



CONCORD DRUGS LIMITED

Admn. Office & Factory : Survey No. 249, Brahmanapally Village, Hayathnagar Mandal, R.R.Dist. - 501 511. (T.S) INDIA.

E-mail : concorddrugsltd@gmail.com

Website : www.concorddrugs.in

To,

Date: 06.09.2019

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

Dear Sir/ Madam,

Sub: Annual report for the year 2018-19

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 2018-19 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as sent to the shareholders for the ensuing AGM to be held on 30.09.2019.

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

Thanking you.

Yours faithfully,
For Concord Drugs Limited


S. Nagi Reddy
Chairman
DIN: 01764665



Encl. as above

CONCORD DRUGS LIMITED

**24th
ANNUAL REPORT
2018-19**

CONCORD DRUGS LIMITED

CORPORATE INFORMATION

Board of Directors

Mr. S. Nagi Reddy	: Chairman and Whole-time Director DIN: 01764665
Mr. T. Narsimha Reddy	: Managing Director DIN: 07538313
Mr. S. Koni Reddy	: Executive Director cum CFO DIN: 02829319
Ms. P. Chandra Kala	: Independent Director DIN: 07138391
Mr. K. Ramachandra Reddy	: Additional Director DIN: 02285257
Mr. P. Venkatram Reddy	: Additional Director DIN: 07001606

STATUTORY AUDITORS

N.G Rao & Associates
Chartered Accountants
Hyderabad

Secretarial Auditors

Vivek Surana & Associates
Practicing Company Secretaries
Hyderabad

Registered Office

Concord Drugs Limited.,
Survey No.249, Brahmanapally (V)
Hayatnagar (M), R.R.Dist-501511
Telangana, India.
Ph: 04024036379
Website: www.concorddrugs.in
Investor email: concorddrugsltd@gmail.com
CIN: L24230TG1995PLC020093

Factory Locations

1. Survey No. 249, Brahmanapally (V),
Hayat Nagar (M), R R (D): 501511
2. Khasra No. 165/3, Nalhera Ananthapur,
Paragana Bhagwanpur, Tehsil Roorkee,
Haridwar (D), Uttaranchal.

CONCORD DRUGS LIMITED

Registrars and Share Transfer Agents

Aarhi Consultants Private Limited,
1-2-285, Domalaguda,
Hyderabad, Telangana-500029
Tel: 040-27634445
Fax: 040- 27632184
Email: info@aarhiconsultants.com
ISIN No. INE858L01010

Bankers

State Bank of India
Ramakrishna Puram, Kothapet, Hyderabad

Listed At : BSE Limited

CONCORD DRUGS LIMITED

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Shareholders of Concord Drugs Limited will be held on Monday, 30th day of September, 2019 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 31st March, 2019, 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. Koni Reddy, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Mr. P. Venkatram Reddy (DIN: 07001606) as an Independent Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and rules made there under, Mr. P. Venkatram Reddy (DIN: 07001606), who was appointed as ‘Additional Director’ in the category of non-executive independent director in the Board of the Company on 30th March, 2019 pursuant to the provision of Section 161 (1) of the Companies Act, 2013 (“the Act”) read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. P. Venkatram Reddy as a candidate for the office of a Director of the Company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from the date of his appointment as Additional Director i.e. 30.03.2019 up to 29.03.2024.”

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the Resolution.”

4. **Appointment of Mr. K. Ram Chandra Reddy (DIN: 02285257) as an Independent Director of the Company.**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 of the

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Companies Act, 2013 and rules made there under, Mr. K. Ram Chandra Reddy (DIN: 02285257), who was appointed as 'Additional Director' in the category of non-executive independent director in the Board of the Company on 30th March, 2019 pursuant to the provision of Section 161 (1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. K. Ram Chandra Reddy as a candidate for the office of a Director of the Company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from the date of his appointment as Additional Director i.e. 30.03.2019 up to 29.03.2024."

" **RESOLVED FURTHER THAT**, the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the Resolution."

5. **APPOINTMENT AND PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2019-2020:**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), consent of the Members be and is here by accorded for appointment of M/s. KJU & Associates (Registration No.000474), Cost Accountants to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2020 on a remuneration of Rs. 35,000/- (Rupees thirty five thousand only) per annum plus out of pocket expenses and applicable taxes."

"RESOLVED FURTHER THAT the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard."

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

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

**Place : Hyderabad
Date: 14.08.2019**

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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 21.09.2019 to 30.09.2019 (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. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be

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advised only to the Depository Participant of the members.

8. 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. Members holding shares in physical form can submit their Aadhar card/PAN details to the Company/ Registrar and Share Transfer Agents.
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. 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.
11. 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.
12. 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.
13. 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.
14. Electronic copy of the Annual Report for 2018-19 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 2018-19 is being sent in the permitted mode.

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15. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.concorddrugs.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: concorddrugsltd@gmail.com

16. 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 20.09.2019, are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 09.00 a.m. on 27.09.2019 and will end at 05.00 p.m. on 29.09.2019. 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 24th 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 27.09.2019 and will end at 05.00 p.m. on 29.09.2019. 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 20.09.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for

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voting thereafter.

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

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

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

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- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
17. 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.
 18. 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.
 19. 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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20. 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.
21. 1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.

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

**Place : Hyderabad
Date: 14.08.2019**

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

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EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No.3:

Mr. P. Venkatram Reddy (DIN: 07001606) was appointed as Additional Director on 30th March, 2019 in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent' in terms of the Companies Act, 2013, an Additional Director shall hold office up to the date of the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and be eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under Section 160 of the Companies Act 2013, for appointment of Mr. P. Venkatram Reddy for the office of Director in Independent category.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. P. Venkatram Reddy as 'Non-executive Independent Director' for a term up to 5 consecutive years commencing from the date of his appointment as Additional Director i.e. 30th March, 2019 up to 29th March, 2024.

Accordingly the Board of Directors recommends the passing of the above Resolution as an Ordinary Resolution set out in the item No. 3 of the notice for appointment of Mr. P. Venkatram Reddy.

Save and except Mr. P. Venkatram Reddy Independent Director, being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Item No.4

Mr. K. Ramchandra Reddy (DIN: 02285257) was appointed as Additional Director on 30th March, 2019 in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent' in terms of the Companies Act, 2013, an Additional Director shall hold office up to the date of the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and be eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under Section 160 of the Companies Act 2013, for appointment of Mr. K. Ramchandra Reddy for the office of Director in Independent category.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. K. Ramchandra Reddy as 'Non-executive Independent Director' for a term up to 5 consecutive years commencing from the date of his appointment as Additional

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Director i.e. 30th March, 2019 up to 29th March, 2024.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. K. Ramchandra Reddy as 'Non-executive Independent Director' for a term up to 5 consecutive years commencing from the date of his appointment as Additional Director i.e. 30th March, 2019 up to 29th March, 2024.

Accordingly the Board of Directors recommends the passing of the above Resolution as an Ordinary Resolution set out in the item No. 4 of the notice for appointment of Mr. K. Ramchandra Reddy.

Save and except Mr. K. Ramchandra Reddy Independent Director, being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Item No. 5

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. KJU & Associates (Registration No.000474), Cost Accountants as Cost Auditors of the Company for the financial year ending 31st March, 2020 to conduct the audit of cost records and fixed their remuneration at Rs. 35,000/- (Rupees thirty five thousand only) per Annum plus out of pocket expenses and applicable taxes etc.

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

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 5 of the notice for appointment and remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

None of the Directors/ Key Managerial Personnel and their relatives of the Company is, in any way, concerned or interested, financially or otherwise in the above said Resolution.

