



# 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

Date: 08.09.2021

To,

BSE Limited  
P.J.Towers, Dalal Street  
Mumbai - 400001

Dear Sir/Madam,

Sub: Annual Report for the Financial Year 2020-21

Ref: Scrip Code 538965

With reference to the subject cited, pursuant to Regulation 34 of SEBI (LODR) Regulations 2015, we are herewith enclosing the 26<sup>th</sup> Annual Report of the Company for the Financial Year 2020-21 scheduled to be held on Thursday, 30<sup>th</sup> Day of September, 2021 at 9:00 a.m. through video conferencing/OAVM.

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

Thanking you.

Yours sincerely,

For Concord Drugs Limited

S. Nagi Reddy  
S. Nagi Reddy

Chairman & Managing Director  
(DIN: 01764665)



Encl: as above

# **CONCORD DRUGS LIMITED**

**26th  
ANNUAL REPORT  
2020-21**

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# CONCORD DRUGS LIMITED

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS:

- |                                 |   |
|---------------------------------|---|
| 1. Mr. S. Nagi Reddy            | - Chairman and Managing Director<br>(DIN: 01764665) |
| 2. *Mr. T. Narsihma Reddy       | - Managing Director (DIN: 07538313)                 |
| 3. Mr. S. Koni Reddy            | - Whole time Director & CFO (DIN: 02829319)         |
| 4. ^^Mr. S. Nagavenkata Hareesh | - Independent Director (DIN: 09066790)              |
| 5. **Mr. S. Manoj Kumar Reddy   | - Executive Director (DIN: 06991382)                |
| 6. Ms. P. Chandra Kala          | - Independent Director (DIN: 07138391)              |
| 7. Mr. K. Ramachandra Reddy     | - Independent Director (DIN: 02285257)              |
| 8. *Mr. P. Venkatram Reddy      | - Independent Director (DIN: 07001606)              |

^^Appointed as w.e.f 13.02.2021

\*Resigned w.e.f. 13.08.2021

\*\*Appointed w.e.f 13.08.2021

**COMPANY SECRETARY AND COMPLIANCE OFFICER:** Ms. Jyoti Goyal

### REGISTERED OFFICE:

Survey No.249, Brahmanapally Village,  
Hayatnagar Mandal,  
R.R.Dist-501511  
Telangana, India  
Ph: 04024036379

### CORPORATE IDENTITY NUMBER

L24230TG1995PLC020093

### AUDITORS:

M/s N G Rao & Associates.,  
Chartered Accountants,  
Firm Registration No. 009399S  
H.No: 6-3-1186/A/6, 2nd Floor,  
Chinna Balreddy Building,  
Begumpet, Hyderabad- 500016

Resigned w.e.f 07.09.2021

M/s. Pundarikashyam and Associates  
Chartered Accountants,  
Firm Registration No. 011330S  
D.No. 3-6-666, 3rd Floor, Barwale Chambers,  
Street No.11, Himayat Nagar,  
Hyderabad – 500029  
Telangana

Appointed w.e.f 08.09.2021

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## CONCORD DRUGS LIMITED

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### SECRETARIAL AUDITORS:

Vivek Surana & Associates  
Practicing Company Secretaries  
Hyderabad

### INTERNAL AUDITOR:

M/s. Nazeerudeen & Co.,  
Chartered Accountants  
Office 310, 3-6-365, Liberty Plaza,  
Himayathnagar, Hyderabad – 500020  
For the Financial year 2021-22

### FACTORY LOCATIONS:

Survey No. 249, Brahmanapally (V),  
Hayat Nagar (M), R R (D): 501511

### BANKERS:

State Bank of India  
Kothapet, Hyderabad

### AUDIT COMMITTEE:

1. Ms. P. Chandra Kala - Chairperson
2. Mr. S. Nagi Reddy - Member
3. \*Mr. P. Venkat Ram Reddy - Member
4. ^ Mr. S. Nagavenkata Hareesh - Member

\* Resigned w.e.f. 13.08.2021

^ Appointed w.e.f 13.08.2021

### NOMINATION & REMUNERATION COMMITTEE:

1. Ms. P. Chandra Kala - Chairman
2. Mr. S. Nagi Reddy - Member
3. \*Mr. P. Venkat Ram Reddy - Member
4. ^ Mr. S. Nagavenkata Hareesh - Member

\* Resigned w.e.f. 13.08.2021

^ Appointed w.e.f 13.08.2021

### STAKEHOLDERS RELATIONSHIP COMMITTEE:

1. Ms. P. Chandra Kala - Chairman
2. Mr. S. Nagi Reddy - Member
3. \*Mr. P. Venkat Ram Reddy - Member
4. ^ Mr. S. Nagavenkata Hareesh - Member

\* Resigned w.e.f. 13.08.2021

^ Appointed w.e.f 13.08.2021

## CONCORD DRUGS LIMITED

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### INDEPENDENT DIRECTORS:

1. Ms. P. Chandra Kala
2. Mr. K. Ramachandra Reddy
3. Mr. S. Nagavenkata Hareesh

### REGISTRAR & SHARE TRANSFER AGENTS:

Aarhi Consultants Private Limited,  
1-2-285, Domalguda, Hyderabad-500029  
Ph.Nos.040-27638111/27634445  
Email: info@aarhiconsultants.com

LISTED AT : BSE Limited  
ISIN : INE858L01010  
WEBSITE : www.concorddrugs.in  
INVESTOR E-MAIL ID : concorddrugsltd@gmail.com

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# CONCORD DRUGS LIMITED

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## NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Shareholders of Concord Drugs Limited will be held on Thursday, 30th day of September, 2021 at 9:00 a.m. through Video Conferencing/ Other AudioVisual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2021, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. S. Koni Reddy (DIN: 02829319) who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of M/s. Pundarikashyam and Associates as Statutory Auditor and to fix his remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following Ordinary Resolution thereof:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, and pursuant to recommendation of Audit Committee, M/s. Pundarikashyam and Associates, Chartered Accountant, Hyderabad be and is hereby appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. N G Rao & Associates., Chartered Accountants w.e.f. 07.09.2021 to hold the office from the conclusion of this Annual General Meeting till the conclusion of 31st Annual General Meeting of the Company to be held in the year 2026 and at a remuneration of Rs. 4,00,000/- per annum.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

### SPECIAL BUSINESS:

4. **CHANGE IN DESIGNATION OF MR. S. NAGI REDDY FROM CHAIRMAN & WHOLE TIME DIRECTOR TO CHAIRMAN & MANAGING DIRECTOR AND REVISION OF REMUNERATION:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to change the designation of Mr. S. Nagi Reddy (DIN: 01764665) as Chairman & Whole Time Director to

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## CONCORD DRUGS LIMITED

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Chairman & Managing Director of the Company for an existing term w.e.f. 13.08.2021 to 29.05.2023 at a remuneration of Rs. 5,00,000/- p.m. with an increase of Rs. 50,000/- Per annum during his tenure and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.”

“**RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. S. Nagi Reddy, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

“**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 OF MR. S. KONI REDDY (DIN:02829319) AS WHOLETIME DIRECTOR OF THE COMPANY:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V of the Companies Act, 2013 and pursuant to Articles of Association of the Company, the consent of the members be and is hereby accorded for the appointment of Mr. S. Koni Reddy (DIN:02829319) as Whole-Time Director of the Company, for a period of 3 years commencing from 08.09.2021 at a remuneration of Rs. 2,00,000 p.m. with an increase of Rs. 50,000/- Per annum and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.”

“**RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. S. Koni Reddy, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time.”

“**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.”

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## CONCORD DRUGS LIMITED

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### 6. APPOINTMENT OF MR. S MANOJ KUMAR REDDY (DIN: 06991382) AS DIRECTOR AND WHOLETEIME DIRECTOR OF THE COMPANY:

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

**“RESOLVED THAT** pursuant to the provisions of Section 149 of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company, Mr. S Manoj Kumar Reddy(DIN: 06991382), who was appointed as an Additional Director of the Company on the recommendation of Nomination and Remuneration and by the Board of Directors with effect from 13.08.2021 and who holds office until the date of the ensuing Annual General Meeting or the last date on which the annual general meeting should have been held, whichever is earlier, in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as a director of the Company.

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V of the Companies Act, 2013 and pursuant to Articles of Association of the Company, the consent of the members be and is hereby accorded for the appointment of Mr. S Manoj Kumar Reddy (DIN: 06991382) as Whole-Time Director of the Company, for a period of 3 years commencing from 13.08.2021 at a remuneration of Rs. 2,00,000 p.m. with an increase of Rs. 50,000/- Per annum and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.”

**“RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. S Manoj Kumar Reddy, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time.”

**“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.”

### 7. APPOINTMENT OF MR. S. NAGAVENKATA HAREESH (DIN: 09066790) AS INDEPENDENT DIRECTOR OF THE COMPANY:

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), S. Nagavenkata Hareesh (DIN: 09066790), additional

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## CONCORD DRUGS LIMITED

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Independent Director of the Company and who holds office upto the date of ensuing annual general meeting or the last date on which annual general meeting is to be held whichever is earlier, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, and the rules made thereunder, be and is hereby appointed as an Independent Director of the Company for term of five consecutive years with effect from 13.02.2021 to 12.02.2026.”

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

### **8. APPOINTMENT AND PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2021-2022:**

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, 2022 on a remuneration of Rs.50,000/- (Rupees fifty thousand only) 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 & Managing Director  
(DIN: 01764665)

Sd/-

S. Koni Reddy

Whole time Director & CFO  
(DIN: 02829319)

Place: Hyderabad  
Date: 08.09.2021

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## CONCORD DRUGS LIMITED

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### Notes

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Ordinary/Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
2. In pursuance of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, details in respect of the Directors/Auditors seeking appointment/Reappointment form part of this Notice.
3. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and extended circular dated January 13, 2021. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

## CONCORD DRUGS LIMITED

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6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.concorddrugs.in](http://www.concorddrugs.in). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. [www.evotingindia.com](http://www.evotingindia.com)).
9. The company has appointed M/s. Vivek Surana & Associates, Practicing Company Secretaries, as scrutinizer of the company to scrutinize the voting process.
10. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2021 to 30.09.2021 (Both days inclusive).
11. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

### THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AREAS UNDER:

- (i) The voting period begins on 27.09.2021 at 09.00 a.m. and ends on 29.09.2021 at 05.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23.09.2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

## CONCORD DRUGS LIMITED

- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click |

## CONCORD DRUGS LIMITED

on Login icon and select New System Myeasi.

