



# 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: 17.10.2018

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

Dear Sir/ Madam,

Sub: Annual report for the year 2017-18  
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 2017-18 as approved by the shareholders in the AGM held on 29.09.2018 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  
Chairman and Whole time Director  
DIN: 01764665



Encl. as above

# **CONCORD DRUGS LIMITED**

**23rd  
ANNUAL REPORT  
2017-18**

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# CONCORD DRUGS LIMITED

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## 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)
- Ms. P. Chandra Kala - Independent Director (DIN: 07138391)
- \*Mr. K. Ramachandra Reddy - Non Executive Director  
(DIN: 02285257)
- \*Mr. M.EswarRao - Independent Director (DIN: 03177152)
- \*Mr. P. Venkatram Reddy - Independent Director (DIN: 07001606)

\*Resigned w.e.f. 29.09.2017

### REGISTERED OFFICE

Survey No.249, Brahmanapally Village  
HayatnagarMandal R.R.Dist-501511  
Telangana, India.  
Ph: No: 040-24036379

### FACTORY: I

Survey No.249,  
Brahmanapally Village,  
HayathnagarMandal,  
R.R.Dist – 501511

### FACTORY: II

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

### STATUTORY AUDITORS

M/s. N G Rao & Associates.,  
Chartered Accountants  
H. No. 6-3-1186/A/6  
2nd Floor, Chinna Balreddy Building  
Begumpet, Hyderabad – 500016

## **CONCORD DRUGS LIMITED**

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### **BANKERS**

State Bank of India  
Ramakrishna Puram  
Kothapet, Hyderabad

### **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](mailto:info@aarthiconsultants.com)

**LISTED AT** : BSE Limited  
**DEMAT ISIN NUMBER IN NSDL & CDSL** : INE858L01010  
**WEBSITE** : [www.concorddrugs.in](http://www.concorddrugs.in)  
**INVESTOR E-MAIL ID** : [concorddrugsltd@gmail.com](mailto:concorddrugsltd@gmail.com)  
**CORPORATE IDENTITY NUMBER** : L24230TG1995PLC020093

# CONCORD DRUGS LIMITED

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## NOTICE

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Shareholders of Concord Drugs Limited will be held on Saturday, 29<sup>th</sup> of September, 2018 at 10.30 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 31<sup>st</sup> March, 2018, 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 S. Nagi Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. N G Rao & Associates as Statutory Auditors and to fix their remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following Ordinary Resolution thereof:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, and pursuant to recommendation of Audit Committee, M/s. N G Rao & Associates Chartered Accountants, Hyderabad be and is hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this 23<sup>rd</sup> Annual General Meeting till the conclusion of 28<sup>th</sup> Annual General Meeting of the Company to be held in the year 2023 and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them as may be determined by the Audit Committee in consultation with the Auditor from time to time.”

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

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

**Place : Hyderabad  
Date : 14.08.2018**

## CONCORD DRUGS LIMITED

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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 Registered 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. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2018 to 29.09.2018 (Both days inclusive).
3. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
4. 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.
5. 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.
6. 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.
7. Recent regulations require submission of Aadhar/PAN number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar card/PAN details to the Depository Participants with whom they have demat accounts.

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Members holding shares in physical form can submit their Aadhar card/PAN details to the Company/ Registrar and Share Transfer Agents.

8. 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.
9. 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 2017-18 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 2017-18 is being sent in the permitted mode.
14. Members may also note that the Notice of the 23<sup>rd</sup> Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website [www.concorddrugs.in](http://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

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communication, the shareholders may also send requests to the Company's investor email id: [concorddrugsltd@gmail.com](mailto:concorddrugsltd@gmail.com)

### 15. Voting through Electronic Means (E-Voting Facility)

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 22.09.2018, are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 09.00 a.m. on 26.09.2018 and will end at 05.00 p.m. on 28.09.2018. 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 23<sup>rd</sup> 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 26.09.2018 and will end at 05.00 p.m. on 28.09.2018. 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 22.09.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - (i) For CDSL: 16 digits beneficiary ID,



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- (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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"><li>• 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.</li><li>• 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.</li></ul>
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"><li>• 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).</li></ul>

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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 prompted by the mobile app while voting on your mobile.

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- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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.
18. SEBI has notified vide Notification No. SEBI/LAD-NRO/GN/2018/24 that securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
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19. 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**

**Place : Hyderabad  
Date : 14.08.2018**

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

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# CONCORD DRUGS LIMITED

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## BOARDS' REPORT

### To the Members,

The Directors have pleasure in presenting before you the 23<sup>rd</sup> Board's Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2018.

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

The performance during the period ended 31<sup>st</sup> March, 2018 has been as under:

(Rs. In Lakhs)

Particulars	2017-18	2016-2017
Total Income	5,193.31	5,764.00
Total Expenditure	5,129.44	5,699.25
Profit Before Tax	63.87	64.75
Provision for Tax	31.45	48.79
Profit after Tax	32.42	15.95
Transfer to General Reserves	--	--
Profit available for appropriation	32.42	15.95
Provision for Proposed Dividend	--	--
Provision for Dividend Tax	--	--
Balance Carried to Balance Sheet	32.42	15.95

### 2. MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments affecting financial position of the company between 31<sup>st</sup> March and the date of Board's Report. (i.e. 14.08.2018)

### 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.

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### 4. DIVIDEND:

The Directors have not recommended any dividend for the year.

### 5. RESERVES:

The Company has not carried any amount to the reserves.

### 6. BOARD MEETINGS:

The Board of Directors duly met 6(Six) times on 30.05.2017, 28.08.2017, 14.09.2017, 15.11.2017, 14.12.2017 and 14.02.2018.

### 7. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The company has received declarations from 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 Requirement) Regulations, 2015.

### 8. DIRECTORS OR KMP APPOINTED OR RESIGNED.

During the year, Mr. K. Ramachandra Reddy, Mr. M. Eswar Rao and Mr. P. Venkatram Reddy Independent Directors have retired from the directorship of the Company with effective from 29.09.2017. The Board places on record sincere its appreciation for the valuable services rendered by them during their tenure as Directors.

Mr. S. Nagi Reddy retires by rotation and being eligible offers himself for re-appointment.

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under:-:

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<b>Name of the Director</b>	Mr. S. Nagi Reddy
<b>Date of Birth</b>	15/10/1969
<b>Qualification</b>	M. Sc
<b>Expertise in specific functional areas</b>	Overall management, planning and strategy
<b>Names of listed entities in which the person also holds the directorship and the membership of Committees of the board</b>	NIL
<b>No. of Shares held in the Company</b>	14,13,000
<b>Inter se relationship with any Director</b>	Father of Mr. S. Koni Reddy, Executive director & CFO of the company

### 9. FAMILIARISATION PROGRAMMES:

The Company familiarises its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarisation programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarisation programme for Independent Directors is disclosed on the Company's website [www.concorddrugs.in](http://www.concorddrugs.in).

### 10. COMPOSITION OF AUDIT COMMITTEE:

- I. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.
- II. The terms of reference of the Audit Committee include a review of the following:
  - 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.

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- Discussion with external auditors before the audit commences, of 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:
  1. Any changes in accounting policies and practices;
  2. Qualification in draft audit report;
  3. Significant adjustments arising out of audit;
  4. The going concern concept;
  5. Compliance with accounting standards;
  6. Compliance with stock exchange and legal requirements concerning financial statements and
  7. 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.



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- Reviewing compliances as regards the Company's Whistle Blower Policy.
- III. The previous Annual General Meeting of the Company was held on 29.09.2017 and Chairman of the Audit Committee, attended previous AGM.
- IV. The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

During the financial year 2017-18, (4) four meetings of the Audit Committee were held on the 30.05.2017, 14.09.2017, 14.12.2017, 14.02.2018.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of meetings held	No. of meeting attended
Ms. P. Chandra Kala	Chairman	NED(I)	4	4
Mr.S. Nagi Reddy	Member	ED	4	4
Mr. S. Koni Reddy	Member	ED	4	4

**NED (I):** Non-Executive Independent Director

**ED:** Executive Director

### V. NOMINATION & REMUNERATION COMMITTEE

#### Terms of reference:

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director of the Company and while approving:

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

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### 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 shouldered, individual performance etc.

The details of remuneration paid to the Executive and Non-Executive Directors for the financial year 2017-18 are given below:

Mr. S. Nagi Reddy, Chairman and Mr. S. Koni Reddy, Executive Director have drawn a remuneration of Rs. 18,00,000 p.a. and Rs. 6,00,000 p.a. for the year ended 31.03.2018 respectively.

None of the Directors is drawing any Commission, Perquisites, Retirement benefits etc.

During the year, the committee met on 14.02.2018.

The details of composition of the Committee are given below:

Name	Designation	Category	No. of meetings held	No. of meeting attended
Ms. P. Chandra Kala	Chairman	NED(I)	1	1
Mr.S. Nagi Reddy	Member	ED	1	1
Mr. S. Koni Reddy	Member	ED	1	1

**NED (I):** Non Executive Independent Director

**MD:** Managing Director

### 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:

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- 2.1 **“Director”** means a director appointed to the Board of a Company.
- 1.2 **“Nomination and Remuneration Committee** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and reg. 19 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.
- 2.3 **“Independent Director”** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the 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:
- 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 fulfil 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;

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- 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 may be prescribed, from time to time, under the Companies Act, 2013, 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.

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in Companies Act, 2013 and reg. 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3.2.3 The Independent Director shall abide by the “Code for Independent Directors” as specified in Schedule IV to the companies Act, 2013.

### **1.3 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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## CONCORD DRUGS LIMITED

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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 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 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 Office or the managing director or the manager;
  - (ii) The company secretary;
  - (iii) The whole-time director;
  - (iv) The chief finance 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 and reg. 19 of SEBI (Listing obligations and

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## CONCORD DRUGS LIMITED

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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) Commission (Applicable in case of Executive Directors)
- (iv) Retiral benefits
- (v) 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**

3.2.1 The Board, on the recommendation of the Nomination and Remuneration 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 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.

#### **3.3. Remuneration to other employees**

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## CONCORD DRUGS LIMITED

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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.

### VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

#### A.) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category	No. of meetings held	No. of meeting attended
Ms. P. Chandra Kala	Chairman	NED(I)	1	1
Mr.S. Nagi Reddy	Member	ED	1	1
Mr. S. Koni Reddy	Member	ED	1	1

**NED (I):** Non Executive Independent Director

**ED:** Executive Director

#### B) Powers:

The Committee has been delegated with the following powers:

- To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of Annual Reports, non-receipt of declared dividend and other allied complaints.
- To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgement in the case of shares held in physical form.

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## CONCORD DRUGS LIMITED

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The Company has designated an exclusive e-mail ID called [concorddrugsltd@gmail.com](mailto:concorddrugsltd@gmail.com) for complaints/grievances.

### VII. RISK MANAGEMENT COMMITTEE

#### A.) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category	No. of meetings held	No. of meeting attended
Ms. P. Chandra Kala	Chairman	NED(I)	1	1
Mr.S. Nagi Reddy	Member	ED	1	1
Mr. S. Koni Reddy	Member	ED	1	1

**NED (I)** : Non Executive Independent Director

**ED**: Executive Director

#### B) RISK MANAGEMENT POLICY:

The Company follows a comprehensive system of Risk Management. The Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

#### 11. VIGIL MECHANISM:

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

#### 12. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, 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
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## CONCORD DRUGS LIMITED

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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.

### **13. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:**

The Company does not have any subsidiaries/associates/joint ventures.

### **14. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.**

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

### **15. 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 annexed as a part of this Annual Report

### **16. STATUTORY AUDITORS:**

M/s. N G Rao & Associates, Chartered Accountants, were appointed as Statutory Auditors of the company in the 1/2018 Extra ordinary general meeting held on 24th day of August, 2018 to fill the casual vacancy caused by the resignation of M/s. MM Reddy & Co., Chartered Accountants, Hyderabad and who holds office upto this Annual General Meeting.

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## CONCORD DRUGS LIMITED

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M/s. N G Rao & Associates ,Chartered Accountants are eligible for reappointment. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the appointment of M/s. N G Rao & Associates, Chartered Accountants as the statutory auditors of the Company for five years from the conclusion of this Annual General meeting till the conclusion of the 28th Annual General Meeting to be held in the year 2022-23.

### **17. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

There have been no frauds reported by the auditors u/s 143(12).

### **18. SECRETARIAL AUDIT:**

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

### **19. QUALIFICATIONS IN AUDIT REPORTS:**

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—

#### **(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2018 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 and growth in the market expected in the coming years.

#### **(b) Secretarial Audit Report:**

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2018 on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have

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## CONCORD DRUGS LIMITED

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any reservation, qualifications or adverse remarks except that the Company does not have a Company Secretary and the Board of the Company is not duly constituted.

The Company is in the process of appointing a suitable candidate for the post of Company Secretary and Independent Directors to meet the required composition.

### **20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided hereunder:

#### **A. Conservation of Energy:**

Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

#### **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 : NIL

Foreign Exchange Outgo: NIL

### **21. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:**

The Company has not accepted any deposits falling within the meaning of Sec.73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review. Further, there are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

### **22. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the period under review there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

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## CONCORD DRUGS LIMITED

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### **23. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

The Board has appointed M/s. Chanamolu & Co., Chartered Accountants, Hyderabad as Internal Auditors in its meeting held 30.05.2018 for the year 2018-19. Deviations are reviewed periodically and due compliances are ensured. Summary of significant Audit observations along with recommendations and its implementations are reviewed by the Audit committee and concerns, if any, are reported to Board.

### **24. INSURANCE:**

The properties and assets of your Company are adequately insured.

### **25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

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

### **26. CREDIT & GUARANTEE FACILITIES:**

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

### **27. COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY:**

Since the Company does not have the net worth of Rs. 500 Crore or more, or turnover of Rs. 1000 Crore or more, or 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.

### **28. RELATED PARTY TRANSACTIONS:**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis.

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## CONCORD DRUGS LIMITED

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Your Directors draw attention of the members to Note 2.7 to the financial statement which sets out related party disclosures.

### **29. DISCLOSURE ABOUT COST AUDIT:**

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

### **30. 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 & Managing Director & Mr. Koni Reddy (Director cum CFO) to median employees is 6.82:1 & 2.27:1 times respectively .

### **31. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Since the paid up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores, Corporate Governance as envisaged in SEBI(LODR) Regulations is not applicable.

### **32. SECRETARIAL STANDARD**

The Company is in compliance with the applicable secretarial standards SS1 and SS2

### **33. 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: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment:

During the year, the Company has allotted 15,00,000 convertible

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## CONCORD DRUGS LIMITED

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warrants to the promoters and the others at an issue price of Rs. 48/- per warrant on Preferential basis and out of which 6,18,000 warrants were converted into equity shares and remaining 8,82,000 convertible warrants are pending for conversion.

### **34. 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.

### **35. CEO/ CFO Certification**

The Managing Director and CFO certification of the financial statements for the year 2017-18 is annexed in this Annual Report.

### **36. EMPLOYEE RELATIONS:**

The 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 a remuneration of Rs. 1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### **37. BOARD EVALUATION:**

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Evaluation of the Committees performance was based on the criteria like composition, its terms of the reference and effectiveness of committee meetings, etc., Individual Director's performance evaluation is based on their preparedness on the issues to be discussed, meaningful and constructive discussions and their contribution to the Board and Committee meetings. The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were

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## CONCORD DRUGS LIMITED

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conducted seeking inputs from all the Directors / Committee Members wherever applicable.

**The evaluation procedure followed by the company is as mentioned below:**

- i) Feedback is sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.
- ii) The Nomination and Remuneration Committee (NRC) then discusses the above feedback received from all the Directors.
- iii) Based on the inputs received, the Chairman of the NRC also makes a presentation to the Independent Directors at their meeting, summarising the inputs received from the Directors as regards Board performance as a whole and of the Chairman. The performance of the Non-Independent Non-Executive Directors and Board Chairman is also reviewed by them.
- iv) Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) is discussed by the Chairman of the NRC with the Chairman of the Board. It is also presented to the Board and a plan for improvement is agreed upon and is pursued.
- v) Every statutorily mandated Committee of the Board conducts a self-assessment of its performance and these assessments are presented to the Board for consideration. Areas on which the Committees of the Board are assessed include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.
- vi) Feedback is provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation are presented to the Board and action plans are drawn up. During the year under report, the recommendations made in the previous year were satisfactorily implemented.

The peer rating on certain parameters, positive attributes and improvement areas for each Board member are also provided to them in

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## CONCORD DRUGS LIMITED

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a confidential manner. The feedback obtained from the interventions is discussed in detail and, where required, independent and collective action points for improvement are put in place.

### 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 at the beginning of the year: Nil
- No. of complaints received : Nil
- No. of complaints disposed off : Nil

### 39. ACKNOWLEDGEMENTS:

The 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.

The Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions 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 : 14.08.2018**

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

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



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## CONCORD DRUGS LIMITED

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### Certificate of Code of Conduct for the year 2017-18

The shareholders

**Concord Drugs Limited**

I, **T. Narsimha Reddy**, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

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

**Place : Hyderabad  
Date : 14.08.2018**

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

# CONCORD DRUGS LIMITED

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## CERTIFICATE BY THE CEO AND CFO OF THE COMPANY

To

The Board of Directors

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 2018 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 my 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, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I 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  
Concord Drugs Limited**

**Place: Hyderabad  
Date: 14.08.2018**

**Sd/-  
T. Narsimha Reddy  
Managing Director**

**Sd/-  
S.Koni Reddy  
Director & CFO**

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## CONCORD DRUGS LIMITED

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### 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.**

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# CONCORD DRUGS LIMITED

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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, 2018**

To,  
The Members  
Concord Drugs Limited

We have conducted the audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 my 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, 2017 and ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

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, 2018 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (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 there under;

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## CONCORD DRUGS LIMITED

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(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;

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2017-18:-

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures.**
- ii. 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 and displayed the same on the Company's website i.e. [www.concorddrugs.in](http://www.concorddrugs.in).**
- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

**During the year, the Company has allotted 15,00,000 convertible warrants to the promoters and the others at an issue price of Rs. 48/- per warrant on Preferential basis and out of which 6,18,000 warrants were converted into equity shares and remaining 8,82,000 convertible warrants are pending for conversion.**

**The Company has complied with all the provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the purpose of said allotment.**

- iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the Company has not issued any debt securities during the year under review.**
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## CONCORD DRUGS LIMITED

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- vi. 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 as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However the company has Aarthi Consultants Private Limited, as its Share Transfer Agent.**
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- ix. Other applicable laws include the following:
  - 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
  - j. The Payment of Gratuity Act, 1972
  - k. Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - l. Employees State Insurance Act, 1948

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

## CONCORD DRUGS LIMITED

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- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the following:

- a) During the year the Company has conducted 6 meetings of the Board of Directors, 4 meetings of the Audit committee, 4 Meeting of Stakeholder Relationship Committee , 1 meeting of Nomination & Remuneration committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
- b) 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
- (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 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 Company has a CFO, Mr. S. Koni Reddy.
- The Company does not have a Company Secretary.

## **CONCORD DRUGS LIMITED**

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- The Company has internal auditors namely M/s. Chanamolu & Co., Chartered Accountants.
- The website of the Company contains policies as specified by SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013
- The Board of Directors of the Company is not duly constituted and do not have 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**

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

**Place: Hyderabad  
Date: 14.08.2018**



## CONCORD DRUGS LIMITED

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### Annexure A

To  
The Members of  
Concord Drugs Limited

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

1. Maintenance of secretarial record 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.

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**

Sd/-

**Vivek Surana  
Proprietor**

**Place: Hyderabad  
Date: 14.08.2018**

**C.P.No: 12901,  
M.No. 24531**

# CONCORD DRUGS LIMITED

## MGT 9

### Extract of Annual Return

**As on the Financial Year 31.03.2018**

**[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 HayatnagarMandal ,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	Aarthi Consultants Pvt. Ltd, 1-2-285, Domalaguda, Hyderabad, Telangana, 500029, Tel: 040-27634445 Fax: 040-27634445 Email: info@aarthiconsultants.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.				