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**Brief profile of the Directors seeking appointment
(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015)**

Name of the Director	Mr. P. Venkatram Reddy	Mr. K. Ramchandra Reddy
Date of Birth	12.02.1970	12.10.1960
Date of appointment	30.03.2019	30.03.2019
Qualification	Graduate in Science	Graduate in Commerce
Expertise in specific functional areas	He possesses 15 years of professional experience and 5 years in pharma sector	He possesses 20 years of experience in the area of accounting, taxation and audit.
Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships	Nil	Nil
No. of Shares held in the Company	-	-
Inter se relationship with any Director	-	-
Number of Board Meetings attended during the year out of 7 meetings.	NA	NA

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

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

**Place : Hyderabad
Date: 14.08.2019**

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BOARDS' REPORT

To the Members,

The Directors have pleasure in presenting before you the 24th Board's Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

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

The performance during the period ended 31st March, 2019 has been as under:

(Rs. In Lakhs)

Particulars	2018-2019	2017-2018
Revenue from Operations	4807.72	5179.72
Other Income	8.59	13.58
Profit/Loss Before Depreciation, finance costs, Exceptional Items and Tax expense	374.46	492.40
Less: Depreciation/Amortisation/Impairment	171.18	240.14
Profit/Loss before finance costs, exceptional items and Tax expense	203.28	252.26
Less: Finance Costs	159.30	188.40
Profit/Loss before Exceptional Items and Finance Costs	43.98	63.86
Add/(Less): Exceptional Items	Nil	Nil
Profit/Loss before tax expense	43.98	63.86
(Less): Tax Expense (Current & deferred)	3.27	31.45
Profit/(Loss) for the year (1)	40.70	32.41
Total Comprehensive Income/(Loss) (2)	Nil	Nil
Total (1+2)	40.70	32.41
Balance carried forward to balance sheet	40.70	32.41
Earnings per share	0.52	0.41

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2. MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments affecting financial position of the company between 31st March and the date of Board's Report. (i.e. 14.08.2019)

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

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

4. 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 7 (Seven) times on 25.05.2018, 30.05.2018, 14.08.2018, 05.10.2018, 14.11.2018, 14.02.2018, 30.03.2019 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

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

During the year, Mr. K. Ramachandra Reddy, and Mr. P. Venkatram Reddy Independent Directors have been appointed as Additional Directors in Independent category subject to the approval by shareholders of the company at the general meeting with effect from 30.03.2019 after considering the recommendations of the Nomination and Remuneration Committee. Accordingly, resolutions seeking approval from the members for his appointment as an Independent Director for a period of 5 years is included in Item no.3 & Item No.4 of the

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notice convening the Annual General Meeting.

During the year under review, the Company has appointed Ms. Monika Bhutada as Company Secretary at the Board meeting held on 05th October 2018. however she resigned w.e.f. 16.04.2019 citing personal reasons.

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.

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.
 - 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:

CONCORD DRUGS LIMITED

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.
- III. The previous Annual General Meeting of the Company was held on 29.09.2018 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:
-

CONCORD DRUGS LIMITED

During the financial year 2018-19, 4 (Four) meetings of the Audit Committee were held on 30.05.2018, 14.08.2018, 14.11.2018, 14.02.2019 respectively.

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
K. Ramchandra Reddy	Member	NED(I)	--	--

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.

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 2018-19 are given below:

Mr. S. Nagi Reddy, Chairman and Mr. S. Koni Reddy, Executive Director have

CONCORD DRUGS LIMITED

drawn a remuneration of Rs. 18,00,000 p.a. and Rs. 6,00,000 p.a. for the year ended 31.03.2019 respectively.

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

During the year, the committee met on 05.10.2018 and 30.03.2019.

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)	2	2
Mr. K. Ramchandra Reddy	Member	NED(I)	-	-
Mr. P. Venkatram Reddy	Member	NED(I)	-	-

NED (I): Non-Executive Independent Director

ED: Executive 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:

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.

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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;
 - 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.

CONCORD DRUGS LIMITED

- 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.
- 5.3 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.
- 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.

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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 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.

CONCORD DRUGS LIMITED

- 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
- 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:

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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.

The Company has designated an exclusive e-mail ID called 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)	-	-
Mr.S. Nagi Reddy	Member	ED	-	-
Mr. S. Koni Reddy	Member	ED	-	-

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 and Regulation 22 of SEBI(LODR), Regulations 2015. 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 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.

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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 is a part of this Annual Report in enclosed as Annexure-I.

16. STATUTORY AUDITORS:

The members of the Company in accordance with Section 139 of the Companies Act, 2013 had passed a Resolution for appointment of M/s. N G Rao & Associates, as Statutory Auditors of the Company for a period of 5 years in the AGM held on 29.09.2018 to hold office up to the conclusion of 28th Annual General Meeting of the Company to be held in the year 2023.

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, the Board has appointed M/s. Vivek Surana & Associates, Practicing Company Secretaries has under taken Secretarial Audit of the Company for financial year ending 31.03.2019. The report of the Secretarial Auditor is enclosed herewith vide Annexure-II of this Report.

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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, 2019 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, 2019 on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks.

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

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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.

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.

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

CONCORD DRUGS LIMITED

the financial year with related parties were in the ordinary course of business and on arm's length basis. There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

All related party transactions were placed before the Audit Committee/Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature.

29. DISCLOSURE ABOUT COST AUDIT:

The Company is in due compliance with the Companies (Cost Records and Audit) Rules, 2014. During the year the company has appointed M/s KJU & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2018-19.

31. RATIO OF REMUNERATION TO EACH DIRECTOR:

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

32. 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.

33. SECRETARIAL STANDARD

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

34. 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

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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:

However the Company has allotted 882000 equity shares at par to the promoters and others on preferential Basis on 14.05.2019

35. 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.

36. CEO/ CFO Certification

The Managing Director and CFO certification of the financial statements for the year 2018-19 is annexed in this Annual Report.

37. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure III to this Report.

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed to this Annual report as elsewhere.

During the year 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 specified under the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

38. BOARD EVALUATION:

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an Annual

CONCORD DRUGS LIMITED

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 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

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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 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.

39. 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

COMPOSITION OF COMMITTEE:

40. DETAILS OF PENALTIES IMPOSED BY THE REGULATORY AUTHORITIES

During the year under review, there were no penalties imposed by the regulatory authorities.

41. INVESTOR EDUCATION AND PROTECTION FUND

No amounts and/or shares were transferred to the Investor Education and Protection Fund during the year under review.

42. PREVENTION OF INSIDER TRADING

The Company has also adopted a code of conduct for prevention of Insider trading. All directors, senior management employees and other employees who are having access to the unpublished price sensitive information of the company are governed by the code. During the year under the review there has been due compliance with the code of conduct for prevention of insider trading.

The code of conduct for prevention of insider trading is available in the company's website www.concorddrugs.in

43. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The company has in place whistle blower policy and no personnel has been denied access to the Chairman of Audit Committee. The policy also provides for the safeguarding of whistle blowers. The whistle blower policy is available on the website of the Company www.concorddrugs.in.

44. DISCLOSURE ON CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE.

No corporate insolvency resolution process was initiated under the provisions of Insolvency and Bankruptcy Code during the year under review.

45. POLICIES:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website <https://concorddrugs.in>). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement

46. ENVIRONMENTS AND HUMAN RESOURCE DEVELOPMENT:

Your Company always believes in keeping the environment pollution free and is fully committed to its social responsibility. The Company has been taking utmost care in complying with all pollution control measures from time to time strictly as per the directions of the Government.

We would like to place on record our appreciation for the efforts made by the management and the keen interest shown by the Employees of your Company in this regard.

CONCORD DRUGS LIMITED

47. STATUTORY COMPLIANCE:

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects

48. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

The Management Discussion and Analysis Report, pursuant to the SEBI (LODR) Regulation 2015 appended as Annexure V for information of the Members.

