

CONCORD DRUGS LIMITED

**19th
ANNUAL REPORT**

2012-13

CONCORD DRUGS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. S. Nagi Reddy	-	Managing Director (DIN 01764665)
Mr. K. Ramchandra Reddy	-	Director (DIN 02285257)
Mr. S. Koni Reddy	-	Director (DIN 02829319)
Mr. M. Eswar Rao	-	Director (DIN 03177152)
Mr. U. Satish Kumar	-	Director (DIN 03446644)

REGISTERED OFFICE:

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

ADMINISTRATIVE OFFICE:

H.No.3-11-1/1, L.B. Nagar
Hyderabad – 500 074

FACTORY:I

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

FACTORY:II

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

AUDIT COMMITTEE

Mr. M. Eswar Rao
Mr. S.Koni Reddy
Mr.K.Ramachandra Reddy
Mr. U.satish Kumar

NOMINATION & REMUNERATION COMMITTEE

Mr. M. Eswar Rao
Mr. S.Koni Reddy
Mr.K.Ramachandra Reddy
Mr. U.satish Kumar

STATUTORY AUDITORS:

M/s. M M REDDY & CO.,
Chartered Accountants
Hyderabad.

CONCORD DRUGS LIMITED

BANKERS:

STATE BANK OF INDIA
Ramakrishna Puram
Kothapet, Hyderabad

REGISTRARS & SHARE TRANSFER AGENTS:

AARTHI CONSULTANTS PRIVATE LIMITED
1-2-285, Domalguda, Hyderabad
Ph No: 04027638111/27634445

LISTED:

Madras Stock Exchange (MSE)
Pune Stock Exchange (PSE)
Ahmedabad Stock Exchange (ASE)

CORPORATE IDENTITY NUMBER

L24230TG1995PLC020093

CONCORD DRUGS LIMITED

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the shareholders of the Company will be held at the Registered Office of the Company situated at Sy.No.249, Brahmanapally Village, Hayathnagar Mandal, R. R. Dist. A.P. on Monday, the 30th September, 2013 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss account for the year ended 31st March, 2013 and the Balance Sheet as on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. U. Satish Kumar, who retires by rotation and being eligible has expressed his willingness for reappointment.
3. To re-appoint M/s. M.M. Reddy & Co., Chartered Accountants as Statutory Auditors of the Company and to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting at a remuneration fixed by the Board of Directors of the Company.

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

**Place: Hyderabad
Date: 14.08.2013**

**Sd/-
S. Nagi Reddy
Managing Director
DIN: 01764665**

CONCORD DRUGS LIMITED

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM / HER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will be closed from 25.09.2013 to 30.09.2013 (Both days inclusive).
3. Members are requested to notify immediately any change in their address to the Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
4. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.
5. Members are requested to kindly bring their copies of the Annual Report to the meeting. As a measure of economy, copies of Annual Report will not be distributed at the AGM.
6. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping in view shareholders are requested to update their E-Mail ID with their DP.

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

**Place: Hyderabad
Date: 14.08.2013**

**Sd/-
S. Nagi Reddy
Managing Director
DIN: 01764665**

CONCORD DRUGS LIMITED

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Eighteenth Annual report together with Audited accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

(Rupees in Lakhs)

Particulars	2012-13	2011-12
Income	2806.73	2770.15
Expenditure	2698.60	2551.62
Profit before Tax	108.13	218.53
Provision for Taxation	4.01	59.06
Net Profit after Tax	104.12	159.47

PERFORMANCE REVIEW:

The Company has recorded a turnover of Rs. 2806.73 Lakhs and the profit of Rs. 104.12 Lakhs in the current year against the turnover of Rs. 2770.15 Lakhs and profit of Rs. 159.47 Lakhs in the previous financial year ending 31.03.2012.

The Company has been continuously working on quality up gradation and austerity measures for achieving efficient running of the organization.

DIVIDEND:

Keeping the Company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

CONCORD DRUGS LIMITED

LISTING:

The Company's present Equity shares are listed on Ahmedabad Stock Exchange, Pune Stock Exchange and Madras Stock Exchange.

CAPITAL OF THE COMPANY:

Authorized Share capital of the company stands at Rs.11,00,00,000/- (Rupees Eleven Crores Only) divided in to 110,00,000 equity shares of Rs.10/- each and Paid up capital of the company is Rs. 7,24,37,500 /- (Rupees Seven Crores Twenty four Lakhs Thirty seven Thousand and five hundred only) divided in to 72,43,750 equity shares of Rs.10/- each.

SUBSIDIARY COMPANY:

Your Company does not have any subsidiary.

INSURANCE:

The company's properties have been adequately insured against major risks. All the insurable interests of your Company including inventories, buildings, plant and machinery, stock and liabilities under legislative enactments are adequately insured.

MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report.

DIRECTORS:

In accordance with the Companies Act, 1956 read with Articles of Association of the company the Director namely Mr. U. Satish Kumar retires by rotation and is eligible for re-appointment. Your Board recommends the re appointment of the Director mentioned above in the best interests of the company.

CONCORD DRUGS LIMITED

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Sec.217 (2AA) of the Companies Act, 1956 the Board of Directors of your Company hereby certifies and confirms that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgment 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;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the Annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:

The required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided hereunder:

A. Conservation of Energy

Adequate measures have been taken to reduce energy consumption, wherever possible. Total energy consumption and energy consumption per unit of production is not applicable as company is not included in the industries specified in the schedule.

B. Technology Absorption

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

CONCORD DRUGS LIMITED

C. Foreign Exchange Earnings and Out Go

Foreign Exchange Earnings	:	Nil
Foreign Exchange Outgo	:	Nil

PARTICULARS OF EMPLOYEES:

There is no employee who is falling under section 217 (2A). Therefore, the disclosures required to be made under section 217 (2A) of the Companies Act, 1956 and the rules made there under are not applicable.

