

# *Ishita Drugs And Industries Limited*

*Seventeenth Annual Report 2009-10*

**SEVENTEENTH ANNUAL REPORT AND ACCOUNTS**

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

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

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

**Corporate Office** : 11, Valmik Complex, Near Parimal Garden,  
C.G. Road, Ellisbridge, Ahmedabad - 380 006.

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

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

**ANNUAL GENERAL MEETING**  
On Thursday, 30th September, 2010  
at 3.00 P.M. at Registered Office  
of the Company

**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the **SEVENTEENTH ANNUAL GENERAL MEETING** of the Members of **ISHITA DRUGS AND INDUSTRIES LIMITED** will be held on Thursday, 30th September, 2010 at 3.00 P.M. at the Registered Office of the Company situated at Survey No. 179/1, Vasna-Iyava, Tal. Sanand, Dist. Ahmedabad to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2010, and the Balance Sheet as on that date, Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Govind Gupta, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mrs. Abha Agrawal, who retires by rotation and, being eligible, offers herself for reappointment.
4. To appoint the Auditors of the Company for the year 2010-11 and to fix their remuneration.

**SPECIAL BUSINESS:**

5. To pass with or without modifications, the following resolution as a Special Resolution :

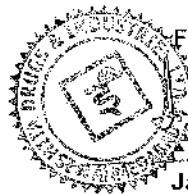
"RESOLVED THAT, in supercession of all earlier Special Resolutions passed in this regard, and pursuant to the provisions of Section - 314 and the Director's Relatives (Office or place of profit) Rules, 2003, the remuneration payable to Mr. Sumit J. Agrawal, Chief Financial Officer of the Company, be and is hereby enhanced w.e.f. April 1, 2010, for a period of 2 years at a salary of Rs.100000/- per month subject to the approval of the Central Government. All other terms and conditions of the appointment shall be applicable mutatis mutandis."

"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."

6. To pass with or without modifications, the following resolution as a Special Resolution :

"RESOLVED THAT, in supercession of all earlier Special Resolutions passed in this regard, and pursuant to the provisions of Section - 198, 269, 309 read with schedule XIII of the Companies Act, 1956, the salary payable to Mr. Jagdish Agrawal, Managing Director of the Company to be enhanced to Rs. 135000/- P.M. w.e.f. 01.10.10 for a period of 2 years, i.e., up to the end of agreement period mentioned in the earlier resolution, be and is hereby approved."  
All other terms and conditions of his appointment shall remain applicable as approved per earlier resolution & the same has also been approved by the Board.

"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

Jagdish Agrawal  
Managing Director

Place: Ahmedabad  
Dated: 20th August, 2010

**NOTES:**

- a) A Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and a proxy need not be a Member. The instrument appointing a proxy shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the meeting.
- b) Members are requested to advise immediately any change in their address to the Company.
- c) The Member Register and Share Transfer books shall remain closed from 25.09.2010 to 30.09.2010 (both days inclusive).

- d) Demat facility is available for the Equity Shares of the Company under ISIN INE 806D01016. The members are requested to avail this facility for the shares held by them, as the shares of the Company are to be traded compulsorily in Demat form as per SEBI guidelines.

**Explanatory Statement pursuant to Section - 173 (2) of the Companies Act, 1956 .**

**Item No. 5 :** The provisions of Section – 314 of the Companies Act, 1956 and the Director's Relatives (Office or place of profit) Rules, 2003 require to have approval of members for appointment of relatives of directors in the Company. Mr. Sumit. J Agrawal is related to Mr. Jagdish Agrawal, Managing Director and Mrs. Abha Agrawal, Director of the Company.

Mr. Sumit Agrawal, aged 37 years, is B.E., MBA (Finance & International Business) and having expertise and experience in finance, accounts and international business. He has worked with IDBI for five years prior to joining the Company. He is presently responsible for various functions / departments in the company and is also looking after overall operations of the company under the guidance of Managing director & the Board. Mr. Sumit Agrawal is looking after the finance, treasury operations & taxation functions of the company. He is solely responsible for all international marketing, import & export transactions, applying and clearing export incentives & liasoning with all statutory authorities like DGFT, Customs & Excise, Gujarat FDA, Gujarat Pollution Control Board etc. Further, he is also responsible for IT Operations of the Company online filing of various documents with MCA & other departments like Excise, customs, Sales tax, ROC. Therefore, looking to his multiple roles & responsibilities shouldered within the company and to bring his salary at par with any other professional of his caliber, it is necessary to enhance his salary to bring it on par with the salary levels prevalent in the present environment.

The proposed enhancement in his salary being higher than the prescribed limits of said Rules and requires approval of members at the General Meeting as well by the Central Government. The approval from the Central Government would be sought later after the approval from shareholders is obtained. The terms of his appointment are mentioned in the resolution. As mentioned above, no other directors except Mr. Jagdish Agrawal and Mrs. Abha Agrawal, are interested in this resolution. Your directors recommend the resolution for acceptance by the members.