49. 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: 14.08.2019**

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

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

CONCORD DRUGS LIMITED

Certificate of Code of Conduct for the year 2018-19

The shareholders
Concord Drugs Limited

Code of Conduct

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

Certificate of Code of Conduct for the year 2018-2019 as per Regulation 17(5) read with Regulation 34 (3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2018-2019.

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

**Place : Hyderabad
Date: 14.08.2019**

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

CONCORD DRUGS LIMITED

CERTIFICATE BY THE MANAGING DIRECTOR 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 2019 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: 14.08.2019**

**T. Narsimha Reddy
Managing Director**

**S.Koni Reddy
Director & CFO**

CONCORD DRUGS LIMITED

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

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

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

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

Composition of Committee

Name	Designation
S.Manoj Kumar	Internal member
P.Naga Pushpa Poornima	Presiding member
T. Nandhini Reddy	Internal member
Dasaripalla Joji	External member

CONCORD DRUGS LIMITED

ANNEXURE-I

MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2019

[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		100		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: -									
S.No.	Name and Address of the Company		CIN/GLN		Holding/Subsidiary /Associate		% of shares held		Applicable Section
The Company does not have any subsidiaries.									
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) <i>Category-wise Share Holding:-</i>									
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	

CONCORD DRUGS LIMITED

A. Promoters									
(1) Indian									
Individual/ HUF	30,58,500	0	30,58,500	38.90	30,58,500	0	30,58,500	38.90	--
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt. (s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (1) :-	30,58,500	0	30,58,500	38.90	30,58,500	0	30,58,500	38.90	--
(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)	30,58,500	0	30,58,500	38.90	30,58,500	0	30,58,500	38.90	--
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)	--	--	--	--	--	--	--	--	--

CONCORD DRUGS LIMITED

2. Non Institutions									
a) Bodies Corp.									
i) Indian	67070	0	67070	0.85	76552	0	76552	0.97	0.12
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1321216	571600	1892816	24.08	1246947	759800	2006747	25.53	1.45
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	2763658	0	2763658	35.15	2670957	0	2670957	33.97	(1.18)
c) Others (specify)									
1. NRI	36151	0	36151	0.46	35569	0	35569	0.45	(0.01)
2. Clearing Members	43,555	0	43,555	0.55	13425	0	13425	0.17	(0.38)
Sub-total (B)(2):-	4231650	571600	48,03,250	61.10	3966898	759800	4726698	60.12	(0.98)
Total Public Shareholding (B)=(B)(1)+(B)(2)	3626350	776900	4403250	60.79	4043450	759800	4803250	61.10	0.31
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	6466850	776900	7243750	100	7101950	759800	7861750	100	--

CONCORD DRUGS LIMITED

(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.Nagi Reddy	14,13,000	17.97	--	14,13,000	17.98	--	0.01
2.	S.Koni Reddy	7,97,000	10.14	--	7,97,000	10.14	--	0.00
3.	VundelaRamasubba Reddy	3,97,500	5.06	--	3,97,500	5.06	--	0.00
4.	S.Manoj Kumar Reddy	4,51,000	5.74	--	4,51,000	5.74	--	0.00
(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. Nagi Reddy	1413000	17.97					
	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	--	--	1413000	17.97			
2	S. Koni Reddy	797000	10.14					
	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	--	--	797000	10.14			
3	S. Manoj Kumar Reddy	451000	5.74					
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /	--	--	--	--			

CONCORD DRUGS LIMITED

	transfer / bonus/ sweat equity etc):				
	At the End of the year	--	--	451000	5.74
4	Vundela Ramasubba Reddy	3,97,500	5.06		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the End of the year			3,97,500	5.06

(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	4,00,000	5.09	--	---	--	4,00,000	5.09	
				20-Apr-18		100000	Sale	300000	3.81
				05-Oct-18		550	Purchase	300550	3.82
				12-Oct-18		1550	Purchase	302100	3.84
				26-Oct-18		1150	Purchase	303250	3.86
				02-Nov-18		750	Purchase	304000	3.87
2	Rajender Kumar Agarwal	167633	2.13	--	--	--	167633	2.13	
3	Puttaha Mahesh Kumar	82800	1.05	--	--	--	82800	1.05	
				15-Mar-19		83200	Purchase	166000	2.11
4	Sushil Kumar Agarwal	130400	1.66	--	--	--	130400	1.66	
5	Manju Agarwal	130140	1.65	--	--	--	130140	1.65	
6	Sanivarapu Jhansi	133276	1.69	--	--	--	133276	1.69	
				07-Dec-18		6251	Sale	127025	1.62
				14-Dec-18		1465	Sale	125560	1.60
7.	S.N. Thulasi Devi	121200	1.54	--	--	--	121200	1.54	

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8	Ekta Vijaywargi	100000	1.27	--	--	--	100000	1.27
9	Mohan Thodupunui	100000	1.27	--	--	--	100000	1.27
10	Kedamath Sridhara	100000	1.27	--	--	--	100000	1.27
				25-May-18	6765	Sale	93235	
				30-Jun-18	677	Purchase	93912	
				06-Jul-18	773	Purchase	94685	
				10-Aug-18	1036	Sale	93649	
				17-Aug-18	3200	Sale	90449	
				24-Aug-18	146	Sale	90303	
				29-Sep-18	1948	Purchase	92251	
				05-Oct-18	57	Purchase	92308	
				12-Oct-18	1195	Purchase	93503	
				15-Feb-18	532	Sale	92971	1.18

(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	1413000	17.97		
	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	--	--	1413000	17.97
2	S. Koni Reddy				
	At the beginning of the year	797000	10.14		
	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	--	--	797000	10.14

CONCORD DRUGS LIMITED

3.	Mr. K. Ramachandra Reddy				
	At the beginning of the year	50000	0.69		
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):		--	--	--
	At the End of the year	--	--	50000	0.69
4.	Mr. P. Venkatram Reddy	--	--	--	--
	At the beginning of the year	--	--	--	--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):		--	--	--
	At the End of the year	--	--	--	--
6.	Ms. P. Chandra Kala	--	--	--	--
	At the beginning of the year	--	--	--	--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):		--	--	--
	At the End of the year	--	--	--	--
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				
Total (i+ii+iii)	140639367	58251429	--	198890796
Change in Indebtedness during the financial year Addition	(42675529)	52520075		(95195604)
Reduction				
Net Change	(42675529)	52520075		(95195604)
Indebtedness at the end of the financial year	97963838	5731354	--	103695192
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	97963838	5731354	--	103695192

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

CONCORD DRUGS LIMITED

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:					
Sl. no.	Particulars of Remuneration	Mr. S. Nagi Reddy	Mr. S. Koni Reddy	Total Amount	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Remuneration to managing Director 18,00,000	Remuneration to Whole-time Director 6,00,000	24,00,000	
2.	Stock Option	--		--	
3.	Sweat Equity	--		--	
4.	Commission - as % of profit - Others, specify...	--		--	
5.	Others, please specify	--		--	
	Total (A)	18,00,000	6,00,000	24,00,000	
	Ceiling as per the Act	60,00,000	60,00,000	--	
B. Remuneration to other directors:					
Sl. no.	Particulars of Remuneration	Name of Director			Total Amount
1.	Independent Directors Fee for attending board / committee meetings · Commission · Others, please specify	--	--	--	--
	Total (1)	--	--	--	--
2.	Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify	--	--	--	--
	Total (2)	--	--	--	--
	Total (B)=(1+2)	--	--	--	--
	Total Managerial Remuneration	--	--	--	--
	Overall Ceiling as per the Act	--	--	--	--
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD					
Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary Monika Bhutada	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	--	1,20,000	--	1,20,000

CONCORD DRUGS LIMITED

	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please Specify				
6.	Total	--	1,20,000		1,20,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

