



CONCORD DRUGS LIMITED

Admin. Off: H.No. 3-11-1/1, Opp. Kamineni Hospital, L.B. Nagar, Hyderabad -500 074. (Telangana) INDIA.
Tel : (040)-24037763, Fax : (040)-24036379, E-mail : concorddrugsLtd@gmail.com, web : www.concorddrugs.in

To,

Date: 29.09.2017

BSE Limited
P. J. Towers, Dalal Street
Mumbai - 400 001

Dear Sir/ Madam,

Sub: Annual report for the year 2016-17
Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) 2015

With reference to the subject cited, please find enclosed Annual report of the Company for the year 2016-17 as approved by the shareholders in the AGM held on 29.09.2017 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is for the information and records of the exchange, please.

Thanking you.

Yours sincerely,
For Concord Drugs Limited

S. Nagi Reddy

S. Nagi Reddy
Chairman and Whole time Director
DIN: 01764665



Encl. as above

CONCORD DRUGS LIMITED

**22nd
ANNUAL REPORT
2016-2017**

CONCORD DRUGS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

- | | |
|--------------------------|---|
| Mr. S. Nagi Reddy | - Chairman and Whole-time Director
(DIN: 01764665) |
| Mr. T. Narsimha Reddy | - Managing Director (DIN: 07538313) |
| Mr. S. Koni Reddy | - Executive Director cum CFO
(DIN: 02829319) |
| Mr. K. Ramachandra Reddy | - Non Executive Director
(DIN: 02285257) |
| Mr. M. Eswar Rao | - Independent Director (DIN: 03177152) |
| Mr. P. Venkatram Reddy - | Independent Director (DIN: 07001606) |
| Ms. P. Chandra Kala | - Independent Director (DIN: 07138391) |

- COMPANY SECRETARY** - Ms. Aakanksha Shukla

REGISTERED OFFICE

Survey No.249, Brahmanapally Village
Hayatnagar Mandal R.R.Dist-501511
Telangana, India.
Ph: No: 040-24036379
Email: concorddrugsltd@gmail.com
Website: www.concorddrugs.in

FACTORY: I

Survey No.249,
Brahmanapally Village,
Hayathnagar Mandal,
R.R.Dist – 501511

FACTORY: II

Khasra No.165/3, Village Nalhera Ananthapur
Paragana Bhagwanpur, Tehsil Roorkee,
District Haridwar, Uttaranchal.

CORPORATE IDENTITY NUMBER :

L24230TG1995PLC020093

CONCORD DRUGS LIMITED

AUDITORS

M/s. M.M Reddy & Co,
Chartered Accountants
Hyderabad.

INTERNAL AUDITOR

M/s. Chanamolu & Co.,
Chartered Accountants,
Hyderabad

BANKERS

State Bank of India
Ramakrishna Puram
Kothapet, Hyderabad.

AUDIT COMMITTEE

Mr. M.EswarRao
Mr. P.Venkatram Reddy
Mr.K. Ramachandra Reddy

NOMINATION & REMUNERATION COMMITTEE

Mr. M.EswarRao
Mr. P.Venkatram Reddy
Ms.P. Chandra Kala

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. M.EswarRao
Mr. P.Venkatram Reddy
Mr.S. Koni Reddy

INDEPENDENT DIRECTORS COMMITTEE:

Mr. P.Venkatram Reddy
Mr. M.EswarRao
Ms.P.Chandra Kala

RISK MANAGEMENT COMMITTEE:

Mr.S. Nagi Reddy
Mr.S. Koni Reddy
Ms. P.Chandra Kala

CONCORD DRUGS LIMITED

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Aarathi Consultants Pvt. Ltd,
1-2-285, Domalaguda,
Hyderabad, Telangana, 500029
Tel.: 040-27634445
Fax: 040-27632184
Email: info@aarthiconsultants.com

LISTED AT : BSE Limited and ASE Limited

ISIN : INE858L01010

WEBSITE : www.concorddrugs.in

INVESTOR E-MAIL ID : concorddrugsltd@gmail.com

CONCORD DRUGS LIMITED

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Shareholders of M/s. Concord Drugs Limited will be held on Friday, the 29th day of September, 2017 at 11:00 a.m. at Survey No.249, Brahmanapally Village, Hayatnagar Mandal R.R.Dist-501511 Telangana, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. K. Ramachandra Reddy (DIN: 02285257) who retires by rotation.
3. To appoint a director in place of Mr. S. Koni Reddy (DIN: 02829319) who retires by rotation and being eligible, offers himself for re - appointment
4. To appoint M/s. M.M. Reddy & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting at remuneration as may be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:

5. RATIFICATION OF APPOINTMENT AND PAYMENT OF REMUNERATION TO THE COST AUDITORS FOR THE FINANCIAL YEAR 2017-2018:

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 provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), consent of the Members be and is here by accorded for ratification of appointment of M/s D Munisekhar & Co, (Registration No.101940) Cost Accountants to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2018 and payment of remuneration of Rs.60000/- plus applicable taxes, out of pocket expenses etc. thereon as set out in the explanatory statement.”

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“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. ISSUE OF CONVERTIBLE WARRANTS ON PREFERENTIAL BASIS TO THE PROMOTERS AND OTHERS:

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

“RESOLVED THAT in terms of Sections 42 and 62(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, (including any statutory modification(s) or re-enactments thereof for the time being in force), Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulation 2009, as may be applicable to the preferential issue of Equity shares and other applicable regulations of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any committee thereof for the time being to which all or any of the powers hereby conferred on the Board by this resolution, have been delegated) and subject to such, consents and approvals of SEBI, Stock Exchanges, Government of India, or such other bodies or authorities as may be required by law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals and which may be agreed to by or any other authorities as may be necessary for that purpose, the consent of the members of the company be and is hereby accorded to the Board to offer, issue, and allot in one or more tranches up to 15,00,000 convertible warrants to the promoters and the others (whose names shall be recorded by the company in the manner set out in Sec 42(7) of the Companies Act, 2013 read with the respective Rules) and the warrants shall be convertible into equal number of Equity Shares with in a period not exceeding 18 months from the date of allotment of warrants, in such manner and on such price, terms and conditions in accordance with the Securities & Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations 2009 (including any amendments thereto or re-enactment thereof) or other provisions of Law as may be prevailing at the time, provided that the price (inclusive of premium) of the convertible warrants so issued shall not be less than the

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minimum price to be arrived in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations.”

“RESOLVED FURTHER THAT the pricing of the Warrants to be allotted will be in accordance with the SEBI (ICDR) Regulations with reference to the ‘Relevant Date.’ The “relevant date” for the purpose of pricing of convertible warrants is August 30, 2017 i.e., thirty days prior to the date on which this Annual General meeting is held in terms of Section 42 and Section 62 1(c) of the Companies Act, 2013” (AGM to be held on September 29, 2017).

“RESOLVED FURTHER THAT the resultant equity shares shall rank pari- passu with the existing Equity of the Company in all respects and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for which the book closure or the Record Date falls subsequent to the allotment of Equity Shares.”

“RESOLVED FURTHER THAT the aforesaid convertible warrants allotted in terms of this resolution shall be subject to lock-in requirements as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 and any amendment thereto from time to time.”

“RESOLVED FURTHER THAT the aforesaid warrants shall be in accordance with the following terms and conditions:

- A warrant by itself shall not give to a warrant holder thereof, any rights of the shareholder of the company.
- In the event, the equity shares of the company are either sub-divided or consolidated before the conversion of the warrants into equity shares of the company, then the face value, the number of equity shares to be acquired on conversion of the warrants and the warrant issue price shall automatically stand adjusted in the same proportion, as the present value of the equity shares of the company bears, to the newly sub-divided / consolidated equity shares without affecting any right or obligation of the said warrant holders: and
- In the event the company's equity capital is affected or changed due to any other corporate actions such as a merger, demerger, consolidation of business, or other reorganization of the company, tender offer for equity shares of sale of undertaking, necessary adjustments with respect to the terms of the aforesaid warrants shall be made by the company and such other action as may be deemed

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necessary or appropriate by the Board shall be taken to reflect such corporate actions, including but without limitation, suitable adjustment of the warrant issue price, subject to necessary approvals.

“RESOLVED FURTHER THAT the Company does apply for listing of the resultant equity shares and does make an application to the Depositories for admission of the said new equity shares.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard to implementation of this Resolution, issue and allotment of convertible warrants and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

7. MODIFICATION OF TERM OF APPOINTMENT OF MR. M. ESWAR RAO AS INDEPENDENT DIRECTOR:

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

“RESOLVED THAT in modification of the resolution no. 5 passed in the Annual General Meeting of the company held on 30.09.2014 and pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the tenure of Mr. M. Eswar Rao (holding DIN 03177152), who was appointed as an Independent Director of the Company be and is hereby revised for a period of 3 years from the date of appointment or the date of subsequent / ensuing Annual General Meeting whichever is later.”

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8. MODIFICATION OF TERM OF APPOINTMENT of MR. P. VENKATRAM REDDY AS INDEPENDENT DIRECTOR:

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

“RESOLVED THAT in modification of the resolution no. 6 passed in the Annual General Meeting of the company held on 30.09.2014 and pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the tenure of Mr. P. Venkatram Reddy (holding DIN: 07001606), who was appointed as an Independent Director of the Company be and is hereby revised to hold office for the term of 3 years from the date of appointment or the date of subsequent / ensuing Annual General Meeting, whichever is later.”

9. MODIFICATION OF TERM OF APPOINTMENT OF MRS. P. CHANDRAKALA AS INDEPENDENT DIRECTOR:

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

“RESOLVED THAT in modification of the resolution no. 4 passed in the Annual General Meeting of the company held on 30.09.2015 and pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the tenure of Mrs. P. Chandrakala (holding DIN 07138391), who was appointed as an Independent Director of the Company be and is hereby revised to hold office for the term of 3 years from the date of appointment or the date of subsequent / ensuing Annual General Meeting, whichever is later.”

**For and on behalf of the Board
For Concord Drugs Limited**

Sd/-

**S.Nagi Reddy
Chairman
(DIN: 01764665)**

**Place : Hyderabad
Date : 28.08.2017**

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NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2017 to 29.09.2017 (Both days Inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.

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8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in Demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have Demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Aarthi Consultants Pvt. Ltd.)
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.

Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s Aarthi Consultants Pvt. Ltd., Share Transfer Agents of the Company for their doing the needful.

10. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
 11. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
 12. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
 13. Electronic copy of the Annual Report for 2016-2017 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-2017 is being sent in the permitted mode.
 14. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2016-2017 will also be available on the
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Company's website www.concorddrugs.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: concorddrugsltd@gmail.com

15. Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 22.09.2017, are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 09.00 a.m. on 26.09.2017 and will end at 05.00 p.m. on 28.09.2017. The Company has appointed Mr. Vivek Surana, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

The instructions for e-voting are as under:

(A) In case of members receiving e-mail:

Procedure of E-Voting

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, your Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited

- (I) The voting period begins on 09.00 a.m. on 26.09.2017 and will end at 05.00 p.m. on 28.09.2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - (i) For CDSL: 16 digits beneficiary ID,
 - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Concord Drugs Limited to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as

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prompted by the mobile app while voting on your mobile.

- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
16. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
17. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
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18. The Ministry of Corporate Affairs (vide circular nos. 17/2011 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

**For and on behalf of the Board
For Concord Drugs Limited**

**Sd/-
S.Nagi Reddy
Chairman
(DIN: 01764665)**

**Place : Hyderabad
Date : 28.08.2017**

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EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

ITEM NO 5: RATIFICATION OF APPOINTMENT AND PAYMENT, OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2017-2018:

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s D Munisekhar & Co, (Registration No.101940) Cost Accountants as Cost Auditors of the Company for the financial year ending 31st March, 2018 to conduct the audit of cost records and fixed their remuneration at Rs.60,000/-(Rupees Sixty Thousand Only) plus service tax, out of pocket and other expenses etc.

As per the provisions of Section 148 of the Act read with the Companies Act, 2013 and as per the Rule 14 of Companies (Audit and Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at resolution No.5 of the Notice for ratification or approval of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

None of the Directors / Key Managerial Personnel and their relatives of the Company are, in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 6:ISSUE OF CONVERTIBLE WARRANTS ON PREFERENTIAL BASIS TO THE PROMOTERS AND OTHERS:

The special resolution as mentioned above proposes to authorize the Board of directors to issue and allot up to 15,00,000 convertible warrants in such manner and on such terms of conditions as prescribed under SEBI (ICDR) Regulations and in compliance with Sections 42 and 62 and other applicable provisions of the Companies Act, 2013, the companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014. To meet the ever increasing Working Capital requirements of the company, the promoters and/or directors from time to time have infused unsecured loans into the company and the same was duly certified and recognized by the auditors. At present, the company does not have surplus funds to repay the unsecured loans. Now as per the request of the promoters and the directors, the Board decided to convert the said unsecured loans to the tune of Rs. 3.77 crores into convertible warrants.