CODE OF CONDUCT:

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given in Annexure.

AUDITORS:

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

CORPORATE GOVERNANCE:

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, forms part of this Report as Annexure.

ACKNOWLEDGEMENTS:

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of

CONCORD DRUGS LIMITED

appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

DECLARATION BY MANAGING DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:

The shareholders

I, S. Nagi 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 of
Concord Drugs Limited**

**Place: Hyderabad
Date: 14.08.2013**

**Sd/-
S. Nagi Reddy
Managing Director
DIN: 01764665**

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MANAGEMENT DISCUSSION AND ANALYSIS

Economy:

The year 2013 is probably one of the toughest years for the Indian economy in recent times. The adverse performance of all the key economic indicators weighed heavily on the future course of the Indian Economy. High Inflation and poor infrastructure combined with a policy paralysis by the government created a major obstacle for the economy to get back on track.

Industry Structure & Developments:

Slowing of Growth in the advanced economies of the US, Europe and Japan being the major markets for the Indian pharmaceuticals Industry adds additional challenges and uncertainties to the drying up of generics coming of patent in the coming years.

Consolidations and focus on Indian Domestic Market which is still growing at a healthy pace are some of the strategies being used by the big pharma and Indian generic companies.

We are increasingly seeing bulk pharmaceuticals manufacturing under cost pressures. Navigation by way of choosing niche products, unique technologies or other differentiators will be the sustainable way forward for the bulk pharmaceuticals and chemical industry.

Strengths and Opportunities:

Our healthy interest in offering of skills and expertise combined with a solid foundation in quality systems has attracted a good customer base and we are working to capitalize on this. The economies of scale with a flexibility of implementing quick manufacturing changes help us to be an ideal partner.

Business performance and Segment Reporting

During the year under review, the company has earned a Net profit of Rs.104.12 lakhs as against Net profit of Rs.159.47 lakhs during the previous year 2011-12. The performance of the company is expected to improve during the coming years with increasing efforts being made in the direction of improving the working efficiency of the company.

The company is engaged in the business of pharma, which as per Accounting Standard 17 is considered the only reportable business.

Internal Control System and its adequacy

The system of internal control has been established to provide reasonable assurance of safeguarding assets and maintenance of proper Accounting Records and its accuracy. The business risks and its control procedures are reviewed frequently. Systems audit is also conducted regularly to review the systems with respect to Security and its Adequacy. Reports are prepared and circulated to Senior Management and action taken to strengthen controls where necessary.

Risks and Concerns

Risk evolution and management is an ongoing process in the company. All key functions and divisions are independently responsible to monitor risk associated with their respective areas of operations.

While venturing into new business lines, the company would need access to funds. The risk of not being able to raise funds at the timer needed is the biggest risk that the management foresees.

Human Resources and Industrial Relations

Human resource has a significant role to play in the Company's future. Your Company has a favourable work environment that motivates performance, customer focus and innovation while adhering to the highest degree of quality and integrity. Your company continues to have cordial relations with its employees.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statues and other incidental factors.

CORPORATE GOVERNANCE REPORT**1. Company's Philosophy on Code of Governance:**

The Company seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

2. Board of Directors:

The Board consists of 5 Members of whom two (2) are Executive and three (3) are Non-Executive Directors. The Composition of the Board is in conformity with the listing requirements.

The details of the Directors being appointed/ re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Clause 49(IV)(G) of the Listing Agreement, are mentioned in the Notice to the Annual General Meeting, forming part of the Report.

The Board of Directors met 7 times during the year on 12.04.2012, 15.05.2012, 30.06.2012, 14.08.2012, 01.09.2012, 30.10.2012 and 13.02.2013 and the maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

The details of Composition of Board of Directors, directors' attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/memberships held by the Directors during the year are as follows:

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Sl No	Name of the Directors	Category	Attendance Particulars		No. of other Directorships and Committee memberships/chairmanships			
			No. of Board meetings held during the tenure of the director		Last AG M	Other Directors hips	Committee Members hips	Committee Chairmansh ips
			Held	Atten ded				
1.	Mr. S. Nagi Reddy	Promoter Executive	7	7	Yes	Nil	Nil	Nil
2.	Mr. K. Ramachandra Reddy	Promoter Executive	7	7	Yes	Nil	Nil	Nil
3.	Mr. S. Koni. Reddy	Non- Executive	7	7	Yes	Nil	Nil	Nil
4.	Mr. M. Eswar Rao	Independent Non- Executive	7	7	Yes	Nil	Nil	Nil
5.	Mr. U. Satish Kumar	Independent Non- Executive	7	7	Yes	2	Nil	Nil

Committees of the Board:

Currently, there are three (3) Committees of the Board, namely: Audit Committee, Remuneration Committee and Shareholders/ Investors Grievance Committee. The Board decides the terms of reference for these Committees. The minutes of the meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided hereunder:

3. Audit Committee:

- I) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- II) The terms of reference of the Audit Committee include a review of the following:

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- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, 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.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

CONCORD DRUGS LIMITED

III) The previous Annual General Meeting of the Company was held on 24.09.2012 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:

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2012-2013, (4) four meetings of the Audit Committee were held on the **15.05.2012, 14.08.2012, 30.10.2012 and 13.02.2013.**

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 during their tenure	No. of meetings attended
Mr. M. Eswar Rao	Chairman	NED (I)	4	4
Mr. S. Koni Reddy	Member	NI NED	4	4
Mr. U. Satish Kumar	Member	NED (I)	4	4

NED (I): Non Executive Independent Director

NI NED: Non Independent Non Executive Director

4. Remuneration Committee:

The details of composition of the Committee are given below:

Name	Designation	Category
Mr. M. Eswar Rao	Chairman	Non Executive & Independent Director
Mr. S. Nagi Reddy	Member	Executive Director
Mr. U. Satish Kumar	Member	Non Executive & Independent Director

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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.