CONCORD DRUGS LIMITED

ANNEXURE-II

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, 2019

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, 2018 to 31st March, 2019, 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 March, 2019 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;

CONCORD DRUGS LIMITED

- (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 2018-19
- 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 and Amended Regulations 2018; **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.**
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **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 and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2019; **Not Applicable as the Company has not issued any debt securities during the year under review.**
 - 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 and SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2018; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
-

CONCORD DRUGS LIMITED

- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **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.
- (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 7 meetings of the Board of Directors, 4 meetings of the Audit committee, 1 Meeting of Stakeholder

CONCORD DRUGS LIMITED

Relationship Committee , 2 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 has a Company Secretary Ms. Monika Bhuttada (resigned w.e.f 16.04.2019)
- 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

CONCORD DRUGS LIMITED

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.
- The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.
- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Vivek Surana & Associates

Place: Hyderabad
Date: 14.08.2019

Sd/-
Vivek Surana
Proprietor
C.P. No : 12901
M. No.: A24531

CONCORD DRUGS LIMITED

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.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Vivek Surana & Associates

**Sd/-
Vivek Surana
Proprietor
C.P. No : 12901
M. No.: A24531**

**Place: Hyderabad
Date: 14.08.2019**

CONCORD DRUGS LIMITED

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule

**8(2) of the Companies
(Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso there to

1. Details of contracts or arrangements or transactions not at arm's length basis -NIL

- a. Name(s) of the related party and nature of relationship
- b. Nature of contracts/arrangements/transactions
- c. Duration of the contracts / arrangements/transactions
- d. Salient terms of the contracts or arrangements or transactions including the value, if any
- e. Justification for entering into such contracts or arrangements or Transactions date(s) of approval by the Board
- f. Amount paid as advances, if any:
- g. Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

CONCORD DRUGS LIMITED

ANNEXURE-V

STATEMENT SHOWING DETAILS AS PER 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

S.No.	Particulars	Details
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 & Whole-time Director & Mr. Koni Reddy (Director cum CFO) to median employees is 6.82:1 & 2.27:1 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.	NIL
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.	NIL
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

Pharmaceutical industry is one of the world's fastest growing industries, and remains one of the biggest contributors to world economy. The Indian pharma industry is on a good growth path and is likely to be in the **top 10 global markets in value term by 2020**, according to the PwC – CII report titled "India Pharma Inc: Gearing up for the next level of growth".

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

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

OPPORTUNITIES AND THREATS:

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

Though Indian Pharmaceutical market is growing at a healthy growth rate but on account of continuously price-cost squeeze, largely due to relentless increases in raw material cost, energy cost, and volatile foreign exchange are all affecting overall profitability of the company

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

During the year under review, the Company has recorded revenue of Rs. 4807 Lakhs and made a profit of Rs. 40.70 Lakhs against revenue of Rs. 5179 Lakhs and net profit of Rs. 32.41 Lakhs in the previous financial year 2017-18.

OUTLOOK:

The outlook for emerging market economies is expected to broadly improve, though volatility in capital flow will remain a challenge.

CONCORD DRUGS LIMITED

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

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

RISKS AND CONCERNS:

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

CONCORD DRUGS LIMITED

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

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year under review, the Company has recorded revenue of Rs. 4807 Lakhs and made a profit of Rs. 40.70 Lakhs against revenue of Rs. 5179 Lakhs and net profit of Rs. 32.41 Lakhs in the previous financial year 2017-18.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

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

2. DISCLOSURE OF ACCOUNTING TREATMENT:

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

CAUTIONARY STATEMENTS:

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

CONCORD DRUGS LIMITED

To The Members of Concord Drugs Limited.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Concord Drugs Limited (“the Company”), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as “the stand alone financial statements”).

In our Opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those standards are further described in the Auditors responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters:

Key audit matters are those matters that, in our opinion professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in

CONCORD DRUGS LIMITED

forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the standalone Ind AS financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key Audit Matter	Key Audit Matter
<p>Identification and disclosures of Related Parties</p> <p>1. The Company has related party transactions which include, amongst others, sale and purchase of goods/services to its subsidiaries, associates, joint ventures and other related parties and lending and borrowing to its subsidiaries, associates and joint ventures.</p> <p>2. We focused on identification and disclosure of related parties in accordance with relevant accounting standards as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <p>1. Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions.</p> <p>2. Obtained a list of related parties from the Company's Management and traced the related parties to declarations given by directors, where applicable, and to Note 2.4 of the standalone Ind AS financial statements.</p> <p>3. Read minutes of the meetings of the Board of Directors and Audit Committee.</p> <p>4. Tested material creditors/debtors, loan outstanding/loans taken to evaluate existence of any related party relationships; tested transactions based on declarations of related party transactions given to the Board of Directors and Audit Committee.</p> <p>5. Evaluated the disclosures in the standalone Ind AS financial statements for compliance with Ind AS 24</p>

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Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis. Board's report including Annexures to the Board's Report Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and , in doing so, consider whether the other information materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies ; making judgements and estimates that are reasonable and prudent; and design , implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and Fairview and are free from material misstatement whether due to fraud or error.

In preparing the standalone financial statements, management is

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responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements.

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SA's we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a Material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such control

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements.

1. As required by section 143 (3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books.
 - c) The Balance Sheet, the Statement of Profit & Loss including other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts.
 - d) In our opinion, the afore said Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representative received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 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 A"
 - g) With respect to other matters to be included in the Auditors report in accordance with the requirements of section 197(16) of the Act, as amended

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 as amended in our opinion and to the best of our information and according to the explanations given to us:

CONCORD DRUGS LIMITED

- i. The Company has disclosed the pending litigations on its financial position in its standalone financial statements in Note no 2.1
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
- iii. There were no amounts which were required to be transferred to the investor Education and Protections Fund by the company

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(N Nageswara Rao)
Partner
Membership No: 207300
Place: Hyderabad
Date: 30-05-2019

CONCORD DRUGS LIMITED

Annexure-A to the Auditors' Report

The Annexure-A referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the Year ended 31 March 2018, we report that:

1. a. The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. The title deeds of the immovable property are held in the name of the company.
c. The management has not performed physical verification of the Fixed assets during the year.
2. The physical verification of the inventory excluding stocks with third parties has not been conducted at reasonable intervals by the management. However, the physical verification report if done by any third party has been not shared with us.
3. The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has accepted loans from other than directors and the relevant compliance under companies act are not shared with us. Further the company has accepted unsecured loans from the directors and promoters.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including duty of excise, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues

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except as reported below have been regularly deposited during the year.
The company has not complied the provisions under income tax such as Provident fund, Employees State Insurance and TDS

SL.No	Particulars	Amount
1	Provident Fund	5,95,331
2	Employee state insurance	7,94,963
	Total	13,90,294

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, sales tax, wealth tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2019 except below table

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
2017-18	194J	3,88,980
2017-18	194C	27,112
2017-18	194H	25,000
2017-18	194A	22,339

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

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Particulars	Demand U/s	Period to which the amount relates	Forum where the dispute is pending	Amount in Rs.	Previous year
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

8. In our opinion and according to the information and explanations given to us, the Company is generally regular in repayment of loans or borrowings to banks, financial institutions. The Company has not issued any debentures.
9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year.
10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit Except Issues Reported Under Matters Emphasis.
11. The company has paid/ provided managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the act.
12. The company is not Nidhi Company and the Nidhi Rules, 2014 not applicable to it. Accordingly the provisions of Clause 3(Xii) of order not applicable to the company.
13. The company has entered transactions with the related parties and complied with Section 188 and 177 of Companies Act, 2013 will apply. The details have been disclosed in the Financial Statements etc as required by the accounting standards. However the secretarial compliances against such transactions were not made available for our verification.