## CONCORD DRUGS LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding:-									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
Individual/ HUF	2840500	0	2840500	39.21	30,58,500	0	30,58,500	38.90	(0.31)
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt. (s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (1) :-	2840500	0	2840500	39.21	30,58,500	0	30,58,500	38.90	(0.31)
(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	30,58,500	0	30,58,500	38.90	(0.31)

## CONCORD DRUGS LIMITED

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
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	115670	0	115670	1.60	67070	0	67070	0.85	(0.75)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1008893	572100	1582493	21.84	1321216	571600	1892816	24.08	2.24
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	2645800	0	2645800	36.53	2763658	0	2763658	35.15	(1.38)

## CONCORD DRUGS LIMITED

c) Others (specify)									
1. NRI	23219	0	23219	0.32	36151	0	36151	0.46	0.14
2. Clearing Members	36068	0	36068	0.50	43,555	0	43,555	0.55	0.05
Sub-total (B)(2):-	3626350	776900	4403250	60.79	4231650	571600	48,03,250	61.10	0.31
Total Public Shareholding (B)=(B)(1)+(B)(2)	3626350	776900	4403250	60.79	4231650	571600	48,03,250		0.31
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	6466850	776900	7243750	100	72,90,150	571600	78,61,750	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	--	--	--	--	--
2.	S.Nagi Reddy	698600	9.64	--	14,13,000	17.97	--	8.33
3.	S.Koni Reddy	625000	8.63	--	7,97,000	10.14	--	1.51

## CONCORD DRUGS LIMITED

4.	VundelaRamasubba Reddy	397500	5.49	--	3,97,500	5.06	--	(0.43)
5.	S.Manoj Kumar Reddy	315000	4.35	--	4,51,000	5.74	--	1.39
(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			Cumulative Shareholding during the year			
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company			
1	S.Nagarathamma	804400	11.1	--	--			
	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):	Transfer of 804400 shares	--	--	--			
	At the End of the year	--	--		NIL		NIL	
2	S. Nagi Reddy	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):	Transfer of 404400 shares and allotment of 310000 shares on 15.11.2017	--	--	--			
	At the End of the year	--	--		1413000		17.97	
3	S. Koni Reddy	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):	Allotment of 172000 shares on 15.11.2017	--	--	--			
	At the End of the year	--	--		797000		10.14	
4	S. Manoj Kumar Reddy	315000	4.35					
	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):	Allotment of 136000 shares on 15.11.2017	--	--	--			
	At the End of the year	--	--		451000		5.74	

## CONCORD DRUGS LIMITED

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Sharehold during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares the Company
1.	Sai Saranya Reddy Seelam	246700	3.14	--	---	--	246700	3.14
				07-Jul-17	57000	Sale	189700	2.41
				14-Jul-17	1900	Sale	187800	2.38
				21-Jul-17	14742	Sale	173058	2.20
				28-Jul-17	3068	Sale	169990	2.16
				04-Aug-17	4649	Sale	165341	2.10
				08-Sep-17	3200	Sale	162141	2.06
				15-Sep-17	28699	Sale	133442	1.69
				22-Sep-17	23600	Sale	109842	1.39
				30-Sep-17	21115	Sale	88727	1.13
				06-Oct-17	29115	Sale	59612	0.76
				13-Oct-17	1850	Sale	57762	0.74
				20-Oct-17	1681	Sale	56081	0.71
				27-Oct-17	4000	Sale	52081	0.66
01-Dec-17	43458	Sale	8623	0.10				
08-Dec-17	391377	Purchase	400000	5.09				
2	Rajender Kumar Agarwal	167633	2.13	--	--	--	167633	2.13
				01-Sep-17	113233	Sale	54400	0.69
				22-Dec-17	113233	Purchase	167633	2.13
3	Sanivarapu Jhansi	171019	2.18	--	--	--	171019	2.18
				31-Mar-17	1000	Sale	170019	2.16
				07-Apr-17	2000	Sale	168019	2.14
				14-Apr-17	3817	Sale	164202	2.09
				28-Apr-17	1300	Sale	162902	2.07
				05-May-17	2000	Sale	160902	2.05
				12-May-17	4130	Sale	156772	1.99
				16-Jun-17	1000	Sale	155772	1.98
				25-Aug-17	1100	Sale	154672	1.97

## CONCORD DRUGS LIMITED

				01-Sep-17	1500	Sale	153172	1.95
				08-Sep-17	6332	Sale	146840	1.87
				22-Sep-17	1000	Sale	145840	1.86
				27-Oct-17	2000	Sale	143840	1.83
				31-Oct-17	5000	Sale	138840	1.77
				10-Nov-17	500	Sale	138340	1.76
				17-Nov-17	2439	Sale	135901	1.73
				02-Feb-18	2625	Sale	133276	1.70
4.	Sushil Kumar Agarwal	130900	1.67	--	--	--	130900	1.67
				31-Mar-17	4627	Sale	126273	1.61
				14-Apr-17	873	Sale	125400	1.60
				23-Jun-17	6000	Purchase	131400	1.67
				07-Jul-17	900	Sale	130500	1.66
				14-Jul-17	200	Sale	130300	1.66
				15-Sep-17	100	Purchase	130400	1.66
5	Manju Agarwal	133401	1.70	--	--	--	133401	1.70
				07-Apr-17	350	Sale	133051	1.69
				14-Apr-17	3000	Sale	130051	1.65
				15-Sep-17	89	Purchase	130140	1.66
6	S N Thulasi Devi	121200	1.54	--	--	--	121200	1.54
7	Kedarnath Sridhara	100000	1.27	--	--	--	100000	1.27
8	Ekta Vijaywargi	100000	1.27	--	--	--	100000	1.27
9.	M Eswar Rao	107253	1.36	--	--	--	107253	1.36
				23-Jun-17	2075	Sale	105178	1.34
				16-Mar-18	12860	Sale	92318	1.17
				23-Mar-18	103	Sale	92215	1.17
10	Mohit Bung	86020	1.09	--	--	--	86020	1.09



## CONCORD DRUGS LIMITED

(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		
	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):	Transfer of 404400 shares and allotment of 310000 shares on 15.11.2017	--	--	--
	At the End of the year	--	--	1413000	17.97
2	S. Koni Reddy				
	At the beginning of the year	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):	Allotment of 172000 shares on 15.11.2017	--	--	--
	At the End of the year	--	--	797000	10.14
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):	Resigned w.e.f 29.09.2017	--	--	--
	At the End of the year	--	--	--	--
4.	Mr. M. EswarRao				
	At the beginning of the year	107253	1.48	107253	1.48
	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):	Resigned w.e.f 29.09.2017			
	At the End of the year	--	--	--	--
5.	Mr. P. Venkatram Reddy				
	At the beginning of the year	--	--	--	--
	Date wise Increase /Decrease in	Resigned w.e.f	--	--	--

## CONCORD DRUGS LIMITED

	Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	29.09.2017			
	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	--	--	--	--
7.	Mr. T. Narsimha 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	--	--	--	--

### V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount	140639367	58251429	--	198890796
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>140639367</b>	<b>58251429</b>	<b>--</b>	<b>198890796</b>
Change in Indebtedness during the financial year	25745759	22653085	--	48398844
Addition				
Reduction				
<b>Net Change</b>				
Indebtedness at the end of the financial year	114893608	35598344	--	150491952
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>114893608</b>	<b>35598344</b>	<b>--</b>	<b>150491952</b>

## CONCORD DRUGS LIMITED

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. S. Koni Reddy	Mr. S. Nagi 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	6,00,000	18,00,000			24,00,000
2.	Stock Option	--				--
3.	Sweat Equity	--				--
4.	Commission - as % of profit - Others, specify...	--				--
5.	Others, please specify	--				--
	<b>Total (A)</b>	6,00,000	18,00,000			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	--	--	--	--	--
	<b>Total (1)</b>	--	--	--	--	--
2.	Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify	--	--	--	--	--
	<b>Total (2)</b>	--	--	--	--	--
	<b>Total (B)=(1+2)</b>	--	--	--	--	--
	<b>Total Managerial Remuneration</b>	--	--	--	--	--
	<b>Overall Ceiling as per the Act</b>	--	--	--	--	--

## 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 AakankshaShukla – from 01.04.2017 to 16.11.2017 1,35,000	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	--		--	1,35,000
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please Specify				
6.	Total	--	1,35,000	--	1,35,000
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)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

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## CONCORD DRUGS LIMITED

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**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**

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# CONCORD DRUGS LIMITED

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## Independent Auditor's Report

### To the Members of Concord Drugs Limited

#### Report on the Ind AS Financial Statements

We have audited the accompanying Ind As financial statements of Concord Drugs Limited ("The company"), which comprise the balance sheet as at 31 March 2018, the statement of Profit and loss including other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (here in after referred to as the "Ind AS financial statements").

#### Management's responsibility for the Ind AS financial statements

The Company's Board of directors is responsible for the matters stated in section 134(5) of the Companies Act (the Act) with respect to the preparation of these Ind AS financial statements that give a true and fair View of the financial position, financial performance including other comprehensive income, cash flows and changes n equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting standards ( Ind AS) prescribed under section 133 of the Act , read wit relevant rules there under.

This responsibility also includes maintenance of Adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company 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 designed , 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 Ind AS 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 Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and the Auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

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## CONCORD DRUGS LIMITED

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We conducted our audit in accordance with the standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the institute of chartered Accountants of India.

The standards and pronouncements require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

### **Auditors responsibility (Continued):**

An audit involves performing procedure to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedure selected depend on the auditors judgement, including the assessment of the Risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments , the auditor considered the internal financial control relevant to the company's preparation of the Ind AS financial statements that give a true and fair view , in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide basis for our audit opinion on the Ind AS financial statements.

### **Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the afore said Ind AS 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 including the Ind AS, of the financial position of the company as at 31-03-2018, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Emphasis of Matter paragraph:**

1. Company has unsecured loans of Rs.355.98 lakhs as outstanding balance as on balance sheet date of which Rs.241.69 Lakhs received from other than directors. Out of the balance amount from directors of Rs. 114.29 Lakhs Rs. 80.75 has been classified as other Equity during the year.