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 Directors/Non-Executive Director for the financial year 2012-13 are given below:

Name of the Director	Salary	Other Perquisites and allowances	Commission
Mr. S. Nagi Reddy	Rs. 9,00,000	Nil	Nil
Mr. K. Ramachandra Reddy	Rs. 9,00,000	Nil	Nil
Mr. S. Koni Reddy	Nil	Nil	Nil
Mr. M. Eswar Rao	Nil	Nil	Nil
Mr. U. Satish Kumar	Nil	Nil	Nil

CONCORD DRUGS LIMITED

5. Shareholders/Investors Grievance Committee:

Composition, meetings and the attendance during the year:

The Shareholders/Investors Grievance Committee was constituted to look into the redressing of Shareholders and Investors complaints concerning transfer of shares, non receipt of Annual Reports, and non receipt of Dividend and other allied complaints.

The Details of composition of the Committee and attendance of the members at the meetings is given below:

Name	Designation	Category
Mr. M. Eswar Rao	Chairman	Non Executive & Independent Director
Mr. U. Satish Kumar	Member	Non Executive & Independent Director
Mr. S. Nagi Reddy	Member	Executive Director

The Board has designated Mr. S. Nagi Reddy, Managing Director as the Compliance Officer. He can be contacted at:

Mr. S.Nagi Reddy
H.No.3-11-1/1, L.B. Nagar
Hyderabad – 500 074.
Ph: (040) 24037763

Complaints received and redressed by the Company during the financial year:

During the year no complaints were received.

CONCORD DRUGS LIMITED

6. General Body Meetings:

a) Annual General Meeting:

The last 3 Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2011-2012	24.09.2012	9.30 A.M	Survey No.249,Brahmanapally Village, Hayathnagar Mandal, R.R.Dist-501511
2010-2011	15.07.2011	11.30 A.M	Survey No.249, Brahmanapally Village, Hayathnagar Mandal, R.R.Dist-501511
2009-2010	30.09.2010	11.30 A.M.	Survey No.249, Brahmanapally Village, Hayathnagar Mandal, R.R.Dist-501511

a) Extra Ordinary General Meeting:

No extra ordinary general meeting of the Members was held during the year 2012-13.

b) Postal Ballot:

During the year, the Company has not passed any Special Resolutions by Postal Ballot.

7. Other Disclosures:

- (a) There were no significant related party transactions that may have potential conflict with the interests of the Company at large.
- (b) In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- (c) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- (d) The Company has complied with all the mandatory requirements of Clause 49. As regards the non-mandatory requirements, the extent of

CONCORD DRUGS LIMITED

compliance has been stated in this report against each item.

- (e) There were no material pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company, other than payment of Board fees/commission and investments (if any) in shares / securities of the Company.
- (f) The requisite Certificates to the Board of Directors under Clause 49 of the Listing Agreement have been furnished.

8. Means of Communication:

The quarterly, half yearly and yearly financial results will be sent to the stock Exchanges immediately after the Board approves the same and these results will also be published in one English newspaper and in one vernacular newspaper.

9. General Shareholder Information:

i) 18th Annual General Meeting:

Date: Monday, 30th September, 2013

Time: 11.00 A.M.

Venue: Survey No. 249, Brahmanapally(V), Hayathnagar(M),
Ranga Reddy (Dist), Andhra Pradesh

ii) Financial Calendar

Financial Reporting for 2013-2014 (tentative)

Financial Reporting for 2014-2015 (tentative)	On or before
The First Quarter results	Submitted on 14.08.2013
The Second quarter results	14.11.2013
The Third quarter results	14.02.2014
The Fourth quarter results	30.05.2014

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iii) Book Closure : 25.09.2013 to 30.09.2013 (both dates inclusive).

iv) Listing on Stock Exchanges:

The shares of the Company are listed on the Madras, Pune & Ahmedabad Stock Exchanges.

v) Listing Fees : The listing fees for the year 2013-14 has been paid.

vi) ISIN No. : For equity shares: **INE858L01010**

vii) Market Price Data

The Company's shares are not traded on any Stock Exchange.

viii) Registrar & Share Transfer Agents (for shares held in both physical and demat mode):

Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda,
Hyderabad – 500 029

ix) Share Transfer System:

The Physical shares transfers are processed and the share certificates are returned to the shareholder within a maximum period of 15 days from the date of receipt, subject to the document being valid and complete in all respects.

Any transferee who wishes to demat the shares may approach a Depository Participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Share Transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All the requests for Dematerialization and shares are processed and the confirmation is given to the respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days on receipt.

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x) Shareholding pattern as on 31st March, 2013

Particulars	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and Promoter group		
1.	Indian	2840500	39.21
2.	Foreign	-	-
	Sub-Total A	2840500	39.21
B	Public Shareholding		
1.	Institutions	-	-
2.	Non Institutions	4403250	60.79
	Sub Total B	4403250	60.79
	GRAND TOTAL (A+B)	7243750	100.00

xi) Dematerialization of shares

The Company's shares are dematerialized on National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited. The Company's ISIN is **INE858L01010**. As on 31st March, 2013, 72,43,750 equity shares are dematerialised out of which 41,42,750 shares are in CDSL and 50,400 shares are in NSDL and the balance are in physical form.

xii) Address for Investors Correspondence:

The Shareholders may correspond with the Company for the redressal of their grievances, if any to the registered office of the company.