**Explanatory Statement pursuant to Section II of Schedule XIII of the Companies Act, 1956 .**

**ITEM No. 6**

**I. 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.

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. 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 5 years w.e.f 15.10.2007.

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 35 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 liasoning with various regulatory bodies and govt. departments.

The present remuneration of the Managing Director includes a salary of Rs. 75000/- per month and other perquisites, as approved by the shareholders at the AGM held on 29<sup>th</sup> September, 2007. This is below the industry standard of salary for similarly qualified and experienced professionals. 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.

In view of the immense contribution and efforts put in by the Managing Director and to bring his salary on par with the salaries of other professionals in the industry, it is proposed to enhance his salary to Rs. 1,35,000 per month w.e.f from October 1<sup>st</sup>, 2010, for a period of 2 years i.e. till the end of his current tenure on 14.10.2012. The other terms and conditions of his appointment shall apply mutatis mutandis.

### 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 remuneration paid to managerial person(s) in 2009-2010 was Rs. 14,82,000. Other disclosures are mentioned under the heading "Corporate Governance" in the Director's Report attached to the Annual Report.

The proposed remuneration of the Managing Director is within the ceiling limits prescribed under Paragraph 1(B) of Section II of the Schedule XIII of the Companies Act, 1956. The proposed enhancement in salary has been approved 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 302 of the Companies Act, 1956. Mr. Jagdish Agrawal is deemed to be concerned or interested in these resolutions, as resolutions at Item No.6 pertains to enhancement in remuneration payable to him & on account of being relative of Mr.Sumit Agrawal. Mrs. Abha Agrawal is deemed to be concerned in these resolutions being relative of Mr.Jagdish Agrawal & Mr.Sumit Agrawal. None of the other Directors is concerned or interested in these Resolutions.



For and on behalf of the Board

Jagdish Agrawal  
Managing Director

Place: Ahmedabad  
Dated: 20<sup>th</sup> August 2010

**DIRECTORS' REPORT**

Dear Shareholders,

We have pleasure in presenting the **Seventeenth Annual Report** together with the Audited Accounts of your Company for the year ended on 31st March-2010.

**WORKING RESULTS**

	<u>Rupees in Lacs</u>	
	For the year ended <u>31.03.2010</u>	For the year ended <u>31.03.2009</u>
Turnover & other incomes	657.61	503.29
Operating gross profit	78.81	67.89
Financial Charges	(3.84)	(3.17)
Depreciation	(18.71)	(25.04)
Profit before tax	56.26	39.68
Fringe Benefit Tax	(0.00)	(0.32)
Provision for Income Tax	(19.00)	(4.90)
Deferred Tax Assets	1.54	5.31
Net profit / loss (-)	38.80	39.77
Previous period adjustment	(12.75)	(3.95)

**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 total income of the company has seen a healthy growth of 30% from Rs. 503.29 lakh in the PY to Rs. 657.61 lakh in the year under review. Part of the increase was on account of the Company's strategy to focus on high-volume, low-margin products, which helped improved capacity utilization. The exports of the company also increased to Rs. 220.49 lakh (PY Rs. 92.02 lakh). The Profit before tax of the company has increased to Rs.56.26 lakh (PY 39.68 lakh).

During the year under review, the Company has started doing export business through some very reputed, international companies, and is looking to work closely with them for the next few years. The increase in business would reflect in the sales of this company from the current year onwards.

The Board of the Company decided to commence business activities, as per the opportunities available, in agri-commodities and other such areas. This decision of the Board was approved by the shareholders at the EGM held on March 4, 2010.

**FUTURE OUTLOOK**

The Company is actively looking at alternate business opportunities to spread the business risk and to better utilize the funds of the company. To this end, the Company has started investing its surplus funds in agri-commodities, vegetable and palm oil etc.

**PERSONNEL**

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

**DIRECTORS**

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

**DIRECTORS' 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, 2010 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, 1956, 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.

**FIXED DEPOSITS**

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

**AUDITORS**

The Company, in its last annual general meeting, had appointed M/s. Kishor Goyal & Co. as auditors for the year 2009-10. The remarks made in the Auditors' report are self-explanatory.

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

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

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

**CORPORATE GOVERNANCE**

Provision of Clause 49 relating to corporate governance is not applicable to the Company. However, disclosure as per Part II, Schedule XIII of the companies Act 1956, are given below :

- No remuneration by way of salary , sitting fees, performance based incentive or any stock option given to any of the Directors , except Mr.Jagdish Agrawal, Managing Director.
- The remuneration of Rs.900000/- by way of salary has been paid to Mr. Jagdish Agrawal, Managing Director, for the financial year 2009-10. The company has not given any performance based incentive or perquisites to Managing Director. The current tenure of the Managing Director is for a period of five years from the date of his appointment i.e from 15.10.2007 to 14.10.2012.
- All directors , except the Managing Director, retire by rotation every 2 years.