- 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
- 3) If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

## CONCORD DRUGS LIMITED

Individual Shareholders holding securities in demat mode with NSDL

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select "Register Online for IDeAS" Portal or click a t <https://eservices.nsd.com/SecureWeb/Id easDirectReg.jsp>
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to

## CONCORD DRUGS LIMITED

|   |   |
|---|---|
|   | <p>NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>   |
| <p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> |

### Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type   | Helpdesk details  |
|--|---|
| <p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p> | <p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.</p> |
| <p>Individual Shareholders holding securities in Demat mode with <b>NSDL</b></p> | <p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>               |

## CONCORD DRUGS LIMITED

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- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first time user follow the steps given below:

|  | <b>For Shareholders holding shares in Demat Form and other than individual and Physical Form</b>  |
|--|---|
| PAN  | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>                |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul> |



## CONCORD DRUGS LIMITED

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- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Concord Drugs Limited >.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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## CONCORD DRUGS LIMITED

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(xvii) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [concorddrugsltd@gmail.com](mailto:concorddrugsltd@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM THROUGH VC/OAVM & E-VOTING DURING MEETING AREAS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

## CONCORD DRUGS LIMITED

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4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [concorddrugsltd@gmail.com](mailto:concorddrugsltd@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [concorddrugsltd@gmail.com](mailto:concorddrugsltd@gmail.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR
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## CONCORD DRUGS LIMITED

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(self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

For and on behalf of the Board  
For Concord Drugs Limited

Sd/-

S. Nagi Reddy

Chairman & Managing Director  
(DIN: 01764665)

Sd/-

S. Koni Reddy

Whole time Director & CFO  
(DIN: 02829319)

Place: Hyderabad  
Date: 08.09.2021

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## CONCORD DRUGS LIMITED

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**This Explanatory statement is provided as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) 2015 and explanatory statement pursuant to section 102 of the companies act, 2013:**

### **Item No.3**

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder M/s. N G Rao & Associates., Chartered Accountants, have resigned with effect from 07.09.2021 citing that the size of their firm and the fee involved, does not commensurate with the size of audit and the efforts involved. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. N G Rao & Associates., Chartered Accountants., during their association with the Company as its auditors.

Any casual vacancy caused by resignation in the office of the Statutory Auditors can be filled up by the Shareholders in a General Meeting as per recommendations made by the Board of Directors and Audit Committee. For the purpose of appointment of new Auditors, the Audit Committee along with the Management, invited Proposals from the firms of Chartered Accountants and had detailed discussion with representatives of those firms. The Committee considered various parameters such as reputation of the firm, knowledge and experience, understanding of business, technical assessment of the Audit skills and the Audit fees and based on these detailed analysis, the Audit Committee recommended M/s. Pundarikashyam and Associates, Chartered Accountant, as the Company's new Statutory Auditor.

The Board in its meeting held on 08.09.2021 has approved the appointment of M/s. Pundarikashyam and Associates., Chartered Accountants, Hyderabad (FRN. 011330S), as Statutory Auditor of the Company at a remuneration as fixed by the Board to fill the casual vacancy subject to approval of shareholders within 3 months from the date of recommendation/appointment. It is proposed to appoint M/s. Pundarikashyam and Associates., Chartered Accountants, Hyderabad (FRN. 011330S), as Statutory Auditors of the Company at remuneration of Rs. 4,00,000/-.

Profile of M/s. Pundarikashyam and Associates :

The Firm has been established in the year 2006 and since then involved in practice.

The firm is undertaking the following activities in all areas relating to Audit & Accounts, Taxation Matters and Financial Consultancy etc. The Firm is also providing various financial and advisory services in the areas of all Direct & Indirect Taxes, preparation of Project Reports, preparation of proposals, and arrangement of project finance. The firm is also providing all types of financial, consultancy and advisory services in the areas of project finance etc right from Incorporation of the Company / LLP etc.

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## CONCORD DRUGS LIMITED

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M/s. Pundarikashyam and Associates., Chartered Accountants, have given their consent to the said appointment and confirmed that his appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Accordingly, as per the said requirements of the Act, M/s. Pundarikashyam and Associates., Chartered Accountants is proposed to be appointed as auditor, commencing from the conclusion this Annual General Meeting to the Conclusion of 31st Annual General Meeting (AGM) to be held in the year 2026 to the Members for their approval.

The Board of Directors recommends the Ordinary Resolution for approval of the Members.

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

### **Item No.4**

Mr. S. Nagi Reddy (DIN: 01764665) was appointed as Chairman & Whole time Director of the Company for an existing term period w.e.f 13.08.2021 to 29.05.2023 to 29.05.2023. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 13.08.2021, approved the appointment of Mr. S. Nagi Reddy (DIN: 01764665) as Chairman & Managing Director of the Company for an existing term period w.e.f. 13.08.2021 to 29.05.2023 at a remuneration of Rs. 5,00,000/- Per month with an increase in remuneration to Rs. 50,000/- p.a.

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. S. Nagi Reddy.

Save and except Mr. S. Nagi Reddy Chairman & Managing Director (DIN: 01764665) being an appointee, Mr. S. Koni Reddy, and Mr. S Manoj Kumar Reddy being his relatives, 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.

## CONCORD DRUGS LIMITED

### Information in accordance with Schedule V of Companies Act, 2013

#### I. GENERAL INFORMATION

|   |   |                            |                            |                            |
|---|---|----------------------------|----------------------------|----------------------------|
| 1 | Nature of Industry : Pharmaceutical Industry  |                            |                            |                            |
| 2 | Date or expected date of commencement of commercial:<br>The Company started its commercial operations on 24.04.1995   |                            |                            |                            |
| 3 | In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable |                            |                            |                            |
| 4 | Financial performance based on given indications  |                            |                            |                            |
|   | Particulars   | 2018-19<br>(Amt in Lakhs.) | 2019-20<br>(Amt in Lakhs.) | 2020-21<br>(Amt in Lakhs.) |
|   | Turnover  | 4807.72                    | 5133.88                    | 5135.70                    |
|   | Net profit/loss after Tax   | 40.70                      | 32.82                      | 328.17                     |
| 5 | Foreign investments or collaborations, if any: Not Applicable   |                            |                            |                            |

#### II. INFORMATION ABOUT THE APPOINTEE:

|    |  |
|----|--|
| 1. | Background Details: Mr. S. Nagi Reddy aged about 51 yrs. He is a Post Graduate. He has an experience of 25 Years in Pharma Industry.   |
| 2. | Past Remuneration: The past remuneration drawn by Mr. S. Nagi Redd is Rs.1,00,000 per month.   |
| 3. | Recognition or awards : -- Nil   |
| 4. | Job Profile and his suitability:<br>Keeping the past record of Mr. S. Nagi Reddy in mind and his contribution towards the Company, it is proposed to change the designation of Mr. S. Nagi Reddy as Managing Director  |
| 5. | Remuneration proposed:<br>As set out in the resolutions for the item No.4 the remuneration to Mr. S. Nagi Reddy, Managing Director has the approval of the Nomination and Remuneration Committee and Board of Directors, is within the limits specified under Schedule V of Companies Act. |

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## CONCORD DRUGS LIMITED

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|    |   |
|----|---|
| 6. | <p>Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):</p> <p>Taking into consideration of the size of the Company, the profile of Mr. S. Nagi Reddy and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.</p> |
| 7. | <p>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:</p> <p>Besides the remuneration, he is holding 18,42,540 Equity Shares of the Company.</p>  |

### Item No.5

The Board of Directors in its meeting held on 08.09.2021, subject to the approval of the Shareholders, and upon the recommendation of Nomination and Remuneration committee appointed Mr. S. Koni Reddy (DIN: 02829319) as Whole-time Director of the Company with effect from 08.09.2021 for a period of 3 years at a remuneration of Rs. 2,00,000 p.m. with an increase of Rs. 50,000 per annum during his tenure with the Company, with liberty to the Board of directors to fix, alter or vary from time to time the terms and conditions of the said appointment including the remuneration in such manner as it may deem fit within the limits in that behalf contained in Schedule V of the said Act including any Statutory modification(s) in force or that may hereinafter be made thereto and as may be agreed by the Board of Directors and Mr. S. Koni Reddy in this behalf.

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 of Mr. S. Koni Reddy.

Save and except, Mr. S. Koni Reddy, Mr S. Nagi Reddy and Mr. S. Manoj Kumar Reddy 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.



## CONCORD DRUGS LIMITED

### Information in accordance with Schedule V of Companies Act, 2013

#### I. GENERAL INFORMATION

|   |   |                            |                            |                            |
|---|---|----------------------------|----------------------------|----------------------------|
| 1 | Nature of Industry : Pharmaceutical Industry  |                            |                            |                            |
| 2 | Date or expected date of commencement of commercial:<br>The Company started its commercial operations on 24.04.1995   |                            |                            |                            |
| 3 | In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable |                            |                            |                            |
| 4 | Financial performance based on given indications  |                            |                            |                            |
|   | Particulars   | 2018-19<br>(Amt in Lakhs.) | 2019-20<br>(Amt in Lakhs.) | 2020-21<br>(Amt in Lakhs.) |
|   | Turnover  | 4807.72                    | 5133.88                    | 5135.70                    |
|   | Net profit/loss after Tax   | 40.70                      | 32.82                      | 328.17                     |
| 5 | Foreign investments or collaborations, if any: Not Applicable   |                            |                            |                            |

#### II. INFORMATION ABOUT THE APPOINTEE:

|    |   |
|----|---|
| 1. | Background Details: Mr. S. Koni Reddy aged about 32 yrs. He is a Graduate. He has a rich experience Pharma Industry.  |
| 2. | Past Remuneration: The past remuneration drawn by Mr. S. Koni Reddy, Executive Director & CFO is Rs.1,00,000 per month.   |
| 3. | Recognition or awards : -- Nil  |
| 4. | Job Profile and his suitability:<br>Keeping the past record of Mr. S. Koni Reddy in mind and his contribution towards the Company, it is proposed to increase the remuneration of Mr. S. Koni Reddy to Rs. 2,00,000 per month with an increase of Rs. 50,000/- Per annum. |
| 5. | Remuneration proposed:<br>As set out in the resolutions for the item No.5 the remuneration to Mr. S. Koni Reddy, has the approval of the Nomination and Remuneration Committee and Board of Directors, is within the limits specified under Schedule V of Companies Act.  |

## CONCORD DRUGS LIMITED

|    |   |
|----|---|
| 6. | <p>Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):</p> <p>Taking into consideration of the size of the Company, the profile of Mr. S. Koni Reddy and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.</p> |
| 7. | <p>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:</p> <p>Besides the remuneration, he is holding 9,75,000 Equity Shares of the Company.</p>   |

### Item No.6:

Mr. S Manoj Kumar Reddy was inducted into Board as Additional Director (in executive category) of the company, with effect from 13.08.2021 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and holds the office as such up to the date of ensuing Annual General Meeting or the last date on which the annual general meeting should have been held, whichever is earlier. As per the provisions of section 160 of the Act, any such proposal ought to be approved by the members in the General Meeting.

The Board of Directors in its meeting held on 13.08.2021, subject to the approval of the Shareholders, and upon the recommendation of Nomination and Remuneration committee appointed Mr. S Manoj Kumar Reddy as Whole-time Director of the Company with effect from 13.08.2021 for a period of 3 years at a remuneration of Rs. 2,00,000/- per month with an increase of Rs. 50,000/- per annum during his tenure with liberty to the Board of directors to fix, alter or vary from time to time the terms and conditions of the said appointment including the remuneration in such manner as it may deem fit within the limits in that behalf contained in Schedule V of the said Act including any Statutory modification(s) in force or that may hereinafter be made thereto and as may be agreed by the Board of Directors and Mr. S Manoj Kumar Reddy in this behalf.

Accordingly, the Board of Directors recommends the passing of the above Resolution as an Ordinary Resolution set out in the item no. 6 of the notice for appointment of Mr. S Manoj Kumar Reddy.

Save and except Mr. S Manoj Kumar Reddy (DIN: 06991382) being an appointee and Mr. S. Nagi Reddy, and Mr. S. Koni Reddy, none of the other

## **CONCORD DRUGS LIMITED**

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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.