M/s Concord Drugs Limited

H.No.3-11-1/1, L.B. Nagar
Hyderabad – 500 074.

CONCORD DRUGS LIMITED

MANAGING DIRECTOR CERTIFICATE

I, S. Nagi Reddy, Managing Director of M/s Concord Drugs Limited certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of Company's code of conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and to the Audit Committee:
 - (a) Significant changes in internal controls over financial reporting during the year;
 - (b) Significant changes in the accounting policies during the year;
 - (c) No instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

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

**Place: Hyderabad
Date: 14.08.2013**

**Sd/-
S. Nagi Reddy
Managing Director**

CONCORD DRUGS LIMITED

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Concord Drugs Limited

We have examined the Compliance with conditions of Corporate Governance of M/s. 7Seas Entertainment Limited for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement with stock Exchanges.

The Compliance with the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management's, we certify that the company has complied with conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing agreement.

As required by the guidance note issued by the institute of Chartered Accountants of India, we have to state that no grievances of investors are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For M M Reddy & Co.
Chartered Accountants**

**Place: Hyderabad
Date: 14.08.2013**

**Sd/-
M. Madhusudhana Reddy
Partner**

CONCORD DRUGS LIMITED

Independent Auditors Opinion

To

The Members of M/S. CONCORD DRUGS LIMITED Hyderabad.

Report on the financial Statements

We have audited the accompanying financial Statements of M/s. M/S. CONCORD DRUGS LIMITED which comprise the Balance Sheet as at 31st March 2013, the statement of Profit & Loss Account and the cash flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Managements Responsibility for the Financial Statements

The Companies management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the accounting standards referred to in Sub-section (3C) of section 211 of the companies Act, 1956. This responsibility includes the design, Implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors Responsibility

We have audited the attached Balance Sheet of M/s. CONCORD DRUGS LIMITED, Hyderabad as at 31st March 2013, the Profit & Loss Account and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor Report) Order 2003, issued by the Company Law Board in terms of section 227(4A) of the Companies Act 1956, we give in annexure a statement on the matters specified in the paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we state that:

CONCORD DRUGS LIMITED

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of accounts as required by the law have been kept by the company so far as appears from our examination of these accounts.
- c) The company's Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by the report are in agreement with the books of accounts.
- d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received and taken on record by Board of Directors, none of the directors is disqualified under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with other notes to accounts and accounting policies give the information required by the Companies Act 1956, in the manner so required and give a true and fair view subject to point numbers 2 and 5 mentioned in the notes to accounts:-
 - i) In the case of Balance Sheet of the state of the affairs of the Company as at 31st March 2013 and
 - ii) In the case of Profit & Loss Account of the Profit of the Company for the year ended on that date.
 - iii) In the Cash Flow statement of the Cash Flow for the year ended on that date.

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

**Place: Hyderabad
Date : May 30th, 2013**

**M Madhusudhana Reddy
Partner
Membership No.213077**

CONCORD DRUGS LIMITED

Annexure to the Auditors' Report (referred to in paragraph 3 of our Report of even date to the Members of CONCORD DRUGS LIMITED for the year ended March 31, 2013)

1. In respect of its fixed assets
 - a) The Company has maintained proper records to show full particulars including quantitative details and situation of its Fixed Assets on the basis of available information wherein the fixed asset register is in the process of being updated. .
 - b) The Fixed Assets of the Company were physically verified by the management at reasonable intervals and no material discrepancies between the books/records and the physical inventory was noticed on such verification.
 - c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a) The Inventory of the Company has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper record of inventories. As explained to us, there were no material discrepancies notices on physical verification of inventories as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/ from Companies, firms or other parties covered in the register maintained under Section 301 of the Company's Act, 1956.
 - a) The Company has not granted any loans during the year to Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of clauses (iii) (b),(c),(d) of paragraph 4 of the order are not applicable.
 - b) As informed, the Company has not taken loans from parties covered in the register maintained under Section 301 of the Act1956. Consequently, the requirements of clauses (iii) (c),(d) of paragraph 4 of the order are not applicable.
4. In our opinion and according to the information and explanation given to us, the Company has an adequate internal control procedure commensurate with the

CONCORD DRUGS LIMITED

size and nature of business of the company for the purchase of inventory, fixed assets and the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956, in our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, clause 4(v) of the order is not applicable.
6. According to the information and explanation given to us, the Company has not accepted any deposits contemplated under Sec. 58A of the Companies Act, 1956 from the public. Therefore the provisions of clause 4(vi) of the order are not applicable.
7. In our opinion, the Company has an internal audit system which needs to be strengthened.
8. We have been informed that the Central Government has not prescribed maintenance of cost records U/s 209 (I)(d) of the Companies Act, 1956 (1 of 1956) for the Company's services.
9. In respect of statutory dues:
 - (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, ESI, Income Tax, Excise duty, cess and other material statutory dues applicable at the end of the year for a period of more than six months from the date they became payable.
 - (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute. There were no dues on account of cess under 441A of the Companies Act 1956, since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on the audit procedures, and according to the information and explanation given to us, we are of the opinion that, the Company has during the year delayed on few occasions in repaying term loan instalments due to the banks and financial institutions.
12. In our opinion and according to the explanation given to us and based on the

CONCORD DRUGS LIMITED

information available, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

13. In our opinion, the Company is not a Chit Fund, Nidhi or Mutual Benefit fund / Societies. Therefore the provisions clause (xiii) of paragraph 4 of the order is not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The term loans and working capital loans obtained from the banks have been applied for the purpose for which they were taken.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, we report that funds raised on short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. During the period covered by our audit report, the company does not have any outstanding debentures during the year.
20. The Company has not raised any money by way of public issues during the year.
21. In our opinion and according to the explanation given to us, no fraud, on or by the Company, has been noticed or reported during the year.