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## CONCORD DRUGS LIMITED

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2. The stock of Raw materials, work in progress , finished goods and packing material worth of Rs.1,861.94 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 section 143(11) of the Act, we give in the "Annexure- A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by the 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 where necessary for the purpose of our audit;
  - (b) In our opinion, proper books of accounts as required by the law have been kept by the company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss including other comprehensive Income, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of Account

The balance sheet, the statement of profit and loss including other comprehensive Income, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of Account

- (d) In our opinion , the afore said Ind AS financial statements complied with the accounting standards specified under section 133 of the Act, read with relevant rules issued there under;
- (e) on the basis of the written representative received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and



## **CONCORD DRUGS LIMITED**

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- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – **Refer note 2.4** of the INDAS financial statements;
  - (ii) The company has long-term contracts other than derivative contracts, for which there were no material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred to the investor Education and Protections Fund by the company; and

**For N G Rao & Associates**  
**Chartered Accountants**  
**Firm Registration No.:009399S**

**( N Nageswara Rao)**  
**Partner**  
**Membership No: 207300**

**Place: Hyderabad**  
**Date: 30-05-2018**

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## CONCORD DRUGS LIMITED

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### 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 2018, we report that:

- i. (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.
- (c) The management has not performed physical verification of the Fixed assets during the year.
- ii. The physical verification of the inventory excluding stocks with third parties has not been conducted at reasonable intervals by the management.
- iii. 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').
- iv. 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.
- v. The Company has not accepted any deposits from the public within the meaning of section 73,74,75 and 76 of the Act and Rules framed there under during the year.
- vi. 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.
- vii. 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 Excise duty , sales tax, wealth tax, service tax , GST , Customs Duty, value added tax, cess and other material statutory dues except as reported below have been regularly deposited during the year. The company has not complied with the provisions in respect of

## CONCORD DRUGS LIMITED

Provident fund, Employees State Insurance and TDS. However provision in the books of accounts has been made on adhoc basis.

However , no undisputed amounts payable in respect of Provident fund, Income Tax, Sales Tax, Value Added Tax, Service Tax, GST, and material statutory dues were in arrears as at 31-03-2018 for a period more than six months from the date they became payable. This is as per the information and explanations given to us.

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

- b. According to the information and explanations given to us and on the basis of our examinations of records of the company, there are no dues of sales tax, Service tax , GST and value added tax, which have not been deposited 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.	Previous year 16-17
Income Tax Act, 1961	148	A.Y.2006-07	Commissioner of income Tax ( Appeals)-II	1,19,87,841	1,19,87,841
Income Tax Act, 1961	148	A.Y.2007-08	Commissioner of income Tax ( Appeals)-II	22,44,779	22,44,779
Income Tax Act, 1961	148	A.Y.2008-09	Commissioner of income Tax ( Appeals)-II	16,06,275	16,06,275
Income Tax Act, 1961	143(1)a	A.Y.2010-11	Jurisdictional AO	16,77,610	16,77,610
Income Tax Act, 1961	250	A.Y.2011-12	Commissioner of income Tax ( Appeals)-II	2,58,82,270	3,81,28,810
Income Tax Act, 1961	143(1)a	A.Y.2013-14	Jurisdictional AO	11,83,700	11,83,700
Income Tax Act, 1961	143(3)	A.Y.2014-15	Commissioner of income Tax ( Appeals)-II	3,90,64,488	3,93,84,045
Income Tax Act, 1961	Others	A.Y.2015-16	Jurisdictional AO	12,63,500	12,63,500

## CONCORD DRUGS LIMITED

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- viii. According to the records of the Company examined by us and on the basis of information and explanation given to us, the Company has delayed in repayment of loans or borrowings to the bank in some instances. The Company has neither issued debentures nor taken loans from financial institutions and Government during the year.
- ix. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year.
- x. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. 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.
- xii. 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.
- xiii. The company has entered into transactions with related parties which are in compliance with the provisions of 177 and 188 of the Act. The details of such related party transactions have been disclosed in the IND AS financial Statements as required under IND AS 24, Related party Disclosures Specified under section 133 of the Act, read with Rule 7 of the companies (Accounts ) rules, 2014.
- xiv. During the year, the Company has made any preferential allotment or private placement of shares. Requirements of Section 42 of the companies Act, 2013 regard to the issue has been complied with. The company has not issued any fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order with respect to debentures is not applicable to the Company.

## **CONCORD DRUGS LIMITED**

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Number of shares issued under private placement of 6,18,000 shares @ Rs.48 (including Rs.38 of security Premium)

<b>Particulars</b>	<b>No.of Shares</b>	<b>Amount</b>
S. Nagi reddy	3,10,000	1,48,80,000
S.Koni reddy	1,72,000	82,56,000
S.Manoj reddy	1,36,000	65,28,000

- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transaction with the directors or persons connected with him as contemplated under the provisions of section 192 of the Act. Accordingly, Clause 3(XV) of the order is not applicable to the company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the order is not applicable to the Company.

**For N G RAO & ASSOCIATES.,  
Chartered Accountants  
FRNo.: 009399S**

**Place: Hyderabad  
Date: 30th May, 2018**

**Sd/-  
G. Nageswara Rao  
Partner  
Membership No. 207300**

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## CONCORD DRUGS LIMITED

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### 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 Subsection 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, 2018 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 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.

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## CONCORD DRUGS LIMITED

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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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

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## CONCORD DRUGS LIMITED

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and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 N G RAO & ASSOCIATES.,  
Chartered Accountants  
FRNo.: 009399S**

**Place: Hyderabad  
Date: 30th May, 2018**

**Sd/-  
G. Nageswara Rao  
Partner  
Membership No. 207300**



# CONCORD DRUGS LIMITED

Balance sheet as at 31, March 2018

Rs in Lakhs

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	3	1,272.38	1,284.92	1,438.95
(b) Investment property		78.60	78.60	78.60
(c) Other Non current assets	4	38.48	44.76	25.76
<b>Financial assets</b>				
(a) Loans & Advances	5	50.02	69.78	53.28
(b) Trade receivables	6	4,982.06	1,057.67	1,356.40
<b>Total Non - Current Assets</b>		<b>6,421.54</b>	<b>2,535.73</b>	<b>2,952.99</b>
<b>Current Assets</b>				
Inventories	7	1,861.94	1,102.70	814.85
Financial assets		-	-	
(a) Investments		-	-	
(b) Trade receivables	6	2,135.17	1,565.48	1,191.51
(c) Cash and cash equivalents	8	4.08	17.14	3.57
(d) Bank balances other than (c) above		1.49	6.30	6.30
(e) Other Current Financial Assets	9	12.71	3.75	26.69
Other current assets	10	204.47	321.49	253.24
<b>Total Current assets</b>		<b>4,219.85</b>	<b>3,016.87</b>	<b>2,296.16</b>
<b>Total Assets</b>		<b>10,641.39</b>	<b>5,552.60</b>	<b>5,249.15</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11	786.18	724.38	724.38
Other equity	12	1,146.14	1,174.89	782.18
<b>Total Equity</b>		<b>1,932.32</b>	<b>1,899.27</b>	<b>1,506.55</b>
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
(a) Borrowings	13	340.85	617.58	1,220.56
Deferred tax liabilities, net	14	21.23	27.36	17.94
Provisions	15	214.36	9.29	426.37
Government Grants	13	61.75	68.48	-
<b>Total Non-current liabilities</b>		<b>638.19</b>	<b>722.72</b>	<b>1,664.87</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(a) Borrowings	16	900.51	926.08	778.29
(b) Trade payables	17	6,636.83	1,636.47	981.74
(c) Other Current financial liabilities	18	121.06	-	-
Current tax liabilities, net	15	37.58	39.37	189.92
Other current liabilities	19	374.90	328.70	127.77
<b>Total Current liabilities</b>		<b>8,070.88</b>	<b>2,930.62</b>	<b>2,077.73</b>
<b>Total liabilities</b>		<b>8,709.07</b>	<b>3,653.33</b>	<b>3,742.59</b>
<b>Total Equity and liabilities</b>		<b>10,641.39</b>	<b>5,552.60</b>	<b>5,249.15</b>

Corporate information and significant accounting policies 1  
The accompanying notes form an integral part of the financial statements 2

For N.G Rao and Associates  
Chartered Accountants  
FRN- 009399S

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

G. Nageswara Rao  
Partner  
Membership No: 207300

Sd/-  
Nagi Reddy Seelam  
Chairman  
DIN: 01764665

Sd/-  
Koni Reddy Seelam  
Executive Director  
DIN: 02829319

Place: Hyderabad  
Date: 30-05-2018

# CONCORD DRUGS LIMITED

## Statement Of Standalone Profit and Loss for the year ended 31, March 2018

	Note	As at March 31, 2018	As at March 31, 2017
<b>I Revenue from Operations</b>			
a. Net sales from Operations	20	5,179.72	5,748.97
b. Other Operating Income		-	-
<b>II Other Income</b>	21	13.58	15.03
<b>III Total Revenue (I+II)</b>		<b>5,193.31</b>	<b>5,764.00</b>
<b>IV Expenses</b>			
a. Cost of Material Consumed	22	4,650.17	4,650.89
b. Changes in Inventories of finished goods, work-in-progress and stock-in-trade	23	(320.38)	(40.38)
c. Employees Benefit Expenses	24	197.42	280.65
d. Finance Costs	25	188.40	242.45
e. Depreciation and Amortisation expense	3	240.14	258.40
f. Other expenses	26	173.68	307.24
<b>Total Expenses</b>		<b>5,129.44</b>	<b>5,699.25</b>
<b>Profit/ (Loss) before Exceptional item and tax (III-IV)</b>		<b>63.87</b>	<b>64.75</b>
<b>V Exceptional Items</b>		-	-
<b>VI Profit/ (Loss) before tax (V-VI)</b>		<b>63.87</b>	<b>64.75</b>
<b>VII Tax Expense:</b>		<b>31.45</b>	<b>48.79</b>
<b>VIII a. Current tax</b>		37.58	39.37
<b>b. Deferred tax charge/credit</b>		(6.13)	9.42
<b>IX Profit/ (Loss) for the period (VII-VIII)</b>		<b>32.42</b>	<b>15.95</b>
<b>X Other Comprehensive Income</b>		-	-
Items that will not be reclassified to profit or loss		-	-
<b>Total Comprehensive Income for the period (comprising profit and other comprehensive income for the period) (IX+X)</b>		<b>32.42</b>	<b>15.95</b>
<b>XI Paid-up equity share capital</b>		<b>786.18</b>	<b>724.38</b>
(Face value of the share- Rs. 10 each)			
<b>XII Earnings per share (of Rs. 10 each)</b>			
<b>XIII a. Basic (in Rs)</b>		0.41	0.22
<b>b. Diluted (in Rs)</b>		0.41	0.22