Information in accordance with Schedule V of Companies Act, 2013

### **I. GENERAL INFORMATION**

|   |   |                            |                            |                            |
|---|---|----------------------------|----------------------------|----------------------------|
| 1 | Nature of Industry : Pharmaceutical Industry  |                            |                            |                            |
| 2 | Date or expected date of commencement of commercial:<br>The Company started its commercial operations on 24.04.1995   |                            |                            |                            |
| 3 | In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable |                            |                            |                            |
| 4 | Financial performance based on given indications  |                            |                            |                            |
|   | Particulars   | 2018-19<br>(Amt in Lakhs.) | 2019-20<br>(Amt in Lakhs.) | 2020-21<br>(Amt in Lakhs.) |
|   | Turnover  | 4807.72                    | 5133.88                    | 5135.70                    |
|   | Net profit/loss after Tax   | 40.70                      | 32.82                      | 328.17                     |
| 5 | Foreign investments or collaborations, if any: Not Applicable   |                            |                            |                            |

### **II. INFORMATION ABOUT THE APPOINTEE:**

|    |  |
|----|--|
| 1. | Background Details: Mr. S Manoj Kumar Reddy, aged about 31 years is having 8 years of experience in the industry. He is a Master in Business Administration.   |
| 2. | Past Remuneration: NA  |
| 3. | Recognition or awards: Nil   |
| 4. | Job Profile and his suitability:<br>Keeping the experiences Mr. S Manoj Kumar Reddy in the Pharma industry, it is proposed for payment of remuneration to Mr. S Manoj Kumar Reddy, Whole-time Director Rs. 2,00,000/- per month with an increase in of Rs. 50,000/- Per annum. |

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## CONCORD DRUGS LIMITED

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|    |   |
|----|---|
| 5. | <p>Remuneration proposed:<br/>As set out in the Resolutions for the item No.6 the remuneration to Mr. S Manoj Kumar Reddy has the approval of the Nomination and Remuneration Committee and Board of Directors, is within the limits specified under Schedule V of Companies Act.</p>   |
| 6. | <p>Comparative remuneration profile with respect to industry, size of the Company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):</p> <p>Taking into consideration of the size of the Company, the profile of Mr. S Manoj Kumar Reddy and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.</p> |
| 7. | <p>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:</p> <p>Besides the remuneration, he is holding 6,65,000 Equity Shares of the Company.</p>   |

### Item No. 7

Mr. S. Nagavenkata Hareesh was appointed as Additional Director on 13.02.2021 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. S. Nagavenkata Hareesh 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. S. Nagavenkata Hareesh 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. 13.02.2021 to 12.02.2026.

## CONCORD DRUGS LIMITED

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Accordingly, the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no.7 of the notice for appointment of Mr. S. Nagavenkata Hareesh.

Save and except Mr. S. Nagavenkata Hareesh, 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 8:**

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, 2022 to conduct the audit of cost records and fixed their remuneration at Rs. 50,000/- (Rupees fifty thousand only) 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. 8 of the notice for appointment and remuneration payable to the Cost Auditors for the financial year ending 31st March, 2022.

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.

## CONCORD DRUGS LIMITED

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

|   |  |   |
|---|--|---|
| <b>Name of the Director</b>   | Mr. S. Nagi Reddy  | Mr . S. Koni Reddy  |
| <b>Date of Birth</b>  | 15.10.1969   | 21.06.1989  |
| <b>Qualification</b>  | M. Sc  | Graduation  |
| <b>Expertise in specific functional areas</b>   | Overall management, planning and strategy  | Technical   |
| <b>Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships</b> | Nil  | Nil   |
| <b>Shareholding of non-executive Directors.</b>   | NA   | NA  |
| <b>No. of Shares held in the Company</b>  | 18,42,540<br>Equity Shares   | 9,75,000<br>Equity Shares   |
| <b>Inter se relationship with any Director</b>  | Father of Mr. S. Koni Reddy, Whole time Director & CFO of the company Mr. S Manoj Kumar Reddy, Whole time Director of the Company. | Son of Mr. S. Nagi Reddy, Chairman & Managing Director of the Company and Brother of Mr. S Manoj Kumar Reddy, Whole time Director of the Company. |

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**CONCORD DRUGS LIMITED**

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|   |   |  |
|---|---|--|
| <b>Name of the Director</b>   | Mr. S Manoj Kumar Reddy   | Mr. S. Nagavenkata Hareesh               |
| <b>Date of Birth</b>  | 10.11.1990  | 23.07.1991                               |
| <b>Qualification</b>  | Master in Business Administration.  | B.Com Graduate                           |
| <b>Expertise in specific functional areas</b>   | Expertise in Administration Activities  | Administration and Management activities |
| <b>Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships</b> | Nil   | Nil                                      |
| <b>Shareholding of non-executive Directors.</b>   | NA  | NA                                       |
| <b>No. of Shares held in the Company</b>  | 6,65,000 Equity Shares  | Nil                                      |
| <b>Inter se relationship with any Director</b>  | Son of Mr. S. Nagi Reddy, Chairman & Managing Director of the Company and Brother of Mr. S. Koni Reddy, Whole time Director & CFO of the Company. | Nil                                      |

For and on behalf of the Board  
For Concord Drugs Limited

Sd/-

S. Nagi Reddy  
Chairman & Managing Director  
(DIN: 01764665)

Sd/-

S. Koni Reddy  
Whole time Director & CFO  
(DIN: 02829319)

Place: Hyderabad  
Date: 08.09.2021

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# CONCORD DRUGS LIMITED

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## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Directors' Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March 2021.

### 1. FINANCIAL SUMMARY/HIGHLIGHTS:

The performance of the Company during the year has been as under:

(Rs. In Lakhs)

| Particulars                                | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| Revenue from Operations                    | 5135.70   | 5133.89   |
| Other Income (Including Exceptional Items) | 9.46      | 12.01     |
| Total Expenses                             | 5092.28   | 5100.25   |
| Profit Before Tax                          | 429.19    | 45.65     |
| Less: Provision for Taxation               | 101.02    | 12.82     |
| Profit / (Loss) After Tax                  | 328.17    | 32.83     |
| Other Comprehensive Income                 | -         | -         |
| Total Comprehensive Income                 | 328.17    | 32.83     |
| Earning per Equity Share-                  | 3.75      | 0.38      |
| Basic                                      | 3.75      | 0.38      |
| Diluted (in Rs.)                           |           |           |

### REVIEW OF OPERATIONS:

During the Year under the review, the Company has recorded an Income of Rs. 5135.70 Lakhs and profit/ Loss of Rs.328.17 Lakhs as against the Income of Rs. 5133.89 Lakhs and profit/ Loss of Rs. 32.83 Lakhs in the previous financial year ending 31.03.2020.



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## CONCORD DRUGS LIMITED

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### **BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS:**

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis report, which has been prepared, inter-alia, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 and forms part of this Report.

#### **2. IMPACT OF COVID – 19:**

The company has evaluated the impact of Corona Virus (COVID-19) on the operations and future economic activity of the company and based on its review and current indicators and future economic prospects, there is no significant impact on the business of the company or its operations.

#### **3. CHANGE IN THE NATURE OF THE 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. RESERVES:**

The Closing balance of reserves, including retained earnings, of the Company as at 31.03.2021 is Rs.1802.25 lakhs.

#### **5. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There are no major material changes and commitments affecting the financial position of the Company after the end of the financial year and up to date of this report (i.e. 28.06.2021). However, the Company has sold the Roorkee plant in the month of October, 2020.

#### **6. BOARD MEETINGS:**

The Board of Directors duly met Six (06) times during the financial year from 1st April 2020 to 31st March 2021. The dates on which the meetings were held are 27.06.2020, 14.09.2020, 13.10.2020, 13.11.2020, 04.12.2020 and 13.02.2021.

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

- Mr. S. Nagavenkata Hareesh was appointed as Independent Director of the Company w.e.f. 13.02.2021

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## CONCORD DRUGS LIMITED

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### **8. REVISION OF FINANCIAL STATEMENTS:**

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

### **9. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received declarations from all the Independent Directors of the Company to the effect that they are meeting the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

### **10. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the directors. Direct meetings with the Chairman are further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

### **11. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS:**

The assessment and appointment of Members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board Member is also assessed on the basis of independence criteria defined in Section 149(6) of the

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## CONCORD DRUGS LIMITED

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Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015.

In accordance with Section 178(3) of the Companies Act, 2013 and Regulation 19(4) of SEBI (LODR) Regulations, 2015, on the recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management. The Policy is attached a part of Corporate Governance Report.

We affirm that the remuneration paid to the Directors is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

### **12. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Companies Act, 2013 and on the basis of explanation given by the executives of the Company and subject to disclosures in the Annual Accounts of the Company from time to time, we state as under:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. That the Directors have 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;
4. That the Directors have prepared the annual accounts on a going concern basis;
5. That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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## CONCORD DRUGS LIMITED

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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. 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 annual return is disclosed on the website [www.concorddrugs.in](http://www.concorddrugs.in).

### 15. AUDITORS:

#### a. Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereafter, M/s. N G Rao & Associates., Chartered Accountants, were re-appointed as statutory auditors of the Company from the conclusion of the 23rd Annual General Meeting (AGM) of the Company held on 29.09.2018 till the conclusion of the 28th AGM to be held in the year 2023.

The notes on accounts referred to in the auditors' report are self-explanatory and therefore don't call for any further comments by the Board of directors.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification or explanation.

#### Statutory Auditors Report

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2021 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 coming years.

#### b. Secretarial Auditor

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, Practising Company Secretaries has undertaken Secretarial Audit of the Company for financial year ending 31.03.2021. The report of the Secretarial Auditor is enclosed herewith vide Annexure-II of this Report.

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## CONCORD DRUGS LIMITED

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### Secretarial Audit Report

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2021 on the Compliances according to the provisions of Section 204 of the Companies Act, 2013.

#### c. Cost Auditor

The Company is in due compliance with the Companies (Cost Records and Audit) Rules, 2014. M/s KJU & Associates, Cost Accountants is the Cost Auditors of the Company.

#### d. Internal Auditor

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; M/s. PCN and Associates., Chartered Accountants were appointed as Internal Auditors of the Company for the Financial Year 2020-21.

Deviations are reviewed periodically and due compliance ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board.

#### 16. BUSINESS RESPONSIBILITY REPORT:

As stipulated under Regulation 34 of the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Annual Report – Not Applicable

#### 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 auditor's u/s 143(12).

#### 18. INTERNAL AUDIT AND FINANCIAL CONTROLS:

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and

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## CONCORD DRUGS LIMITED

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expenditure against approved budget on an ongoing basis.

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

The Company has not given loans, Guarantees or made any investments during the year under review.

### **20. RELATED PARTY TRANSACTIONS:**

Our Company has formulated a policy on related party transactions which is also available on Company's website at [www.concorddrugs.in](http://www.concorddrugs.in). This policy deals with the review and approval of related party transactions.

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. 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.

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as Annexure I which forms part of this Report.

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. Members may refer to note no. 2.4 to the financial statement which sets out related party disclosures pursuant to IND AS-24.

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

During the year under review no Company has become or ceased to become its subsidiaries, joint ventures or associate Company.