**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



Jagdish Agrawal  
Managing Director

Place: Ahmedabad  
Dated: 20th August, 2010

ANNEXURE**CONSERVATION OF ENERGY**

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

**FORM - A**

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

**POWER AND FUEL CONSUMPTION**

	<u>2009-10</u>	<u>2008-09</u>
(1) Electricity		
(a) Purchased units KWH (GEB)	121004	105782
Total amount Rs.	781482	676838
Average Rate per Unit Rs.	6.46	6.40
(b) Own Generation through D.G.		
Amount of Diesel Rs.	---	---
Units of Diesel consumed (Ltrs)	---	---
(2) Other Fuels Rs.	560215	278220

**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)**

1. 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.
2. 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.
3. 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:

	<u>2009-10</u>	<u>2008-09</u>
(a) Capital	---	---
(b) Recurring	Rs.157654	Rs.137564
Total (a+b)	Rs.157654	Rs.137564
(c) Total R&D expenditure as a percentage of total turnover	0.25%	0.28%



**(B) Technology Absorption, Adaptation and Innovation**

1. 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.
2. Benefits derived as a result of the above efforts, e.g., development, import substitution, etc.:-  
Commercial Production of the speciality chemical product (Drug Intermediate) may be taken up in near future.
3. 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**

- a) Foreign Exchange Earning - Rs.7654622 (PY Rs. 3290659)
- b) Foreign Exchange Outgo - Rs.14674741 (PY Rs. 5830827)

For and on behalf of the Board



*Jagdish Agrawal*  
\_\_\_\_\_  
**Jagdish Agrawal**  
Managing Director

Place : Ahmedabad  
Dated : 20th August, 2010

**AUDITORS' REPORT****TO THE SHAREHOLDERS OF ISHITA DRUGS AND INDUSTRIES LTD.**

We have audited the attached Balance Sheet of **Ishita Drugs and Industries Limited** as at 31st March-2010 and also the Profit & Loss account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

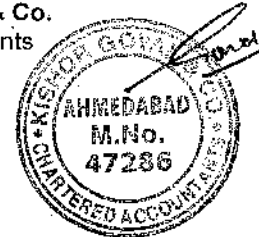
We report as follows:

- 1) As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
- 2) Further to our comments in the Annexure referred to in paragraph 1 above:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
  - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v. On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies and Notes on accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
    - (b) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
    - (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Kishor Goyal & Co.  
Chartered Accountants



(Kishor Goyal)  
Partner  
Membership No.047286



Place : Ahmedabad  
Dated : 20th August, 2010

ANNEXURE TO THE AUDITOR'S REPORT

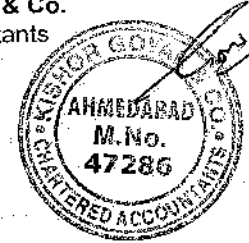
Referred to in paragraph 1 of our report of even date to the members of **Ishita Drugs and Industries Limited**.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The Company has physically verified certain assets during the year in accordance with a programme of verification, which in our opinion provides for physical verification of the Fixed Assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed of any substantial / major part of the Fixed Assets.
2. (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
3. According to the information and explanations given to us, the Company has not taken / granted any loan from parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly clause (iii) (b) (c) & (d) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
  - a. Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
  - b. In our opinion and according to the explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding in the value of rupees five lacs in respect of any party during the year have been made at price which are reasonable having regard to prevailing market prices at that time.
6. The Company has not accepted deposits from the public and has complied with the directives issued by the Reserve Bank of India from time to time in this regard.
7. The Company has no internal audit system as the volume of commercial production has not reached optimum levels.
8. We have been informed that maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act 1956 in respect of the Company's products.
9. According to the records of the Company and information given to us, Company is regular in depositing P.F. etc. with the appropriate authority and there are no arrears of such dues.
10. The accumulated losses of the Company have not exceeded fifty per cent of its net worth as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and on the basis of the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
12. According to our examinations of the records of the Company and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. Based on the examinations of the records and evaluation of the related internal controls, the Company has maintained proper records of transactions and contracts in respect of its dealing in shares, securities and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us, Company has not given guarantees for loans taken by others from banks or financial institutions during the year.
16. On the basis of examinations of records and as per the information and explanations given to us, the Company has raised term loan during the year. But the company has not taken disbursement of the same and hence this clause is not applicable.



17. According to the information and explanations given to us and overall examination of the Balance Sheet of the Company, we report that no funds have been raised on short term or long-term basis during the year.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. According to the information and explanation given to us, the Company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the course of our audit.