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

**Place: Hyderabad
Date : May 30th, 2013**

**M Madhusudhana Reddy
Partner
Membership No.213077**

CONCORD DRUGS LIMITED

Balance Sheet as at March 31, 2013

(All amounts in Indian Rupees except for share data or otherwise stated)

		2012-13	2011-12
	Note No's	As at Mar' 31, 2013	As at Mar' 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	91,970,000	88,100,000
Reserves and Surplus	2	50,380,865	39,968,662
	A	142,350,865	128,068,662
Non - current liabilities			
Long - term borrowings	3	105,998,535	50,429,837
Deferred tax liabilities (Net)	9	2,984,754	-
Long term provisions		-	-
	B	108,983,289	50,429,837
Current liabilities			
Short - term borrowings	4	51,371,768	29,407,346
Trade Payables	5	93,280,153	77,758,632
Short - term provisions	6	5,803,533	4,372,245
Other Current Liabilities	7	9,515,645	9,973,487
	C	159,971,099	121,511,710
Total	(A+B+C)	411,305,253	300,010,209
ASSETS			
Non-current assets			
Fixed assets			
Net block			
Capital work- in- progress	8	54,834,307	47,921,510
	A	138,360,200	33,668,046
Deferred tax assets (Net)	9	-	948,565
Long - term loans and advances	10	10,566,763	32,874,974
Non-current investments		-	-
Other Non- Current Assets	11	-	269,619
	B	10,566,763	34,093,158
Current assets			
Inventories	12	35,697,265	27,072,369
Trade receivables	13	157,716,988	145,292,409
Cash and cash equivalents	14	1,342,152	9,747,372
Short - term loans and advances	15	2,671,125	1,673,291
Other current assets	16	10,116,453	542,054
	C	207,543,983	184,327,495
Total	(A+B+C)	411,305,253	300,010,209

The Notes referred to above are an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date.

For M M REDDY & CO.,
Firm Registration Number : 010371S
Chartered Accountants

M Madhusudhana Reddy
Partner
Membership No. 213077

Place : Hyderabad
Date : 30/05/2014

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

Managing Director

Director

CONCORD DRUGS LIMITED

Statement of Profit and Loss for the year ended March 31, 2013

(All amounts in Indian Rupees except for share data or otherwise stated)

		2012-13	2011-12
	Note No's	Year Ended Mar' 31, 2013	Year Ended Mar' 31, 2012
INCOME			
Turnover (Gross)			
Revenue from operations		280,673,123	276,685,086
Other Income		-	330,120
Total Revenue		280,673,123	277,015,206
EXPENDITURE			
Material Costs	17	234,585,166	228,584,564
Other Direct Expenses	18	11,598,574	8,428,692
Personal Costs	19	3,247,109	2,320,222
Administration & Selling expenses	20	8,098,342	5,900,006
Interest And Finance Charges	21	5,160,609	3,942,037
Depreciation/amortization	8	7,170,274	5,986,928
Total		269,860,075	255,162,449
Profit / (Loss) before tax		10,813,048	21,852,757
Provision for taxation			
- Current Year Tax		2,585,224	4,372,245
- Deferred tax		3,933,319	1,533,871
- MAT Credit		6,117,699	-
Total tax expense		400,844	5,906,116
Profit/(Loss) from continuing operations		10,412,203	15,946,642
Balance brought forward from previous year		32,601,162	16,654,520
Balance carried to Balance Sheet		43,013,365	32,601,162
Earnings per share			
Basic		1.44	2.20
Weighted Average Number of Shares		7,243,750	7,243,750
Nominal value		10	10

The Notes referred to above are an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date.

For M M REDDY & CO.,
Firm Registration Number : 010371S
Chartered Accountants

M Madhusudhana Reddy
Partner
Membership No. 213077

Place : Hyderabad
Date : 30/05/2014

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

Managing Director

Director

CONCORD DRUGS LIMITED

Cash Flow Statement for the year ended March 31, 2013

(All amounts in Indian Rupees except for share data or otherwise stated)

	2012-13 As at Mar' 31, 2013	2011-12 As at Mar' 31, 2012
A. Cash flow from operating activities		
Net profit / (Loss) before tax	10,813,048	21,852,757
Adjustments for:		
Preliminary Expenses Written Off	269,619	269,616
Depreciation	7,170,274	5,986,928
Operating profit before working capital changes	18,252,941	28,109,301
Movements in working capital :		
Increase in sundry debtors	(12,424,579)	(88,329,755)
Increase in inventories	(8,624,896)	(12,084,662)
Increase / (Decrease) in loans and advances	(997,834)	(978,561)
Increase in other current assets	(3,456,699)	(542,054)
Increase in Non current assets	22,308,211	(27,909,300)
Decrease in current liabilities	16,409,743	73,876,782
Cash generated from / (used in) operations	31,466,887	(27,858,249)
Taxes paid	2,500,000	(4,248,809)
Net cash used in / (generated from) operating activities	28,966,887	(32,107,058)
B. Cash flows from investing activities		
Purchase of fixed assets	(118,775,225)	(24,355,749)
Sale of fixed assets		
Fixed deposits	-	-
Dividends received	-	-
Net cash used in investing activities	(118,775,225)	(24,355,749)
C. Cash flows from financing activities		
Proceeds Share Application Money	3,870,000	4,200,000
General Reserve Received for the year	-	3,267,500
Other Long term Borrowings (Net)	55,568,698	30,031,794
Other Short term Borrowings (Net)	21,964,422	23,860,727
Net cash generated from / (used in) financing activities	81,403,120	61,360,021
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(8,405,218)	4,897,214
Cash and cash equivalents at the beginning of the year	9,747,370	4,850,156
Cash and cash equivalents at the end of the year	1,342,152	9,747,370

This is the Cash Flow Statement referred to in our report of even date.