### **22. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013, is provided hereunder:

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

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## CONCORD DRUGS LIMITED

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

**B. Research & Development and 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

**23. COMMITTEES:**

**(I). AUDIT COMMITTEE**

During the year, the Audit Committee is in line with the provisions of Regulation 18(1) of SEBI (LODR) Regulations with the Stock Exchange read with Section 177 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

**(II). NOMINATION AND REMUNERATION COMMITTEE**

During the year, the Nomination and Remuneration Committee is in line with the provisions of Regulation 19(1) of SEBI (LODR) Regulations with the Stock Exchange read with Section 178 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

**(III). STAKEHOLDERS RELATIONSHIP COMMITTEE**

During the year, the Stakeholders Relationship Committee is in line with the provisions of Regulation 20 of SEBI (LODR) Regulations with the Stock Exchange read with Section 178 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

**24. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Regulation 22 of SEBI (LODR) Regulations, 2015, a vigil Mechanism for Directors and employees to report genuine concerns

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## CONCORD DRUGS LIMITED

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has been established. It also provides for necessary safeguards for protection against victimization for whistle blowing in good faith.

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

### **25. CORPORATE SOCIAL RESPONSIBILITY (CSR, COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY):**

Since your Company does not have net worth of Rs. 500 Crores or more or turnover of Rs. 1000 Crores or more or a net profit of Rs. 5 Crores 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.

### **26. PUBLIC DEPOSITS:**

Your Company has not accepted any deposits falling within the meaning of Sec.73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review.

### **27. SIGNIFICANT & MATERIAL ORDERS PASSED BY COURTS / REGULATORS / TRIBUNALS:**

There are no significant and material orders passed by the regulators / courts that would impact the going concern status of the Company and its future operations.

### **28. DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

During the period under review, there is no material or serious observations have been noticed for inefficiency or inadequacy of such controls.



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## CONCORD DRUGS LIMITED

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Further, details of internal financial control and its adequacy are included in the Management Discussion and Analysis Report which is appended as Annexure III and forms part of this Report.

### **29. INSURANCE:**

The properties and assets of your Company are adequately insured.

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

The Company has not availed credit and guarantee facilities.

### **31. RISK MANAGEMENT POLICY:**

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks and also to identify business opportunities. As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the senior management on a periodical basis.

Risk Management Committee of the Board of Directors of your Company assists the Board in (a) overseeing and approving the Company's enterprise wide risk management framework; and (b) overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, other risks have been identified and assessed, and there is an adequate risk management infrastructure in place capable of addressing those risks. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this Report.

### **32. SHARE CAPITAL:**

The authorised share capital of the Company stands at Rs.11,00,00,000/- divided into 1,10,00,000 equity shares of Rs. 10/- each.

The paid up share capital of the Company stands at Rs. 8,74,37,500/- divided into 87,43,750 equity shares of Rs. 10/- each.

### **33. 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

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## CONCORD DRUGS LIMITED

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Governance is Not Applicable, However the net worth of the Company as on 31.03.2021 has been increased to 2676.62 lakhs which led to applicability of Corporate Governance so, the Corporate Governance report is enclosed as Annexure V for the information of members.

### **34. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report, pursuant to the SEBI (LODR) Regulation provides an overview of the affairs of the Company, its legal status and autonomy, business environment, mission & objectives, sectoral and operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems is appended as Annexure III for information of the Members.

### **35. 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 [www.concorddrugs.in](http://www.concorddrugs.in).

### **36. 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.

### **37. 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.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received

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## CONCORD DRUGS LIMITED

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regarding sexual harassment. No Complaints were pending at the beginning of the year or received during the year.

### **39. 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 IV (a) 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 Annexure IV (b).

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.

### **40. 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 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Mr S. Nagi Reddy, Chairman and Whole time Director and Mr. S. Koni Reddy Director & CFO, Company to the median remuneration of the employees is 7.45:1 and 5.25:1 respectively respectively.

### **41. CODE OF CONDUCT COMPLIANCE:**

All Members of the Board and Senior Management have affirmed compliance to the Code of Conduct for the Financial Year 2020-21. A declaration signed by the Chairman & Whole time Director affirming compliance with the Company's Code of Conduct by the Board of Directors and Senior Management for the Financial Year 2020-21 as required under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Corporate Governance Report which is appended as Annexure V and forms part of this Report.

### **42. MECHANISM FOR EVALUATION OF THE BOARD:**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

### **43. SECRETARIAL STANDARDS:**

The Company is in compliance with the applicable secretarial standards.

### **44. EVENT BASED DISCLOSURES:**

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

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## CONCORD DRUGS LIMITED

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1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA.

### **45. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):**

There is no application filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT.

### **46. CEO/ CFO CERTIFICATION:**

The Chairman & Whole time Director and CFO certification of the financial statements for the year 2020-2021 is annexed in this Annual Report as Annexure VI.

### **47. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government.

During the Year, no amount of dividend was unpaid or unclaimed for a period of seven years and therefore no amount is required to be transferred to Investor Education and Provident Fund under the Section 125(1) and Section 125(2) of the Act.

## **CONCORD DRUGS LIMITED**

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### **48. ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company. Your directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company for their continued support for the growth of the Company.

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

**Place: Hyderabad  
Date: 28.06.2021**

**Sd/-  
S. Nagi Reddy  
Chairman & Whole time Director  
(DIN: 01764665)**

**Sd/-  
S. Koni Reddy  
Director & CFO  
(DIN: 02829319)**

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## CONCORD DRUGS LIMITED

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### Annexure I

#### 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 arm's length transactions under third proviso thereto

#### Related Party Disclosures

- a) Names of the related parties and nature of relationship (as per Ind AS 24):

| Nature of Relationship                       | Name of Related Party  |
|--|--|
| Key Management Personnel (KMP):              | S. Nagi Reddy  |
|  | S. Koni Reddy  |
|  | T. Narsimha Reddy  |
|  | Jyothi Goyal   |
| Relatives of Key Management Personnel (KMP): | S. Manoj Kumar Reddy (Son of Mr. S. Nagi Reddy, Chairman & Whole time Director and Brother of Mr. S. Koni Reddy, Executive Director) |
| Companies in which Directors are Interested: | Continental Pharma Private Limited (formerly known as Cortex Laboratories Pvt Ltd)   |
|  | Austrazen Bio Pharmaceuticals Private Limited  |
|  | Proton Remedies Private Limited  |
|  | Continental Pellets Pharma Private Limited   |

## CONCORD DRUGS LIMITED

### Transactions with related parties:

(Amount in Rs.)

| Particulars  | Nature          | As at         | As at          |
|--|-----------------|---------------|----------------|
|  |                 | March 31,2021 | March 31, 2020 |
| Continental Pharma Private Limited (formerly known as Cortex Laboratories Pvt Ltd) | Purchases       | 93,60,470     | 3,61,87,195    |
| Continental Pharma Private Limited (formerly known as Cortex Laboratories Pvt Ltd) | Sales           | -             | 2,56,90,245    |
| Austrazen Bio Pharmaceuticals Private Limited                                      | Sales           | 55,42,986     | 5,82,45,454    |
| Proton Remedies Private Limited  | Sales           | 2,04,28,914   | 5,45,00,654    |
| Proton Remedies Private Limited  | Purchases       | 1,75,784      | 1,56,24,043    |
| S. Nagi Reddy  | Remuneration    | 17,00,000     | 12,00,000      |
| S. Koni Reddy  | Remuneration    | 12,00,000     | 12,00,000      |
| S. Nagi Reddy  | Unsecured Loans | 0             | 9,97,000       |
| S. Koni Reddy  | Unsecured Loans | 0             | 0              |
| S. Manoj Kumar   | Unsecured Loans | 54,840        | 13,000         |



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## CONCORD DRUGS LIMITED

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Related party balances:

Amount due to related parties

(Amt. in Rupees)

| Particulars  | As at<br>March 31,<br>2021 | As at<br>March 31,<br>2020 |
|--|----------------------------|----------------------------|
| Continental Pharma Private Limited (formerly known as Cortex Laboratories Pvt Ltd) | 5,93,097                   | -                          |
| Austrazen Bio Pharmaceuticals Pvt Ltd.   | -                          | 5449775                    |
| S. Manoj Kumar   | 86,480                     | 31640                      |
| S. Nagi Reddy  | 0                          | 9,98,033                   |

Amount due from related parties

(Amt. in Rupees)

| Particulars  | As at<br>March 31,<br>2021 | As at<br>March 31,<br>2020 |
|--|----------------------------|----------------------------|
| Continental Pharma Private Limited (formerly known as Cortex Laboratories Pvt Ltd) | -                          | 89,09,937                  |
| Proton Remedies Pvt Ltd.   | 59,96,141                  | 1,66,39,380                |
| Austrazen Bio Pharmaceuticals Pvt Ltd  | 29,12,611                  | -                          |

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# CONCORD DRUGS LIMITED

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## 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 of Managerial Personnel) Rules, 2014**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

To

The Members of  
Concord Drugs Limited  
Hyderabad

We, Vivek Surana & Associates, Practicing Company Secretaries have examined:

- (a) All the documents and records made available to us and explanation provided by Concord Drugs Limited (“the listed entity”),
- (b) The filings/ submissions made by the listed entity to the stock exchange (BSE Limited),
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31st March, 2021 (“Review Period”) in respect of compliance with the provisions of:

- (a) The Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) The Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

## CONCORD DRUGS LIMITED

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- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; During the year under review, there was no instance to be reported by the Company under the SEBI Takeover Code.
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;
- (i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**
- (j) CIR/CFD/CMD1/114/2019 dated October 18, 2019 (Resignation of statutory auditors from listed entities and their material subsidiaries); **Not Applicable**
- (k) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (l) SEBI circular HO/DDHS/CIR/P/2018/144 dated November 26, 2018 disclosure of large Corporate; Not Applicable
- (m) 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

## CONCORD DRUGS LIMITED

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- 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
- (n) 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 6 meetings of the Board of Directors, 4 meetings of the Audit committee, 1 Meeting of Stakeholder Relationship Committee, 1 meeting of Nomination & Remuneration committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
  - b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that:
    - (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
      - External Commercial Borrowings were not attracted to the Company under the financial year under report;
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## CONCORD DRUGS LIMITED

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- 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 has a Company Secretary, Ms. Jyoti Goyal
- The Company has internal auditors namely M/s. PCN and Associates, Chartered Accountants.
- The website of the Company contains policies as specified by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013
- The Board of Directors of the Company is duly constituted and have proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman of the meeting, 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.

## **CONCORD DRUGS LIMITED**

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- 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.
- 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.

**For Vivek Surana & Associates  
Practicing Company Secretaries**

**Sd/-  
Vivek Surana  
Proprietor**

**Place: Hyderabad  
Date: 14.08.2021**

**M. No.A24531, CP No: 12901  
UDIN: A024531C000784785**

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## CONCORD DRUGS LIMITED

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### Annexure-A

To

The Members of

Concord Drugs Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on the 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  
Practicing Company Secretaries**

**Sd/-**

**Vivek Surana  
Proprietor**

**Place: Hyderabad**

**Date: 14.08.2021**

**M. No.A24531, CP No: 12901**

**UDIN: A024531C000784785**

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# CONCORD DRUGS LIMITED

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## ANNEXURE III

### MANAGEMENT DISCUSSION AND ANALYSIS

#### INDUSTRY STRUCTURE AND DEVELOPMENTS:

India is the third largest Pharmaceutical market in Asia and is one of the major global generic drugs providers. India's domestic Pharmaceutical market is also growing year on year. India offers numerous opportunities for the Pharmaceutical industry. Along with enhanced medical infrastructure, risk in the treatment of chronic diseases, improving health insurance coverage etc. will act as growth opportunities for the industry.