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The Information pertaining to the proposed preferential allotment in terms of the Chapter VII of SEBI (ICDR) Regulations, 2009 and subsequent amendments there to is as stated below:

(I) Objective of the Issue through preferential Allotment:

To mobilize funds for current / future expansion plans / activities directly of the Company, working capital and general corporate purposes including conversion of unsecured loans brought in by the promoter directors of the company into convertible warrants.

(II) Pricing of the Issue and Relevant Date:

The price of the convertible warrants proposed to be issued will be determined in accordance with the preferential issue guidelines given in SEBI (ICDR) Regulations and subsequent amendments thereto which is based on the relevant date i.e., 30-Aug-2017, which is thirty days prior to the date of Annual General Meeting (29-Sep-2017).

A Certificate will be obtained from the Statutory Auditor of the company / Practicing company Secretary confirming the minimum price for the preferential issue is as per Preferential Issue Regulations in chapter VII of SEBI (ICDR) Regulations, 2009 and showing the calculation thereof and the same will be made available for inspection at the registered office of the Company.

(III) The proposal of the promoters, or their associates and relatives, directors/key managerial persons of the issuer to subscribe to the offer:

The proposed allottees would fall under Promoters and Public categories as mentioned under point No (IV). The said promoters propose to subscribe for 13,00,000 convertible warrants whereas allottee in public category will subscribe for 2,00,000 convertible warrants. The requirement of issue of securities on preferential basis is necessitated to fulfill the objectives as mentioned in point (I) above.

(IV) Identity of the natural persons who are the ultimate beneficial owners of convertible warrants proposed to be allotted and/or who ultimately control; the proposed allottees and percentage of pre and post preferential issue capital that may be held by them:

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List of proposed allottees: All the proposed allottees as furnished in the table are the ultimate beneficial owners of the shares.

PRE ISSUING HOLDING			POST ISSUE HOLDING ON CONVERSION		
Identity of Proposed Preferential Allottee	Pre issue holding	% of shares	Warrants proposed to be allotted	No.of Shares after conversion	% of shares on allotment / conversion
A. PROMOTERS					
S. Nagi Reddy	6,98,600	9.64	6,00,000	12,98,600	14.85
S.Koni Reddy	6,25,000	8.63	3,50,000	9,75,000	11.15
S.Manoj Kumar Reddy	3,15,000	4.35	3,50,000	6,65,000	7.61
B. PUBLIC					
Prasanna	--	--	2,00,000	2,00,000	2.29

* Shareholding has been provided assuming that all the convertible warrants are converted into equity shares.

CONCORD DRUGS LIMITED

(V) Shareholding pattern before and after preferential issue of the capital would be as follows: (assuming all warrants are convertible into equity shares)

Sl. No.	Category	Pre Issue Holding			Post Issue Holding	
		No. of shares	% of shares	Proposed Issue Shares Warrants	No. of shares	% of Shares
A	Promoter Shareholding					
1	Indian Promoters	28,40,500	39.21%	13,00,000	41,40,500	47.35
2	Foreign Promoters	-	-	-	-	-
	Sub-Total (A)	28,40,500	39.21%	13,00,000	41,40,500	47.35
B	Public Shareholding					
1	Institutions	-	-	-	-	-
2	Non-Institutions	-	-	-	-	-
(i)	Bodies Corporate	91961	1.27	-	91961	1.05
(ii)	Individuals	4244507	58.60	2,00,000	4444507	50.83
(iii)	NRIs	27605	0.38	-	27605	0.32
(iv)	Clearing Members	39177	0.54	-	39177	0.45
	Sub-Total (B)	44,03,250	60.79%	2,00,000	46,03,250	52.65
	Grand Total (A+B)	72,43,750	100.00%	15,00,000	87,43,750	100.00%

* *Shareholding has been provided assuming that all the convertible warrants are converted into equity shares.*

(VI) **Proposed time within which the allotment shall be completed:**

The allotment of equity shares and convertible equity warrants shall be completed, within a period of 15 days from the date of passing of the resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority including SEBI, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

An amount, as may be decided by the Board of Directors, not being less than 25% of the issue price shall be payable before allotment of the

CONCORD DRUGS LIMITED

warrants. The convertible warrants would be allotted on the following terms:

- a. The holder of warrants will have an option to apply for and be allotted 1 (one) Equity Share of the Company per warrant, any time after the date of allotment but on or before the expiry of 18 months from the date of allotment of convertible warrants, in one or more tranches.
- b. Upon receipt of the payment as above, the Board shall allot one Equity Share per Warrant by appropriating Rs. 10/- towards Equity Share Capital and the balance amount paid against each Warrant, towards the Securities Premium.
- c. If the entitlement against the warrants to apply for the Equity Share is not exercised within the period specified, the entitlement of the Warrant holder to apply for Equity Shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
- d. The warrant holder shall also be entitled to any future bonus/rights issue(s) of equity shares or other securities convertible into Equity Shares by the Company, in the same proportion and manner as any other Members of the Company for the time being.
- e. The warrants by itself do not give to the holder thereof any rights of the Members of the Company.

(VII) Approvals:

The Company will take necessary steps to obtain the required approvals from the Stock Exchange, SEBI, or any other regulatory agency as may be applicable, for the proposed preferential issue of equity shares/convertible warrants.

(VIII) SEBI Takeover code:

In the present case none of the proposed allottees would attract SEBI Takeover Code and therefore is not under obligation to give open offer to the public except making certain disclosures to Stock Exchange.

(IX) Holding of shares in demat form, non disposal of shares by the proposed allottees and lock-in period of shares:

The entire shareholding of the proposed allottees in the company, if any, is held by them in dematerialized form. The entire pre preferential allotment shareholding of such allottees shall be under lock-in from the

CONCORD DRUGS LIMITED

relevant date up to a period of six months from the date of trading approval from all the stock exchanges where the securities of the Company are listed. The shareholder who has sold their shares during the six months period prior to the relevant date shall not be eligible for allotment of equity shares on preferential basis. The proposed shareholders have Permanent Account Number.

(X) Lock-in Period:

The equity shares proposed to be allotted shall be subject to 'lock-in' for such a period as the case may be from the date of trading approval from all the stock exchange/s where the securities of the Company are listed as per Clause 78 of the SEBI (ICDR) Regulations, 2009.

(XI) Auditor Certificate:

Certificate from the Statutory Auditors / Practicing Company Secretary confirming that the proposed issue of equity shares is being made in accordance with the SEBI (ICDR) Regulations, 2009 is obtained and the same will be made available for inspection at the Registered Office of the Company on any working day.

(XII) Control:

As a result of the proposed preferential allotment of equity shares/convertible equity warrants, neither there will be change in the composition of the Board of Directors and nor any changes in control of the Company.

(XIII) Undertakings:

In terms of SEBI (ICDR) Regulations, 2009 issuer hereby undertakes that:

- a) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- b) b) If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continued to be locked in till the time such amount is paid by the allottees.

(XIV) Compliances:

The company has complied with the requirement of rule 19A of the Securities Contracts (Regulation) Rules, 1957 and Regulation 38 of SEBI (Listing Obligation and Disclosure Requirements) Regulations,

CONCORD DRUGS LIMITED

2015 maintaining a minimum of 25% of the paid up capital in the hands of the public.

(XV) Approval under the Companies Act:

Section 62(1) of the Companies Act, 2013 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by further issue and allotment of shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down in the said section, unless the shareholders decide otherwise in General Meeting by way of special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 62(1) of the Companies Act, 2013 and all other applicable provisions, SEBI Guidelines or regulations and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for authorizing the Board to offer, issue and allot equity shares as stated in the resolution, which would result in a further issuance of securities of the Company to the promoters and the others on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

XVI. Disclosure regarding willful defaulter:

Neither the issuer, nor its promoters and directors are willful defaulters.

The Board of Directors recommends the passing of the above resolution as a Special Resolution as set out in the Notice.

Except Mr. S. Nagi Reddy, Mr. S. Koni Reddy, none of the other directors, key managerial personnel or their relatives is concerned or interested (financial or otherwise) in the above said resolution.

Item Nos.7, 8 and 9:

Mr. M. Eswar Rao and Mr. P. Venkatram Reddy were appointed as Independent Directors in the AGM held on 30.09.2014 and Mrs. P. Chandrakala was appointed as independent director in the AGM held on 30.09.2015 for a period of 5 years from the date of their appointment. However the Board reviewed the tenure of the independent directors and decided to modify the tenure of Independent Directors for a period of 3 years from the date of appointment or the date of subsequent ensuing Annual General Meeting after expiry of 3 years tenure whichever is later, which enables the Company to have right kind of mix and variety on the Board based on the requirement, from time to time so that it will be beneficial to the

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company and to the other stakeholders

Hence, the Board recommends the above said ordinary resolutions for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr. M. Eswar Rao, Mr. P. Venkatram Reddy and Mrs. P. Chandrakala are concerned or interested (financially or otherwise) in their respective resolutions.

**For and on behalf of the Board
For Concord Drugs Limited**

**Place : Hyderabad
Date : 28.08.2017**

**Sd/-
S.Nagi Reddy
Chairman
(DIN: 01764665)**

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BOARD's REPORT

To the Members,

The Directors have pleasure in presenting before you the Board Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:

The performance during the period ended 31st March, 2017 has been as under:

(Rs. In Lakhs)

Particulars	2016-17	2015-2016
Total Income	5757.54	5088.60
Total Expenditure	5692.79	4792.26
Profit Before Tax	64.75	296.34
Provision for Tax	48.79	87.06
Profit after Tax	15.96	209.28

2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There were no material changes and commitments affecting financial position of the company between 31st March 2017 and the date of Board's Report. (i.e. 28.08.2017)

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the period under review and the date of Board's Report there was no change in the nature of Business.

4. PUBLIC DEPOSITS:

The Company has not accepted any deposits falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

CONCORD DRUGS LIMITED

5. **TRANSFER TO RESERVES:**

Directors have decided not to transfer any amount to reserves for the year.

6. **DIVIDEND:**

Your Directors have not recommended any dividend for the year.

7. **REVISION OF FINANCIAL STATEMENTS:**

There was no revision of the financial statements for the year under review.

8. **DISCLOSURE UNDER SECTION 134(3)(I) OF THE COMPANIES ACT,2013:**

No material changes and commitments which could affect the Company's financial position have occurred between the ends of the financial year of the Company.

9. **DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

10. **DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

11. **PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:**

The details of transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in detail somewhere else in the report (if

CONCORD DRUGS LIMITED

applicable) and forms part of this Report.

12. BOARD MEETINGS DURING THE YEAR:

The Board of Directors duly met 6 (Six) times on 30.05.2016, 16.07.2016, 13.08.2016, 14.11.2016, 10.01.2017 and 14.02.2017 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

13. CORPORATE GOVERNANCE:

Corporate Governance is not applicable to the company since the paid up capital and networth of the company is less than Rs.10.00 crores and Rs.25.00 crores respectively. However, the company voluntarily provides a separate section in the Annual Report titled "Report on Corporate Governance" along with the Auditors' Certificate on Corporate Governance as stipulated under Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report –Annexure I

15. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS /CEO/ CFO AND KEY MANAGERIAL PERSONNEL:

During the year Ms. Sonia Bidla resigned as Company Secretary of the Company w.e.f. 31.12.2016. Ms.Aakanksha Shukla was appointed as Company Secretary of the Company w.e.f. 10.01.2017. As per the provisions of the Companies Act 2013 Mr. K. Ramachandra Reddy retires by rotation and does not offers himself for re-appointment. Mr. S. Koni Reddy retires by rotation and being eligible offers himself for re-appointment.

Your directors recommend the appointment of Mr. S. Koni Reddy.

CONCORD DRUGS LIMITED

The details of the appointment/re-appointment of the director/s:

Particulars	Details of the director
Name	Mr. S. Koni Reddy
DIN	02829319
Date of Birth	21/06/1989
Date of Appointment	30.03.2015
Qualifications	Graduation
No. of Shares held in the Company	6,25,000
Directorships held in other companies (excluding private limited and foreign companies)	–
Positions held in mandatory committees of other companies	–
Relationship with other directors of the Company	Son of Mr. S. Nagi Reddy and brother of Mr. S. Manoj Reddy

16. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received declarations from Mr. M. Eswar Rao, Mr. P. Venkatram Reddy and Ms. P. Chandra Kala, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.-Annexure-II

CONCORD DRUGS LIMITED

17. DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had 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 and of the profit and loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES:

The Company does not have any subsidiaries/associates. During the year neither any Company became its subsidiary nor ceased to be its Subsidiary.

19. STATUTORY AUDITORS:

M/s. M. M Reddy & Co, Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, have expressed their willingness for reappointment. Your directors propose the appointment of M/s. M. M Reddy & Co, Chartered Accountants, as statutory auditors to hold office until the conclusion of

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the next Annual General Meeting of the company.

The Board recommends the re-appointment of M/s. M. M Reddy & Co, Chartered Accountants as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.