The Notes referred to above are an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date.

For M M REDDY & CO.,
Firm Registration Number : 010371S
Chartered Accountants

M Madhusudhana Reddy
Partner
Membership No. 213077

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

Managing Director

Director

Place : Hyderabad
Date : 30/05/2014

Note: 1

I. Significant Accounting Policies:

a. Basis of Preparation

The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the Provisions of the Companies Act, 1956.

b. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

c. Fixed Assets:

Fixed assets are stated at cost net of cenvat, less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. Capital work in progress comprise outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use before the balance sheet date are recorded at the consideration paid for acquisition.

d. Depreciation:

Depreciation has been provided on the basis of Written down Value method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

e. Foreign Currency Transactions

Exchange differences relating to fixed assets are adjusted in the cost of the assets. Any other exchange differences are dealt with in the Profit & Loss A/c.

f. Investments:

Long term investments are stated at cost and provisions for diminution in the value of long term investments are made only if such a decline is other than temporary in the opinion of the

management.

g. Inventories

a) Raw Material & Components

It is valued at Purchase cost including central sales tax and other cost incurred to bring the inventory to present condition and location or market price whichever is less. The Central Excise duty and AP value added tax paid on purchase are not considered in the valuation of inventories.

b) Consumable stores: At Cost on Weighted Average Basis or Market price whichever is less.

c) Stock in Process: It is valued at Raw Material cost plus production cost to bring the inventory to present condition or net realizable value whichever is less.

d) Machinery spares & maintenance materials are charged out as expenses in the year of purchase.

h. Revenue Recognition:

In appropriate circumstances, revenue income is recognized when no significant uncertainty as to determination or realization exists.

i. Sales:

Sales includes sale of goods, services, net of excise duty and net of sales tax.

j. Purchase:

Purchase of raw material and components consumable stores are accounted excluding excise duty but including Central Sales tax and purchase tax paid on purchases.

k. Excise duty:

The excise duty is applicable to Raw Material and finished goods of the company. The company is eligible for Cenvat credit for excise duty paid on purchase of Raw material, Components and Stores. The Balance of Cenvat credit remained unavailed at the end of the

CONCORD DRUGS LIMITED

year is eligible for carry forward for the purpose of set-off against excise duty payable on sales in subsequent year.

The amount eligible for CENVAT credit set-off is accounted separately in CENVAT- Input Credit Account and not included in the purchases of the company. The amount of Cenvat credit available during the year is set off by debiting Cenvat credit receivable account, which is shown under the head Loans and advances under the schedule of Current assets, Loans and Advances forming part of Balance Sheet.

I. Sales tax:

The company is eligible for Set off of Value Added tax paid on purchases made from parties situated in the state of AP as per the Provision of AP Value Added Tax Act, 2003. The amount eligible for sales-tax set-off is accounted separately in VAT- Input Credit Account and not included in the purchases of the company.

Value Added Tax collected on sales and eligible for VAT set-off as per the provision of AP Value Added Tax Act, 2003 and is accounted separately in VAT- Input Credit Account and not included in the sales of the company. The Debit balance of VAT- Input Credit Account represents the excess of VAT paid on purchase over the VAT collected on sales and is shown under the head Loans and Advances under the schedule of Current Assets, Loans and Advances forming part of Balance Sheet. The VAT collected on sales is in excess of VAT paid on purchases, then the difference of VAT collected on sales over the VAT paid on purchases as VAT payable account and the company is having a deferment scheme for 14 years. So the VAT payable account is transferred to "Interest Free Sales Tax Loan Account" and this account is accumulated year by year.

m. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for its indented use. All other borrowing costs are charged to revenue.

n. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from “timing difference” between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

o. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

p. Earnings per share:

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

q. Cash flow statement:

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

CONCORD DRUGS LIMITED

Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

	2012-13 As at Mar' 31, 2013	2011-12 As at Mar' 31, 2012
Note 1 : Share Capital		
Authorised:		
110,00,000 No of Equity Shares of Rs.10/- each	110,000,000	110,000,000
Issues, Subscribed and Paid up		
72,43,750 No of Equity Shares of Rs.10/- each	72,437,500	72,437,500
Share Application Money pending for allotment	19,532,500	15,662,500
	91,970,000	88,100,000
Note 2 : Reserves and Surplus		
General Reserve		
Balance as per last account	-	-
Add: Recd for the year (Share Premium)	3,267,500	3,267,500
	3,267,500	3,267,500
Capital Reserve		
Subsidy From government	4,100,000	4,100,000
Profit & Loss A/c Surplus		
Balance in the statement of profit & loss	32,601,162	16,654,520
Additions during the year	10,412,203	15,946,642
	50,380,865	39,968,662
Note 3 : Long - term borrowings		
Term loans (Secured)		
From banks		
SBI-Term Loan	92,360,740	37,152,428
OCC from PNB, Roorkee	-	-
SBI-CC	360,386	-
From others		
Intrest Free Sales Tax Loan	13,277,408	13,277,409
Unsecured loan from Directors	-	-
	105,998,535	50,429,837
Note 4 : Short - term borrowings		
Loans repayable on demand		
From banks (Cash Credit Facility from State Bank of India)	43,559,143	27,044,221
Loans and advance form related parties	7,812,625	2,363,125
	51,371,768	29,407,346