#### OPPORTUNITIES AND THREATS:

According to the government of India's own estimates, India ranks third worldwide for pharmaceutical production by volume and 13th by value. It accounts for about 10% of the world's production by volume and 1.5% by value. This apparent discrepancy points towards the relatively lower price of Indian pharmaceutical products, and the high demand they enjoy in the global market. A major supplier of affordable low-price drugs across the world, India's role as the "pharmacy of the world" is well acknowledged by experts.

As the novel corona virus spread across countries, concern about the potential for disruption to the manufacture and distribution of pharmaceutical products has intensified. The Indian government is contemplating ways to encourage domestic manufacturing of APIs by creating a suitable ecosystem in the country. The FDA is working with the domestic manufacturer as to mitigate the shortage. FDA is trying to ensure that there is no shortage has been identified for products which cannot be replaced by others. Indian government is also planning on how to grow in the API sector in future.

#### SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

Company has its operations in Manufacture of Pharmaceuticals and the operations is mentioned in Directors Report

#### OUTLOOK:

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



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## CONCORD DRUGS LIMITED

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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 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:**

The Financial performance of the company is already discussed elsewhere in the Annual Report.

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## CONCORD DRUGS LIMITED

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### **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.

### **Details of changes in key financial ratios:**

| Particulars                 | 2020-21 | 2019-20 | Remarks                                     |
|-----------------------------|---------|---------|---|
| Debtors turnover ratio      | 4.84    | 5.95    | N.A   |
| Inventory turnover ratio    | 3.38    | 4.63    | N.A   |
| Interest coverage ratio     | 1.40    | 1.30    | N.A   |
| Current ratio               | 1.86    | 1.47    | N.A   |
| Debt equity ratio           | -       | -       | N.A   |
| Operating profit margin (%) | 6.10    | 6.54    | N.A   |
| Net profit margin (%)       | 6.38    | 0.64    | Increase in Profit Due to Exceptional Items |
| Return on Net worth         | 12.26   | 1.40    | Increase in Profit Due to Exceptional Items |

### **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.

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## CONCORD DRUGS LIMITED

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### ANNEXURE – IV

#### REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES FOR THE FINANCIAL YEAR 2020-21

- A. Statement of Disclosure under Section 197(12) read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975:
1. Ratio of remuneration of each Executive Director to the median remuneration of the Employees of the Company and percentage increase in remuneration of Key Managerial Personnel (KMP) and other Executive Directors during the Financial Year 2020-21:

The ratio of remuneration to each director to the median remuneration of the employees of the Company for the financial year.

(Amt in Rs.)

|   | Director          | Total Remuneration | Ratio to median remuneration |
|---|-------------------|--------------------|------------------------------|
| 1 | Mr. S. Nagi Reddy | 17,00,000          | 7.45:1                       |
| 2 | Mr. S. Koni Reddy | 12,00,000          | 5.25:1                       |

The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

(Amt in Rs.)

| Name              | Designation                    | Remuneration |              | Increase/(Decrease) % |
|-------------------|--------------------------------|--------------|--------------|-----------------------|
|                   |                                | FY 2020-21   | FY 2019-20   |                       |
| Mr. S. Nagi Reddy | Chairman & Whole time Director | Rs 17,00,000 | Rs 12,00,000 | 1.42%                 |

The percentage increase in the median remuneration of employees in the financial year

| Particulars   | Increase/(Decrease)% |
|---|----------------------|
| Median Remuneration of all the employees per annum* | NIL                  |

## CONCORD DRUGS LIMITED

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| Particulars  | Number |
|--|--------|
| The number of employees on the rolls of the Company as on March 31, 2021 | 188    |

**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**

| Particulars   | Increase/(Decrease)<br>% |
|---|--------------------------|
| <b>Average percentage increase in the remuneration of all Employees*</b><br>(Other than Key Managerial Personnel) | <b>NIL</b>               |
| <b>Average Percentage increase in the Remuneration of Key Managerial Personnel</b>                                | <b>1.42%</b>             |
| *Employees who have served for whole of the respective financial years have been considered.                      |                          |

**6. Affirmation that the remuneration is as per the remuneration policy of the Company.**

The Company is in compliance with its remuneration policy.

## CONCORD DRUGS LIMITED

### B. Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### 1. Top 10 employees of the Company based on Remuneration drawn for FY 2020-21:

| S No | Name of the Employee | Designation of the employee              | Remuneration received | Nature of employment whether contractual or otherwise | Qualification and experience of the employee | Date of commencement of employment | The age of the employee | The last employment held by such employee before joining the Company | The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. | Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager |
|------|----------------------|--|-----------------------|---|--|------------------------------------|-------------------------|--|---|---|
| 1    | V. Phani Sekhar      | Production Manager(Tablets Division)     | 12,00,000             | Regular   | B Pharmacy<br>21 Years                       | 10/08/2000                         | 54                      | Concord-Roorkee Division   | -   | No  |
| 2    | M.Rameswar Reddy     | Production Manager(Syrups Division)      | 9,60,000              | Regular   | B Pharmacy<br>4.5 Years                      | 17/04/2017                         | 54                      | Vilin Biomed Limited   | -   | No  |
| 3    | M. Raghava Reddy     | Production Manager (Injectable Division) | 11,40,000             | Regular   | MSC-<br>Chemistry<br>2 Years                 | 10.09.2019                         | 66                      | Indian Genomix Pvt Limited   | -   | No  |
| 4    | B. Venugopal Reddy   | General Manager                          | 10,80,000             | Regular   | B Pharmacy<br>15 Years                       | 01/04/2007                         | 52                      | Darwin formulations  | -   | No  |
| 5    | P. Ramakrishna       | Purchase Manager                         | 6,00,000              | Regular   | M.B.A<br>7 Years                             | 01/09/2015                         | 34                      | Vance & Healthcare   | -   | No  |
| 6    | K. Krishna Prasad    | Tablets (Chemist)                        | 7,50,000              | Regular   | B Pharmacy<br>20 Years                       | 15/06/1999                         | 52                      | Nil  | -   | No  |
| 7    | P. Ramachandrudu     | QC Manager                               | 7,50,000              | Regular   | MSC<br>16 Years                              | 18/05/2005                         | 53                      | Nil  | -   | No  |
| 8    | G. Muthyam Rao       | Chemist                                  | 5,10,000              | Regular   | B Pharmacy                                   | 05/04/2010                         | 42                      | -  | -   | No  |
| 9    | V. Raja sekhar Reddy | Stores                                   | 4,32,000              | Regular   | Degree<br>20 Years                           | 01/06/2011                         | 47                      | Nil  | -   | No  |
| 10   | T. Sridhar Reddy     | Chemist                                  | 4,80,000              | Regular   | B Pharmacy                                   | 16/07/2013                         | 40                      | -  | -   | No  |

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# CONCORD DRUGS LIMITED

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## ANNEXURE V

### CORPORATE GOVERNANCE

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Concord Drugs Limited as follows:

#### **DATE OF REPORT:**

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2021. The Report is updated wherever applicable.

#### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

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

#### **2. BOARD DIVERSITY:**

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, [www.concorddrugs.in](http://www.concorddrugs.in).

#### **3. COMPOSITION OF THE BOARD:**

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31st, 2021, the Company's Board comprised of seven Directors, out of which two are promoter Directors. In addition, there are four independent Directors including one woman director on the Board. In terms of clause 17(1) (b) of SEBI (LODR) Regulations, 2015, the company is required to have one half of total Directors as independent Directors. The

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## CONCORD DRUGS LIMITED

non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the non-executive Directors other than independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

#### 4. ATTENDANCE AND DIRECTORSHIPS HELD:

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten Board-level committees nor are they chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, they do not serve as independent director in more than three listed companies.

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown in Table 1.

| Table 1                  |  |                                   |                      |                          |                           |   |  |   |        |
|--------------------------|--|-----------------------------------|----------------------|--------------------------|---------------------------|---|--|---|--------|
| Name of Director         | Relationship with another Director                   | Category                          | No. of Meetings Held | No. of Meetings Attended | Whether Attended Last AGM | No. of Outside Directorship of Companies and chairmanship |  | No. of other Committee positions in other Companies |        |
|                          |  |                                   |                      |                          |                           | Chairman  | Director                                   | Chairman  | Member |
| S. Nagi Reddy            | Father of Mr. S. Koni Reddy Executive director & CFO | Chairman & Whole time Director    | 6                    | 6                        | Yes                       | -   | Orange Bio Pharmaceuticals Private Limited | -   | -      |
| T. Narsihma Reddy        | NA   | Managing Director                 | 6                    | 6                        | Yes                       | -   | -  | -   | -      |
| S. Koni Reddy            | Son of Mr.S. Nagi Reddy                              | Executive director & CFO Director | 6                    | 6                        | Yes                       | -   | Proton Remedies Private Limited            | -   | -      |
| * S. Nagavenkata Hareesh | NA   | Independent Director              | 1                    | 1                        | NA                        | -   | -  | -   | -      |
| P. Chandra Kala          | NA   | Independent Director              | 6                    | 6                        | Yes                       | -   | -  | -   | -      |
| K. Ramachandra Reddy     | NA   | Independent Director              | 6                    | 6                        | Yes                       | -   | Harini Pack Private Limited                | -   | -      |
| P. Venkatram Reddy       | NA   | Independent Director              | 6                    | 6                        | Yes                       | -   | -  | -   | -      |

\* Appointed w.e.f. 13.02.2021

## CONCORD DRUGS LIMITED

The Name of other listed entities where directors of the company are directors and the category of directorship are shown in Table 2.

| Name of Director | Name of listed entities in which the concerned Director is a Director | Category of Directorship |
|------------------|---|--------------------------|
| NIL              |   |                          |

Details of Skills/Expertise/Competence matrix of the Board of Directors:

| S. No | Name of the Director     | Skills/Expertise/Competence in specific functional areas  |
|-------|--------------------------|---|
| 1.    | S. Nagi Reddy            | Post Graduate, Rich Knowledge in pharma business and overall management of the Company, Finance and Technical |
| 2.    | T. Narsihma Reddy        | Rich Knowledge in Marketing and Finance   |
| 3.    | S. Koni Reddy            | Rich Knowledge in in pharma business and overall management of the Company Technical and Admin                |
| 4.    | * S. Nagavenkata Hareesh | Rich Knowledge in Accounts and administration   |
| 5.    | P. Chandra Kala          | Rich Knowledge in Sales and Marketing   |
| 6.    | K. Ramachandra Reddy     | Rich Knowledge in accounts and administration   |
| 7.    | P. Venkatram Reddy       | Rich Knowledge in Marketing and Finance   |

\* Appointed w.e.f. 13.02.2021

### 5. Number of shares and convertible instruments held by non-executive directors;

As on date, none of the Non-Executive directors of the company holds any Equity Shares in the company.

### 6. COMMITTEES OF THE BOARD:

The Company has four Board-level Committees - Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee and Independent Directors Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided in this report below.