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14. During the year, the Company has not made any preferential allotment or private placement of shares. 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.
15. The company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly the provisions of Clause 3(xv) of order not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-

G. Nageswara Rao
Partner

Membership No. 207300

Place: Hyderabad
Date: 30th May, 2019

CONCORD DRUGS LIMITED

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

Report on the Internal Financial Controls under Clause (i) of 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, 2019 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.

Our audit involves performing procedures to obtain audit evidence about the

CONCORD DRUGS LIMITED

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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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, 2019, 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

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

Place: Hyderabad
Date: 30thMay, 2019

CONCORD DRUGS LIMITED

Balance sheet as at 31, March 2019

Rs. In Lakhs

Particulars	Note	As At March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	1,106.32	1,272.38
(b) Capital Work-in Progress	3	28.89	-
(b) Investment property	3	78.60	78.60
Financial assets			
(a) Loans & Advances	5	50.02	50.02
Other Non current assets	4	39.26	38.48
Total Non - Current Assets		1,303.08	1,439.48
Current Assets			
Inventories	7	1,864.15	1,861.94
Financial assets			-
(a) Investments			-
(b) Trade receivables	6	4,843.47	7,117.23
(c) Cash and cash equivalents	8	15.89	4.08
(d) Bank balances other than (c) above	8	2.59	1.49
(e) Other Current Financial Assets	9	4.13	12.71
Other current assets	10	243.53	204.47
Total Current assets		6,973.77	9,201.91
Total Assets		8,276.85	10,641.39
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	786.18	786.18
Other equity	12	1,529.46	1,146.14
			-
Total Equity		2,315.63	1,932.32
Non-current liabilities			
Financial Liabilities			
(a) Borrowings	13	68.97	340.85
(b) Trade payables			
Deferred tax liabilities, net	14	12.79	21.23
Provisions	15	217.23	214.36
Government Grants	13	54.13	61.75
Total Non-current liabilities		353.13	638.19
Current liabilities			
Financial liabilities			
(a) Borrowings	16	913.68	900.51
(b) Trade payables	17	4,263.73	6,636.83
(c) Other Current financial liabilities	18	-	121.06
Current tax liabilities, net	15	11.72	37.58
Other current liabilities	19	418.96	374.90
Total Current liabilities		5,608.09	8,070.88
Total liabilities		5,961.22	8,709.07
Total Equity and liabilities		8,276.85	10,641.38

Corporate information and significant accounting p

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
Mno-207300

Sd/-
S. Nagi Reddy
Whole-time Director
DIN:01764665

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

Place: Hyderabad
Date: 30-05-2019

CONCORD DRUGS LIMITED

Statement Of Standalone Profit and Loss for the year ended 31st March 2019

Rs. In Lakhs

	Particulars	Note	As at March 31, 2019	As at March 31, 2018
I	Revenue from Operations			
	a. Net sales from Operations	20	4,807.72	5,179.72
II	Other Income	21	8.59	13.58
III	Total Revenue (I+II)		4,816.31	5,193.30
IV	Expenses			
	a. Cost of Material Consumed	22	3,913.85	4,650.18
	b. Changes in Inventories of finished goods, work-in-progress and stock-in-trade	23	45.59	(320.38)
	c. Employees Benefit Expenses	24	252.92	197.42
	d. Finance Costs	25	159.30	188.40
	e. Depreciation and Amortisation expense	3	171.18	240.14
	f. Other expenses	26	229.50	173.68
	Total Expenses		4,772.33	5,129.44
	Profit/ (Loss) before Exceptional item and tax (III-IV)		43.98	63.86
V	Exceptional Items		-	0
VI	Profit/ (Loss) before tax (V-VI)		43.98	63.86
VII	Tax Expense:		3.27	31.45
VIII	a. Current tax		11.72	37.58
	b. Deferred tax charge/credit		-8.44	-6.13
IX	Profit/ (Loss) for the period (VII-VIII)		40.70	32.41
X	Other Comprehensive Income		-	-
	Items that will not be reclassified to profit or loss		-	-
	Total Comprehensive Income for the period (comprising profit and other comprehensive income for the period) (IX+X)		40.70	32.42
XI	Paid-up equity share capital (Face value of the share- Rs. 10 each)		786.18	786.18
XII	Earnings per share (of Rs. 10 each)			
XIII	a. Basic (in Rs)		0.52	0.41
	b. Diluted (in Rs)		0.52	0.41

Corporate information and significant accounting policies

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
Mno-207300

Sd/-
S. Nagi Reddy
Whole-time Director
DIN:01764665

Sd/-
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Director & CFO
DIN: 02829319

Place: Hyderabad
Date: 30-05-2019

CONCORD DRUGS LIMITED

Statement of Cash flow for the year ended 31 March, 2019

Rs. In Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	43.98	63.87
<i>Adjustments for :</i>		
Depreciation and amortisation expense	171.18	240.14
Finance costs	149.47	171.41
Interest income	(0.70)	(1.58)
Provision for Gratuity	-	9.5
Operating profit before working capital changes	363.92	483.35
<i>Changes in working capital: (Refer Note 40)</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Financial Assets		
Trade receivables	2,273.76	(2,544.08)
Loans and Advances	-	19.77
Other Non Current assets	(0.78)	6.28
Inventories	(2.22)	(759.24)
Other Current assets	(39.07)	117.03
Other bank balances		
Other Current financial Assets	8.58	(8.96)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(2,373.10)	3,050.37
Borrowings		
Other current financial liabilities	(121.06)	121.06
Other current liabilities	(25.86)	(1.79)
Current tax liabilities, net	44.07	46.20
Provisions	2.88	195.57
Deferred tax on amalgamation		
Cash generated from operations	131.12	725.56
Net income tax paid	(11.72)	(37.58)
Net cash flow from operating activities (A)	119.40	687.98
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances (Refer Note (iii) below)	(34.00)	(227.61)
Proceeds from maturity of fixed deposits	-1.10	4.80
- Others	0.70	1.58
Net cash (used in) / flow from investing activities (B)	(34.39)	(221.22)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	296.64
Finance costs	(149.47)	(171.41)
Repayment of Borrowings	(271.88)	(276.73)
Repayment of short term Borrowings	13.16	(25.57)
Govt Grants	(7.61)	(6.74)
Other equity Adjustment	342.61	(296.01)
Net cash flow (used in) financing activities (C)	(73.19)	(479.82)
Net (decrease) in Cash and cash equivalents (A+B+C)	11.82	(13.07)
Cash and cash equivalents at the beginning of the year	4.08	17.14
Effect of exchange differences on translation of foreign currency Cash and cash equivalents	-	
Cash and cash equivalents at the end of the year (Refer Note (i) below)	15.90	4.08
* Comprises:		
Balances with Banks	9.66	2.40
Others	6.24	1.67
	15.90	4.08

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
Mno-207300

Sd/-
S. Nagi Reddy
Whole-time Director
DIN:01764665

Sd/-
Koni Reddy Seelam
Director & CFO
DIN: 02629319

Place: Hyderabad
Date: 30-05-2019

CONCORD DRUGS LIMITED

Notes to Financial Statements

1. Significant Accounting Policies

Company overview

Concord Drugs Limited (“the Company”) the company was incorporated on 24th 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.

2. Basis of preparation of Financial Statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (“the Act”) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

a. 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.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in subsequent points starting from “c” below. Accounting estimates could change from Period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in

CONCORD DRUGS LIMITED

circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c. 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.

Current liabilities include 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.

d. 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.

CONCORD DRUGS LIMITED

e. 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.

f. 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 its historical cost as at 1st 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 nonrefundable 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

CONCORD DRUGS LIMITED

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.

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.