20. INTERNAL AUDITORS:

M/s. Chanamolu & Co., Chartered Accountants, are the internal Auditors of the Company.

21. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by M/s. Vivek Surana & Associates, Practicing Company Secretaries is annexed to this Report as annexure.

22. INDIAN ACCOUNTING STANDARDS:

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company adopts Indian Accounting Standards with effect from 01st April, 2017. The implementation of Indian Accounting Standards (IAS) is a major change process for which the Company has set up a dedicated team and is providing desired resources for its completion within the time frame. The impact of the change on adoption of said IAS is being assessed.

23. AUDIT REPORTS:

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2017 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges that may occur in the industry.

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the

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Companies Act 2013 and does not have any qualifications, reservations or adverse remarks.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Since the company does not have the net worth of Rs. 500 Crores or more, or turnover of Rs. 1000 Crores or more, a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

25. COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with BSE Limited and ASE Limited and framed the following policies which are available on Company's website i.e. www.concorddrugs.in.

- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarisation programme for Independent Directors
- Anti Sexual Harrassment Policy
- Related Party Policy
- Code of Conduct

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO:

The required information as per Sec.134 of the Companies Act 2013 is provided hereunder:

A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

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B. Technology Absorption:

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings: Rs 10,91,097

Foreign Exchange Outgo: Nil

27. INSURANCE:

The assets of your Company are adequately insured.

28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given loans or Guarantees or made investments attracting section 186 of the Companies Act, 2013 during the year under review.

29. CREDIT & GUARANTEE FACILITIES:

The Company is availing Credit and Guarantee Facilities from State Bank of India, Dilsukhnagar Branch.

30. DISCLOSURE ABOUT COST AUDIT:

Cost Audit is applicable to the Company. M/s MPR & Associates is the Cost Auditor of the Company.

31. RATIO OF REMUNERATION TO EACH DIRECTOR:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014, the ratio of remuneration of Mr. Nagi Reddy (Chairman Cum Whole Time Director) & Mr. Koni Reddy (Director cum CFO) to median employees is 6.82:1 & 2.27:1 respectively times.

32. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

CONCORD DRUGS LIMITED

33. CEO/CFO CERTIFICATION:

The Managing Director and CEO/ CFO certification of the financial statements for the year 2016-17 is provided elsewhere in this Annual Report.

34. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

35. SECRETARIAL STANDARDS:

The company is in compliance with SS 1 & SS 2.

36. EVENT BASED DISCLOSURES:

During the year under review, the Company has not taken up any of the following activities:

- 1. Issue of sweat equity share:** The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.
- 2. Issue of shares with differential rights:** The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.
- 3. Issue of shares under employee's stock option scheme:**The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014
- 4. Non- Exercising of voting rights :** During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

CONCORD DRUGS LIMITED

5. **Disclosure on purchase by company or giving of loans by it for purchase of its shares:** The Company did not purchase or give any loans for purchase of its shares.
6. **Buy back shares:** The Company did not buy-back any shares during the period under review.
7. **Disclosure about revision:** Since the company did not undergo any revision, this clause is Not Applicable to the company for the period under review.
8. **Preferential Allotment of Shares:** The Company did not allot any shares on preferential basis during the period under review.

37. EMPLOYEE RELATIONS AND REMUNERATION:

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 8,50,000/- and above per month or Rs.1,02,00,000/- and above in aggregate per annum, the limits prescribed under Section 197(12) of Companies Act 2013 read with Rule 5 of Companies(Appointment & Remuneration Of Managerial Personnel) Rules, 2014.

38. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

No. of complaints received:	Nil
No. of complaints disposed off:	Nil

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39. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions, other statutory authorities like SEBI, ROC, Stock Exchanges, NSDL, CDSL, etc and shareholders of the Company for their continued support for the growth of the Company.

**For and on behalf of the Board
For Concord Drugs Limited**

**Place : Hyderabad
Date : 28.08.2017**

**Sd/-
S.Nagi Reddy
Chairman
(DIN: 01764665)**

**Sd/-
T. Narsimha Reddy
Managing Director
(DIN: 07538313)**

CONCORD DRUGS LIMITED

Code of Conduct

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Certificate of Code of Conduct for the year 2016-17 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Concord Drugs Limited is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2016-17.

**For and on behalf of the Board
For Concord Drugs Limited**

**Place : Hyderabad
Date : 28.08.2017**

**Sd/-
S.Nagi Reddy
Chairman
(DIN: 01764665)**

CONCORD DRUGS LIMITED

CORPORATE GOVERNANCE

***** Corporate Governance is not applicable to the company as its paid up-equity capital and net worth does not exceed Rs. 10 crores and Rs. 25 crores respectively. However, the company voluntarily complies with Corporate Governance as a good governance measure to keep the stakeholders informed about the company.***

Concord Drugs Limited is committed to best practices in the area of Corporate Governance. Good governance facilitates effective management and control of business, maintaining a high level of business ethics and optimizing the value for all stakeholders.

The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2017. The Report is updated as on the date of the report wherever applicable.

1. BOARD OF DIRECTORS

A. COMPOSITION OF THE BOARD:

The Company is managed and controlled through a professional body of Board of Directors. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he is a Director.

CONCORD DRUGS LIMITED

The Board has been enriched with the advices and knowledge of the Independent Directors. None of the Independent Directors has any pecuniary or business relationship except receiving sitting fees. The composition of the Board of Directors as on 31.03.2017 and details of number of Directorships/committee chairmanships/memberships attendance particulars is as under:

B. ATTENDANCE OF EACH DIRECTOR AT BOARD MEETING HELD DURING THE YEAR AND LAST ANNUAL GENERAL MEETING AND NUMBER OF OTHER BOARD OF DIRECTORS IN WHICH A DIRECTOR IS A MEMBER OR CHAIRPERSON.

Name of Director	Category of Directorship	Number of Directorships in other Companies (excluding private companies)	Number of Board Committee memberships held in other Companies		Attendance Particulars		
			Member	Chairman	Last AGM 29.09.2016	Board meetings '16-17'	
						held	Attended
Mr. S. Nagi Reddy	Whole-Time Director Cum Chairman	4	-	-	Yes	6	6
T. Narsimha Reddy	Managing Director	0	-	-	Yes	5	5
Mr. K. Ramachandra Reddy	Non - Executive Director	1	-	-	Yes	6	0
Mr. S. Koni Reddy	Executive Director cum CFO	1	-	-	Yes	6	6
Mr. M. EswarRao	Independent Director	0	-	-	Yes	6	6
Mr. P. Venkatram Reddy	Independent Director	0	-	-	Yes	6	6
Ms. P. Chandra Kala	Independent Director	0	-	-	Yes	6	6

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C. MEETINGS DURING THE YEAR:

The Board of Directors duly met 6 (Six) times on 30.05.2016, 16.07.2016, 13.08.2016, 14.11.2016, 10.01.2017 and 14.02.2017 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

D. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Mr. S. Nagi Reddy, Chairman, Whole-Time Director and Mr. S. Koni Reddy, Executive Director cum CFO of the Company are inter-se related as father and son respectively.

E. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:

None of the Non-Executive Directors of the company holds any shares and Convertible Instruments in their name except Mr. M. EswarRao and Mr. K. Ramachandra Reddy holding 107253 and 50000 shares respectively.

F. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

All new independent directors inducted into the Board attend an orientation program. The details of training and familiarization program are provided in the corporate governance report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities.

G. INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 13.02.2017, and discussed the following:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

2. AUDIT COMMITTEE (CONSTITUTED IN TERMS OF SEC 177 OF THE COMPANIES ACT, 2013 READ WITH REGULATION 18 OF SEBI LODR REGULATIONS, 2015)

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
 - a. Any changes in accounting policies and practices;
 - b. Qualification in draft audit report;
 - c. Significant adjustments arising out of audit;
 - d. The going concern concept;
 - e. Compliance with accounting standards;
 - f. Compliance with stock exchange and legal requirements concerning financial statements and

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- g. Any related party transactions
- Reviewing the company's financial and risk management's policies.
 - Disclosure of contingent liabilities.
 - Reviewing with management, external and internal auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 - Discussion with internal auditors of any significant findings and follow-up thereon.
 - Reviewing the findings of any internal investigations by the internal auditors into the 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.
 - Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - Reviewing compliances as regards the Company's Whistle Blower Policy.

B. COMPOSITION, MEETINGS & ATTENDANCE:

There were four (4) Audit Committee Meetings held during the year on 30.05.2016, 13.08.2016, 14.11.2016 and 14.02.2017.

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mr. M. Eswar Rao	Chairman	NED(I)	4	4
Mr. P. Venkatram Reddy	Member	NED(I)	4	4
Mr. K. Ramachandra Reddy	Member	NED	4	4

NED (I) : Non Executive Independent Director

NED : Non Executive Director

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3. NOMINATION AND REMUNERATION COMMITTEE (CONSTITUTED IN TERMS OF SEC 178 OF THE COMPANIES ACT, 2013 READ WITH REGULATION 19 OF SEBI LODR REGULATIONS, 2015)

The Committee comprises of three non-executive independent Directors

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
 - a. To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
 - b. To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

Name	Designation	Category
Mr. M. Eswar Rao	Chairperson	NED(I)
Mr. P. Venkatram Redy	Member	NED(I)
Ms. P. Chandra Kala	Member	NED(I)

NED (I) : Non Executive Independent Director

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PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

2.1 “**Director**” means a director appointed to the Board of a Company.

2.2 “**Nomination and Remuneration Committee**” means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.3 “**Independent Director**” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013, Clause 49(II)(B) of the Equity Listing Agreement and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

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- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfill the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as any be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

3.2 Criteria of independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

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3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in Companies Act, 2013, Clause 49 of the Equity Listing Agreement and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director-

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - b.
 - (i) who is or was not a promoters of the company or its holding, subsidiary or associate company;
 - (ii) who is not related to promoters or directors of the company its holding, subsidiary or associate company
 - c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or director, during the two immediately preceding financial year or during the current financial year;
 - d. none of whose relative has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial year or during the current finance year;
 - e. who, neither himself nor any of his relative-
 - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the or associate company in any of the three finance years immediately preceding the finance year in which he is proposed to be appointed;
 - (ii) Is or has been an employee or proprietor or a partner, in any of the three finance year immediately preceding the financial year in which he is proposed to be appointed of-
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
-

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- (B) any legal or a consulting firm that has or had any transaction with the company, its holding subsidiary or associate company amounting to ten per cent or more of the gross turnover of more of the gross turnover of such firm;
- (i) holds together with his relatives two per cent or more of the total voting power of the company; or
 - (ii) is a chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the company any of its promoters, directors or its holding subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - (iii) is a material supplier, service provider or customer or a lesser or lessee of the company.
- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the company's business.
- g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age
- 3.2.3 The independent Director shall abide by the "code for independent Directors" as specified in Schedule IV to the companies Act, 2013.
- 3.3 other directorships/ committee memberships
- 3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of, and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

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- 3.3.3 A Director shall not serve an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.
- 3.3.4 A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities should and individual performance.

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

- 1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

- 2.1 "Director" means a director appointed to the Board of the company.
- 2.2 "key managerial personnel" means
- (i) The Chief Executive Officer or the managing director or the manager;
 - (ii) The Company Secretary;

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- (iii) The Whole-time Director;
 - (iv) The Chief Financial Officer; and
 - (v) Such other office as may be prescribed under the companies Act, 2013
- 2.3 “Nomination and Remuneration committee” means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. Policy:
- 3.1 Remuneration to Executive Director and key managerial personnel
- 3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.
- 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
- 3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
- (i) Basic pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options
 - (iv) Commission (Applicable in case of Executive Directors)
 - (v) Retirement benefits
 - (vi) Annual performance Bonus
- 3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.
- 3.2 Remuneration to Non – Executive Directors

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- 3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.
- 3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.
- 3.3. Remuneration to other employees
- 3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

REMUNERATION OF DIRECTORS:

PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED COMPANY: The Non-Executive Directors have no pecuniary relationship or transactions.

CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS: As per the remuneration policy of the company.

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REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2016-17 AND OTHER DISCLOSURES:

Name of the Director	Salary(Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Mr. S. Nagi Reddy	18,00,000	-	698600	-	-	-	-
Mr. K. Ram chandra Reddy	-	-	50000	-	-	-	-
Mr. S. Koni Reddy	600000	-	625000	-	-	-	-
Mr. M. Eswar Rao	-	-	107253	-	-	-	-
Mr. P. Venkatram Reddy	-	-	-	-	-	-	-
Ms. P. Chandra kala	-	-	-	-	-	-	-
T. Narsimha Reddy	-	-	-	-	-	-	-

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees of the Board. Structured questionnaires were prepared after taking in to consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of participation in the meetings and contribution, independence of judgments, safeguarding the interest of the Company and other stakeholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

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4. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

A) COMPOSITION:

The Details of composition of the Committee are given below:

Name	Designation	Category
Mr. M. Eswar Rao	Chairperson	NED(I)
Mr. P. Venkatram Redy	Member	NED(I)
Mr. S. Koni Reddy	Member	ED

NED (I) : Non Executive Independent Director

ED : Executive Director

B. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Ms. Aakanksha Shukla was appointed as a Company Secretary of the Company w.e.f 10.01.2017 and Ms. Sonia Bidla has resigned from the post of Company secretary as on 31.12.2016.