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## CONCORD DRUGS LIMITED

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### 7. AUDIT COMMITTEE:

- A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:** - A qualified and independent Audit Committee has been set up by the Board and the role of the Audit Committee is as under:
- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
  - iii. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
  - iv. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
    - (a) Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
    - (b) Changes, if any, in accounting policies and practices and reasons for the same;
    - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
    - (d) Significant adjustments made in the financial statements arising out of audit findings;
    - (e) Compliance with listing and other legal requirements relating to financial statements;
    - (f) Disclosure of any related party transactions;
    - (g) Modified opinion(s) in the draft audit report;
  - v. Review of the quarterly and half yearly financial results with the management before submission to the board for approval;

## CONCORD DRUGS LIMITED

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- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Review of valuation of undertakings or assets of the company wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into 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;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;

## CONCORD DRUGS LIMITED

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- xviii. Review the functioning of the whistle blower mechanism;
- xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate
- xx. Review of the following information:
- (a) Management discussion and analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (d) Internal audit reports relating to internal control weaknesses;
  - (e) The appointment, removal and terms of remuneration of the Chief Internal Auditor;
  - (f) Statement of deviations:
    - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
    - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7) of the Listing Regulations.
- xxi. Carrying out any other function as may be referred to the Committee by the Board.
- xxii. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

### **B. COMPOSITION, MEETINGS & ATTENDANCE:**

There were five (4) Audit Committee Meetings held during the year i.e., on 27.06.2020, 14.09.2020, 13.11.2020 and 13.02.2021.

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## CONCORD DRUGS LIMITED

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The Composition of the Committee is as follows:

| Name                    | Designation | Category | No. of meetings held | No. of meeting attended |
|-------------------------|-------------|----------|----------------------|-------------------------|
| Ms. P. Chandra Kala     | Chairperson | NED(I)   | 4                    | 4                       |
| Mr. S. Nagi Reddy       | Member      | ED       | 4                    | 4                       |
| Mr. P. Venkat Ram Reddy | Member      | NED (I)  | 4                    | 4                       |

NED (I) : Non-Executive Independent Director

ED : Executive Director

### **8. NOMINATION AND REMUNERATION COMMITTEE:**

#### **A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

The Nomination and Remuneration Committee set up by the Board is responsible for:

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- ii. formulation of the criteria for evaluation of performance of independent directors and the board of directors.
- iii. devising a policy on diversity of board of directors.
- iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- v. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.
- vi. recommending to the Board, remuneration, payable to senior management.
- vii. such other matters as may be specified by the Board from time to time.

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## CONCORD DRUGS LIMITED

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viii. Authority to review / investigate into any matter covered by Section 178 of the Companies Act, 2013 and matters specified in Part D of Schedule II of the Listing Regulations.

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

There was one (1) Nomination and Remuneration Committee Meeting held during the year i.e., on 13.02.2021

The Composition of the Committee is as follows:

| Name                    | Designation | Category | No. of meetings held | No. of meeting attended |
|-------------------------|-------------|----------|----------------------|-------------------------|
| Ms. P. Chandra Kala     | Chairperson | NED(I)   | 1                    | 1                       |
| Mr.S. Nagi Reddy        | Member      | ED       | 1                    | 1                       |
| Mr. P. Venkat Ram Reddy | Member      | NED (I)  | 1                    | 1                       |

NED (I) : Non-Executive Independent Director

ED : Executive Director

### **C. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:**

The performance evaluation criteria for Independent Directors are already mentioned under the head “Board Evaluation” in Directors’ Report.

### **POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS’ INDEPENDENCE**

#### **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.

#### **Terms and References:**

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

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## CONCORD DRUGS LIMITED

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

### **Policy:**

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.
  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.
- 2.1 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 endeavor 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

## CONCORD DRUGS LIMITED

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thereafter whenever there is a change in the disclosures already made;

- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other relevant laws.

### 3. Criteria of independence

3.1 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 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.3 The independent Director shall abide by the “code for independent Directors “as specified in Schedule IV to the companies Act, 2013.

### 4. Other directorships/ committee memberships

4.1 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’s service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

4.3 A Director shall not serve as 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.

4.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

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

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## CONCORD DRUGS LIMITED

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### 9. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

#### A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The Committee's role includes:

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- v. Such other matter as may be specified by the Board from time to time.
- vi. Authority to review / investigate into any matter covered by Section 178 of the Companies Act, 2013 and matters specified in Part D of Schedule II of the Listing Regulations.

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

**There were one (1) Stakeholders relationship Committee Meeting held during the year i.e., on 13.02.2021**

The Composition of the Committee is as follows:

| Name                    | Designation | Category | No. of meetings held | No. of meeting attended |
|-------------------------|-------------|----------|----------------------|-------------------------|
| Ms. P. Chandra Kala     | Chairperson | NED(I)   | 1                    | 1                       |
| Mr.S. Nagi Reddy        | Member      | ED       | 1                    | 1                       |
| Mr. P. Venkat Ram Reddy | Member      | NED (I)  | 1                    | 1                       |

NED (I) : Non-Executive Independent Director

ED : Executive Director



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## CONCORD DRUGS LIMITED

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### DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2020-21:

| Opening balance | Received during the year | Resolved during the year | Closing balance |
|-----------------|--------------------------|--------------------------|-----------------|
| -               | -                        | -                        | -               |

#### D. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Ms. Jyoti Goyal is the Company Secretary and Compliance Officer of the company

#### 10. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED COMPANY:

None of the Non-Executive Directors and Independent Directors had any pecuniary relationship or transaction with the company other than the Directors sitting fees.

#### A. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

##### Policy:

1. Remuneration to Executive Director and key managerial personnel
  - 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 limit approved by the shareholders.
  - 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.
  - 1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
    - (i) Basic pay
    - (ii) Perquisites and Allowances
    - (iii) Stock Options
    - (iv) Commission (Applicable in case of Executive Directors)
    - (v) Retrial benefits

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## CONCORD DRUGS LIMITED

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- 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.
2. Remuneration to Non – Executive Directors
- 2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.
- 2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.
3. Remuneration to other employees
- 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.

### **B. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2020-21 AND OTHER DISCLOSURES:**

| Name of the Director | Salary (Rs) | Sitting Fees (Rs) | Number of shares held | Service Contracts | Stock Option Details | Fixed Component | Performance Based Incentive |
|----------------------|-------------|-------------------|-----------------------|-------------------|----------------------|-----------------|-----------------------------|
| S. Nagi Reddy        | 17,00,000   | -                 | 18,42,540             | -                 | -                    | -               | -                           |
| S. Koni Reddy        | 12,00,000   | -                 | 9,75,000              | -                 | -                    | -               | -                           |

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## CONCORD DRUGS LIMITED

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### 11. REMUNERATION POLICY:

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

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

### 12. ANNUAL GENERAL MEETINGS:

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

| Financial Year | Date       | Time       | Location  | Special / Ordinary Resolution |
|----------------|------------|------------|---|-------------------------------|
| 2019-20        | 29.12.2020 | 12:30 p.m. | Video Conferencing and Audio Visual Means   | Yes                           |
| 2018-19        | 30.09.2019 | 10:30 a.m. | Survey No.249, Brahmanapally Village, Hayatnagar Mandal R.R.Dist- 501511, Telangana | No                            |
| 2017-18        | 29.09.2018 | 10:30 a.m. | Survey No.249, Brahmanapally Village, Hayatnagar Mandal R.R.Dist- 501511, Telangana | No                            |

#### B. PASSING OF RESOLUTIONS BY POSTAL BALLOT

There were no resolutions passed by the Company through Postal Ballot during the financial year 2020-21.

### 13. MEANS OF COMMUNICATION

The Company regularly intimates its financial results, audited/limited reviewed, to the Stock Exchange, as soon as the same are taken on record/approved.

In terms of the requirements of SEBI (Listing Obligations & Disclosures Requirements), the un-audited financial results as well as audited financial results, shareholding pattern of the Company and Corporate

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## CONCORD DRUGS LIMITED

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Governance Report are electronically submitted, unless there are technical difficulties and are displayed through Corporate Filing and Dissemination System viz., on [www.bseindia.com](http://www.bseindia.com). The un-audited financial results as well as audited financial results, shareholding pattern of the Company and Report on Corporate Governance are displayed on [www.bseindia.com](http://www.bseindia.com).

### 14. GENERAL SHAREHOLDER INFORMATION:

#### A. ANNUAL GENERAL MEETING:

The 26th Annual General Meeting of the Company will be held as per the following schedule:

|       |  |
|-------|--|
| Day   | Thursday   |
| Date  | 30.09.2021   |
| Time  | 09:00 a.m.   |
| Venue | Through Video Conferencing / other audio video means |

#### B. VENUE: FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2021-22 (TENTATIVE SCHEDULE)

The financial calendar (tentative) shall be as under:

|   |                         |
|---|-------------------------|
| Financial Year  | 2021-22                 |
| First Quarterly Results                                 | On or before 14.08.2021 |
| Second Quarterly Results                                | On or before 14.11.2021 |
| Third Quarterly Results                                 | On or before 14.02.2022 |
| Fourth Quarterly Results                                | On or before 30.05.2022 |
| Annual General Meeting for year ending 31st March, 2022 | On or before 30.09.2022 |

#### C. DIVIDEND PAYMENT DATE: No Dividend declared for the Financial year 2020-21

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## CONCORD DRUGS LIMITED

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**D. NAME AND ADDRESS OF STOCK EXCHANGE WHERE THE COMPANIES SECURITIES ARE LISTED AND CONFIRMATION OF PAYMENT OF ANNUAL LISTING FEES:**

BSE Limited  
P. J. Towers, Dalal Street  
Mumbai-400001  
(Scrip Code: 538965)

The Company has paid the listing fees for the year 2021-2022 to BSE Limited.

**E. STOCK MARKET PRICE DATA: BSE Ltd**

| Month      | Open Price | High Price | Low Price | Close Price | No. of . Shares Traded |
|------------|------------|------------|-----------|-------------|------------------------|
| Mar 2021   | 25.75      | 33.25      | 24.10     | 29.05       | 3,89,895               |
| Feb 2021   | 25.50      | 26.45      | 23.05     | 25.30       | 2,63,799               |
| Jan 2021   | 21.90      | 25.85      | 20.85     | 24.35       | 95,312                 |
| Dec 2020   | 21.85      | 24.00      | 20.80     | 22.90       | 84,847                 |
| Nov 2020   | 23.10      | 26.65      | 21.50     | 22.90       | 64,673                 |
| Oct 2020   | 22.30      | 32.80      | 21.75     | 24.30       | 1,43,820               |
| Sept 2020  | 18.95      | 21.30      | 16.25     | 21.30       | 95,039                 |
| Aug 2020   | 13.50      | 19.67      | 12.65     | 18.34       | 2,08,939               |
| Jul 2020   | 15.20      | 16.75      | 13.25     | 13.50       | 36,588                 |
| Jun 2020   | 16.50      | 17.30      | 14.40     | 16.00       | 47,208                 |
| May 2020   | 17.30      | 19.10      | 14.70     | 16.50       | 21,224                 |
| April 2020 | 13.10      | 19.27      | 13.00     | 18.12       | 83,297                 |

**F. REGISTRAR AND SHARE TRANSFER AGENTS:**

Aarhi Consultants Private Limited  
Address: 1-2-285, Domalguda, Hyderabad-500029, Telangana  
Ph No. 040-27638111, 27634445  
Email: info@aarhiconsultants.com  
Website: www.aarhiconsultants.com

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## CONCORD DRUGS LIMITED

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### G. SHARE TRANSFER SYSTEM:

The Company's Shares are permitted to trade on BSE Limited compulsorily in the dematerialized form. Transfer of dematerialised shares is done through depositories with no involvement of the Company.