CONCORD DRUGS LIMITED

Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

	2012-13	2011-12
	As at Mar' 31, 2013	As at Mar' 31, 2012
Note 5 : Trade Payables		
Sundry Creditors- Trade	86,732,248	72,503,480
Creditors for Expenses	6,293,405	4,521,771
Creditors for Capital Goods	254,500	733,381
Others	-	
	93,280,153	77,758,632
Note 6 : Short - term provisions		
Provision for Income tax	2,585,224	4,372,245
Income Tax Payable for 2011-12	1,872,245	-
Others Provisions	1,346,064	-
	5,803,533	4,372,245
Note 7 : Other Current Liabilities		
Advances from customers	320,400	7,084,056
Out Standing Expenses	3,029,821	2,889,431
CST	25,064	-
TDS payable	10,300	-
Duties & Taxes	6,130,059	-
	9,515,645	9,973,487
Note 9 : Deferred tax assets (Net)		
Opening Balance	948,565	2,482,436
Add/ Less: Provision for the year	(3,933,319)	(1,533,871)
	(2,984,754)	948,565
Note 10 : Long - term loans and advances		
Capital advances	760,000	23,318,211
Security deposits	490,632	240,632
Others	9,316,131	9,316,131
	10,566,763	32,874,974
Note 11 : Other Non- Current Assets		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Priliminary Expenses	269,619	539,235
Less: W/o during the year	269,619	269,616
	-	269,619

CONCORD DRUGS LIMITED

Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

	2012-13 As at Mar' 31, 2013	2011-12 As at Mar' 31, 2012
Note 12 : Inventories		
Raw material	17,545,962	20,619,577
Work-in-process	3,555,250	2,781,210
Finished goods	855,900	1,650,557
Packing Material	13,740,153	2,021,025
	35,697,265	27,072,369
Note 13 : Trade receivables (Unsecured, considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months		
Considered good	26,483,040	7,824,680
Considered doubtful	-	-
Other debts		
Considered good	131,233,948	137,467,729
	157,716,988	145,292,409
Less: Provision for doubtful debts	-	-
	157,716,988	145,292,409
Note 14 : Cash and cash equivalents		
Cash on hand	725,107	249,837
Balances with scheduled banks		
On current accounts	617,045	9,497,535
On deposit accounts	-	-
	1,342,152	9,747,372
Note 15 : Short - term loans and advances		
Advances given to suppliers	2,671,125	1,565,585
Other receivables	-	107,706
	2,671,125	1,673,291
Note 16 : Other current assets		
Cenvat Credit Recievable	1,746,626	515,646
TDS Receivable	26,408	26,408
MAT Credit	6,117,699	
Unmatured HPF Charges	57,125	-
Vat Input @ 5%	13,074	-
CENVAT on Capital Goods	2,134,532	-
I.T.C (Outstanding)	20,989	-
	10,116,453	542,054

CONCORD DRUGS LIMITED

Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

	2012-13	2011-12
	Year Ended Mar' 31, 2013	Year Ended Mar' 31, 2012
Note 17 : Material Costs		
a. Increase in inventories		
Opening stock of inventories		
Work- in- progress	2,781,210	4,277,830
Finished goods	1,650,557	3,140,950
	4,431,767	7,418,780
Closing stock of inventories		
Work- in- progress	3,555,250	2,781,210
Finished goods	855,900	1,650,557
	4,411,150	4,431,767
Increase / (Decrease) In Stocks	(20,617)	(2,987,013)
b. Raw materials consumed		
Opening stock	20,619,577	5,331,050
Add : Purchases	213,337,719	220,367,243
Less : Closing stock	17,545,962	20,619,577
Total value of Raw materials consumed	216,411,334	205,078,716
c. Consumption of packing material		
Op. Stock of PM	2,021,025	2,237,877
Add. Purchases	29,872,343	20,301,982
Less: Closing stock	13,740,153	2,021,025
Total value of Packing material consumed	18,153,215	20,518,834
	234,585,166	228,584,564
Note 18 : Other Direct Expenses		
Cousumable Stores	303,120	265,725
Carriage Inward & outward	690,158	593,978
Wages & Factory Expenses	3,975,804	3,290,483
Power Charges	2,280,838	1,245,666
Diesel for Boiler & Generator	2,129,737	1,031,532
Transport Charges	825,512	744,873
Analytical Report Charges	298,002	280,006
Repairs and maintenance charges	1,095,403	976,429
	11,598,574	8,428,692

CONCORD DRUGS LIMITED

Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

	2012-13 Year Ended Mar' 31, 2013	2011-12 Year Ended Mar' 31, 2012
Note 19 : Personal Costs		
Salaries, allowances, wages and bonus	1,174,000	389,408
Directors remuneration	1,800,000	1,800,000
Staff welfare expenses	225,134	70,365
Contribution to PF and & ESI	47,975	60,449
	3,247,109	2,320,222
Note 20 : Administration & Selling expenses		
Advertisement Expenses	38,690	17,634
Business Promotion Expenses	639,374	867,235
Books & Periodicals	12,739	4,792
Marketing Expenses	862,260	1,102,840
Computer Maintenance	15,150	53,344
Vehicle Maintenance	592,424	88,456
Insurance	394,617	13,284
Listing Fee	15,731	48,033
Rates & taxes	236,628	97,856
Registration & Renewals	318,731	408,890
Postage & Telegrams, Telephones	471,008	147,983
General Expenses	504,064	66,517
Office maintenance	362,523	219,294
Security Charges	120,323	153,491
Professional & Consultancy Fee	1,114,000	974,078
Printing & Stationary	639,168	118,926
Tavelling and conveyance	1,050,298	1,017,760
Conveyance Expenses	188,634	5,377
Audit Fee	252,361	224,600
Preliminary exp.	269,619	269,616
	8,098,342	5,900,006
Note 21 : Interest And Finance Charges		
Bank Charges	380,244	97,520
Interest on term loans	868,110	1,355,967
Interest on working capital loans	3,807,499	1,839,672
Interest on Income tax	-	636,951
Interest on HP Loans	104,756	11,927
	5,160,609	3,942,037