C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2016-17

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2017
Pending at the beginning of the year	NIL
Received during the year	NIL
Disposed of during the year	NIL
Remaining unresolved at the end of the year	NIL

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5. RISK MANAGEMENT COMMITTEE:

A.) COMPOSITION:

The Details of composition of the Committee are given below:

Name	Designation	Category
Mr. S. Nagi Reddy	Chairperson	ED
Mr. S. Koni Reddy	Member	ED
Ms. P. Chandra Kala	Member	NED(1)

NED (I) : Non Executive Independent Director

ED : Executive Director

B) ROLE AND RESPONSIBILITIES OF THE COMMITTEE INCLUDES THE FOLLOWING:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimisation.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

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6. DETAILS ON GENERAL BODY MEETINGS:

A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THERE AT AS UNDER:

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2015-16	29.09.2016	11:30 a.m.	Survey No.249,Brahmanapally Village, Hayathnagar Mandal, R.R.Dist 501511	1. Appointment of T. Narsimha Reddy as Director of the Company 2.Appointment of Mr. T. Narsimha Reddy as Managing Director of the Company 3.Appointment of Mr. S.Nagi Reddy as chairman of the Company
2014-15	30.09.2015	11:30 a.m.	Survey No.249,Brahmanapally Village, Hayathnagar Mandal, R.R.Dist 501511	1. Appointment of Ms.Chandra Kala as Director 2. Re- appointment of Mr.S.Nagi Reddy as Managing Director of the company. 3. Amendment of Articles Of Association of the Company.
2013-14	30.09.2014	11:00 a.m.	Survey No.249, Brahmanapally Village, Hayathnagar Mandal, R.R.Dist 501511	1. Appointment of Mr. S. Koni Reddy as director of the Company 2. Appointment of Mr. M. Eswar Rao as director of the Company

B. PASSING OF RESOLUTIONS BY POSTAL BALLOT:

There were no resolutions passed by the Company through Postal Ballot during the financial year 2016-17.

7. DISCLOSURES

A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

During the year under review, the Company had not entered in to any materially significant transaction with any related party. During the year, the Company had not entered into any other contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on

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materiality of related party transactions that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arm's length basis.

B. COMPLIANCES:

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

C. WHISTLE BLOWER POLICY (SET UP IN TERMS OF SEC 177 OF THE COMPANIES ACT, 2013 READ WITH REGULATION 22 OF SEBI LODR REGULATIONS, 2015)

The Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

D. CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Declaration on Code of Conduct for the year 2016-17

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2017 as envisaged in Regulation 26(3) of the Listing Regulations.

E. Disclosure of Accounting Treatment

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have

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been no deviations from the treatment prescribed in the Accounting Standards notified under Section 129 of the Companies Act, 2013.

F. CEO/ CFO Certification

The Whole time Director and CEO/ CFO certification of the financial statements for the year 2016-17 is provided elsewhere in this Annual Report.

G. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

All mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been appropriately complied with and the status of non-mandatory requirements is given below:

- i. The Chairman of the Company is an Executive Chairman and hence the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.
- ii. The financial Statements are free from any Audit Qualifications.

H. WEB-LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED.

The Company does not have any subsidiaries.

8. MEANS OF COMMUNICATION:

The quarterly, half-yearly and yearly financial results will be sent to the Stock Exchanges immediately after the Board approves the same and these results will also be published in prominent daily newspapers. These financial statements, press releases are also posted on the Company's website, at www.concorddrugs.in. As the financial performance of the Company is well published, individual communication of half yearly results are not sent to the shareholders.

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9. GENERAL SHAREHOLDER INFORMATION:

A. ANNUAL GENERAL MEETING:

Day, Date and Time: Friday, 29th September, 2017 at 11.00 a.m.

Venue: Survey No 249, Brahmanapally Village, HayatnagarMandal, R.R.District - 501511

B. FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2017-18 (TENTATIVE SCHEDULE)

Financial year to which the Annual General Meeting relates: 2016-17

Financial calendar: 2017-18 (tentative)

Adoption of Quarterly results for the Quarter ending

- 30th June, 2017 : 02.09.2017
- 30th September, 2017 : on or before 14.12.2017
- 31st December, 2017 : on or before 14.02.2018
- 31st March, 2018 : on or before 30.05.2018

Annual General Meeting (Next year): August / September, 2018

C. DIVIDEND PAYMENT DATE: No dividend is declared for the year 2016-17.

D. NAME AND ADDRESS OF EACH STOCK EXCHANGE WHERE THE COMPANIES SECURITIES ARE LISTED:

EXCHANGE: BSE Limited, P.J. Towers, Dalal Street, Mumbai- 400001.
ASE Limited, A-2, Kamdhenu Complex, OppSahajanand College, Panjara Pol, Ambawadi, Ahmedabad, Gujarat 380015

E. STOCK CODE:

EXCHANGE: BSE LIMITED

CODE: 538965

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F. STOCK MARKET PRICE DATA:

Month	High	Low
April'16	61.35	49.00
May'16	58.70	52.50
June'16	60.60	48.00
July'16	79.45	60.60
Aug'16	70.00	56.00
Sept'16	64.90	54.00
Oct'16	68.25	55.80
Nov'16	64.95	49.00
Dec'16	59.05	46.20
Jan'17	55.00	48.50
Feb'17	73.00	49.00
Mar'17	62.95	54.00

G. IN CASE SECURITIES ARE SUSPENDED FROM TRADING :

The securities are not suspended from trading on any of the stock exchanges.

H. REGISTRAR AND SHARE TRANSFER AGENTS:

Aarathi Consultants Pvt. Ltd,
1-2-285, Domalaguda, Hyderabad,
Telangana, 500029
Ph.No. 040-27634445, Fax. 040-27632184

I. SHARE TRANSFER SYSTEM:

The Transfer of Shares is affected by the Registrars after necessary approval of the Board/Share Transfer Committee. Transfer generally takes 1-2 weeks.

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J. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017:

S. No	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and Promoter group	-	-
1.	Indian	-	-
	Individual	28,40,500	39.21
2.	Foreign	-	-
	Individual	28,40,500	39.21
	Sub-Total A	28,40,500	39.21
B	Public Shareholding	-	-
1.	Institutions	-	-
2.	Non Institutions	44,03,250	60.79
	Sub Total B	44,03,250	60.79
	Grand Total (A+B)	72,43,750	100.00

K. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2017

SL. NO.	CATEGORY	HOLDERS	HOLDERS PERCENTAGE	SHARES	AMOUNT	AMOUNT PERCENTAGE
1	1 - 5000	947	58.35	211247	2112470	2.92
2	5001 - 10000	235	14.48	198100	1981000	2.73
3	10001 - 20000	144	8.87	222911	2229110	3.08
4	20001 - 30000	77	4.74	205276	2052760	2.83
5	30001 - 40000	55	3.39	202298	2022980	2.79
6	40001 - 50000	56	3.45	264268	2642680	3.65
7	50001 - 100000	49	3.02	373360	3733600	5.15
8	100001 & Above	60	3.7	5566290	55662900	76.84
	Total:	1623	100	7243750	72437500	100

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L. DEMATERIALISATION & LIQUIDITY OF SHARES:

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE858L01010 in BSE. Investors are therefore advised to open a Demat account with a Depository participant of their choice to trade in dematerialized form.

Particulars	No. of Shares	% Share Capital
NSDL	1268781	17.52
CDSL	5198069	71.76
PHYSICAL	776900	10.73
Total	7243750	100.00

M. ADDRESS FOR CORRESPONDENCE: 3-11-1/1, L.BNagar,
Hyderabad ,Telangana500074

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CERTIFICATE BY THE MANAGING DIRECTOR AND CFO OF THE COMPANY

To,
The Board of Directors
M/s. Concord Drugs Limited

Dear Sirs,

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2017 and to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we were aware and the steps that we have taken or propose to take and rectify the identified deficiencies and
4. That we have informed the auditors and the audit committee of:
 - a) Significant changes in the internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

**For and on behalf of the Board
For Concord Drugs Limited**

Sd/-

**S.Nagi Reddy
Chairman
(DIN: 01764665)**

Sd/-

**T. Narsimha Reddy
Managing Director
(DIN: 07538313)**

**Place : Hyderabad
Date : 28.08.2017**

CONCORD DRUGS LIMITED

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of shareholders who approached the company for transfer of shares from suspense account during the year.	No. of shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
NIL	NIL	NIL	NIL

*** Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.*

CONCORD DRUGS LIMITED

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

(a) Industry structure and developments:

The Indian pharma industry is on a good growth path and is likely to be in the top10 global markets in value term by2020, according to the PwC – CII report titled "India PharmaInc: Gearing up for the next level of growth".

High burden of disease, good economic growth leading to higher disposable incomes, improvements in healthcare infrastructure and improved healthcare financing are driving growth in the domestic market, the report highlighted.

The Indian pharma industry has been growing at a compounded annual growth rate (CAGR) of more than 15% over the last five years and has significant growth opportunities. However, for the industry to sustain this robust growth rate till 2020, companies will have to rethink their business strategy. They will have to adopt new business models and think of innovative ideas to service their evolving customers faster and better.

The pharmacy sector in India is highly regulated, yet the sector suffers from circulation of sub standard and counterfeit drugs which hampers the retail segment of the business. Measures are being taken by the pharmacy regulatory bodies of the country to control the menace as it hampers the revenue earning drastically. The government is also taking major initiatives to provide medicines at subsidized rates and distribution of medicines in the rural belt.

The pharmacy retail industry in India operates predominantly in the unorganized format and is currently having approximately 20 major players operating in organized format. However, most organized players are operative regionally and are far from having a pan India presence. A variety of value added services are being incorporated by the organized players to attract a larger market share and initiatives are being taken to engage customers in brand loyalty.

(b) Opportunities and Threats:

Increasing number of global acquisitions have been made in the recent past by Indian companies for strategic objectives like market entry, technological or manufacturing expertise and distribution facilities. The global market continues to offer these opportunities for domestic companies looking to expand their international presence.

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While the industry is seeing amazing growth, there is increasing focus on associated risks such as high compliance standards, government reform and pricing pressures, expiration of key drug patents, marketing practices, mergers and acquisitions, increasing litigations, and supply chain management.

(c) Segment-wise or product-wise performance:

During the year under review, the Company has recorded revenue of Rs. 57,48,96,795 and made a profit of Rs 15,95,426 against revenue of Rs. and net profit of Rs. 1,74,84,655 in the previous financial year 2015-16.

(d) Outlook:

The management is doing its best to forge relations with other companies and take the company forward in the new business lines. However, the outlook of the management is cautious in view of the competitive nature of the market.

(e) Risks and concerns:

Our risk management framework is intended to ensure that risks are identified in a timely manner. We have implemented an integrated risk management framework to identify, assess, prioritize, manage/mitigate, monitor and communicate the risk across the county.

Senior management personnel meet at regular intervals to identify various risks, assess, and prioritize the risks. After due deliberations, appropriate strategies are made for managing/mitigating the risks. The company takes the help of independent professional firms to review the risk management structure and implementation of risk management policies. Audit Committee on a quarterly basis, review the adequacy and effectiveness of the risk management strategies, implementation of risk management/mitigation policies, It advises the board on matters of significant concerns for redressal.

(f) Internal control systems and their adequacy:

The Company maintains a system of well established policies and procedures for internal control of operations and activities, and these are continually reviewed for effectiveness.

The internal control system is supported by qualified personnel and a continuous program of internal audit. The prime objective of such audits is to test the adequacy and effectiveness of all internal control systems laid down by the management and to suggest improvements. We

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believe that the company's overall system of internal control is adequate given the size and nature of operations and effective implementation of internal control self assessment procedures and ensure compliance to policies, plans and statutory requirements.

The internal control system of the company is also reviewed by the Audit Committee periodically. The Management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee.

(g) Material developments in Human Resources / Industrial Relations front, including number of people employed.

During the year under review the company has taken HR initiatives to train and develop talent pool. The company has also taken up a root cause analysis on bringing down the attrition rates. In order to improve the performance of management and to scale up the business operations, the company has recruited experienced personnel at senior level apart from strengthening other departments with competent people.

(h) Cautionary Statement:

Statements in this Management Discussion and Analysis Report may be “forward looking statements: within the meaning of applicable securities laws and regulations. These statements are based on certain assumption and expectations of future events. Actual results could differ materially from those expressed or implied. Important facts that could make a difference at the Company's operations include economic conditions affecting domestic demand and supply conditions, finished goods prices, changes in government regulations and tax regime etc. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

(i) Discussion on financial performance with respect to operational performance:

During the year under review, the Company has recorded revenue of Rs. 57,48,96,795 and made a profit of Rs 15,95,426 against revenue of Rs. 50,68,28,660 and net profit of Rs. 1,74,84,655 in the previous financial year 2015-16

(j) Disclosure of Accounting Treatment:

The Company has not carried out any treatment different from that prescribed in Accounting Standards.