### H. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2021:

| SL. NO. | No. of equity Shares held | No. of Shareholders | %          | No. of Shares  | %          |
|---------|---------------------------|---------------------|------------|----------------|------------|
| 1       | Upto - 5000               | 1394                | 64.18      | 247804         | 2.83       |
| 2       | 5001 - 10000              | 279                 | 12.85      | 235496         | 2.69       |
| 3       | 10001 - 20000             | 152                 | 7          | 236911         | 2.71       |
| 4       | 20001 - 30000             | 98                  | 4.51       | 260210         | 2.98       |
| 5       | 30001 - 40000             | 69                  | 3.18       | 254624         | 2.91       |
| 6       | 40001 - 50000             | 60                  | 2.76       | 279940         | 3.20       |
| 7       | 50001 - 100000            | 51                  | 2.35       | 391198         | 4.47       |
| 8       | 100001 and above          | 69                  | 3.18       | 6837567        | 78.20      |
|         | <b>TOTAL</b>              | <b>2172</b>         | <b>100</b> | <b>8743750</b> | <b>100</b> |

### I. DEMATERIALISATION & LIQUIDITY OF SHARES:

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is **INE858L01010**. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares held in demat mode as on March 31, 2021 is as follows:

| Particulars  | No. of Shares    | % Share Capital |
|--------------|------------------|-----------------|
| NSDL         | 13,66,325        | 15.63           |
| CDSL         | 57,37,825        | 65.62           |
| PHYSICAL     | 16,39,600        | 18.75           |
| <b>Total</b> | <b>87,43,750</b> | <b>100.00</b>   |

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## CONCORD DRUGS LIMITED

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- J. Outstanding Global Depository Receipts Or American Depository Receipts Or Warrants Or Any Convertible Instruments, Conversion Date And Likely Impact On Equity: NIL
- K. Commodity Price Risk Or Foreign Exchange Risk And Hedging Activities: NIL
- L. PLANT LOCATIONS: Survey No. 249, Brahmanapally (V), Hayat Nagar (M), R R (D): 501511
- M. REGISTERED OFFICE AND ADDRESS FOR CORRESPONDANCE:  
Survey No.249, Brahmanapally Village, Hayatnagar Mandal, R.R.Dist-501511 Telangana, India Ph: 04024036379 E-mail: concorddrugsltd@gmail.com
- N. BOOK CLOSURE DATE:  
The date of Book Closure for the purpose of Annual General Meeting shall be from 24.09.2021 to 30.09.2021 (both days inclusive).
- O. ELECTRONIC CONNECTIVITY: Demat ISIN Number: INE858L01010
- P. NATIONAL SECURITIES DEPOSITORY LIMITED  
Trade World, Kamala Mills Compound  
SenapatiBapat Marg, Lower Parel  
Mumbai – 400 013.
- Q. CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED  
Marathon Futurex, A-Wing,  
25th floor, NM Joshi Marg,  
Lower Parel, Mumbai 400013

## CONCORD DRUGS LIMITED

### R. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2021:

| S. No | Category                                    | No. of shares held | Percentage of shareholding |
|-------|---|--------------------|----------------------------|
| A     | Shareholding of Promoter and Promoter group | --                 | --                         |
| 1.    | Indian                                      | --                 | --                         |
|       | Individual                                  | 38,80,040          | 44.38                      |
|       | Body Corporate                              | --                 | --                         |
| 2.    | Foreign                                     | --                 | --                         |
|       | Individual                                  | --                 | --                         |
|       | Sub-Total A                                 | 38,80,040          | 44.38                      |
| B     | Public Shareholding                         | --                 | --                         |
| 1.    | Institutions                                | --                 | --                         |
| 2.    | Non-Institutions                            |                    |                            |
|       | a. Bodies Corporate                         | 12111              | 0.14                       |
|       | b. Indian Public and Others                 | 4851599            | 55.48                      |
|       | <b>Sub Total B</b>                          | <b>4863710</b>     | <b>55.62</b>               |
|       | <b>Grand Total (A+B)</b>                    | <b>87,43,750</b>   | <b>100</b>                 |

### 15. OTHER DISCLOSURES:

A. COMPLIANCES: In the Financial year 2019-20, BSE has levied the penalty for delay in filing the application for the listing approval of 8,82,000 equity shares and the company is yet to pay the penalty, However, the Company has applied for waiver of penalty.

### B DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF LISTED ENTITY AT LARGE

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's Website [www.concorddrugs.in](http://www.concorddrugs.in). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.



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## CONCORD DRUGS LIMITED

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All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by the statutory auditor to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Listing Regulations.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-1 annexed as Annexure I

**C. DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE:**

The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary. There are no pending cases or instances of non-compliance.

**D. DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

| Particulars   | Number |
|---|--------|
| No. of Complaints filed during the financial year         | Nil    |
| No. of Complaints disposed of during the financial year   | Nil    |
| No. of Complaints pending as on end of the financial year | Nil    |

**E. AUDIT FEES (INCLUDING SUBSIDIARY):** Rs. 3,00,000 (excluding GST)

**F. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A):** NIL

**G. Subsidiary Companies:**

The Company doesn't have material subsidiary as defined under Listing Regulations.

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## CONCORD DRUGS LIMITED

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### H. COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS UNDER LISTING REGULATIONS:

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- Audit qualifications: Company's financial statements have no qualifications.
- Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

### I. COMPLIANCE WITH GOVERNANCE FRAMEWORK:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub –regulation (2) of Regulation 46 of the Listing Regulations where ever applicable.

For and on behalf of the Board  
For Concord Drugs Limited

Place: Hyderabad  
Date: 28.06.2021

Sd/-  
S. Nagi Reddy  
Chairman & Whole time Director  
(DIN: 01764665)

Sd/-  
S. Koni Reddy  
Director & CFO  
(DIN: 02829319)

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## CONCORD DRUGS LIMITED

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### CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF

#### **COCORD DRUGS LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Concord Drugs Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para-C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

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

**For Vivek Surana & Associates  
Practicing Company Secretaries**

**Sd/-  
Vivek Surana  
Proprietor**

**Place: Hyderabad  
Date: 06.09.2021**

**M. No.A24531, CP No: 12901  
UDIN: A024531C000784785**

## **CONCORD DRUGS LIMITED**

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### **Declaration on Code of Conduct as required by Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, S. Nagi Reddy, Chairman and whole-time Director of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2020-21.

**For Concord Drugs Limited**

**Sd/-**

**S. Nagi Reddy**

**Chairman and whole-time Director  
(DIN: 01764665)**

**Place: Hyderabad**

**Date: 17.06.2021**

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### **Practicing Company Secretary's Certificate on Directors**

To the Members of Concord Drugs Limited

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management of the Company, I certify that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as on the date of this certificate.

**For Vivek Surana & Associates  
Practicing Company Secretaries**

**Sd/-**

**Vivek Surana**

**Proprietor**

**M. No.A24531, CP No: 12901**

**UDIN: A024531C000784785**

**Place: Hyderabad**

**Date: 06.09.2021**

# CONCORD DRUGS LIMITED

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## ANNEXURE – VI

Certification in respect of Financial Statements and Cash Flow Statement

(Pursuant to Regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 For the Financial Year ended March 31, 2021

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March 2021 and we hereby certify and confirm to the best of our knowledge and belief the following:

- a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- c. There are no transactions entered in to by the Company during the year ended 31st March 2021 which are fraudulent, illegal or violative of Company's Code of Conduct.
- d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.
- e. There have been no significant changes in the above mentioned internal controls over financial reporting during the relevant period.
- f. That there have been no significant changes in the accounting policies during the relevant period.
- g. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

**Place: Hyderabad**  
**Date: 28.06.2021**

**Sd/-**  
**S. Koni Reddy**  
**Chief Financial Officer (CFO)**

**Sd/-**  
**S. Nagi Reddy**  
**Chairman & Whole time Director**

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# CONCORD DRUGS LIMITED

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## Independent Auditor's Report

To The Members of Concord Drugs Limited.

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Concord Drugs Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2021, and the Standalone 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 accounting Standards prescribed under section 133 of the act read with the companies (Indian Accounting Standard s ) Rules 2015 , as amended , ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 ('KAM') are those matters that, in our professional judgment, 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.

## CONCORD DRUGS LIMITED

We have determined the Matter Described below to be the key audit matters Communicated in Our report. We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of standalone Ind As financial statements financial statements section of our reports including in relation to these matters. Accordingly our audit include the performance of procedures designed to respond to our assessment of risks of material mis statement of standalone Ind AS financial Statements the results of our audit Procedures , including the procedures prescribed to address the matters below provide the basis for our audit opinion on the accompanying standalone Ind AS Financial statements.

| <b>Key Audit Matters</b>  | <b>How Our Audit Addressed the Key Audit matter</b>   |
|---|---|
| <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 key audit matter.</p> | <p>Our Audit procedures amongst others included the following.</p> <ol style="list-style-type: none"> <li>1. Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related Party Transactions.</li> <li>2. Obtained a list of related parties from the companies' management and traced the related parties to declaration given by the directors, where applicable, and to Note 2.4 of the standalone Ind AS financial statements.</li> <li>3. Read minutes of the Meeting of the Board of Directors and Audit Committee.</li> <li>4. Tested material creditors/ debtors, loan outstanding/ loans taken to evaluate existence of any related Party transactions given to the Board of Directors and audit committee.</li> <li>5. Evaluated the disclosures in the standalone Ind As financial Statements for compliance with Ind AS 24.</li> </ol> |

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## CONCORD DRUGS LIMITED

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### **Information other than the Standalone Financial Statements and Auditor's Report thereon.**

The Company's management and Board of Directors are responsible for 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 Corporate Governance and Shareholders' Information , but does not include the standalone financial statements and our auditors' 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 is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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 and Board of Directors' Responsibility for the Standalone Financial Statements**

The Company's management and Board of Directors are 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 state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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 and the Board



## CONCORD DRUGS LIMITED

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of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process

**Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 SAs 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 SAs, we exercise professional judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors in the standalone financial statements.

Conclude on the appropriateness of management's and Board of Director'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 statements 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

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## CONCORD DRUGS LIMITED

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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, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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 auditors' 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order
  2. As required by Section 143(3) of the Act, we report that:
    - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    - (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
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## CONCORD DRUGS LIMITED

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- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”
- (g) With respect to the other matters to be included in the 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 provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the pending litigations on its financial position in its standalone financial statements in Note No 2.2
  - ii. The Company has made provisions, as required under the applicable law or or Ind As 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 Protection Fund by the Company.

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

**Sd/-**  
**(G Nageswara Rao)**  
**Partner**  
**Membership No: 207300**  
**UDIN: 21207300AAABHQ8145**

**Place: Hyderabad**  
**Date: 28.06.2021**

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## CONCORD DRUGS LIMITED

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### Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report the following:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification
- (c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
2. As informed by the company, the physical verification of inventory excluding Stock with third parties has been conducted at reasonable intervals by the management. However the physical verification report has not been shared with us.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the act in respect of grant of loans, making investments and providing guarantees and securities given have been complied with by the Company.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year within the meaning of Sections 73 and 76 of the Companies Act, 2013. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Companies Act, 2013 We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

## CONCORD DRUGS LIMITED

6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of specified products of the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same
7. 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 Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, Duty of Customs, Cess and any other statutory dues have generally been regularly deposited during the year.
- 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 2021.
- c. According to the information and explanations given to us , there are no material dues sales tax, service tax and value added tax , wealth tax , duty of customs and cess which have not been deposited with appropriate authorities on account of any dispute. However according to the 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 | From Where the dispute is pending | Amount in Rs. | Previous Year | Present status   |
|---------------------|------------|------------------------------------|-----------------------------------|---------------|---------------|--|
| Income Tax Act,1961 | 143(3)     | A.Y 2011-12                        | Assessing Officer                 | 2,58,82,270   | 2,58,82,270   | The case been remanded to the Assessing officer by the Income Tax Appellate Tribunal(ITAT), Hyderabad directing the AO to allow the deduction after his due verification. AO is yet to delete the addition vide order dated 31.01,2020 |
| Income Tax Act,1961 | 143(3)     | A.Y 2014-15                        | Assessing Officer                 | 3,57,37,540   | 3,90,64,488   | The case has been remitted back to AO for his verification and to delete the addition if he satisfies vide ITAT order dated 04/10/2019.  |

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. There are no dues to debenture holders during the year.