CONCORD DRUGS LIMITED

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.

g. 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 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 recognized 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.

h. Borrowingcosts:

Borrowingcosts are interest and other cost incurred in connection with the borrowing of funds. General and specific borrowing costs that are directlyattributabletotheacquisition,construction or production of a qualifying asset are capitalized during the period of time that is required

CONCORD DRUGS LIMITED

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.

i. 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.

j. 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 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

- Amortized 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 amortized 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

CONCORD DRUGS LIMITED

- 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 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

CONCORD DRUGS LIMITED

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 assets (e.g. on recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount 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

CONCORD DRUGS LIMITED

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.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company

CONCORD DRUGS LIMITED

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.

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.

CONCORD DRUGS LIMITED

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

k. IncomeTax

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

CONCORD DRUGS LIMITED

income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Where the Company has carry forward of unabsorbed depreciation or tax losses deferred tax assets are recognized only if it is virtually certain backed by convincing evidence that such deferred tax assets can be realized against future taxable profits.

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

m. 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.

n. 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.

o. 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

CONCORD DRUGS LIMITED

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.

p. 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.

2.1 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.

Particulars	Demand U/S	Period to which The amount relates	Forum where the dispute is pending	Rs. in Lakhs	
				As at 31 st March 2019	As at 31 st March 2018
Income tax Act, 1961	143(1)	A.Y.2010-11	Jurisdictional AO	16.78	16.78
Income tax Act, 1961	143(3)	A.Y.2011-12	Commissioner of Income Tax (Appeals)-II	258.83	381.29
Income tax Act, 1961	143 1(a)	A.Y.2013-14	Jurisdictional AO	11.84	11.84
Income tax Act, 1961	143(3)	A.Y.2014-15	Commissioner of Income Tax (Appeals)-II	390.65	393.84
Income tax Act, 1961	Others	A.Y.2015-16	Jurisdictional AO	12.64	12.64

CONCORD DRUGS LIMITED

Note 3, Property Plant and Equipment

Particulars	Free hold Land	Building	Furniture & Fixtures	Plant & Machinery	Office equipment	Vehicles	Air Handling Systems	Lab Equipment	Electrical Installations	Generator	Computers	Capital WIP Incl. Adv.
Gross Block												
Gross Carrying amount as at 31-03-2017	78.60	492.59	37.53	1,160.08	23.97	60.53	359.18	303.23	299.18	35.68	0.98	-
Additions	-	-	-	23.86	3.04	-	-	0.71	-	-	-	-
Deletions	-	-	-	-	-	-	-	-	-	-	-	-
As at 31, March 2018	78.60	492.59	37.53	1,383.94	27.01	60.53	359.18	303.94	299.18	35.68	0.98	-
Additions			2.47	0.99	0.81			0.12			0.72	28.89
Deletions												
As at 31, March 2019	78.60	492.59	40.01	1,384.92	27.82	60.53	359.18	304.06	299.18	35.68	1.70	28.89
Accumulated Depreciation												
Upto 31, March 2017		261.69	21.98	625.42	20.58	33.78	196.24	152.02	157.49	18.69	0.14	
Charge for the year		21.94	4.03	117.40	2.47	8.35	29.49	27.48	25.65	3.08	0.26	
Adjustments for disposal												
Upto 31, March 2018	-	283.63	26.01	742.82	23.05	42.13	225.73	179.50	183.13	21.76	0.40	-
Charge for the year		19.85	3.17	69.69	2.12	5.74	24.15	22.53	21.00	2.52	0.39	-
Adjustments for disposal		-	-	-	-	-	-	-	-	-	-	-
Upto 31, March 2019	-	303.48	29.18	812.51	25.17	47.88	249.88	202.04	204.14	24.28	0.80	-
Net Block												
As at 31, March 2018	78.60	208.96	11.52	641.12	3.96	18.40	133.45	124.43	116.05	13.92	0.58	
As at 31, March 2019	78.60	189.11	10.83	572.42	2.65	12.65	109.29	102.02	95.04	11.40	0.90	

CONCORD DRUGS LIMITED

Notes forming part of the Financial Statements for the year ended 30 th September , 2018

4. Other Non current assets

Rs. In Lakhs

PARTICULARS	31-Mar-19	31-Mar-18
(a) Capital advances		
Secured, considered good	36.28	36.28
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful advances		
(b) advances to suppliers		
	36.28	36.28

5. Financial Assets

PARTICULARS	31-Mar-19	31-Mar-18
Loans and Advances		
(a) Security Deposits	5.05	5.05
Other Loans & Advances		-
(b) Staff Advances	36.17	36.17
(c) Others	8.80	8.80
	50.02	50.02

CONCORD DRUGS LIMITED

6. Trade receivables

Rs. In Lakhs

PARTICULARS	31-Mar-19	31-Mar-18
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	1,048.26	2,135.17
	1,048.26	2,135.17
Less: Provision for doubtful receivables	-	-
(I)	1,048.26	2,135.17
Others		
Unsecured, considered good	3,795.21	4,982.06
	3,795.21	4,982.06
Less: Provision for doubtful receivables		-
(II)	3,795.21	4,982.06
Total Trade receivables (I+II)	4,843.47	7,117.23

7. Inventories

PARTICULARS	31-Mar-19	31-Mar-18
(Valued at lower of cost and net relisable value, unless stated other wise)		
(a) Raw materials and components	675.00	823.76
(b) Work-in-progress	455.23	500.82
(c) Finished goods	370.85	481.49
(d) Packing Materials	363.08	55.87
Total Inventories	1,864.15	1,861.94

CONCORD DRUGS LIMITED

8. Cash and bank balances

Rs. In Lakhs

PARTICULARS	31-Mar-19	31-Mar-18
Cash and cash equivalents		
Balances with banks		
(a) In current accounts	9.66	2.40
(b) Cash on hand	6.23	1.67
Total cash and cash equivalents	15.89	4.08
(c) Balances with banks other than above	2.59	1.49
Total Cash and bank balances	18.48	5.57

9. Other current financial Asset

PARTICULARS	31-Mar-19	31-Mar-18
(Unsecured, considered good, unless stated otherwise)		
(a) Security Deposits	4.13	12.71
(b) Other Advances (Imprest Cash)		-
Total	4.13	12.71

10. Other Current Assets

PARTICULARS	31-Mar-19	31-Mar-18
(a)Advances to Suppliers	43.65	19.00
(b) Advance Tax	87.65	87.65
(c) TDS Receivable	0.55	0.48
(d) MAT Credit	69.34	69.34
(e) Other Current Assets	42.34	28.00
(f) Prepaid expenses	2.98	2.20
Total	243.53	204.47

CONCORD DRUGS LIMITED

Rs. In Lakhs

11. Equity Share capital

PARTICULARS	31-Mar-19	31-Mar-18
The Company has only one class of share capital having a par value of Rs. 10 per share, referred to herein as equity shares.		
<u>Authorised</u>		
1,10,00,000 (previous year 1,10,00,000) equity shares of Rs. 10/- each	1,100	1,100
<u>Issued, subscribed and paid up</u>		
7861750 (previous year 7243750) equity shares of Rs. 10/- each fully paid	786.175	786.175
Total	786.175	786.175

	31-Mar-19		31-Mar-18	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
(a) Reconciliation of shares outstanding at the beginning and at the end of the year				
Outstanding at the beginning of the year	78.6175	78.6175	72.4375	72.4375
Add: Issued during the year	-	-	6.18	6.18
Outstanding at the end of the year	78.6175	78.6175	78.6175	78.6175

(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

(c) Shares held by holding company/ultimate holding company and/ or their subsidiaries/ associates