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ANNEXURE-I

FORM MR-3 SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

To
The Members of
M/s. Concord Drugs Limited

We have conducted the audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Concord Drugs Limited** (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2016 and ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We 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 of March, 2017 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came into effect on various dates;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
 - (v) The Securities and Exchange Board of India Act, 1992 ('SEBI Act')

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,

CONCORD DRUGS LIMITED

1992 ('SEBIACT') is furnished hereunder for the financial year 2016-17:-

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **All the required disclosures from time to time and as and when applicable were complied with.**
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**
 - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**
 - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**
 - v. 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**
 - vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
 - vii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**
 - viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading regulations; **The Company has framed code of conduct for regulating & reporting trading by Insiders and for Fair Disclosure, 2015 and displayed the same on company's Website i.e www.concorddrugs.in and all required disclosures from time to time as and when applicable are complied with.**
 - ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable and
- The company has framed the policies as mentioned below and displayed the same on the company's website i.e. www.concorddrugs.in.
 - Board Diversity Policy
 - Policy on Preservation of Documents
 - Risk Management Policy
 - Whistle Blower Policy
 - Related party transaction policy
 - Familiarisation programme for independent directors
 - Anti Sexual harassment policy
-

CONCORD DRUGS LIMITED

- Code of conduct
3. During the year the company has conducted 6 Board meetings, 4 Audit committee meetings, 4 Stakeholders Relationship Committee meetings and 1 Nomination & Remuneration Committee meeting. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreement entered into by the Company with Stock Exchange(s).
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations;
5. The Company has identified the following law applicable specifically to the Company:
- a. Drugs and Cosmetics Act, 1940 and amendments thereto from time to time.
 - b. Drugs and Cosmetics Rules, 1945
 - c. Pharmacy Act, 1948
 - d. Narcotic Drugs and Psychotropic Substances Act, 1985
 - e. Patents Act, 1970
 - f. Essential Commodities Act, 1995
 - g. National Pharmaceutical Policy, 2012
 - h. Labour Laws (wages, bonus, provident fund, gratuity etc)
 - i. Environment Protection Act, 1986

OBSERVATIONS:

- (a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of audit, we report that
 - (i) The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
 - External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
 - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned
-

CONCORD DRUGS LIMITED

Subsidiary abroad was not attracted to the company under the financial year under report.

- (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We 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 of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- We, 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.
- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Vivek Surana & Associates

**Place: Hyderabad
Date: 28.08.2017**

**Vivek Surana
Proprietor
C.P.No: 12901,
M.No. 24531**

CONCORD DRUGS LIMITED

Annexure

To,

The Members of
M/s Concord Drugs Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Vivek Surana & Associates

Vivek Surana
Proprietor
C.P.No: 12901,
M.No. 24531

Place: Hyderabad
Date: 28.08.2017

CONCORD DRUGS LIMITED

ANNEXURE- II

MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2017

[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:					
i.	CIN	L24230TG1995PLC020093			
ii.	Registration Date	24/04/1995			
iii.	Name of the Company	Concord Drugs Limited			
iv.	Category / Sub-Category of the Company	Company limited by Shares/Non-govt company			
v.	Address of the Registered office and contact details	Survey No.249, Brahmanapally Village Hayatnagar Mandal ,R. R District 501511,Telangana			
vi.	Whether listed company Yes / No	Yes			
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Aarathi Consultants Pvt. Ltd,1-2-285, Domalaguda,Hyderabad,Telangana,500029, Tel: 040-27634445 Fax: 040-27634445 Email: info@aarathiconsultants.com			
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:					
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-					
Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company		
1	Pharmaceuticals	2423	99.85		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-					
S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
	The Company does not have any subsidiaries.				
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)					
i) <i>Category-wise Share Holding</i> :-					

CONCORD DRUGS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/ HUF	2840500	0	2840500	39.21	28,40,500	0	28,40,500	39.21	--
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt (s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (1) :-	2840500	0	2840500	39.21	28,40,500	0	28,40,500	39.21	--
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2840500	0	2840500	39.21	28,40,500	--	28,40,500	39.21	--
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--

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b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
Sub-total (B1)	--	--	--	--	--	--	--	--	--
2. Non Institutions									
a) Bodies Corp.									
i) Indian	99,784	0	99,784	1.38	115670	0	115670	1.60	0.22
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	799411	590600	1390011	19.17	1008893	572100	1582493	21.84	2.67
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2675482	204800	2880282	39.76	2645800	0	2645800	36.53	(3.23)
c) Others (specify)									
1. NRI	8906	-	8906	0.12	23219	0	23219	0.32	0.20
2. Clearing Members	24267	-	24267	0.34	36068	0	36068	0.50	0.16

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Sub-total (B)(2):-	2497150	1906100	4403250	60.79	3626350	776900	4403250	60.79	--
Total Public Shareholding (B)=(B)(1)+(B)(2)	2497150	1906100	4403250	60.79	3626350	776900	4403250	60.79	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	6448350	795400	7243750	100.00	6466850	776900	7243750	100	--

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			%Change during the year
		No. of shares	% of Total Shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of Total Shares of the company	% of shares pledged/encumbered to total shares	
1.	S. Nagarathamma	804400	11.1	--	804400	11.1	--	--
2.	S. Nagi Reddy	698600	9.64	--	698600	9.64	--	--
3.	S. Koni Reddy	625000	8.63	--	625000	8.63	--	--
4.	Vundela Ramasubba Reddy	397500	5.49	--	397500	5.49	--	--
5.	S. Manoj Kumar Reddy	315000	4.35	--	315000	4.35	--	--

CONCORD DRUGS LIMITED

(iii) Change in Promoters' Shareholding (please specify, if there is no change): No Change					
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding 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	--	--	--	--	--

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl. No	Shareholder Name	Shareholding at the beginning of the year		Share holding 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	Sai Saranya Reddy Seelam	246700	3.41	246700	3.41
2	Sanivarapu Jhansi	237614	3.28	171019	2.36
3	K. Krishna Pavan	195000	2.69	41563	0.57
4	Rajender Kumar Agarwal	167633	2.31	167633	2.31
5	Konamma Kuppannagari	138236	1.91	120136	1.66
6	Manju agarwal	133401	1.84	133401	1.84
7	Sushil kumar Agarwal	131400	1.81	130900	1.80
8	Gopidi Ravali	207900	2.87	86738	1.19
9	Maligi Ramachandra Reddy	125000	1.73	57881	0.80
10	S N Thulasi Devi	121200	1.67	121200	1.67

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(v) Shareholding of Directors and Key Managerial Personnel:					
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Share Holding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. S. Nagi Reddy				
	At the beginning of the year	698600	9.64	698600	9.64
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	--	--	--	--
	At the End of the year	698600	9.64	698600	9.64
2	S. Koni Reddy				
	At the beginning of the year	625000	8.63	625000	8.63
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	--	--	--	--
	At the End of the year	625000	8.63	625000	8.63
3.	Mr. K. Ramachandra Reddy				
	At the beginning of the year	50000	0.69	50000	0.69
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	--	--	--	--
	At the End of the year	50000	0.69	50000	0.69
4.	Mr. M. Eswar Rao				
	At the beginning of the year	108034	1.49	108034	1.49
	Date wise Increase /Decrease in Promoters Share holding during	Sale	(0.01)	107253	1.48

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	the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	(781)			
	At the End of the year	107253	1.48	--	--
5.	Mr. P. Venkatram Reddy	--	--	--	--
	At the beginning of the year	--	--	--	--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	--	--	--	--
	At the End of the year	--	--	--	--
6.	Ms. P. Chandra Kala	--	--	--	--
	At the beginning of the year	--	--	--	--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	--	--	--	--
	At the End of the year	--	--	--	--

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/acrued but not due for payment

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount				
ii) Interest due but not paid	133374028	54068929	--	187442957
iii) Interest accrued but not due				
Total (i+ii+iii)	133374028	54068929	--	187442957
Change in Indebtedness during the financial year Addition Reduction	7265339	4182500		11447839
Net Change	7265339	4182500	--	11447839
Indebtedness at the end of the financial year	140639367	58251429	--	198890796
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	140639367	58251429	--	198890796

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL					
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:					
Sl. no.	Particulars of Remuneration	Mr. T. Narsimha Reddy	Mr. S. Nagi Reddy	Koni Reddy	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Remuneration to managing Director --	Remuneration to Whole-time Director 18,00,000	Remuneration to Director & CFO 600000	24,00,000
2.	Stock Option	--			--
3.	Sweat Equity	--			--
4.	Commission - as % of profit - Others, specify...	--			--
5.	Others, please specify	--			--
	Total (A)	--	18,00,000	600000	24,00,000
	Ceiling as per the Act	--			--
B. Remuneration to other directors:					
Sl. no.	Particulars of Remuneration	Name of Director			Total Amount
1.	Independent Directors Fee for attending board / committee meetings · Commission · Others, please specify	--	--	--	--
	Total (1)	--	--	--	--
2.	Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify	--	--	--	--
	Total (2)	--	--	--	--
	Total (B)=(1+2)	--	--	--	--
	Total Managerial Remuneration	--	--	--	--
	Overall Ceiling as per the Act	--	--	--	--

CONCORD DRUGS LIMITED

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD						
Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary	CFO S. Koni Reddy	Total	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	(Ms. Sonia Bidla)- up to 31.12.2016 Aakanksha Shukla – from 01.01.2017 135000 + 51000 = 1,86,000	As given in Table A	1,86,000	
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please Specify					
6.	Total	--	1,86,000	--	1,86,000	
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:						
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)	
A. COMPANY						
Penalty	--	--	--	--	--	
Punishment	--	--	--	--	--	
Compounding	--	--	--	--	--	
B. DIRECTORS						
Penalty	--	--	--	--	--	
Punishment	--	--	--	--	--	
Compounding	--	--	--	--	--	
C. OTHER OFFICERS IN DEFAULT						
Penalty	--	--	--	--	--	
Punishment	--	--	--	--	--	
Compounding	--	--	--	--	--	

CONCORD DRUGS LIMITED

ANNEXURE III DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To,
The Board of Directors
M/s Concord Drugs Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that up to the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall take prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.
Yours Faithfully,

Date:28.08.2017
Place: Hyderabad

Sd/-
M. Eswar Rao
(Independent director)

CONCORD DRUGS LIMITED

ANNEXURE III DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To,
The Board of Directors
M/s Concord Drugs Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that up to the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall take prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.
Yours Faithfully,

Date:28.08.2017
Place: Hyderabad

Sd/-
P. Venkatram Reddy
(Independent director)

CONCORD DRUGS LIMITED

ANNEXURE III DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To,
The Board of Directors
M/s Concord Drugs Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that up to the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall take prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.
Yours Faithfully,

Date:28.08.2017
Place: Hyderabad

Sd/-
P. Chandra Kala
(Independent director)

CONCORD DRUGS LIMITED

Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act
and Rule
8(2) of the Companies
(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/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 there to

- 1. Details of contracts or arrangements or transactions not at arm's length basis -NIL**
 - a. Name(s) of the related party and nature of relationship
 - b. Nature of contracts/arrangements/transactions
 - c. Duration of the contracts / arrangements/transactions
 - d. Salient terms of the contracts or arrangements or transactions including the value, if any
 - e. Justification for entering into such contracts or arrangements or Transactions date(s) of approval by the Board
 - f. Amount paid as advances, if any:
 - g. Date on which the special resolution was passed in general meeting as required under first proviso to section 188

- 2. Details of material contracts or arrangement or transactions at arm's length basis: NIL**

CONCORD DRUGS LIMITED

Independent Auditors' Report on Financial Statements

To the Members of
CONCORD DRUGS LIMITED.

Report on the financial Statements

We have audited the accompanying standalone financial statements of **CONCORD DRUGS LIMITED** ('the Company'), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditors Responsibility

Our responsibility is to express an opinion on these standalone 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

CONCORD DRUGS LIMITED

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 standalone

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 2017 and its profit and its cash flows for the ended on that date except emphasis of matters stated below.