Corporate information and significant accounting policies  
The accompanying notes form an integral part of the financial statements

1  
2

For N.G Rao and Associates  
Chartered Accountants  
FRN- 009399S

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

G. Nageswara Rao  
Partner  
Membership No: 207300

Sd/-  
Nagi Reddy Seelam  
Chairman  
DIN: 01764665

Sd/-  
Koni Reddy Seelam  
Executive Director  
DIN: 02829319

Place: Hyderabad  
Date: 30-05-2018

# CONCORD DRUGS LIMITED

## Statement of Cash flow for the year ended 31 March, 2018

Particulars	Amount (Rs.) in lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	63.87	64.75
<i>Adjustments for :</i>		
Depreciation and amortisation expense	240.14	258.40
Finance costs	171.41	
Interest income	(1.58)	
Provision for Gratuity	9.50	-
<b>Operating profit before working capital changes</b>	<b>483.35</b>	<b>323.15</b>
<i>Changes in working capital: (Refer Note 40)</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
<b>Financial Assets</b>		
Trade receivables	(4,494.08)	2,025.24
Loans and Advances	19.77	-23.52
Other Non Current assets	6.28	
Inventories	(759.24)	287.84
Other Current assets	117.03	104.34
Other Current financial Assets	(8.96)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	5,000.37	-2,604.73
Other current financial liabilities	121.06	147.79
Other current liabilities	(1.79)	-50.37
Current tax liabilities, net	46.20	
Provisions	195.57	
<b>Cash generated from operations</b>	<b>725.56</b>	<b>209.75</b>
Net income tax paid	-37.58	-39.37
<b>Net cash flow from operating activities (A)</b>	<b>687.98</b>	<b>170.38</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances (Refer Note (iii) below)	-227.61	-104.37
Proceeds from maturity of fixed deposits	4.80	
- Others	1.58	-
<b>Net cash (used in) / flow from investing activities (B)</b>	<b>(221.22)</b>	<b>(104)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares	296.64	
Finance costs	-171.41	-235.99
Repayment of Borrowings	-276.73	-157.73
Repayment of short term Borrowings	-25.57	
Govt Grants	-6.74	
Other equity Adjustment	-296.01	
<b>Net cash flow (used in) financing activities (C)</b>	<b>-479.82</b>	<b>-393.73</b>
<b>Net (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>-13.07</b>	<b>-327.35</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>17.14</b>	<b>-9.42</b>
Effect of exchange differences on translation of foreign currency Cash and cash equivalents	-	
<b>Cash and cash equivalents at the end of the year (Refer Note (i) below)</b>	<b>4.08</b>	<b>-336.77</b>
* Comprises:		
Balances with Banks	2.40	4.71
Others	1.67	12.43
	<b>4.08</b>	<b>17.14</b>

As per our report of even date

For N.G Rao and Associates  
Chartered Accountants  
FRN- 009399S

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

G. Nageswara Rao  
Partner  
Membership No: 207300

Sd/-  
Nagi Reddy Seelam  
Chairman  
DIN: 01764665

Sd/-  
Koni Reddy Seelam  
Executive Director  
DIN: 02829319

Place: Hyderabad  
Date: 30-05-2018

# CONCORD DRUGS LIMITED

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## Notes to Financial Statements

### 1. Significant Accounting Policies

#### Company overview

Concord Drugs Limited (“ the Company “) the company was incorporated on 24<sup>th</sup> April , 1995. The principal activity of the company is to manufacture licensed drugs based on the formulations approved. The company is Listed only in the India and operating from only one geographical location.

#### a. Basis of preparation of Financial Statements

The financial statements comply in all material aspects with Indian accounting Standards (Ind AS) as per the companies ( Indian Accounting Standards ) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act except for few as mentioned at the relevant notes.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and the other relevant provisions of the act

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cashflows of the Company is provided in Note–

#### b. Functional and presentation currency

The financial statements are presented in Indian Rupees (Rs.) which is also the company's functional currency and the amounts have been rounded off to lakhs with two decimal places, unless otherwise stated.

#### c. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following material items:

- (i) Deferred VAT Loan which is recognized at present value using the Discounted cash flow method;

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## CONCORD DRUGS LIMITED

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- (ii) The property plant and equipment is recognized at Deemed Cost (carrying values as at the date of Transition)

**d. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingencies at the date of the financial statements. Actual results may differ from those estimates. Estimates and underlying assumption are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively.

**e. Current and non-current classification:**

The company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current, when it satisfies any of the following criteria:

- It is expected to be realized or intended to sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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## CONCORD DRUGS LIMITED

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Current liabilities includes the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### f. 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.

### g. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of taxes and net of returns, trade allowances, rebates, Taxes and amounts collected on behalf of third parties.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### **Sale of Goods:**

Revenue from sale of the goods are recognized when all the risks and rewards pertinent to the goods are transferred to the customer.

#### **Interest Income:**

Interest income is recognized as it accrues to the company using the effective interest rate method.

#### **Dividend Income:**

Dividend Income is recognized when the right to receive the dividend is established.

### h. Property, plant and equipment

Freehold land is measured at historical cost at each reporting period. All other items of property, plant and equipment are stated at deemed value historical cost less accumulated depreciation and impairment losses, if any. On the transition to Ind AS the company has elected to measure at

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## CONCORD DRUGS LIMITED

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its historical cost as at 1<sup>st</sup> April 2016 and use that historical cost as its deemed cost on that date for property, plant and equipment. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. The cost of the property, plant and equipment includes freight, installation cost, duties and non refundable taxes and other incidental expenses incurred during the acquisition, construction and installation of the respective assets. The company has not obtained the technical evaluation for recognizing the decommissioning cost of the property, plant and equipment installed.

Indirect expenditure including borrowing costs to the extent incidental to construction of property, plant and equipment incurred during the construction period will be allocated to the assets on commencement of commercial of commercial production.

expenditure including borrowing costs to the extent incidental to construction of property, plant and equipment incurred during the construction period will be allocated to the assets on commencement of commercial of commercial production.

Cost of assets not ready for intended use as on the balance sheet date, is recognized as capital work-in-progress. Capital work in Progress comprises the direct expenditure on acquisition of property plant and equipment that are not yet ready for their intended use as at the balance sheet date. Other expenditure not relating to construction activity or incidental thereto is recognized in statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

If significant parts of an item of property plant and equipment have different useful lives, then they are accounted for as separate items (major components) of the said class of asset.

### **Depreciation**

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives after taking into account their estimated residual value.

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## CONCORD DRUGS LIMITED

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Depreciation is calculated using the written down value method to allocate their cost, net of their residual values, over their estimates useful lives. The depreciation methods, useful life and residual value, are viewed at each reporting date and adjusted prospectively.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e., from (up to) the date on which the assets is ready for use (disposed off). For the assets costing less than Rs.5,000, based on internal assessment and materiality the management has estimated that the same shall be depreciated in the year of purchase.

Gains and losses arising from derecognition of property plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### **Derecognition:**

An item of property , plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss when the asset is derecognized.

### **Impairment:**

At each reporting date, management reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately. The recoverable amount of an asset is the greater of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows., discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

- i. **Employee benefits:**
- i) **Defined contribution plans:**

The company pays provident fund contributions to publicly administered funds as per local regulations. The company is not regular in depositing the Provident fund amount. For details please refer point no-vii of the



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Annexure-A to the auditor's report.

**ii) Defined benefit plan:**

The company is required to provide for gratuity, defined benefit retirement plan covering eligible employees. However the company has not obtained Independent actuarial valuation to provide the liability in the books. The company has provided for the Gratuity liability on an Adhoc basis and hence the actuarial gains or loss is not effected in the Other Comprehensive Income of the statement of profit and loss.

Further the company has not provided for the liability towards the Leave encashment of the employees.

**j. Borrowing costs:**

Borrowing costs are interest and other cost incurred in connection with the borrowing of funds. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the year in which they are incurred.

**k. Earnings per share:**

Basic earnings per share is calculated by dividing the profit attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**l. Financial Instruments:**

**i. Recognition and initial measurement**

Trade receivables are initially recognized when they are originated. Trade receivables are measured on initial recognition at the transaction price. All other financial assets and financial liabilities are initially recognized when the company becomes party to the contractual

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## CONCORD DRUGS LIMITED

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provisions of the instrument. Further the Working Capital loans, Trade receivables and Trade payables carrying values presented in the financial statements approximate their fair values.

### ii. Classification and subsequent measurement:

#### Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost
- FVOCI – Debt investment
- FVTPL – equity investment

Financial assets are not reclassified subsequent to their initial recognition, except if and in the year the company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL

- The asset is held within business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL

- The asset is held within business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investments fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment by investment basis.

#### **Financial assets : Business Model assessment**

The company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this

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best reflects the way the business is managed and information is provided to the management. The information considered includes.

- how the performance of the portfolio is evaluated and reported to the Company's management
- the risks that affect the performance of the business model (and the financial assets held within that business model ) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about the future sales activity

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

**Financial assets:** Assessment whether contractual cash flows are solely payments for principal and interest.

For the purpose of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified

## CONCORD DRUGS LIMITED

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assets (e.g. on recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount is substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### **Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest and dividend income, are recognized in profit or loss

#### **Financial assets at amortized cost:**

These assets are measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss

#### **Debt investments at FVOCI:**

These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

#### **Equity investments at FVOCI:**

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

### iii. **Derecognition** **Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfer nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognized.

#### **Financial liabilities**

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also derecognizes a financial liability when its terms are modified and its cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

### iv **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### **Impairment**

The Company recognizes the loss allowances for:

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI-debt investment

At each reporting date, the company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

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Evidence that a financial asset is credit –impaired includes the following observable data.