For Kishor Goyal & Co.  
Chartered Accountants



(Kishor Goyal)

Partner

Membership No. 047286

Place : Ahmedabad  
Dated : 20th August, 2010

## BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31-Mar-10 Rupees	As at 31-Mar-09 Rupees
<b>Sources of Funds :</b>			
Shareholders' Funds			
Paid up Share Capital	1	29903000	29903000
Shares Forfeited A/c		164500	164500
Reserves and Surplus			
Capital Reserve			
State Cash Subsidy		1500000	1500000
General Reserve			
Balance in Profit & Loss A/c		8980191	6375903
		<b>40547691</b>	<b>37943403</b>
Loan Funds			
Secured Loans	2	732197	272758
Deferred Tax Liabilities		424502	578395
	Total	<b>41704390</b>	<b>38794556</b>
<b>Application of Funds :</b>			
Fixed Assets			
Gross Block	3	33908933	33056375
Less : Depreciation		23779379	22203772
Net Block		<b>10129554</b>	<b>10852603</b>
Investments	4	5036900	4526900
Current Assets, Loans and Advances :			
Inventories	5	18857532	5292133
Sundry Debtors	6	10942494	11437562
Cash and Bank Balances	7	12715567	13303626
Loans and Advances	8	3272478	2483463
		<b>45788072</b>	<b>32516784</b>
Less : Current Liabilities & Provisions	9	19250136	9101731
Net Current Assets		<b>26537936</b>	<b>23415053</b>
Notes on Accounts & Significant Accounting Policies	Total	<b>41704390</b>	<b>38794556</b>
	15		

As per our attached report of even date

For Kishor Goyal & Co  
Chartered AccountantsKishor Goyal  
Partner  
Ahmedabad,  
Dated : 20th August, 2010Jagdish Agrawal  
Managing DirectorMrs. Abha Agrawal  
DirectorAhmedabad,  
Dated : 20th August, 2010Govind Gupta  
Director

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010**

	Schedule	2009-10 Rupees	2008-09 Rupees
<b>Income :</b>			
Sales		63928814	49604115
Other Income	10	1832123	724881
	Total	65760936	50328996
<b>Less : Expenditure :</b>			
Material & Inventory Adjustments	11	45586927	31936898
Personnel Cost	12	3610137	3109943
Manufacturing and Other Exp.	13	8682871	8493260
Financial Charges	14	384321	316703
Depreciation		1870982	2504129
	Total	60135237	46360933
Operational Profit for the year before extra ordinary item & Tax		5625700	3968063
<b>Taxation :</b>			
Fringe Benefit Tax		---	31799
Provision for Income Tax		1900000	490000
Provision for Deferred Tax		(153893)	(531109)
<b>Net Profit after Tax</b>		3879593	3977373
Less : Prior Period Items		(1275305)	(395177)
Add : Balance brought forward from previous year		6375903	2793707
Balance carried to Balance Sheet profit/(loss)		8980191	6375903

Notes on Accounts &amp; Significant

15

Accounting Policies

As per our attached report of even date.

For Kishor Goyal & Co.  
Chartered Accountants

Jagdish Agrawal  
Managing Director

Govind Gupta  
Director

Kishor Goyal  
Partner  
Ahmedabad,  
Dated : 20th August, 2010

Mrs. Abha Agrawal  
Director  
Ahmedabad,  
Dated : 20th August, 2010

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010**

	For the year 2009-10 Rupees	For the year 2008-09 Rupees
<b>A Cash flow from operating activities :</b>		
Profit before tax	5625700	3968063
Add : Depreciation	1870982	2504129
Interest & Other financial charges	384321	191475
Less : Interest received	930279	673839
Dividend received	1500	1500
Income from Investments	95078	60090
Profit on sale of fixed assets	19285	---
Operating profit before change in working capital	6834860	5928237
Add : Trade Debtors	495068	(252644)
Increase in Inventory	(13565399)	301522
Increase in Loans and advances	(789015)	(699605)
Less : Fringe Benefit Tax	---	31799
Provision for Taxation	1900000	490000
Prior Period Expenses	1275305	395177
Trade creditors	(10148405)	(5966164)
Net cash generated from operating activities (A)	(51387)	10326698
<b>B Cash inflow from investing activities :</b>		
Add : Investment sold / (purchased)	(510000)	(3290000)
Dividend received	1500	1500
Income from Investments	95078	60090
Profit on sale of fixed assets	19285	---
Less : Capital work in progress	---	(617059)
Investment in fixed assets	1147933	2206123
Net cash generated from investing activities (B)	(1542070)	(4817473)
<b>C Cash flow from financial activities :</b>		
Add : Interest received	930279	673839
Add: Borrowing	459439	---
Less : Repayment of borrowings	---	654681
Interest & Other financial charges	384321	191475
Net cash generated from financial activities (C)	1005397	(172317)
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	(588059)	5336908
Opening balance of Cash and cash equivalents	13303626	7966718
Closing balance of Cash and cash equivalents	12715567	13303626
Net Increase/(decrease) in Cash & Cash Equivalents	(588059)	5336908

Note : Figures in bracket indicate negative value

Correctly extracted from Audited accounts of the Company

*Abha Agrawal*  
**Mrs. Abha Agrawal**  
 Director  
 Place : Ahmedabad,  
 Dated : 20th August, 2010

*Jagdish Agrawal*  
**Jagdish Agrawal**  
 Managing Director

*Govind Gupta*  
**Govind Gupta**  
 Director

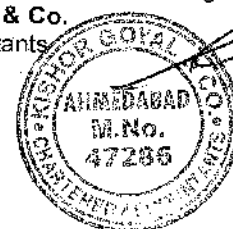
**Auditors' Certificate**

We have verified the above cash flow statements of Ishita Drugs And Industries Limited from the audited financial statement for the year ended on 31st March, 2010 and found the same to be drawn in accordance therewith and also with requirements of clause 32 of the listing agreement with the Stock Exchanges.