PARTICULARS	31-Mar-19	31-Mar-18
Name of the Holding Limited, the holding company (31st March 2018: No Holding Limited) equity shares of Rs. 10 each fully paid	Nil	Nil
Name of the ultimate holding company, the ultimate holding company (31st March 2018: No Ultimate Holding Company) equity shares of Rs. 10 each fully paid	Nil	Nil
Name of other Subsidiaries/Associate Company, subsidiary/ associate company (31st March 2018: No Subsidiary/Associate Company) equity shares of Rs.10 each fully paid	Nil	Nil
(d)Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:	Nil	Nil
Equity shares allotted as fully paid bonus shares by capitalization of securities premium		
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash		
Equity shares bought back by the company	Nil	Nil

(e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31-Mar-19		31-Mar-18	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Koni Reddy Seelam	7.97	10.14%	7.97	10.14%
Nagaratnamma Seelam	8.044	10.23%	8.044	10.23%
Nagi Reddy Seelam	10.086	12.83%	10.086	12.83%
S.Manoj Reddy	4.51	5.74%	4.51	5.74%
Vundela Rama Subba Reddy	3.975	5.06%	3.975	5.06%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

CONCORD DRUGS LIMITED

12 Reserves and surplus

Rs. In Lakhs

PARTICULARS	31-Mar-19	31-Mar-18
(a) Capital Reserves		
Opening balance	41.00	41.00
Add: Current year transfer from	-	-
Less: Utilisation on account of / Transfer to	-	-
Closing balance	41.00	41.00
(b) Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	789.55	757.13
Add: Net Profit/(Net Loss) for the current year	40.70	32.42
Transfer from reserves		-
Transfer to reserves	-	-
Closing balance	830.26	789.55
(c) Securities premium	234.84	234.84
Total Reserves and surplus	1,106.10	1,065.39
"Other equity Unsecured Loans from Directors are grouped as Other equity "	423.36	80.75
Total Other equity	1,529.46	1,146.14

CONCORD DRUGS LIMITED

Rs. In Lakhs

Non Current Liabilities

13. Financial Liabilities - Borrowings

PARTICULARS	31-Mar-19	31-Mar-18
Secured		
(a) Term loans		
from banks	-	128.33
(b) Interest Free Sales Tax Loan	65.96	120.10
Unsecured		
(a) Loans and advances from related parties	3.01	355.98
Total long term borrowings including its current maturities	68.97	604.41
Less: Amount disclosed under the head "Other current liabilities" (refer note 18)	-	121.06
Total current maturities of long term borrowings	68.97	483.35
Un secured loan from Directors Grpd as Other equity	-	-80.75
Adjustment of Interest Free Sales Tax loan (recognised as Government Grants)	-54.13	-61.75
Total	68.97	68.97

14 Deferred tax liabilities/(asset) (Net)

PARTICULARS	31-Mar-19	31-Mar-18
Opening Deferred Tax Liability	21.23	27.36
For The Year	-8.44	-6.13
Total	12.79	21.23

CONCORD DRUGS LIMITED

Rs. In Lakhs

15. Provisions

PARTICULARS	31-Mar-19		31-Mar-18	
	Long term	Short term	Long term	Short term
(a) Provision for Creditor for Capital Expenses	-	-	-	-
(b) Other provisions (Specify nature)	-	-	-	-
Provision for Income tax	207.73	11.72	204.86	37.58
Provision for gratuity	9.50	-	9.50	-
Total Provisions	217.23	11.72	214.36	37.58

16. Borrowings

PARTICULARS	31-Mar-19	31-Mar-18
Secured		
(a) Loans repayable on demand from banks	913.68	900.51
Total Short -term borrowings	913.68	900.51

17. Trade payables

PARTICULARS	31-Mar-19	31-Mar-18
Non Current		
Trade payables	2,631.62	3,726.15
Current		
(a) Trade payables	1,632.11	2,910.68
Total	4,263.73	6,636.83

18. Other current Financial Liabilities

PARTICULARS	31-Mar-19	31-Mar-18
Current maturities of long-term debts	-	121.06
Total	-	121.06

CONCORD DRUGS LIMITED

19. Other current liabilities

Rs. In Lakhs

PARTICULARS	31-Mar-19	31-Mar-18
(a) Provision for Expenses	288.17	282.55
(b) Advance Received from Customers	111.60	87.28
(c) ESI, PF, Other taxes Payable	13.90	
(d) Investor Education and Protection Fund payable	-	-
(e) TDS Payable	5.30	5.07
Total Other current liabilities	418.96	374.90

20. Revenue from operations

PARTICULARS	31-Mar-19	31-Mar-18
Sale of products		
Finished goods	4,807.72	5,179.72
Revenue from operations (Gross)	4,807.72	5,179.72
Less: Excise duty	-	-
Total	4,807.72	5,179.72

21. Other income

PARTICULARS	31-Mar-19	31-Mar-18
Interest income	0.70	1.58
Miscellaneous income	0.27	5.27
Interest from Govt Grant	7.61	6.74
Total	8.59	13.58

CONCORD DRUGS LIMITED

Rs. In Lakhs

22. Cost of raw material consumed

PARTICULARS	31-Mar-19	31-Mar-18
Raw material consumed		
Inventory at the beginning of the year (Includes Goods in transit)	823.76	669.45
Add : Purchases during the year	2,781.51	3,973.55
Less: Inventory at the end of the year (Include Goods-in transit)	675.00	823.76
Cost of raw material consumed (I)	2,930.27	3,819.24
Packing material consumed (if considered as part of raw material)		
Inventory at the beginning of the year [Include Goods-in transit]	55.87	222.94
Add : Purchases during the year	1,177.94	761.15
Less: Inventory at the end of the year [Include Goods-in transit]	363.08	55.87
Cost of packing material consumed (II)	870.73	928.22
Finished Goods Consumed		
Inventory at the beginning of the year [Include Goods-in transit]	481.49	29.87
Add : Purchases during the year	2.21	354.34
Less: Inventory at the end of the year [Include Goods-in transit]	370.85	481.49
Cost of other material consumed (III)	112.85	-97.28
Total raw material consumed (I+II+III)	3,913.85	4,650.18

CONCORD DRUGS LIMITED

23. Changes in inventories of finished goods, work in progress and stock-in trade

Rs. In Lakhs

PARTICULARS	31-Mar-19	31-Mar-18
Inventories at the beginning of the year:		
Work in progress	500.82	180.44
(I)	500.82	180.44
Inventories at the end of the year:		
Work in progress	455.23	500.82
(II)	455.23	500.82
(Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade	45.59	-320.38

24. Employee benefits expense

PARTICULARS	31-Mar-19	31-Mar-18
Salaries, wages, bonus and other allowances	221.32	150.20
Directors Remuneration	24.00	24.00
Contribution to provident and other funds	3.53	19.01
Staff welfare expenses	4.07	4.21
Total	252.92	197.42

25. Finance cost

PARTICULARS	3/31/2018	3/31/2017
Interest expense		
On bank loan	149.47	171.41
Other borrowing costs	0.06	0.90
Bank charges	2.15	9.36
Interest on VAT loan	7.61	6.74
Total	159.30	188.40

CONCORD DRUGS LIMITED

26. Other Expenses

PARTICULARS	31-Mar-19	31-Mar-18
Consumption of stores and spare parts	1.95	0.95
Power and fuel	77.73	70.38
Repairs and maintenance		
Buildings	6.90	7.81
Plant & machinery	19.75	6.67
Others	0.55	0.53
Vehicle Maintenance	11.21	7.55
Insurance	7.54	3.82
Listing Fees	2.50	2.88
Auditor's remuneration	3.50	6.00
Business Promotion Expenses	11.33	10.32
Commission	-	5.00
Duties and Taxes	0.16	8.97
Travelling, Boarding & Lodging Expenses	1.27	1.12
Freight & Transportation Expenses	7.08	10.43
Factory Expenses	0.12	0.42
Postage & Courier Charges	0.51	0.96
Legal & Professional Charges	3.60	14.21
Printing & Stationery	5.77	4.67
Registration & Renewals	3.85	6.05
Telephone Charges	1.37	1.78
Factory Maintenance Expenses	4.35	18.41
Debits written off/credits written back (Net)	54.24	-23.30
Miscellaneous	4.22	8.06
Total	229.50	173.68

CONCORD DRUGS LIMITED

2.3 Auditor's Remuneration:

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

Rs. In Lakhs

PARTICULARS	As at 31 March 2019	As at 31 March 2018
Statutory audit fees	3.00	3.50
Limited review fees	-	1.50
Tax audit fees	0.50	1.00

2.3 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 2019 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.