- Significant financial difficulty of the borrower or issuer,
- The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- It is probable that the borrower will enter the bankruptcy or the financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties

The company measures loss allowances at an amount equal to lifetime expected credit losses , except for the following which are measured as 12 month expected credit losses.

- debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and the bank balances for which credit risk (i.e the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for the trade receivable are always measured at an amount equal to expected lifetime credit losses. Life time expected credit losses are the credit losses that result from all possible default events over the expected life of a financial instrument.

### **Measurement and presentation of allowances for expected credit losses :**

Expected credit losses are a probability- weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive)

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and recognized in OCI.

### **Write off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are

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## CONCORD DRUGS LIMITED

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written off could still be subject to enforcement activities in order to comply with company's procedures for recovery of amounts due.

### **m. Income Tax**

Income tax comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

#### **Current Tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

#### **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.

### **n. Cash Flow Statement:**

#### **i. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of

## CONCORD DRUGS LIMITED

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changes in value, and bank over drafts. Bank over drafts are shown within borrowings in current liabilities in the balance sheet.

**o. Measurement of earnings before interest, tax and depreciation (EBIDT)**

As permitted by schedule III of the companies Act, 2013, the company has elected to present earnings before interest, tax and depreciation (EBIDT) as a separate line item on the face of the statement of profit and loss. The company measures EBIDT on the basis of profit/loss from continuing operations. In its measurement, the company has not included the depreciation expenses, finance cost, tax expense and other income.

**p. Events occurring after the balance sheet date:**

Impact of events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet are adjusted to respective assets.

**q. Contingent Liabilities and commitments :**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**An amount of Rs. 21.65 Lakhs is outstanding against capital advances given to various Vendors which are pending execution.**

**r. Critical estimates and judgments:**

The preparation of financial statements requires the use of accounting estimates and the management needs to exercise judgment in applying the accounting estimates and policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

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### INDAS Transition Notes :

#### I First Time adoption of Ind AS

##### Mandatory Exceptions

1. The company has applied the following exceptions to the retrospective application of the Ind AS as mandatorily required under Ind AS 101

##### (i) Estimates

On assessment of the estimates made under the previous GAAP financial statements, the company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the company for the relevant reporting dates reflecting conditions existing as at that date.

##### (ii) Deemed Cost - Property Plant and equipment

The Company has elected to measure at Carrying value as at 01-04-2016 and use the same as deemed cost at that date for Property, plant and Equipment.

#### II Transition to Ind AS – reconciliation

The following reconciliation provide the effect of transition to Ind AS from I GAAP in accordance with Ind AS 101

- (i) Equity as at 01-04-2016 and 31-03-2017 (Refer Note 2.1 and 2.2 separate Annexure)
- (ii) Net profit for the year ended 31-03-2017 (Refer Note 2.3 separate Annexure)

#### 2.4 Pending Litigations:

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, accordingly to information and explanations given to us, the following dues of income tax, have not been deposited by the company on account of disputes.

## CONCORD DRUGS LIMITED

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Particulars	Demand U/S	Period to which The amount relates	Forum where the dispute is pending	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Income tax Act, 1961	148	A.Y.2006-07	Commissioner of Income Tax (Appeals)-II	1,19,87,841	1,19,87,841
Income tax Act, 1961	148	A.Y.2007-08	Commissioner of Income Tax (Appeals)-II	22,44,779	22,44,779
Income tax Act, 1961	148	A.Y.2008-09	Commissioner of Income Tax (Appeals)-II	16,06,275	16,06,275
Income tax Act, 1961	143(1)	A.Y.2010-11	Jurisdictional AO	16,77,610	16,77,610
Income tax Act, 1961	143(3)	A.Y.2011-12	Commissioner of Income Tax (Appeals)-II	2,58,82,270	3,81,28,810
Income tax Act, 1961	143 1(a)	A.Y.2013-14	Jurisdictional AO	11,83,700	11,83,700
Income tax Act, 1961	143(3)	A.Y.2014-15	Commissioner of Income Tax (Appeals)-II	3,90,64,488	3,93,84,045
Income tax Act, 1961	Others	A.Y.2015-16	Jurisdictional AO	12,63,500	12,63,500

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Note -03 Property Plant and equipment as at and for the year ended 31, March 2017

Particulars	Free hold Land	Building	Furniture & Fixtures	Plant & Machinery	Office equipment	Vehicles	Air Handling Systems	Lab Equipment	Electrical Installations	Generator	Computers
<b>Deemed Cost ( Gross Carrying amount)</b>											
AS at 01-April 2016	7,859,768	49,215,054	3,753,297	107,227,898	2,370,420	4,736,505	35,917,595	30,150,767	29,918,049	3,568,140	
Additions	-	44,033	-	8,780,003	26,800	1,316,190	-	171,997	-	-	98,280
Deletions	-	-	-	-	-	-	-	-	-	-	-
Fair value adjt recognised in OCI	-	-	-	-	-	-	-	-	-	-	-
<b>Gross Carrying amount as at 31-03-2017</b>	<b>7,859,768</b>	<b>49,259,087</b>	<b>3,753,297</b>	<b>116,007,901</b>	<b>2,397,220</b>	<b>6,052,695</b>	<b>35,917,595</b>	<b>30,322,764</b>	<b>29,918,049</b>	<b>3,568,140</b>	<b>98,280</b>
<b>Depreciation</b>											
Accumulated Depreciation	-	23,746,312	1,655,277	51,433,148	1,795,279	2,305,491	16,022,864	11,893,571	12,817,076	1,493,385	-
Charge for the year	-	2,422,980	543,177	11,108,662	262,494	1,072,277	3,600,946	3,308,695	3,131,476	375,531	14,145
On disposals	-	-	-	-	-	-	-	-	-	-	-
<b>Carrying value as at 31-03-2017</b>	<b>7,859,768</b>	<b>23,085,795</b>	<b>1,554,842</b>	<b>55,466,091</b>	<b>339,447</b>	<b>2,874,928</b>	<b>16,293,765</b>	<b>15,120,498</b>	<b>14,169,497</b>	<b>1,699,224</b>	<b>84,135</b>

Note -03 Property Plant and equipment as at and for the year ended 31, March 2018

Particulars	Free hold Land	Building	Furniture & Fixtures	Plant & Machinery	Office equipment	Vehicles	Air Handling Systems	Lab Equipment	Electrical Installations	Generator	Computers
<b>Deemed Cost</b>											
AS at 01-April 2016	7,859,768	49,259,087	3,753,297	116,007,901	2,397,220	6,052,695	35,917,595	30,322,764	29,918,049	3,568,140	98,280
Additions	-	-	-	22,385,624	304,050	-	-	70,875	-	-	-
Deletions	-	-	-	-	-	-	-	-	-	-	-
Fair value adjt recognised in OCI	-	-	-	-	-	-	-	-	-	-	-
<b>Gross Carrying amount as at 31-03-2017</b>	<b>7,859,768</b>	<b>49,259,087</b>	<b>3,753,297</b>	<b>138,393,525</b>	<b>2,701,270</b>	<b>6,052,695</b>	<b>35,917,595</b>	<b>30,393,639</b>	<b>29,918,049</b>	<b>3,568,140</b>	<b>98,280</b>
<b>Depreciation</b>											
Accumulated Depreciation	-	26,169,292	2,198,455	62,541,810	2,057,773	3,377,767	19,623,810	15,202,266	15,748,552	1,888,916	14,145
Charge for the year	-	2,193,531	402,549	11,739,999	247,226	835,380	2,949,175	2,747,987	2,564,679	307,560	26,275
On disposals	-	-	-	-	-	-	-	-	-	-	-
<b>Carrying value as at 31-03-2017</b>	<b>7,859,768</b>	<b>20,896,265</b>	<b>1,552,294</b>	<b>64,111,716</b>	<b>396,272</b>	<b>1,839,548</b>	<b>13,344,610</b>	<b>12,443,386</b>	<b>11,604,818</b>	<b>1,391,665</b>	<b>57,860</b>

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## CONCORD DRUGS LIMITED

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### Notes forming part of the Financial Statements for the year ended 31st March , 2018

#### 4. Other Non current assets

(Amount in Rs.)

<b>PARTICULARS</b>	<b>3/31/2018</b>	<b>3/31/2017</b>	<b>4/1/2016</b>
(a) Capital advances			
Secured, considered good	3,627,747	4,476,131	2,576,131
Unsecured, considered good		-	-
Doubtful		-	-
Less: Provision for doubtful advances	220,052	-	-
(b) Prepaid expenses	<b>3,847,799</b>	<b>4,476,131</b>	<b>2,576,131</b>

#### 5. Financial Assets

(Amount in Rs.)

<b>PARTICULARS</b>	<b>3/31/2018</b>	<b>3/31/2017</b>	<b>4/1/2016</b>
Loans and Advances			
(a) Security Deposits	505,139	505,139	505,139
Other Loans & Advances		-	-
(b) Staff Advances	3,616,978	5,525,158	4,822,637
( c ) Others	879,514	948,105	-
	<b>5,001,631</b>	<b>6,978,402</b>	<b>5,327,776</b>

## CONCORD DRUGS LIMITED

### 6. Trade receivables

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017	4/1/2016
Outstanding for a period less than six months from the date they are due for payment			
Secured, considered good			
Unsecured, considered good	213,516,909	156,548,452	135,639,996
Unsecured, considered doubtful			
	213,516,909	156,548,452	135,639,996
Less: Provision for doubtful receivables	-	-	-
	213,516,909	156,548,452	135,639,996
<b>Others</b>			
Secured, considered good	-	-	-
Unsecured, considered good	498,206,121	105,766,710	119,150,991
Unsecured, considered doubtful			
	498,206,121	105,766,710	119,150,991
Less: Provision for doubtful receivables	498,206,121	105,766,711	119,150,991
<b>Total Trade receivables (I+II)</b>	<b>711,723,030</b>	<b>262,315,163</b>	<b>254,790,987</b>

### 7. Inventories

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017	4/1/2016
(Valued at lower of cost and net relisable value, unless stated other wise)			
(a) Raw materials and components	82,375,603	66,944,619	48,676,926
(b) Work-in-progress	50,081,707	18,043,786	14,005,851
(c) Finished goods	48,149,478	2,987,256	1,702,328
(d) Packing Materials	5,586,925	22,293,879	17,099,988
<b>Total Inventories</b>	<b>186,193,713</b>	<b>110,269,540</b>	<b>81,485,093</b>