For Kishor Goyal & Co.  
 Chartered Accountants

Place : Ahmedabad,  
 Dated: 20th August, 2010

*Kishor Goyal*  
**Kishor Goyal**  
 Partner



**Schedule-1 : Share Capital**

Authorised :

35,00,000 Equity Shares of Rs. 10/- each

Issued, Subscribed and paid up :

2990300 Equity Shares of Rs.10/- each fully paid up

As at 31-Mar-10 Amount Rs.	As at 31-Mar-09 Amount Rs.
----------------------------------	----------------------------------

35000000	35000000
----------	----------

29903000	29903000
----------	----------

Total	29903000	29903000
-------	----------	----------

**Schedule-2 : Secured Loans**

HDFC Bank Ltd. – Vehicle Loan

ICICI Vehicle Loan

675027	---
--------	-----

57170	272758
-------	--------

Total	732197	272758
-------	--------	--------

**Schedule-3 : Fixed Assets**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01/04/09 Rs.	Addition Rs.	Deduction Rs.	As at 31/03/10 Rs.	As at 01/04/09 Rs.	Addition Rs.	Deduction Rs.	As at 31/03/10 Rs.	As at 31/03/10 Rs.	As at 31/03/09 Rs.
	Factory Land	904811	---	---	904811	---	---	---	---	904811
Plant and Machinery	19802660	114082	---	19916742	15736961	1362328	---	17099289	2817453	4065700
Laboratory Equipment	1006665	147600	---	1154265	637466	91199	---	728665	425601	369200
Cylinders	14441	---	---	14441	14441	---	---	14441	---	---
Effluent Treatment Plant	1608641	---	---	1608641	1528209	---	---	1528209	80432	80432
Factory Building	5891110	---	---	5891110	2413922	196763	---	2610685	3280425	3477188
Office Building	1264568	---	---	1264568	302278	20612	---	322890	941678	962290
Furniture and Fixtures	744466	6350	---	750816	604609	47187	---	651796	99020	139857
Office Equipment	289067	---	---	289067	262703	1690	---	264393	24674	26364
Computers	350829	69831	---	420660	313027	8485	---	321512	99148	37802
Vehicles	1179117	915785	401090	1693812	390157	142718	295375	237500	1456312	788960
<b>Total</b>	<b>33056375</b>	<b>1253648</b>	<b>401090</b>	<b>33908933</b>	<b>22203772</b>	<b>1870982</b>	<b>295375</b>	<b>23779379</b>	<b>10129554</b>	<b>10852603</b>
Previous Year	30850252	2206123	---	33056375	19699643	2504129	---	22203772	10852603	11150609

**Schedule-4 : Investments – at cost**

## 1. Trade Investment

## (a) Unquoted – Long Term Investments

500 Equity Shares of Textile Traders Co-operative

12500 12500

Bank Ltd. each of Rs. 25 fully paid up

70000 Shares of Umang Financial Services Ltd. Each  
of Rs. 10/- fully paid up

700000 700000

3000 Shares of Anvi Lifesciences Pvt Ltd each  
of Rs. 100/- fully paid up.

600000 600000

Aggregate value of Unquoted Investment- At cost

Rs.1312500 (PYRs.1312500)

## (b) Quoted - Long Term Investments

204 Shares of Jet Airways each  
of Rs.10/- fully paid up

224400 224400

(Market value Rs.97960 (PY Rs.36420))

## 2. Other Investments – Quoted

Investment in Units of Mutual Funds

3500000 2990000

Total	5036900	4526900
-------	---------	---------





**Schedule-5 : Inventories**

As taken, valued and certified by the M.D.

Raw material ( at cost )	11418136	1063429
Raw Material in transit (at cost or market price whichever is lower)	---	673469
Work in Process ( at cost )	5938660	3475209
Packing, Fuel Etc. ( at cost )	84083	80026
Closing Stock of traded goods	1416653	---
Total	<u>18857532</u>	<u>5292133</u>

**Schedule-6 : Sundry Debtors**

( Unsecured and Considered good )

Outstanding for a period of more than six months

Others

Outstanding for a period of more than six months	62145	147183
Others	10880349	11290379
Total	<u>10942494</u>	<u>11437562</u>

**Schedule-7 : Cash and Bank Balances**

Cash on hand

Banks Balance

In Current Accounts

In EEFC Account

In Fixed Deposit Accounts

Cash on hand	174464	134872
Banks Balance		
In Current Accounts	2098643	2322389
In EEFC Account	12920	12920
In Fixed Deposit Accounts	10431540	10833445
Total	<u>12715567</u>	<u>13303626</u>