Emphasis of Matters

1. Company has unsecured loans of Rs.582.51 Lakhs as outstanding balance as on balance sheet date of which Rs. 348.76 Lakhs received from the Directors and Rs.233.75 Lakhs received from others.
2. The stock of raw material, work in progress, finished goods and packing material worth of Rs.1,102.69 Lakhs are subject to management confirmations.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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;

CONCORD DRUGS LIMITED

- 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 standalone 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 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and 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 does not have any pending litigations.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For M M REDDY & CO.,
Chartered Accountants
Firm Registration No.010371S

Place: Hyderabad
Date : 30th May, 2017

M Madhusudhana Reddy
Partner
Membership No.213077

CONCORD DRUGS LIMITED

Annexure-A to the Auditors' Report

The Annexure-A referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the Year ended 31 March 2017, we report that:

1. a. The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. The title deeds of the immovable property are held in the name of the company.
2. The physical verification of the inventory excluding stocks with third parties has been conducted at reasonable intervals by the management during the year. In our opinion the frequency of the verification is reasonable.
3. The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted any deposits from the public in specific and accepted unsecured loans from the directors and promoters.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including duty of excise, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year. The company has not complied the provisions under income tax(TDS), Employees State Insurance, Provident Fund and Service tax.
b. According to the information and explanations given to us, no

CONCORD DRUGS LIMITED

undisputed amounts payable in respect of provident fund, sales tax, wealth tax,, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2017 except below table;

Financial Year	Section under which TDS Due	Amount in Rs.
2014-15	194 J	2,10,000
2014-15	194 C	3,964
2015-16	194J	62,800
2015-16	194C	1,036
2016-17	196J	2,96,400
2016-17	194C	27,900

- c. According to the information and explanations given to us, there are no material dues of sales tax, service tax and value added tax, wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, have not been deposited by the Company on account of disputes:

Particulars	Demand U/s	Period to which the amount relates	Forum where the dispute is pending	Amount in Rs.
Income Tax Act, 1961	148	A.Y.2006-07	Commissioner of Income Tax (Appeals)-II	1,19,87,841
Income Tax Act, 1961	148	A.Y. 2007-08	Commissioner of Income Tax (Appeals)-II	22,44,779
Income Tax Act, 1961	148	A.Y. 2008-09	Commissioner of Income Tax (Appeals)-II	16,06,275
Income Tax Act, 1961	143(1)	A.Y. 2010-11	Jurisdictional AO	16,77,610
Income Tax Act, 1961	143(3)	A.Y. 2011-12	Commissioner of Income Tax (Appeals)-II	3,81,28,810
Income Tax Act, 1961	143 1(a)	A.Y. 2013-14	Jurisdictional AO	11,83,700
Income Tax Act, 1961	143(3)	A.Y. 2014-15	Commissioner of Income Tax (Appeals)-II	3,93,84,045
Income Tax Act, 1961	Others	A.Y. 2015-16	Jurisdictional AO	12,63,500

8. In our opinion and according to the information and explanations given to us, **the Company is not in regular in repayment of loans or borrowings to banks, financial institutions.** The Company has not issued any debentures.

CONCORD DRUGS LIMITED

9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year.
10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit Except Issues Reported Under Matters Emphases.
11. The company has paid/ provided managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the act.
12. The company is not Nidhi Company and the Nidhi Rules, 2014 not applicable to it. Accordingly the provisions of Clause 3(Xii) of order not applicable to the company.
13. The company has entered transactions with the related parties and complied with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. The company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly the provisions of Clause 3(xv) of order not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M M REDDY & CO.,
Chartered Accountants
Firm Registration No.010371S

Place: Hyderabad
Date : 30th May, 2017

M Madhusudhana Reddy
Partner
Membership No.213077

CONCORD DRUGS LIMITED

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CONCORD DRUGS LIMITED

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 **CONCORD DRUGS LIMITED** (“the Company”) as of March 31, 2017 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 my / our audit. We conducted my 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.

CONCORD DRUGS LIMITED

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for my /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

CONCORD DRUGS LIMITED

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, 2017, 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 M M REDDY & CO.,
Chartered Accountants
Firm Registration No.010371S

Place: Hyderabad
Date : 30th May, 2017

M Madhusudhana Reddy
Partner
Membership No.213077

CONCORD DRUGS LIMITED

Balance Sheet as at 31st March 2017

(Amount in Rs.)

	Note	3/31/2017	3/31/2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	72,437,500	72,437,500
Reserves and surplus	3	79,813,357	78,217,930
Money received against share warrants			
		152,250,857	150,655,430
Non-current liabilities			
Long-term borrowings	4	106,282,305	122,055,793
Deferred tax liabilities (Net)	5	-	-
Other long term liabilities		-	-
Long-term provisions	6	928,816	42,636,922
		107,211,121	164,692,715
Current liabilities			
Short-term borrowings	7	92,608,491	77,829,238
Trade payables	8	358,646,513	98,173,883
Other current liabilities	9	32,869,586	12,777,105
Short-term provisions	6	3,937,070	18,992,458
		488,061,660	207,772,684
Total		747,523,638	523,120,830
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	136,352,010	151,755,090
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
Non-current investments		-	-
Deferred tax assets (Net)	5	-2,736,328	-1,793,978
Long term Loans and advances	11	11,454,533	7,903,907
Other non-current assets		-	-
		145,070,215	157,865,019
Current assets			
Current investments		-	-
Inventories	12	110,269,540	81,485,093
Trade receivables	13	457,315,099	254,790,987
Cash and bank balances	14	1,714,303	356,780
Short term Loans and advances	15	9,071,027	14,973,740
Other current assets	16	24,083,454	13,649,212
		602,453,423	365,255,811
Total		747,523,638	523,120,830

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For M M Reddy & Co.,

Chartered Accountants

Firm Registration No.:010371S

(M Madhusudhana Reddy)

Partner

Membership No: 213077

Place: Hyderabad

Date: 30-05-2017

For and on behalf of the Board of Directors of

Concord Drugs Limited

Sd/-

Nagi Reddy

Chairman cum WTD

(DIN: 01764665)

Sd/-

Koni Reddy Seelam

Director cum CFO

DIN: 02829319

Sd/-

T. Narsimha Reddy

Managing Director

(DIN: 07538313)

Sd/-

Ms. Aakanksha Shukla

Company Secretary

CONCORD DRUGS LIMITED

Statement of Profit and Loss for the year ended 31st March 2017

		Note	31/03/2017	31/03/2016
(Amount in Rs.)				
Income:				
Revenue from operations (gross)	17		574,896,795	506,828,660
Less: Excise duty			-	-
Revenue from operations (net)			574,896,795	506,828,660
Other income	18		857,425	2,031,081
Total Revenue			575,754,221	508,859,741
Expenses:				
Cost of materials consumed	19		465,088,659	392,187,592
Purchase of stock -in-trade				
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20		-4,037,935	-2,751,176
Employee benefits expense	21		28,064,759	16,137,370
Finance costs	22		23,599,450	25,732,266
Depreciation and amortization expense	23		25,840,382	29,118,382
Other expenses	24		30,724,061	18,801,074
Total expenses			569,279,375	479,225,507
Profit/(loss) before exceptional and extraordinary items and tax			6,474,845	29,634,234
Exceptional items (specify nature & provide note/delete if none)			-	-
Profit/(loss) before extraordinary items and tax			6,474,845	29,634,234
Extraordinary Items (specify nature & provide note/delete if none)			-	-
Profit before tax			6,474,845	29,634,234
Tax expense:				
Current tax			-	-
For current year profits			3,937,070	11,740,083
Adjustments for earlier years				
Deferred tax charge/ (benefit)	5		942,350	409,496
			4,879,419	12,149,578
Profit/(loss) for the period from continuing operations			1,595,426	17,484,655
Profit/(loss) from discontinuing operations			-	-
Tax expense of discontinuing operations			-	-
Profit/(loss) from discontinuing operations (after tax)			-	-
Profit/(loss) for the period			1,595,426	17,484,655
Earnings per equity share [Nominal value per share Rs.10 (previous year Rs.10)]:	25		0.22	2.41
Basic				
Computed on the basis of profit from continuing operations			0.22	2.41
Computed on the basis of total profit for the year			0.22	2.41
Diluted				
Computed on the basis of profit from continuing operations			0.22	2.41
Computed on the basis of total profit for the year			0.22	2.41

The accompanying notes are an integral part of the financial statements

As per our report of even date
For M M Reddy & Co.,
Chartered Accountants
Firm Registration No.:010371S

(M Madhusudhana Reddy)
Partner
Membership No: 213077

Place: Hyderabad
Date: 30-05-2017

For and on behalf of the Board of Directors of
Concord Drugs Limited

Sd/-
Nagi Reddy
Chairman cum WTD
(DIN: 01764665)

Sd/-
Koni Reddy Seelam
Director cum CFO
DIN: 02829319

Sd/-
T. Narsimha Reddy
Managing Director
(DIN: 07538313)

Sd/-
Ms. Aakanksha Shukla
Company Secretary

CONCORD DRUGS LIMITED

Cash Flow Statement for the year ended 31st March 2017

	(Amount in Rs.)	
Particulars	3/31/2017	3/31/2016
Cash Flow from Operating activities		
Profit before tax	6,474,845	29,634,234
Adjustments for:		
Depreciation and amortization expenses	25840382.35	29,118,382
Interest expenses	-	25,732,266
Interest income	-	-
Dividend income	-	-
Provision for doubtful debts	-	-
(Gain)/ Loss on sale of fixed assets	-	-
Share of (profit)/ loss from investment in partnership firm	-	-
Unrealized foreign exchange loss	-	-
Realised forign exchange (on items relating to investing or financing activities)	-	-
Premium on forward exchange contract amortized	-	-
Amortization of ancillary cost	-	-
Provision for retirement benefits	-	-
Provision for warranty/sales returns	-	-
Net (gain)/ loss on sale of current investments	-	-
Operating Profit before working capital changes	32,315,228	84,484,881
Changes in working capital		
Increase / (decrease) in trade payables	(260,472,630)	-41,138,792
Increase / (decrease) in other current liabilities	(5,037,093)	13,185,023
Increase / (decrease) in non - current liabilities	-	-
Decrease / (increase) in trade receivables	202,524,112	19,229,586
Decrease / (increase) in inventories	28,784,447	-25,203,378
Decrease / (increase) in loans and advances	(5,902,714)	-3,147,432
Decrease / (increase) in other current assets	10,434,243	25,648
Decrease / (increase) in non - current assets	3,550,626	-5,214,179
Cash generated from / (used in) operations	6,196,220	42,221,357
Income tax paid	3,937,070	11,740,083
Income tax refund(s) received	-	-
Extraordinary items	-	-
Net cash flows from / (used in) operating activities (A)	2,259,150	30,481,274
Cash flow from Investing activities		
Purchase of fixed assets, including movemet in CWIP and capital advances	(10,437,303)	-5,904,130
Proceeds from sale of fixed assets	-	8,186,506
Purchase of non-current investments	-	-
Proceeds from sale of non-current investments	-	-
Proceeds from sale of current investments	-	-
Proceeds from sale/maturity of current investments	-	-
Investments in bank deposits (having original maturity of more than three months)	-	-
Redemption/ maturity of bank deposits (having original maturity of more than three months)	-	-
Purchase consideration for amalgamation	-	-
Dividends received from subsidiary company	-	-
Dividends received (others)	-	-
Net cash flow from / (used in) investing activities (B)	(10,437,303)	2,282,376
Cash flow from Financing activities		
Proceeds from issuance of equity share capital	-	-
Proceeds from issuance of preference share capital	-	-
Proceeds from long-term borrowings	-	4,367,596
Repayment of long-term borrowings	(15,773,488)	-4,303,603
Proceeds from short-term borrowings	-	-
Repayment of short-term borrowings	14,779,253	-8,544,238
(Repayment)/proceeds from cast credit/overdraft facility (net)	-	-
Interest paid	(23,599,450)	-25,732,266
Dividend paid on equity shares	-	-
Dividend paid on preference shares	-	-
Tax on equity dividend paid	-	-
Tax on preference dividend paid	-	-
Net cash flow from / (used in) financing activities (C)	(24,593,685)	-34,212,510
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(32,771,838)	-1,448,861
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	(942,113)	506,748
Cash and cash equivalents at the end of the year	(33,713,950)	-942,113
Cash and cash equivalents comprise (Refer note 19)		
Balances with banks		
On current accounts	471,363	117,623
Deposits with original maturity of less than three months	-	-
Cash on hand	1,242,940	239,157
Total cash and bank balances at end of the year	1,714,303	356,780

The accompanying notes are an integral part of the financial statements

As per our report of even date
For M M Reddy & Co.,
Chartered Accountants
Firm Registration No.:010371S

(M Madhusudhana Reddy)
Partner
Membership No: 213077

Place: Hyderabad
Date: 30-05-2017

For and on behalf of the Board of Directors of
Concord Drugs Limited

Sd/-
Nagi Reddy
Chairman cum WTD
(DIN: 01764665)

Sd/-
Koni Reddy Seelam
Director cum CFO
DIN: 02829319

Sd/-
T. Narsimha Reddy
Managing Director
(DIN: 07538313)

Sd/-
Ms. Aakanksha Shukla
Company Secretary

CONCORD DRUGS LIMITED

Notes to Financial Statements

1. Significant Accounting Policies

a. Basis of preparation of Financial Statements

The accompanying financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the basis of a going concern basis, while revenue, expenses, assets and Liabilities accounted/recognized on accrual basis. GAAP comprises mandatory accounting as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI) Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the required amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

d. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use.

e. Depreciation

Depreciation on fixed assets has been provided on written down value method based on useful life of asset specified in Schedule II of the Companies Act, 2013 on pro-rata basis.

f. Borrowing costs:

Borrowing costs that are directly attributable to the acquisition or the construction of a qualifying asset is capitalized for the period until the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time i.e more than 12 months to get ready for intended use. All other borrowing costs are charged to revenues

CONCORD DRUGS LIMITED

g. Inventories

Materials are valued at the lower of cost and estimated net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to affect the sale.

h. Income Tax

i. Current tax :

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

ii. Deferred tax :

Deferred income taxes is recognized, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Where the Company has carry forward of unabsorbed depreciation or tax losses deferred tax assets are recognized only if it is virtually certain backed by convincing evidence that such deferred tax assets can be realized against future taxable profits.

i. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

j. Provisions

A Provision is recognized when the Company has a present obligation as a result of past event i.e it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

k. Cash Flow Statement:

Cash Flow Statement has been prepared under indirect method as per the Accounting Standard-3 "Cash Flow Statement"

l. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

CONCORD DRUGS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March , 2017.