## CONCORD DRUGS LIMITED

### 8. Cash and bank balances

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017	4/1/2016
Cash and cash equivalents			
Balances with banks			
(a) In current accounts	240,067	471,363	117,623
(b) Cash on hand	167,484	1,242,940	239,157
Total cash and cash equivalents	407,551	1,714,303	356,780
(c) Balances with banks other than above	149,235	629,673	629,673
<b>Total Cash and bank balances</b>	<b>556,786</b>	<b>2,343,976</b>	<b>986,453</b>

### 9. Other current financial Asset

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017	4/1/2016
(Unsecured, considered good, unless stated otherwise)			
(a) Security Deposits	1,271,000	375,320	2,669,409
<b>Total</b>	<b>1,271,000</b>	<b>375,320</b>	<b>2,669,409</b>

### 10. Other Current Assets

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017	4/1/2016
(a) Loans and advances to related parties (Refer footnote 1)			
(b) Advances to Suppliers	1,900,000		3,550,626
(c) Advance Tax	8,764,765	4,788,071	4,788,071
(d) Other Receivables	-	1,500	-
(e) CENVAT credit receivable	-	1,944,117	1,944,117
(f) VAT credit receivable	-	1,248,148	1,307,646
(g) TDS Receivable	48,057	84,198	84,198
(h) MAT Credit	6,934,114	6,934,114	6,934,114
(i) Other Current Assets	2,799,752	17,149,340	6,715,098
<b>Total</b>	<b>20,446,689</b>	<b>32,149,487</b>	<b>25,323,870</b>

## CONCORD DRUGS LIMITED

### 11. Equity Share capital

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017	4/1/2016
The Company has only one class of share capital having a par value of Rs. 10 per share, referred to herein as equity shares.			
<b>Authorised</b>			
1,10,00,000 (previous year 1,10,00,000) equity shares of Rs. 10/- each	110,000,000	110,000,000	110,000,000
<b>Issued, subscribed and paid up</b>			
7861750 (previous year 7243750) equity shares of Rs. 10/- each fully paid	78,617,500	72,437,500	72,437,500
<b>Total</b>	<b>78,617,500</b>	<b>72,437,500</b>	<b>72,437,500</b>

	3/31/2018		3/31/2017		4/1/2016	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>(a) Reconciliation of shares outstanding at the beginning and at the end of the year</b>						
Outstanding at the beginning of the year	7,243,750	72,437,500	7,243,750	72,437,500	7,243,750	72,437,500
Add: Issued during the year	618,000	6,180,000	-	-	-	-
Outstanding at the end of the year	<b>7,861,750</b>	<b>78,617,500</b>	<b>7,243,750</b>	<b>72,437,500</b>	<b>7,243,750</b>	<b>72,437,500</b>

### (b) Rights, preferences and restrictions attached to shares

- (i) 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. (ii) During the year ended 31st March 2018, no dividend is recognized as distributions to equity shareholders. (iii) 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.

## CONCORD DRUGS LIMITED

### Non Current Liabilities

#### 13. Financial Liabilities - Borrowings

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017	4/1/2016
Secured			
<b>(a) Term loans</b>			
from banks	12,832,844	12,832,844	55,544,700
(b) Interest Free Sales Tax Loan	12,009,642	12,009,642	12,442,164
<b>Unsecured</b>			
(a) Loans and advances from related parties	35,598,344	58,251,429	54,068,929
<b>Total long term borrowings including its current maturities</b>	<b>60,440,830</b>	<b>106,282,305</b>	<b>122,055,793</b>
Less: Amount disclosed under the head "Other current liabilities" (note	12,106,108	-	-
<b>Total non current maturities of long term borrowings</b>	<b>48,334,722</b>	<b>106,282,305</b>	<b>122,055,793</b>
Un secured loan from Directors Grpd as Other equity	-8,074,850	-37,675,936	-
Adjustment of Interest Free Sales Tax loan ( recognised as Government Grants)	-6,174,854	-6,848,397	-
<b>Total</b>	<b>34,085,018</b>	<b>61,757,973</b>	122,055,793

#### 14 Deferred tax liabilities/(asset) (Net)

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017	4/1/2016
Opening Deferred Tax Liability	2,736,331	2,736,329	1,793,978
For The Year	-612,835	-	-
<b>Total</b>	<b>2,123,495</b>	<b>2,736,329</b>	<b>1,793,978</b>



## CONCORD DRUGS LIMITED

### 15. Provisions

	Long term		Short term		4/1/2016	
	3/31/2018	3/31/2017	3/31/2018	3/31/2017	Long term	Short term
(a) Provision for Creditor for Capital Expenses	-	928,816	-	-	42,636,922	
(b) Other provisions (Specify nature)						
Provision for Income tax	20,485,622		3,758,138	3,937,070		18,992,458
Provision for gratuity	950,000	-				
<b>Total Provisions</b>	<b>21,435,622</b>	<b>928,816</b>	<b>3,758,138</b>	<b>3,937,070</b>	<b>42,636,922</b>	<b>18,992,458</b>

### 16. Borrowings

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017	4/1/2016
Secured			
(a) Loans repayable on demand from banks			
Total Short -term borrowings	90,051,122	92,608,491	77,829,238
<b>Total</b>	<b>90,051,122</b>	<b>92,608,491</b>	<b>77,829,238</b>

### 17. Trade payables

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017	4/1/2016
(a) Trade payables	663,683,309	163,646,576	98,173,883
<b>Total</b>	<b>663,683,309</b>	<b>163,646,576</b>	<b>98,173,883</b>

### 18. Other current Financial Liabilities

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017	4/1/2016
Current maturities of long-term debts	12,106,108	-	-
<b>Total</b>	<b>12,106,108</b>	<b>-</b>	<b>-</b>

## CONCORD DRUGS LIMITED

### 19. Other current liabilities

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017	4/1/2016
(a) Duties & Taxes	506,650	1,010,229	2,090,926
(b) Provision for Expenses	28,255,188	23,131,604	4,918,426
(c) Advance Received from Customers	8,727,753	8,727,753	5,727,753
(d) TDS Payable	-	-	40,000
<b>Total Other current liabilities</b>	<b>37,489,590</b>	<b>32,869,586</b>	<b>12,777,105</b>

### 20. Revenue from operations

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017
Sale of products		
Finished goods	517,972,407	574,896,795
Traded goods	-	-
Sale of services	-	-
Other operating revenues		
Scrap sales	-	-
Other	-	-
Revenue from operations (Gross)	517,972,407	574,896,795
Less: Excise duty	-	-
<b>Total</b>	<b>517,972,407</b>	<b>574,896,795</b>

### 21. Other income

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017
Interest income	157,756	42,524
Dividend income		
Commission income		
Discount received		
Miscellaneous income	527,029	814,901
Govt Grant	673,543	645,720
<b>Total</b>	<b>1,358,328</b>	<b>1,503,145</b>

## CONCORD DRUGS LIMITED

### 22. Cost of raw material consumed

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017
<b>Raw material consumed</b>		
Inventory at the beginning of the year (Includes Goods in transit)	66,944,619	48,676,926
Add : Purchases during the year	397,354,555	231,053,331
Less: Inventory at the end of the year (Include Goods-in transit)	82,375,603	66,944,619
<b>Cost of raw material consumed (I)</b>	<b>381,923,571</b>	<b>212,785,638</b>
<b>Packing material consumed (if considered as part of raw material)</b>		
Inventory at the beginning of the year [Include Goods-in transit]	22,293,879	17,099,988
Add : Purchases during the year	76,115,066	93,916,496
Less: Inventory at the end of the year [Include Goods-in transit]	5,586,925	22,293,879
<b>Cost of packing material consumed (II)</b>	<b>92,822,020</b>	<b>88,722,605</b>
<b>Finished Goods Consumed</b>		
Inventory at the beginning of the year [Include Goods-in transit]	2,987,256	1,702,328
Add : Purchases during the year	35,433,759	164,865,345
Less: Inventory at the end of the year [Include Goods-in transit]	48,149,478	2,987,256
<b>Cost of other material consumed (III)</b>	<b>-9,728,463</b>	<b>163,580,417</b>
<b>Total raw material consumed (I+II+III)</b>	<b>465,017,128</b>	<b>465,088,659</b>

## CONCORD DRUGS LIMITED

### 23. Changes in inventories of finished goods, work in progress and stock-in-trade (Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017
Inventories at the beginning of the year:		
Stock-in-trade		
Work in progress	18,043,786	14,005,851
Finished goods		-
(I)	<b>18,043,786</b>	<b>14,005,851</b>
Inventories at the end of the year:		
Stock-in-trade	-	-
Work in progress	50,081,707	18,043,786
Finished goods	-	-
(II)	<b>50,081,707</b>	<b>18,043,786</b>
<b>(Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>-32,037,921.00</b>	<b>-4,037,935.00</b>

### 24. Employee benefits expense (Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017
Salaries, wages, bonus and other allowances	15,019,590	25,074,999
Directors Remuneration	2,400,000	2,400,000
Contribution to provident and other funds	1,901,349	50,945
Staff welfare expenses	421,217	538,815
<b>Total</b>	<b>19,742,156</b>	<b>28,064,759</b>

### 25. Finance cost (Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017
Salaries, wages, bonus and other allowances	15,019,590	25,074,999
Directors Remuneration	2,400,000	2,400,000
Contribution to provident and other funds	1,901,349	50,945
Staff welfare expenses	421,217	538,815
<b>Total</b>	<b>19,742,156</b>	<b>28,064,759</b>

## CONCORD DRUGS LIMITED

### 26. Other Expenses

(Amount in Rs.)