**Schedule-8 : Loans and Advances**

(Unsecured - Considered good)

Advances recoverable in cash or kind or for value to be received

Advance Payment of Income Tax

Advances recoverable in cash or kind or for value to be received	1832584	1341103
Advance Payment of Income Tax	1439894	1142360
Total	<u>3272478</u>	<u>2483463</u>

**Schedule-9 : Liabilities**

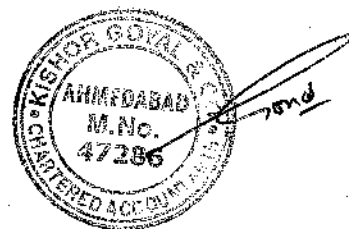
Sundry Creditors

Other Liabilities

Sundry Creditors	15538326	7969057
Other Liabilities	3711809	1132674
Total	<u>19250136</u>	<u>9101731</u>



	For the year 2009-10 Rupees	For the year 2008-09 Rupees
<b>Schedule-10 : Other Income</b>		
Discount & Kasar	(45)	(10548)
Dividend Income	1500	1500
Profit on sale of fixed assets	19285	---
Interest Income	930279	673839
Income from Investments	95078	60090
Foreign Exchange Gain	591631	125228
Insurance Claimed Received	194395	---
Total	<u>1832123</u>	<u>850109</u>
<b>Schedule-11 : Material and Inventory Adjustments</b>		
<b>A. Material</b>		
Consumption of Raw Material	34443597	22570992
Consumption of Packing Material	365713	146597
Value of Goods traded	13241068	9797009
Total-A	<u>48050378</u>	<u>32514598</u>
<b>B. Inventory Adjustments</b>		
<b>(a) Opening Stock</b>		
Manufacturing Goods	---	---
Work in process	3475209	2897509
	<u>3475209</u>	<u>2897509</u>
<b>(b) Closing Stock</b>		
Manufacturing Goods	---	---
Work in process	5938660	3475209
	<u>5938660</u>	<u>3475209</u>
Net Inventory Adjustments (a-b)	Total-B <u>(2463451)</u>	Total-B <u>(577700)</u>
	Total (A+B) <u>45586927</u>	Total (A+B) <u>31936898</u>
<b>Schedule-12 : Personnel Cost</b>		
Salary & wages	2654493	2143811
Gratuity	2597	2596
Staff Welfare Exp.	7739	22859
Director's Remuneration	900000	900000
Contribution for Provident Fund	45308	40677
Total	<u>3610137</u>	<u>3109943</u>

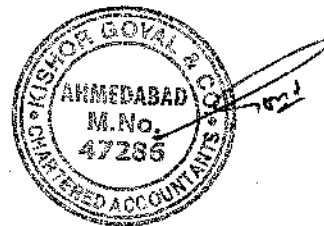


**Schedule-13 : Manufacturing and other expenses**

Power & Fuel	1341697	937018
Books & Periodicals	22576	23199
Conversion Charges	71780	46844
Stores & Spares	516426	475117
Excise duty on sales	3325629	3786730
Repairs		
- To Machinery	129125	239449
- To Building	39434	108569
- To Others	89754	60133
Laboratory Exp.	258313	408151
Research & Development Expenses	16043	11432
Freight & Forwarding	157654	137564
Insurance Exp.	1022372	644548
Security Exp.	122500	93896
ETP Maintanance exp.	119340	84010
Export Documents Clearing Exp	10998	71841
Printing & Stationery Exp.	3640	3415
Postage & Telephones	75349	64990
Traveling & Conveyance	139953	145959
Office and General Exp.	135185	494707
Motor Car Expenses	225124	238998
Sales Commission	112626	124375
Advertisement	578588	269266
Payment to Auditor	96645	62097
Legal & Professional fees	15000	15000
Listing, filling & license fees	232146	243338
Share Transfer Exp.	39184	58437
Rates & Taxes	27008	21360
	17119	30969
Total	<u>8682871</u>	<u>8493260</u>

**Schedule-14 : Financial Charges**

Interest	165694	121570
Other financial charges	218626	69905
Total	<u>384321</u>	<u>191475</u>



**SCHEDULE - 15****SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31.03.2010.**

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

**ACCOUNTING CONVENTION**

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

**FIXED ASSETS**

Fixed assets are stated at historical cost less depreciation.

**DEPRECIATION**

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

**INVESTMENTS**

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

**INVENTORIES**

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

**MODVAT**

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

**SALES**

Sales are accounted inclusive of excise duty.

**FOREIGN CURRENCY TRANSACTIONS**

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

**EXCISE DUTY**

As per past practice, the Company is accounting for liability for excise duty on finished goods lying in factory premises as and when the same are cleared. Accordingly, estimated liability amounting to Rs.NIL (P.Y.Rs.NIL) in respect of such goods as on 31.03.2010 has not been provided for in the accounts and hence not included in valuation of inventory. Non-provision of this liability will not affect profit for the year.