SI no	Particulars	Rs. in Lakhs	
		31-Mar-19	31-Mar-18
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;	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
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
d)	The amount of interest accrued and remaining unpaid at the end of the period;	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

CONCORD DRUGS LIMITED

2.4 Related party disclosures:

a) Names of related parties and nature of relationship:

Subsidiary Companies	NIL
Companies controlled by key management Personnel/ relatives who are substantially interested	Cortex Laboratories Pvt Ltd, Proton remedies Pvt Ltd , Austrazen Bio Pharmaceuticals pvt Ltd
Key managerial personnel	Nagireddy Seelam (MD) Konireddy seelam
Directors	Tathireddy Narsimha reddy Chandrakala Panthamvar
Relative of Director	Sai Saranya Reddy

b) Related parties transactions during the year:Rs. in Lakhs

Details	Associate Companies / Concerns	Key Management Personnel	Associate Companies / Concerns	Key Management Personnel
	2018-19 Rs.		2017-18 Rs.	
Remuneration	-	24.00	-	24.00
Sales	902.46	-	-	-
Purchase of Raw material	1,318.65	-	1,906.77	-
Purchase of fixed assets	-	-	215.49	-
Unsecured loans (net)				
S. Nagireddy	0.05		-	97.53
S. Koni Reddy	1.30	-	-	
S Manoj Kumar	0.18			
S. Saranya Reddy	-			12.35

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
	2018-19 Rs.		2017-18 Rs.	
Remuneration Payable	-	19.28	-	16.70
Cortex laboratories Pvt Ltd.	2,269.59	-	1,879.94	-
S Nagi Reddy	0.05	-	33.54	
S Koni Reddy	1.30	-	12.35	
S. Manoj Reddy	0.18			
Sai Saranya Reddy Seelam	-			

2.8. Earnings Per share (EPS):

The computation of earnings per share is set out below

(Amount in Rs.)

PARTICULARS	Year ended 31st March 2019	Year ended 31st March 2018
Earnings (Amt in Rs.):		
Profit/Loss as per the statement	40.70	32.42
Shares:		
Number of shares at the beginning of the year	78.62	72.44
Total number of equity shares outstanding at the end of the year	78.62	78.62
Weighted average number of equity shares outstanding during the year-Basic and Additional	78.62	78.62
Earnings per share in Rs. Par value Rs.10 per share:		
Basic and diluted	0.52	0.41

CONCORD DRUGS LIMITED

2.09 Income taxes relating to continuing operations:

Income tax recognized in profit or loss

Rs. in Lakhs

PARTICULARS	Year ended 31st March 2019	Year ended 31st March 2018
Current tax		
In respect of the current year	11.72	37.58
In respect of the prior year	-	-
	11.72	37.58
Deferred Tax		
In respect of the current year	(8.44)	(8.44)
	(6.13)	(6.13)

2.10 Segment Reporting:

The Company is engaged in the manufacture of pharmaceutical Formulations.

(Amount in Rs.)

PARTICULARS	Total
Sales	4,807.72
Profit before interest & Depreciation	374.45
Depreciation	171.18
Interest	159.30
Profit Before Tax	43.98
Taxes	3.27
Profit After Tax	40.70

CONCORD DRUGS LIMITED

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

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

G. Nageswara Rao
Partner
Mno-207300

Sd/-
S. Nagi Reddy
Whole-time Director
DIN:01764665

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

Place: Hyderabad
Date: 30-05-2019

CONCORD DRUGS LIMITED

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L24230TG1995PLC020093
Name of the company : Concord Drugs Limited
Registered office : Survey No.249, Brahmanapally Village
Hayatnagar Mandal, R.R. Dis t- 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

1. 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 24th Annual General Meeting of the Company, to be held on Monday, the 30th day of September, 2019 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:

CONCORD DRUGS LIMITED

Resolution No.

1. Approval of financial statements for the year ended 31.03.2019.
2. Appointment of Mr. S. Koni Reddy, who retires by rotation.
3. Appointment of Mr. P. Venkatram Reddy and Mr. K. Ramchandra Reddy as independent Directors of the company.
4. Appointment and Payment of Remuneration to Cost Auditor for Financial Year 2019-2020

Signed this day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)

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

CONCORD DRUGS LIMITED

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

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence for the 24th Annual General Meeting of the members to be held on Monday, the 30th day of September,2019 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_____

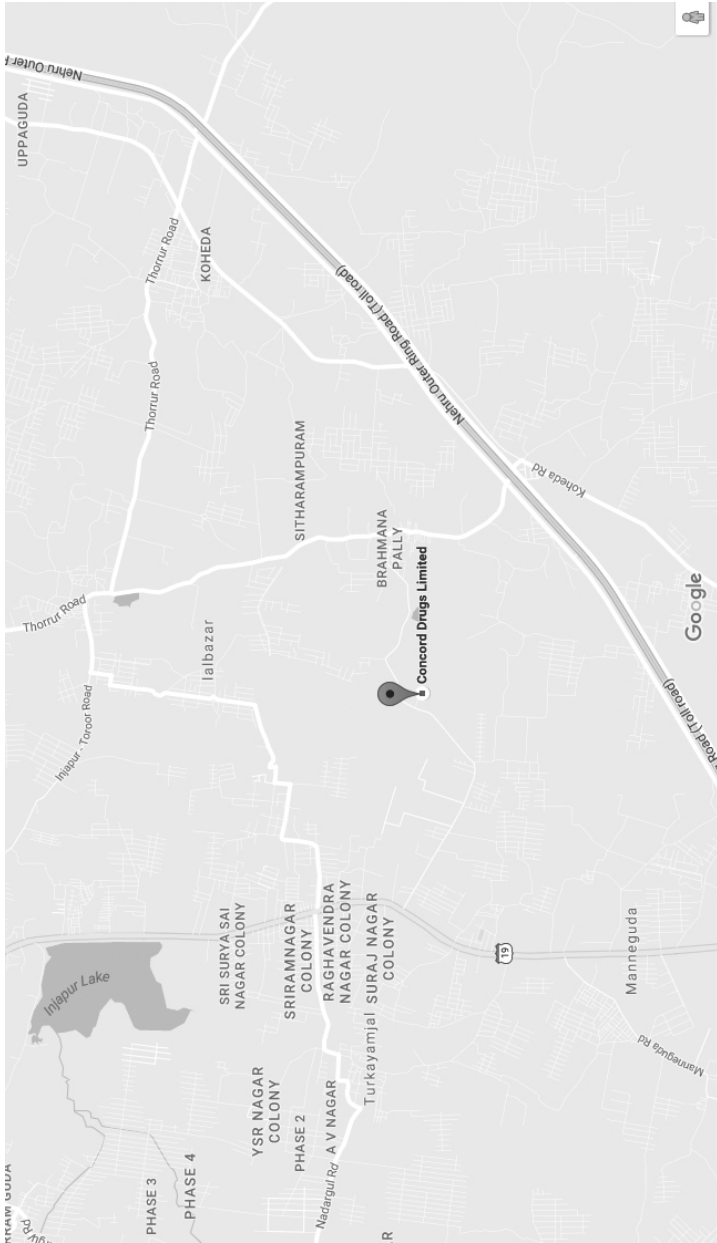
No. of shares held_____

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.

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.