PARTICULARS	3/31/2018	3/31/2017
Consumption of stores and spare parts	94,976	1,348,643
Power and fuel	7,038,072	9,667,004
Rent		
Repairs and maintenance		
Buildings	781,364	1,602,908
Plant & machinery	666,666	1,477,856
Others	53,049	104,174
Insurance	1,136,609	1,638,755
Listing Fee Expenses	287,500	229,287
Auditor's remuneration (Refer note below)	600,000	400,000
Business Promotion Expenses	1,032,216	374,509
Commission	500,000	1,748,219
Duties and Taxes	896,631	1,564,098
Discount	-	-
Travelling, Boarding & Lodging Expenses	112,331	610,794
Freight & Transportation Expenses	1,043,143	2,870,276
Factory Expenses	42,000	56,349
Postage & Courier Charges	95,742	109,409
Legal & Professional Charges	1,421,175	2,564,035
Printing & Stationery	466,545	416,496
Registration & Renewals	605,205	558,230
Telephone Charges	177,549	243,842
Telephone Charges	1,841,282	2,789,990
Factory Maintenance Expenses	-2,329,993	-
Debits written off/credits written back (Net)	-	-
Prior Period Expenses	805,507	349,187
Miscellaneous expenses		
<b>Total</b>	<b>17,367,568</b>	<b>30,724,061</b>

## CONCORD DRUGS LIMITED

### 2.5 Auditor's Remuneration:

Professional and consultancy charges includes the remuneration paid (including service tax) to auditors as follows:

### 25. Finance cost

(Amount in Rs.)

PARTICULARS	As at 31 March 2018	As at 31 March 2018
Statutory audit fees	3,50,000	2,50,000
Limited review fees	1,50,000	50,000
Tax audit fees	1,00,000	1,00,000

### 2.6 Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2016

The Management has identified enterprises which have provided goods and services of the company and which qualify under the definition of Micro and Small enterprises, as defined under Micro and Small Enterprises Development Act, 2006.

Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 has been made in the financial statements based on information received and available with the company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

The company has not received any claim for interest from any supplier under the said Act.

Sl No	Particulars	31-Mar-18	31-Mar-17	31-Mar-16
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;	NIL	NIL	NIL
b)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the period;	NIL	NIL	NIL
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	NIL	NIL	NIL
d)	The amount of interest accrued and remaining unpaid at the end of the period;	NIL	NIL	NIL
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	NIL	NIL	NIL

## CONCORD DRUGS LIMITED

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Subsidiary Companies	NIL
Associates companies controlled by key management Personnel/ relatives who are substantially interested	Cortex Laboratories Private Limited
Key managerial personnel	Nagireedy Seelam (MD) Konireddy seelam
Directors	Tathireddy Narsimha reddy Chandrakala Panthamvar
Relative of Director	Sai Saranya Reddy

### b) Related parties transactions during the year:

Details	Associate Companies / Concerns	Key Management Personnel	Associate Companies / Concerns	Key Management Personnel
	2017-18 Rs		2016-17 Rs.	
Remuneration	-	24,00,000	-	24,00,000
Sales	-	-	-	-
Purchase of Raw material	19,06,77,010	-	1,15,92,368	-
Purchase of fixed assets	2,15,48,680	-	-	-
<b>Unsecured loans (net)</b>				
S. Nagi reddy	-	97,52,807	-	-
S. Saranya Reddy	-	12,35,000	-	-

## CONCORD DRUGS LIMITED

### c) Related party balances at the end of the year:

Details	Associate Companies / Concerns	Key Management Personnel	Associate Companies / Concerns	Key Management Personnel
	2017-18 Rs.		2016-17 Rs.	
Remuneration Payable	-	16,70,000	-	16,70,000
Cortex laboratories Pvt Ltd.	18,79,94,074	-	(13,82,614)	-
Nagireddy seelam	-	33,54,000	-	
Sai Saranya Reddy Seelam	-	12,35,000		

### 2.8. Earnings Per share (EPS):

The computation of earnings per share is set out below

(Amount in Rs.)

PARTICULARS	Year ended 31st March 2018	Year ended 31st March 2017
Earnings (Amt in Rs.):		
Profit/Loss as per the statement	32,41,887	15,95,426
Shares:	72,43,750	
Number of shares at the beginning of the year	78,61,750	72,43,750
Total number of equity shares outstanding at the end of the year	78,61,750	72,43,750
Weighted average number of equity shares outstanding during the year-Basic and Additional		72,43,750
Earnings per share in Rs. Par value Rs.10 per share:	0.41	0.22
Basic and diluted		



## CONCORD DRUGS LIMITED

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### 2.09 Income taxes relating to continuing operations:

Income tax recognized in profit or loss

(Amount in Rs.)

PARTICULARS	Year ended 31st March 2018	Year ended 31st March 2017
<b>Current tax</b>		
In respect of the current year	37.58	39.37
In respect of the prior year	-	-
	37.58	39.37
<b>Deferred Tax</b>		
In respect of the current year	(6.13)	9.42
	(6.13)	9.42

### 2.10 Segment Reporting:

The Company is engaged in the manufacture of pharmaceutical Formulations.

(Amount in Rs.)

PARTICULARS	Total
Sales	5179.72
Profit before interest & Depreciation	492.42
Depreciation	240.14
Interest	188.40
<b>Profit Before Tax</b>	<b>63.87</b>
Taxes	31.45
<b>Profit After Tax</b>	<b>32.42</b>

## CONCORD DRUGS LIMITED

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2.11 Previous year figures have been regrouped/ reclassified 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 and statement of profit & loss.

For N.G Rao and Associates  
Chartered Accountants  
FRN- 009399S

G. Nageswara Rao  
Partner  
Membership No: 207300

Place: Hyderabad  
Date: 30-05-2018

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

Sd/-  
Nagi Reddy Seelam  
Chairman  
DIN: 01764665

Sd/-  
Koni Reddy Seelam  
Executive Director  
DIN: 02829319

## CONCORD DRUGS LIMITED

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### STATEMENT SHOWING THE DETAILS PURSUANT TO SEC. 197 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Rule 5 (1) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

	<b>Particulars</b>	<b>Details</b>
1.	The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.	The ratio of remuneration of Mr. Nagi Reddy Chairman & Managing Director & Mr. Koni Reddy (Director cum CFO) to median employees is 6.82:1 & 2.27:1 times respectively.
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	NIL
3.	The percentage increase in the median remuneration of employees in the financial year.	5%
4.	The number of employees on the rolls of the company.	50
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentile increase already made in the salaries of employees is 5% and is in line with the average percentile increase in managerial remuneration.
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

# CONCORD DRUGS LIMITED

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## 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 : Concord Drugs Limited  
Registered office : Survey No.249, Brahmanapally Village  
Hayatnagar Mandal 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 23<sup>rd</sup> Annual General Meeting of the Company, to be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 10:30 a.m. at Survey No.249, Brahmanapally Village Hayatnagar Mandal R.R.Dist-501511 and at any adjournment thereof in respect of such resolutions as are indicated below:

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## CONCORD DRUGS LIMITED

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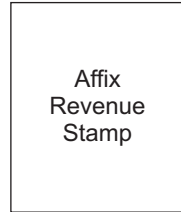
**Resolution No.**

1. Approval of financial statements for the year ended 31.03.2018.
2. Appointment of Mr. S. Nagi Reddy, who retires by rotation.
3. Appointment of statutory auditors and fixation of their remuneration.

Signed this ..... day of..... 2018

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.

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### CONCORD DRUGS LIMITED

Survey No.249, Brahmanapally Village, HayatnagarMandal R.R.Dist-501511

#### ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence for the 23<sup>rd</sup> Annual General Meeting of the members to be held on Saturday, the 29th day of September,2018 at 10:30 a.m. at Survey No.249, Brahmanapally Village Hayatnagar Mandal, R.R.Dist-501511and 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\_\_\_\_\_

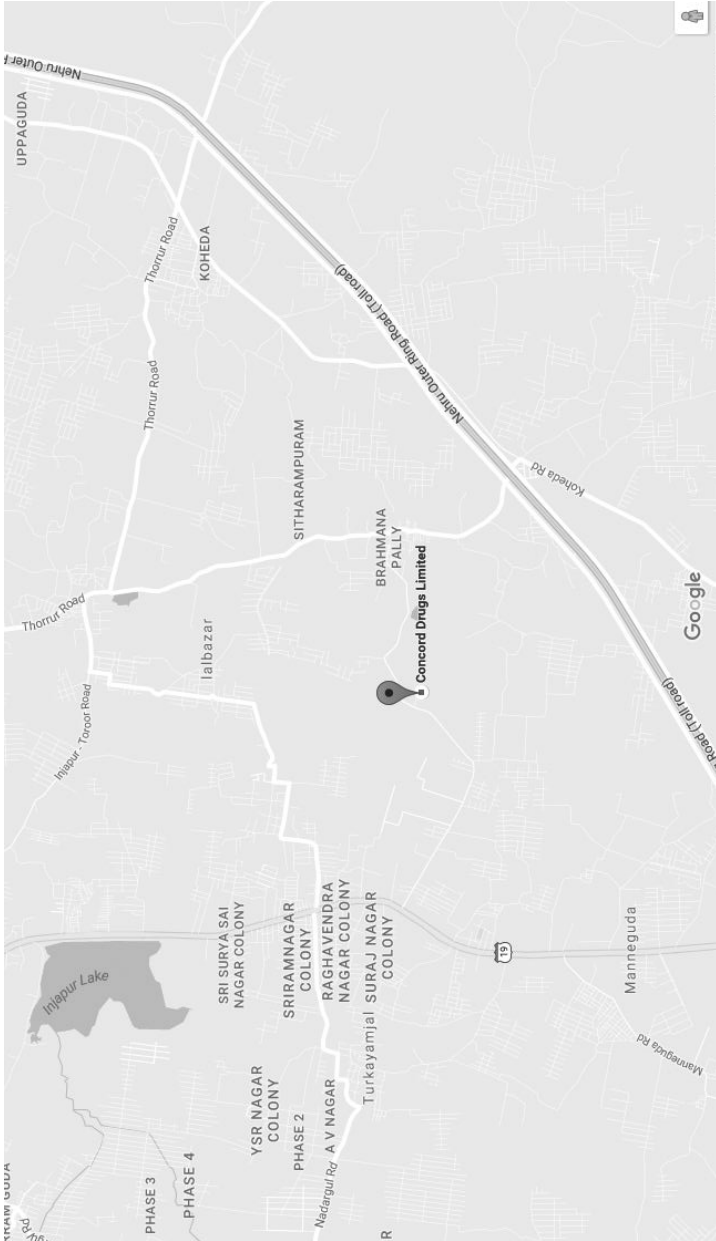
Note:

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.

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# 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.