(Amount in Rs.)					
2) Share capital					
The Company has only one class of share capital having a par value of Rs. 10 per share, referred to herein as equity shares.					
		3/31/2017	3/31/2016		
Authorised					
1,10,00,000 (previous year 1,10,00,000) equity shares of Rs. 10/- each					
		110,000,000	110,000,000		
Issued, subscribed and paid up					
7243750 (previous year 7243750) equity shares of Rs. 10/- each fully paid					
		72,437,500	72,437,500		
Total					
		72,437,500	72,437,500		
(a)	Reconciliation of shares outstanding at the beginning and at the end of the year				
		3/31/2017		3/31/2016	
		Number of shares	Amount	Number of shares	Amount
	Outstanding at the beginning of the year	7,243,750	72,437,500	7,243,750	72,437,500
	Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	7,243,750	72,437,500	7,243,750	72,437,500	
(b)	Rights, preferences and restrictions attached to shares				
	<p>The company has only one class of equity shares having par value of Rs. 10/- per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.</p> <p>During the year ended 31st March 2016, no dividend is recognized as distributions to equity shareholders.</p> <p>In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>				
(c)	Shares held by holding company/ultimate holding company and/ or their subsidiaries/ associate		3/31/2017	3/31/2016	
	Name of the Holding Limited, the holding company				
	(31 st March 2016: No Holding Limited) equity shares of Rs. 10 each fully paid		Nil	Nil	
	Name of the ultimate holding company, the ultimate holding company				
(31 st March 2016: No Ultimate Holding Company) equity shares of Rs. 10 each		Nil	Nil		
Name of other Subsidiaries/Associate Company, subsidiary/associate company					
(31 st March 2016: No Subsidiary/Associate Company) equity shares of Rs.10 each fully paid		Nil	Nil		
(d)	Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting		3/31/2017	3/31/2016	
	Equity shares allotted as fully paid bonus shares by capitalization of securities premium		Nil	Nil	
	Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash		Nil	Nil	
	Equity shares bought back by the company		Nil	Nil	
(e)	Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
	Name of the shareholder	3/31/2017		3/31/2016	
		Number of shares	% of holding in the class	Number of shares	% of holding in the class
	Koni Reddy Seelam	625000	8.63%	625,000	8.63%
	Nagaratnamma Seelam	804400	11.10%	804,400	11.10%
	Nagi Reddy Seelam	698600	9.64%	698,600	9.64%
Vundela Rama Subba Reddy	397500	5.49%	397,500	5.49%	
As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.					

CONCORD DRUGS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March , 2017.

(Amount in Rs.)

	3/31/2017	3/31/2016		
3 Reserves and surplus				
(a) Capital Reserves				
Opening balance	4,100,000	4,100,000		
Add: Current year transfer from	-	-		
Less: Utilisation on account of / Transfer to	-	-		
Closing balance	4,100,000	4,100,000		
(b) Surplus/(deficit) in the Statement of Profit and Loss				
Opening balance	74,117,930	56,633,275		
Add: Net Profit/(Net Loss) for the current year	1,595,426	17,484,655		
Transfer from reserves	-	-		
Less: Proposed dividends	-	-		
Interim dividends	-	-		
Transfer to reserves	-	-		
Closing balance	75,713,357	74,117,930		
Total Reserves and surplus	79,813,357	78,217,930		
4 Long-term borrowings				
	Current maturities	Non current maturities		
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
<u>Secured</u>				
(a) Bonds/debentures	-	-	-	-
(b) Term loans				
from banks	-	-	36,021,234	55,544,700
from other parties	-	-	-	-
(c) Interest Free Sales Tax Loan	-	-	12,009,642	12,442,164
<u>Unsecured</u>				
(a) Bonds/debentures	-	-	-	-
(b) Term loans				
from banks	-	-	-	-
from other parties	-	-	-	-
(c) Loans and advances from related parties	-	-	58,251,429	54,068,929
Loans and advances from others	-	-	-	-
Total long term borrowings including its current maturities	-	-	106,282,305	122,055,793
Less: Amount disclosed under the head "Other current liabilities" (note 13)	-	-	-	-
Total non current maturities of long term borrowings	-	-	106,282,305	122,055,793
In case of continuing default as on the balance sheet date in repayment of current loans and interest with respect to (b) (e) & (g)				
1. Period of default				
2. Amount				

CONCORD DRUGS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March , 2017.

(Amount in Rs.)

5 Deferred tax liabilities/(asset) (Net)		3/31/2017	3/31/2016
Opening Deferred Tax Liability		1,793,978	1,384,482
For The Year		942,350	-409,496
Gross deferred tax Liability		2,736,328	1,793,978
6 Provisions		Long term	
		3/31/2017	3/31/2016
		Short term	
		3/31/2017	3/31/2016
Long -term provisions			
(a)	Provision for Creditor for Capital Expenses	928,816	42,636,922
(b)	Other provisions (Specify nature)	-	18,992,458
	Provision for Income tax	3,937,070	
Total Provisions		928,816	42,636,922
		3,937,070	18,992,458
7 Short -term borrowings		3/31/2017	3/31/2016
<u>Secured</u>			
(a)	Loans repayable on demand		
	from banks	92,608,491	77,829,238
	from other parties		-
<u>Unsecured</u>			
(a)	Loans repayable on demand		
	from banks	-	-
	from other parties	-	-
Total Short -term borrowings		92,608,491	77,829,238
8 Trade payables		3/31/2017	3/31/2016
(a)	Trade payables	358,646,513	98,173,883
		358,646,513	98,173,883
9 Other current liabilities		3/31/2017	3/31/2016
(b)	Current maturities of long-term debt (Refer note 07)		-
(c)	Duties & Taxes	1,010,229	2,090,926
(d)	Provision for Expenses	23,131,604	4,918,426
(e)	Interest accrued and due on borrowings	-	-
(f)	Advance Received from Customers	8,727,753	5,727,753
(g)	TDS payable		40,000
(h)	Other payables (specify nature)		-
Total Other current liabilities		32,869,586	12,777,105

CONCORD DRUGS LIMITED

Note 10 : Fixed Assets

Particulars	Gross Block			Depreciation /amortization			Net Block		
	As at April 1, 2016	Additions	Deletion	As at April 1, 2016	For the year	Deletion	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Land & Land Development	7,859,768	-	-	23,746,312	-	-	-	7,859,768	7,859,768
Building	49,215,054	44,033	-	49,259,087	2,422,980	-	26,169,292	23,089,795	25,468,742
Furniture & Fixtures	3,753,297	-	-	1,655,277	543,177	-	2,198,455	1,554,642	2,098,020
Plant & Machinery	107,227,898	8,789,003	-	51,433,148	11,108,662	-	62,541,810	53,466,091	55,794,750
Office equipment	2,370,420	26,800	-	1,795,279	262,494	-	2,057,773	339,447	575,141
Vehicles	4,736,505	1,316,190	-	2,305,491	1,072,277	-	3,377,767	2,674,928	2,431,014
Air Handling Systems	35,917,595	-	-	6,052,695	3,600,946	-	19,623,810	16,293,785	19,894,731
Lab Equipment	30,150,767	171,997	-	16,022,864	3,308,695	-	15,202,286	15,120,498	18,257,196
Electrical Installations	29,918,049	-	-	11,899,571	3,131,476	-	15,748,552	14,169,497	17,300,973
Generator	3,568,140	-	-	1,493,385	375,531	-	1,868,916	1,699,224	2,074,755
Computers	-	98,280	-	-	14,145	-	14,145	84,135	-
Capital WIP incl. Adv.	-	-	-	-	-	-	-	-	-
Total	274,717,493	10,437,393	-	122,962,403	25,840,382	-	148,602,785	136,352,010	151,755,090

CONCORD DRUGS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March , 2017.

		(Amount in Rs.)	
		3/31/2017	3/31/2016
11	Long term loans and advances		
	(Unsecured, considered good, unless stated otherwise)		
(a)	Capital advances		
	Secured, considered good	-	-
	Unsecured, considered good	4476131	2,576,131
	Doubtful	-	-
	Less: Provision for doubtful advances	-	-
		4,476,131	2,576,131
(b)	Security Deposits	505,139	505,139
(c)	Loans and advances to related parties (Refer footnote 1)		-
(d)	Other Loans & Advances		-
	Prepaid expenses		-
	Advance tax and tax deducted at source [Net of provision for income tax of Rs. ABC (previous year Rs. XYZ)]		-
	Staff Advances	5,525,158	4,822,637
	VAT credit receivable		-
	Others	948,105	-
	Total (a)+(b)	6,978,402	5,327,776
		11,454,533	7,903,907
12	Inventories		
	(Valued at lower of cost and net relisable value, unless stated other wise)		
(a)	Raw materials and components	66,944,619	48,676,926
(b)	Work-in-progress	18,043,786	14,005,851
(c)	Finished goods	2,987,256	1,702,328
(d)	Stock-in-trade	-	-
(e)	Stores and spares	-	-
(f)	Packing Materials	22,293,879	17,099,988
(g)	Others (Specify nature)	-	-
	Total Inventories	110,269,540	81,485,093
13	Trade receivables		
	Outstanding for a period less than six months from the date they are due for		
	Secured, considered good	-	-
	Unsecured, considered good	-	135,639,996
	Unsecured, considered doubtful	-	-
		-	135,639,996
	Less: Provision for doubtful receivables	-	-
		-	135,639,996
	Others		
	Secured, considered good	-	-
	Unsecured, considered good	457,315,099	119,150,991
	Unsecured, considered doubtful	-	-
		457,315,099	119,150,991
	Less: Provision for doubtful receivables	-	-
		457,315,099	119,150,991
	Total Trade receivables (I+II)	457,315,099	254,790,987

CONCORD DRUGS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March , 2017.

	3/31/2017	3/31/2016
14 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
On current accounts	471,363	117,623
Deposits with original maturity of less than three months		-
On unpaid dividend accounts		-
Deposits with original maturity of less than three months under lien		-
Cheques, drafts on hand		-
Cash on hand	1,242,940	239,157
Total cash and cash equivalents	(i) 1,714,303	356,780
Total Cash and bank balances	(i+ii+v) 1,714,303	356,780
15 Short term loans and advances		
(Unsecured, considered good, unless stated otherwise)		
(a) Security Deposits	1,004,993	3,299,082
(b) Loans and advances to related parties (Refer footnote 1)		-
(c) Advances to Suppliers		3,550,626
Advance Tax	4,788,071	4,788,071
Other Receivables	1,500	-
CENVAT credit receivable	1,944,117	1,944,117
VAT credit receivable	1,248,148	1,307,646
TDS Receivable	84,198	84,198
	9,071,027	14,973,740
16 Other current assets		
(Specify nature)		
(a) Interest accrued but not due on deposits		-
(b) Interest accrued and due on deposits		-
(c) MAT Credit	6,934,114	6,934,114
(c) Other Current Assets	17,149,340	6,715,098
	24,083,454	13,649,212
17 Revenue from operations		
Sale of products		
Finished goods	574,896,795	506,828,660
Traded goods	-	-
Revenue from operations (Gross)	574,896,795	506,828,660
Less: Excise duty	-	-
Revenue from operations (Net)	574,896,795	506,828,660
18 Other income		
Interest income	42,524	11,647
Miscellaneous income	814,901	2,019,434
Total other income	857,425	2,031,081.04

CONCORD DRUGS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March , 2017.

(Amount in Rs.)