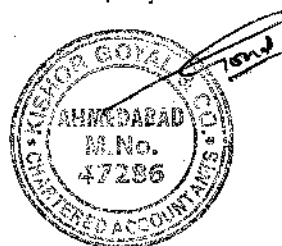
**CUSTOM DUTY**

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

**PROVISION FOR RETIREMENT BENEFITS**

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

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



**EXPENSES**

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

**TIMING REVENUE RECOGNITION**

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

**TAXATION**

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

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

**CASH FLOW STATEMENT**

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

**CONTINGENT LIABILITIES**

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

**IMPAIRMENT OF ASSETS**

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

**PRIOR PERIOD ITEMS**

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

**NOTES :**

1. Tax provision for income tax has been made as per the Income Tax Act, 1961.
2. Debit and credit balances in respect of debtors, loans and advances and creditors are subject to confirmation and reconciliation.
3. In accordance with the Accounting Standard AS-11 issued by the Institute of Chartered Accountants of India, net gain of Rs. 5.91 lacs (PY loss of Rs. 1.25 lacs) due to foreign exchange fluctuations arising on foreign currency transactions has been considered in the Profit and Loss Account.
4. In the year under review, the Company has provided the gratuity Rs. 1385 (P.Y. Rs. 2596) calculated up to the date of Balance Sheet date according to the Gratuity Act on incremental basis.
5. The company has credited the deferred tax assets of Rs. 153893 (P.Y. Rs. 531109) for the year under review as per AS-22 in the profit and loss account.
6. Contingent liability to the extent not provided for : NIL ( P.Y Rs. NIL)
7. Previous year figures have been regrouped and reclassified wherever necessary to be in conformity with the current year figures.
8. Estimated amount of capital contracts remaining to be executed and not provided for net of advance paid Rs. NIL (PY Rs. NIL).
9. Managerial Remuneration paid:

	<u>2009-10</u>	<u>2008-09</u>
	<u>Mg. Dir.</u>	<u>Mg. Dir.</u>
(a) Salary Rs.	900000	900000



	2009-10	2008-09
10. Payment to Auditors		
As an auditor	15000	15000
For Taxation & Other works	10000	2500
For Tax Audit	7000	7000
Out of Pocket Expense	5000	1000

11. The Company has not received any information from any of the suppliers of their status as Small Scale Industrial Unit. Hence, the amounts due to them outstanding as at 31st March 2010 is not ascertainable.

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

a. List of related parties

i. Subsidiaries: The Company does not have any subsidiary Company.

i. Key Management personnel

Mr. Jagdish Agrawal

Mr. Sumit Agrawal

ii. Relatives of Key Management Personnel

Ishita Pharmaceuticals

Anvi Lifesciences Pvt Ltd

J & J Chemicals

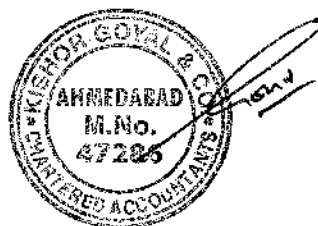
b. Transactions / balances outstanding with Related parties

Particulars	Key Management Personnel Amount Rs.	Relatives of Key Management Personnel Amount Rs.
Managerial Remuneration	1482000	—
Sales of Goods / Services	---	5618494
Purchases of Goods /Services	---	10076541
Investment in equity shares/ Share Application Money	---	1300000
Debtors outstanding at year end	---	---
Loans/advance at year end	---	---
Creditors outstanding at year end	---	---

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

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

Particulars	2009-10 Amount Rs.	2008-09 Amount Rs.
Profit after Tax	3879593	3977373
Weighted Average no. of equity shares of Rs. 10 each		
Basic	2990300	2990300
Diluted	---	---
EPS (Rs.)		
Basic	1.30	1.33
Diluted	---	---



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

14. Quantitative details and other information :

A Sales	Unit	for the year 2009-10		for the year 2008-09	
		Quantity	Value Rs.	Quantity	Value Rs.
Manufacturing goods					
Bulk drugs	MT	216.436	49153628	49.216	38606814
Goods traded in					
Drugs/Intermediates	MT	111.275	5344470	49.625	10863475
Others	---	---	9430715	---	133825
<b>Total</b>			<b>63928814</b>		<b>49604115</b>
<b>B Raw material consumed</b>					
A.S.C.	MT	11.000	1367986	26.000	3890565
3-CP	MT	24.000	11012326	19.200	6609600
Others	---	---	22063285	---	12070827
<b>Total</b>			<b>34443597</b>		<b>22570992</b>
<b>C Purchased goods traded :</b>					
Drugs/Intermediates	MT	111.275	3903000	49.625	9671700
Others	---	---	10687261	0.00	125309
<b>Total</b>			<b>14590261</b>		<b>9797009</b>

D Value and quantitative break up in respects of opening and closing stock of Goods manufactured, purchased and traded :