CONCORD DRUGS LIMITED

Note 8 : Fixed Assets

Particulars	Gross Block			Depreciation /amortization		Net Block	
	As at April 1, 2012	Additions	As at March 31, 2013	As at April 1, 2012	For the year March 31, 2013	As at March 31, 2013	As at March 31, 2012
Land & Land Development	4,737,223	-	4,737,223	-	-	4,737,223	4,737,223
Building	34,561,576	-	34,561,576	13,891,611	2,066,997	18,602,969	20,669,965
Furniture & Fixtures	474,683	-	474,683	388,306	15,634	70,743	86,377
Plant & Machinery	34,639,236	14,083,071	48,722,307	17,205,994	4,383,919	27,132,394	17,433,242
Office equipment	718,595	-	718,595	454,583	36,724	227,288	264,012
Vehicles	720,692	-	720,692	645,891	19,366	55,435	74,801
Air Handling Systems	8,021,011	-	8,021,011	5,625,346	333,237	2,062,428	2,395,665
Lab Equipment	2,895,229	-	2,895,229	2,145,344	104,309	645,576	749,885
Electrical Installations	4,325,072	-	4,325,072	2,921,602	195,223	1,208,247	1,403,470
Generator	445,625	-	445,625	338,755	14,866	92,004	106,870
Capital WIP incl. advances	33,668,046	104,692,154	138,360,200	-	-	138,360,200	33,668,046
Total	125,206,988	118,775,225	243,982,213	43,617,432	7,170,274	193,194,507	81,589,556
Previous year	100,851,239	24,355,749	125,206,988	37,630,504	5,986,928	81,589,556	63,520,734

CONCORD DRUGS LIMITED

Note : 23

II. Notes to the Accounts

- a. Contingent Liabilities:
Outstanding Bank Guarantees: Nil
There are no claims outstanding against company as on 31.03.2013.
- b. The Company has provided benefits to the employees during the year as per the management estimates in the books of accounts. The company has not created any provision for gratuity in its books and the company does not take any registration for E.S.I. deposits.
- c. Secured Loans:
Term Loan & Cash Credit (Hypothecation) taken from State Bank Of India, Hyderabad are Secured by equitable mortgage of immovable property i.e. Factory, Land & Building situated at Hyderabad and Hypothecation of Machinery, Vehicles, other assets, raw materials, semi finished goods, finished goods and book debts.
- d. In view of insufficient information from suppliers regarding their status as SSI Units, amount due to such undertakings could not be ascertained.
- e. Balance of Debtors, Creditors, Advances and Loans etc., are subject to confirmations and reconciliations.
- f. Particulars of Remuneration paid to Auditors
Statutory Audit fees: Rs.2, 52,361/- (previous Year Rs. 2,24,600)
- g. Directors remuneration: Rs.18,00,000/- (Previous year Rs.18,00,000/-)
- h. Deferred Tax liability/ (Asset) comprise of the following:

Particulars	2012-2013	2011-2012
Opening Balance	(9,48,565)	(24,82,436)
Deferred tax Provided During the year	39,33,319	15,33,871
Net Deferred tax liability / (asset)	29,84,754	(9,48,565)

CONCORD DRUGS LIMITED

- a. As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

- i. List of related parties where control exists and related parties with whom transactions have taken place and relationships

S.No.	Name of the related party	Relationship
1.	S.Nagi Reddy	Managing Director
2.	K. Ramachandra Reddy	Whole time Director

- ii. Transactions during the year with related parties

Nature of transaction	Amount Rs.
Remuneration paid	18,00,000

a. Segmental Reporting:

The Company's operations relate to formulation of drugs. As the Company operates only in one segment as such reporting is done on a single segment basis.

b. Foreign Currency/Exchange Transactions

- | | | |
|----|---------------------------------|--------|
| a. | Value of imports | Rs.Nil |
| b. | Value of exports | Rs.Nil |
| c. | Expenditure in foreign currency | Rs.Nil |

- c. Quantitative details & stock, WIP, production and finished goods are not available.
- d. The previous years have been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

CONCORD DRUGS LIMITED

CONCORD DRUGS LIMITED

Survey No. 249, Brahmanapally (V), Hayathnagar (M), Ranga Reddy
(Dist), A. P. India

PROXY FORM

I/We _____ of _____ being a Member(s) of above named company, hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to attend and vote for me/us, on my/our behalf at the 18th Annual General Meeting of the Company to be held at registered office of the company Survey No. 249, Brahmanapally (V), Hayathnagar (M), Ranga Reddy(Dist),A.P. Hyderabad-501511, on Monday, the 30th day of September 2013 at 11.00 A.M. and at any adjourned meeting thereof.

As Witnessed Signed this _____ day of August 2012

Signed by the said _____

Folio No./Client ID _____

No. of shares held _____

Affix
Re.1/-
Revenue
Stamp.

Note:

The proxy in order to be effective should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting

CONCORD DRUGS LIMITED

Survey No. 249, Brahmanapally (V), Hayathnagar (M), Ranga Reddy(Dist), A. P. India

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 18th Annual General Meeting of the members of the company to be held at registered office of the company Survey No. 249, Brahmanapally (V), Hayathnagar (M), Ranga Reddy(Dist),A.P. Hyderabad-501511 on Monday the 30th day of September, 2013 at 11.00 A.M.

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.

If undelivered please return to :

CONCORD DRUGS LIMITED

Survey No.249,

Brahmanpally Village,

Hayatnagar Mandal, R.R.Dist-501511