	3/31/2017	3/31/2016
19 Cost of raw material consumed	3/31/2017	3/31/2016
Raw material consumed		
Inventory at the beginning of the year (Includes Goods in transit)	48,676,926	32,775,493
Add : Purchases during the year	231,053,331	249,573,693
Less: Inventory at the end of the year (Include Goods-in transit)	66,944,619	48,676,926
Cost of raw material consumed (I)	212,785,638	233,672,260
Packing material consumed (if considered as part of raw material)		
Inventory at the beginning of the year [Include Goods-in transit]	17,099,988	11,115,461
Add : Purchases during the year	93,916,496	157,428,588
Less: Inventory at the end of the year [Include Goods-in transit]	22,293,879	17,099,988
Cost of packing material consumed (II)	88,722,605	151,444,061
Finished Goods Consumed		
Inventory at the beginning of the year [Include Goods-in transit]	1,702,328	1,136,086
Add : Purchases during the year	164,865,345	7,637,513
Less: Inventory at the end of the year [Include Goods-in transit]	2,987,256	1,702,328
Cost of other material consumed (III)	163,580,417	7,071,271
Total raw material consumed (I+II+III)	465,088,659	392,187,592
20 stock-in trade	3/31/2017	3/31/2016
Inventories at the beginning of the year:		
Stock-in-trade	-	-
Work in progress	14,005,851	11,254,675
Finished goods	-	-
(I)	14,005,851	11,254,675
Inventories at the end of the year:		
Stock-in-trade	-	-
Work in progress	18,043,786	14,005,851
Finished goods	-	-
(II)	18,043,786	14,005,851
(Increase)/decrease in inventories of finished goods, work-in-progress	-4,037,935.00	-2,751,176.00
21 Employee benefits expense	3/31/2017	3/31/2016
Salaries, wages, bonus and other allowances	25,074,999	15,967,342
Directors Remuneration	2,400,000	
Contribution to provident and other funds	50,945	95,406
Staff welfare expenses	538,815	74,622
Total Employee benefits expense	28,064,759	16,137,370

CONCORD DRUGS LIMITED

Notes forming part of the Financial Statements for the year ended 31st March , 2017.

(Amount in Rs.)

		3/31/2017	3/31/2016
22	Finance cost	3/31/2017	3/31/2016
	Interest expense		
	On bank loan	21,199,904	25,254,803
	On debentures/bonds		-
	On assets on finance lease		-
	Other borrowing costs		-
	Bank charges	2,399,546	477,463
	Loss on foreign exchange transactions and translations considered as finance cost (net)		
	Total Finance cost	23,599,450	25,732,266
23	Depreciation and amortization expense	3/31/2017	3/31/2016
	on tangible assets (Refer note 14)	25,840,382	29,118,382
	on intangible assets (Refer note 14)	-	-
	Total Depreciation and amortization expense	25,840,382	29,118,382
24	Other Expenses	3/31/2017	3/31/2016
	Consumption of stores and spare parts	1,348,643	470,458
	Power and fuel	9,667,004	7,655,291
	Repairs and maintenance - Buildings	1,602,908	147,394
	Repairs and maintenance - Plant & machinery	1,477,856	286,332
	Repairs and maintenance - Others	104,174	568,690
	Insurance	1,638,755	641,734
	Listing Fee Expenses	229,287	228,000
	Auditor's remuneration (Refer note below)	400,000	400,000
	Borewell Charges		82,540
	Business Promotion Expenses	374,509	118,415
	Commission	1,748,219	366,393
	Consultancy Charges	75,500	418,132
	Duties and Taxes	1,564,098	933,252
	Travelling, Boarding & Lodging Expenses	610,794	278,940
	Freight & Transportation Expenses	2,870,276	1,139,161
	Factory Expenses	56,349	85,240
	Postage & Courier Charges	109,409	96,190
	Professional Charges	2,488,535	95,500
	Printing & Stationery	416,496	865,376
	Registration & Renewals	558,230	617,252
	Telephone Charges	243,842	179,531
	Factory Maintenance Expenses	2,789,990	2,526,608
	Loss on Sale of Fixed Asset		487,598
	Miscellaneous expenses	349,187	113,047
	Total Other expenses	30,724,061	18,801,074

CONCORD DRUGS LIMITED

25. Contingent Liabilities;

S. No.	Particulars	31-Mar-17	31-Mar-16
1	Bank Guarantees	9,70,556	3,82,710
2	Total	9,70,556	3,82,710

26. Secured Loans;

Working Capital Loan and Term Loan from State Bank of India: First charge on all current assets by way of hypothecation of all Stocks, book debts, other current assets, equitable mortgage of the factory land & building and Hypothecation of Plant & Machinery of the Company. Company land situated at Haridwar and Immovable properties of belongs to Directors and relatives has provided as Collateral security. The Directors of the company has provided personal guarantee for the working capital and Term Loan.

27. Related Party Transactions

a) List of Related Parties

Subsidiary Companies	NIL
Associates Companies controlled by key management personnel / relatives who are substantially interested	Cortex Laboratories Private Limited
Key managerial personnel	NagireddySeelam KonireddySeelam TathireddyNarsimha Reddy

b) Transactions with the Related Parties

Details	Associate Companies / Concerns	Key Management Personnel	Associate Companies / Concerns	Key Management Personnel
	2016-17 Rs.		2015-16 Rs.	
Remuneration	-	24,00,000	-	18,00,000
Sales	-	-	-	-
Purchases	115,92,368	-	1,30,85,438	-

CONCORD DRUGS LIMITED

c) Balance as at 31st March, 2017

Details	Associate Companies / Concerns	Key Management Personnel	Associate Companies / Concerns	Key Management Personnel
	2016-17 Rs.		2015-16 Rs.	
Remuneration	-	16,70,000	-	16,70,000
Debtors	-	-	-	-
Creditors	(13,82,614)	-	84,68,004	-

28. Value of Imports and Exports:

Imports on CIF Basis: NIL

Expenditure in foreign currency: NIL

Earnings in foreign exchange

Amount in Rs.

Year ended 31st March	Year ended 31st March 2017	Year ended 31st March 2016
Sales	10,91,097	15,68,248

29. Auditors' Remuneration

Amount in Rs.

Year ended 31st March	Year ended 31st March 2017	Year ended 31st March 2016
Statutory Auditors	4,00,000	4,00,000

30. Earnings Per Share

Amount in Rs.

S. No	Particulars	Year ended 31st March 2017	Year ended 31st March 2016
1	Net Profit available for Equity Shareholders	15,95,426	1,74,84,656
2	Weighted Average Number of Equity Shares (No.s)	72,43,750	72,43,750
3	Earnings Per Share – Basic and Diluted	0.22	2.41

CONCORD DRUGS LIMITED

31. Specified Bank Notes Disclosure (SBNs)

In Accordance with the MCA Notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below;

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	80,56,100	27,51,317	108,07,417
(+) Permitted receipts	-	19,04,077	19,04,077
(-) Permitted payments	-	14,96,110	14,96,110
(-) Amount deposited in Banks	80,56,100	-	80,56,100
Closing cash in hand as on 30.12.2016	-	31,59,284	31,59,284

32. Segment Reporting

The Company is engaged in the manufacture of Pharmaceutical Formulations and the trading of packing material.

Particulars	Manufacturing	Trading	Total
Sales	2,833.55	2915.42	5748.96
Profit Before Interest & Depreciation	264.25	294.9	559.15
Depreciation	-	-	258.40
Interest	-	-	235.99
Profit Before Tax	-	-	64.74
Taxes	-	-	48.79
Profit after tax	-	-	15.95

33. Previous year figures have been regrouped wherever if thought necessary in conformity with the current year groupings. Paise have been rounded off to the nearest rupee. Notes on financial statements, Cash Flow Statement and statement on accounting policies form an integral part of the balance sheet and statement of profit & loss.

As per our report of even date
For M M Reddy & Co.,
Chartered Accountants
Firm Registration No.:010371S

(M Madhusudhana Reddy)
Partner
Membership No: 213077

Place: Hyderabad
Date: 30-05-2017

For and on behalf of the Board of Directors of
Concord Drugs Limited

Sd/-
Nagi Reddy
Chairman cum WTD
(DIN: 01764665)

Sd/-
Koni Reddy Seelam
Director cum CFO
DIN: 02829319

Sd/-
T. Narsimha Reddy
Managing Director
(DIN: 07538313)

Sd/-
Ms. Aakanksha Shukla
Company Secretary

CONCORD DRUGS LIMITED

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]

CIN: L24230TG1995PLC020093
Name of the company: M/s. Concord Drugs Limited
Registered office: Survey No.249, Brahmanapally Village
HayatnagarMandal R.R.Dist-501511

Name of the member(s):

Registered Address:

E-mail Id:

Folio No./Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :

Address : _

E-mail Id :

Signature:, or failing him

2. Name :

Address:

E-mail Id :

Signature:, or failing him

3. Name :

Address:

E-mail Id :

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Friday, 29th day of September, 2017 at 11.00a.m Survey No.249, Brahmanapally Village, HayatnagarMandal, R.R.Dist-501511 and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

Resolution:

1. Approval of financial statements for the year ended 31.03.2017.
2. To appoint a director in place of Mr. K. Ramachandra Reddy (DIN: 02285257)

CONCORD DRUGS LIMITED

- who retires by rotation does not offer himself for re-appointment
3. Appointment of Mr. S. Koni Reddy (DIN: 02829319) as Director who retires by rotation offers himself for re- appointment
 4. Appointment of statutory auditors and fixation of their remuneration
 5. Ratification of Appointment and payment of remuneration to the Cost Auditor for the Financial Year 2017-2018
 6. Issue of equity shares and convertible equity warrants on preferential basis to the promoters and others
 7. Modification of term of appointment of Mr. M. Eswar rao as independent director
 8. Modification of term of appointment of Mr. K. Ramchandra Reddy as independent director
 9. Modification of term of appointment of Mrs. P. Chandra Kala as independent director

Signed this day of 2017

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



CONCORD DRUGS LIMITED

Survey No.249, Brahmanapally Village, Hayatnagar Mandal R.R.Dist-501511

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence for the 22nd Annual General Meeting of the members to be held on Friday, 29th day of September, 2017 at 11.00 a.m. at Survey No.249, Brahmanapally Village, Hayathnagar Mandal R.R Dist-501511 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature _____

Shareholders/Proxy's full name _____

(In block letters)

Folio No/ Client ID _____

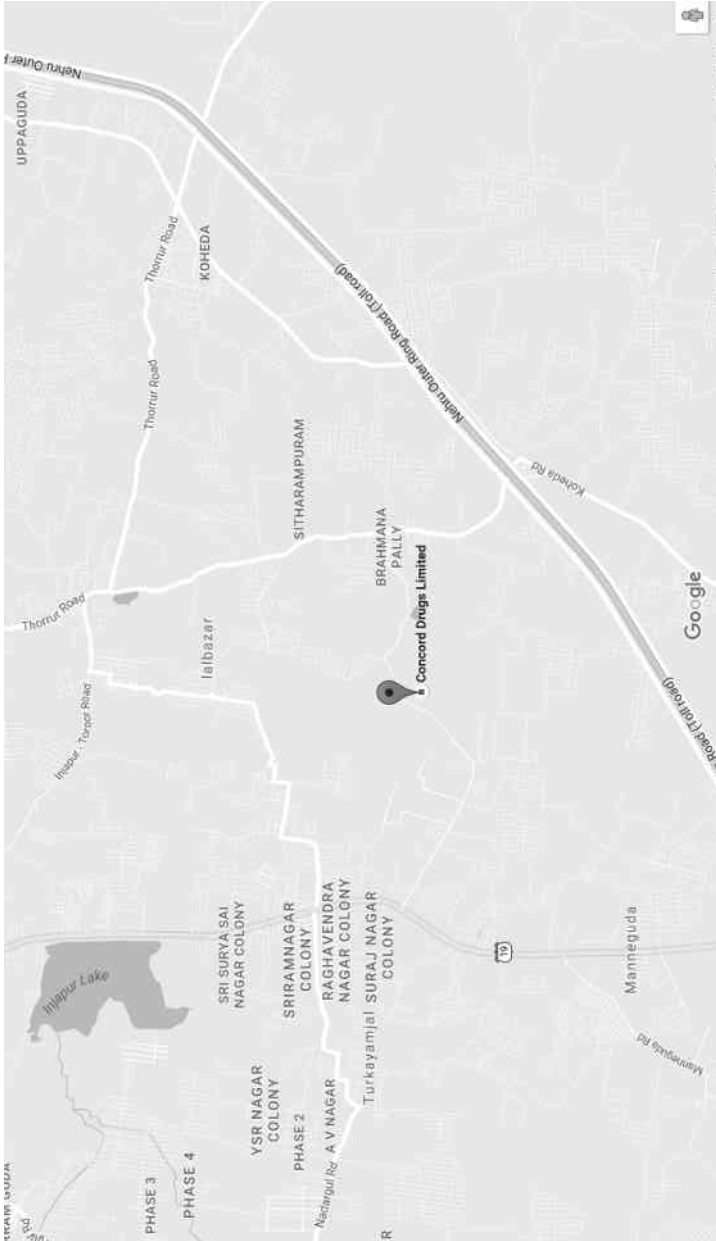
No. of shares held _____

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

CONCORD DRUGS LIMITED

ROUTE MAP FOR AGM VENUE



If Undelivered, please return to:

CONCORD DRUGS LIMITED

Survey No.249, Brahmanapally Village

Hayatnagar Mandal R.R.Dist-501511

Telangana, India.