Opening stock

Manufacturing goods

Bulk drugs

MT

---

---

---

---

**Total**

---

---

Closing stock

Manufacturing goods

Bulk drugs

MT

---

---

---

---

**Total**

---

---

E Capacity and production

Information in respect of each class of goods manufactured :

Class of goods

A/c. year

Licensed  
Capacity

Installed  
Capacity

Production  
MT

Bulk Drugs

2009-10

N/A

---

216.436

Bulk Drugs

2008-09

N/A

---

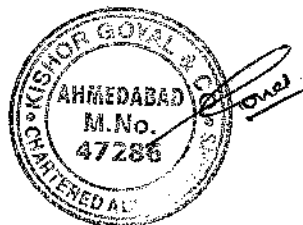
49.216

F Value of imports in rupees calculated on CIF basis in respect of ;

	Curr. Yr. Rs.	Prev. Yr. Rs.
Material	14674741	5830827
Capital Goods	---	---

G Expenditure in foreign currency :

Purchases of materials	14674741	5830827
Capital Goods	0	0
Foreign Bank Charges	0	0
Advertisement Expenses	0	0



**H Value of raw materials, stores and spares consumed :**

	Rs.	%	Rs.	%
(a) Value of raw material consumed :				
Imported	7014911	20.37%	6557657	29.05%
Indigenous	27428686	79.63%	16013335	70.95%
	34443597	100.00%	22570992	100.00%
(b) Value of stores and spares consumed :				
Indigenous	516426	100.00%	475117	100.00%
	516426	100.00%	475117	100.00%

**I Amount remitted in foreign currency on account of dividend**

NIL

NIL

**J Earnings in foreign exchange Rs.**

7654622

3290659

Signature to Schedules 1 to 15

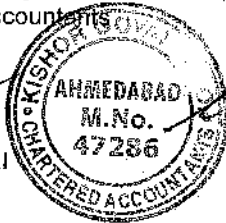
For Kishor Goyal & Co  
Chartered Accountants

Jagdish Agrawal  
Managing Director

Govind Gupta  
Director

Kishor Goyal  
Partner  
Ahmedabad,  
Dated : 20th August, 2010

Mrs. Abha Agrawal  
Director  
Ahmedabad,  
Dated : 20th August, 2010





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

Registration No.	L24231GJ1992PLC017054	State Code	04
Balance Sheet Date	31-Mar-10		

**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	41704	Total Assets	41704
Source of Funds			
Paid up Capital	29903	Secured Loans	732
Reserves & Surplus	10480	Deferred Tax	425
Shares forfeited	165		
Application of Funds			
Net Fixed Assets	10130	Net Current Assets	26538
Investments	5037	Accumulated Losses	--

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

Turnover	65761	Total expenditure	58303
Profit before tax	5626	Profit after tax	3880
Earning per Share Rs.	1.30	Dividend Rate (%)	0%

**Generic Names of Three Principal Products/services of Company.**  
(as per monetary terms)

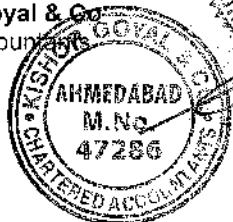
Item Code No. ( ITC Code )	29419060
Product Description	NORFLOXACIN
Item Code No. ( ITC Code )	29362920
Product Description	NICOTINIC ACID
Item Code No. ( ITC Code )	29350015
Product Description	SULFONAMIDES

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

As per our attached report of even date

For Kishor Goyal & Co  
Chartered Accountants

Kishor Goyal  
Partner  
Ahmedabad,  
Dated : 20th August, 2010



Jagdish Agrawal  
Managing Director

Mrs. Abha Agrawal  
Director  
Ahmedabad,  
Dated : 20th August, 2010

Govind Gupta  
Director

## ISHITA DRUGS AND INDUSTRIES LTD

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

Proxy Form

DP ID : \_\_\_\_\_  
 CLIENT ID : \_\_\_\_\_  
 FOLIO No. : \_\_\_\_\_

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

I/We \_\_\_\_\_  
 of \_\_\_\_\_

being a member/members of ISHITA DRUGS AND INDUSTRIES LIMITED hereby appoint

\_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_ as

my/our proxy to vote for me/us on my/our behalf at the SEVENTEENTH ANNUAL GENERAL MEETING of the  
 Company to be held on Thursday, 30th September, 2010 and at any adjournment thereof.

Affix  
 100 Paise  
 Revenue  
 Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Signature \_\_\_\_\_

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

## ISHITA DRUGS AND INDUSTRIES LTD

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

Attendance Slip

(To be handed over at the entrance of the meeting hall)  
 17th Annual General Meeting - 30th September 2010

DP ID : \_\_\_\_\_  
 CLIENT ID : \_\_\_\_\_  
 FOLIO No. : \_\_\_\_\_

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

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

Full name of Member (in BLOCK LETTERS) \_\_\_\_\_

Full name of Proxy (in BLOCK LETTERS) \_\_\_\_\_

Member's/Proxy's Signature \_\_\_\_\_