. Abha Agrawal is deemed to be concerned in this resolution being relative of Mr. Jagdish Agrawal. None of the other Directors is concerned or interested in these Resolutions.

For and on behalf of the Board

Sd/-

**Jagdish Agrawal**  
Managing Director

Place: Ahmedabad  
Dated: 29<sup>th</sup> May, 2015