## CONCORD DRUGS LIMITED

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9. In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
10. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has Not made preferential allotment of shares during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
16. According to the information and explanations given to us, 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**  
**Firm Registration No: 009399S**

**Sd/-**  
**(G Nageswara Rao)**  
**Partner**  
**Membership No: 207300**  
**UDIN: 21207300AAABHQ8145**

**Place: Hyderabad**  
**Date: 28.06.2021**

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## CONCORD DRUGS LIMITED

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### **Annexure B to the Independent Auditors' report of event date on the financial statement of Concord Drugs Limited.**

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to standalone financial statements of Concord Drugs Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year then ended.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the 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 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

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## CONCORD DRUGS LIMITED

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assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.



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## CONCORD DRUGS LIMITED

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### **Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements 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 aspects, adequate internal financial controls System over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the company considering the essential components of internal stated in the Guidance note on Audit of internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountant of India.

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

**Sd/-**  
**(G Nageswara Rao)**  
**Partner**  
**Membership No: 207300**  
**UDIN: 21207300AAABHQ8145**

**Place: Hyderabad**  
**Date: 28.06.2021**

# CONCORD DRUGS LIMITED

Balance sheet as at 31st March, 2021

| Particulars  | Note | Rs in Lakhs             |                         |
|--|------|-------------------------|-------------------------|
|  |      | As At<br>March 31, 2021 | As At<br>March 31, 2020 |
| <b>ASSETS</b>  |      |                         |                         |
| <b>Non-current assets</b>  |      |                         |                         |
| (a) Property, plant and equipment                                | 3    | 1,319.15                | 973.86                  |
| (b) Capital Work-in Progress                                     | 3    | -0.00                   | 99.77                   |
| (b) Investment property  | 3    | 63.95                   | 78.60                   |
| <b>Financial assets</b>  |      |                         |                         |
| (a) Loans & Advances   | 5    | 2.64                    | 53.62                   |
| Other Non current assets   | 4    | 1.44                    | 39.29                   |
| <b>Total Non - Current Assets</b>                                |      | <b>1,387.17</b>         | <b>1,245.14</b>         |
| <b>Current Assets</b>  |      |                         |                         |
| Inventories  | 7    | 1,187.18                | 1,643.13                |
| Financial assets   |      |                         | -                       |
| (a) Investments  |      |                         | -                       |
| (b) Trade receivables  | 6    | 2,072.80                | 2,544.60                |
| (c) Cash and cash equivalents                                    | 8    | 3.55                    | 1.21                    |
| (d) Bank balances other than (c) above                           | 8    | 2.10                    | 2.59                    |
| (e) Other Current Financial Assets                               | 9    | 4.42                    | 4.13                    |
| Other current assets   | 10   | 331.04                  | 360.75                  |
| <b>Total Current assets</b>                                      |      | <b>3,601.10</b>         | <b>4,556.40</b>         |
| <b>Total Assets</b>  |      | <b>4,988.27</b>         | <b>5,801.55</b>         |
| <b>EQUITY AND LIABILITIES</b>                                    |      |                         |                         |
| <b>Equity</b>  |      |                         |                         |
| Equity share capital   | 11   | 874.38                  | 874.38                  |
| Other equity   | 12   | 1,802.25                | 1,474.08                |
| <b>Total Equity</b>  |      | <b>2,676.62</b>         | <b>2,348.46</b>         |
| <b>Non-current liabilities</b>                                   |      |                         |                         |
| Financial Liabilities  |      |                         |                         |
| (a) Borrowings   | 13   | 60.30                   | 87.72                   |
| (b) Trade payables   |      |                         |                         |
| Deferred tax liabilities, net                                    | 14   | 67.67                   | 13.70                   |
| Provisions   | 15   | 208.38                  | 208.38                  |
| Government Grants  | 13   | 36.92                   | 45.53                   |
| <b>Total Non-current liabilities</b>                             |      | <b>373.27</b>           | <b>355.34</b>           |
| <b>Current liabilities</b>                                       |      |                         |                         |
| Financial liabilities  |      |                         |                         |
| (a) Borrowings   | 16   | 1,237.02                | 869.10                  |
| (b) Trade payables   | 17   | 314.77                  | 1,279.62                |
| (c) Other Current financial liabilities                          | 18   |                         | -                       |
| Current tax liabilities, net                                     | 15   | 47.07                   | 11.91                   |
| Other current liabilities  | 19   | 339.52                  | 937.13                  |
| <b>Total Current liabilities</b>                                 |      | <b>1,938.38</b>         | <b>3,097.75</b>         |
| <b>Total liabilities</b>   |      | <b>2,311.65</b>         | <b>3,453.09</b>         |
| <b>Total Equity and liabilities</b>                              |      | <b>4,988.27</b>         | <b>5,801.55</b>         |
|  |      |                         | 0.00                    |
| <b>Corporate information and significant accounting policies</b> |      | 1 & 2                   |                         |

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

G. Nageswara Rao  
Partner  
Mno-207300

Place: Hyderabad  
Date: 28.06.2021

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

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

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

Sd/-  
Jyothi Goyal  
Company Secretary

# CONCORD DRUGS LIMITED

## Statement Of Standalone Profit and Loss for the year ended 31st March, 2021

Rs. In Lakhs

|      | Particulars   | Note | As at March 31, 2021 | As at March 31, 2020 |
|------|---|------|----------------------|----------------------|
| I    | <b>Revenue from Operations</b>  |      |                      |                      |
|      | a. Net sales from Operations  | 20   | 5,135.70             | 5,133.89             |
| II   | <b>Other Income</b>   | 21   | 9.46                 | 12.01                |
| III  | <b>Total Revenue (I+II)</b>   |      | <b>5,145.16</b>      | <b>5,145.89</b>      |
| IV   | <b>Expenses</b>   |      |                      |                      |
|      | a. Cost of Material Consumed  | 22   | 4,049.15             | 4,206.02             |
|      | b. Changes in Inventories of finished goods, work-in-progress and stock-in-trade  | 23   | 168.67               | 51.72                |
|      | c. Employees Benefit Expenses   | 24   | 375.55               | 350.72               |
|      | d. Finance Costs  | 25   | 142.03               | 154.37               |
|      | e. Depreciation and Amortisation expense  | 3    | 136.53               | 146.39               |
|      | f. Other expenses   | 26   | 220.35               | 191.03               |
|      | <b>Total Expenses</b>   |      | <b>5,092.28</b>      | <b>5,100.25</b>      |
|      | <b>Profit/ (Loss) before Exceptional item and tax (III-IV)</b>  |      | <b>52.88</b>         | <b>45.65</b>         |
| V    | <b>Exceptional Items</b>  |      | 376.32               | 0                    |
| VI   | <b>Profit/ (Loss) before tax (V+VI)</b>   |      | <b>429.20</b>        | <b>45.65</b>         |
| VII  | <b>Tax Expense:</b>   |      | <b>101.03</b>        | <b>12.82</b>         |
| VIII | a. Current tax  |      | 47.07                | 11.91                |
|      | b. Deferred tax charge/credit   |      | 53.96                | 0.91                 |
| IX   | <b>Profit/ (Loss) for the period (VII-VIII)</b>   |      | <b>328.17</b>        | <b>32.83</b>         |
| X    | <b>Other Comprehensive Income</b>   |      | -                    | -                    |
|      | Items that will not be reclassified to profit or loss   |      | -                    | -                    |
|      | <b>Total Comprehensive Income for the period (comprising profit and other comprehensive income for the period) (IX+X)</b> |      | <b>328.17</b>        | <b>32.84</b>         |
| XI   | <b>Paid-up equity share capital</b><br>(Face value of the share- Rs. 10 each)   |      | <b>874.38</b>        | <b>874.38</b>        |
| XII  | <b>Earnings per share (of Rs. 10 each)</b>  |      |                      |                      |
| XIII | a. Basic (in Rs)  |      | 3.75                 | 0.38                 |
|      | b. Diluted (in Rs)  |      | 3.75                 | 0.38                 |

**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  
Chairman & Whole time Director  
DIN:01764665

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

Place: Hyderabad  
Date: 28.06.2021

Sd/-  
Jyothi Goyal  
Company Secretary

# CONCORD DRUGS LIMITED

Statement of Cash flow for the year ended 31st March, 2021

Rs in Lakhs

| Particulars  | As at           |                 |
|--|-----------------|-----------------|
|  | March 31, 2021  | March 31, 2020  |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |                 |                 |
| Profit Before Tax  | 429.20          | 45.65           |
| <i>Adjustments for :</i>   |                 |                 |
| <i>Profit on sale of ASSETS</i>  |                 |                 |
| Depreciation and amortisation expense  | 136.53          | 146.39          |
| Finance costs  | 124.53          | 144.60          |
| Interest income  | (0.81)          | (0.80)          |
| Provision for Gratuity   |                 | -               |
| <b>Operating profit before working capital changes</b>   | <b>689.46</b>   | <b>335.84</b>   |
| <i>Changes in working capital:</i> (Refer Note 40)   |                 |                 |
| <i>Adjustments for (increase) / decrease in operating assets:</i>                              |                 |                 |
| <b>Financial Assets</b>  |                 |                 |
| Trade receivables  | 471.79          | 2,298.87        |
| Loans and Advances   | 50.98           | (3.60)          |
| Other Non Current assets   | 37.85           | (0.03)          |
| Inventories  | 455.94          | 221.03          |
| Other Current assets   | 29.71           | (117.22)        |
| Other bank balances  | 0.49            |                 |
| Other Current financial Assets   | (0.29)          | -               |
| <b>Adjustments for increase / (decrease) in operating liabilities:</b>                         |                 |                 |
| Trade payables   | (964.85)        | (2,984.11)      |
| Borrowings   |                 | -               |
| Other current financial liabilities  |                 | -               |
| Other current liabilities  |                 | -               |
| Current tax liabilities, net   | 35.16           | 0.19            |
| Provisions   | -597.60         | 518.16          |
| Deferred tax on amalgamation   |                 | (9)             |
| <b>Cash generated from operations</b>  | <b>208.64</b>   | <b>260.28</b>   |
| Net income tax paid  | (47.07)         | (11.91)         |
| <b>Net cash flow from operating activities (A)</b>   | <b>161.57</b>   | <b>248.37</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>  |                 |                 |
| Capital expenditure on fixed assets, including capital advances<br>(Refer Note (iii) below)    | -367.40         | (84.82)         |
| Proceeds from maturity of fixed deposits   |                 | -               |
| - Others   | 0.81            | 0.80            |
| <b>Net cash (used in) / flow from investing activities (B)</b>                                 | <b>(366.59)</b> | <b>(84.02)</b>  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |                 |                 |
| Proceeds from issue of equity shares   |                 | 88.20           |
| Finance costs  | -124.53         | (144.60)        |
| Repayment of Borrowings  | -27.42          | 18.75           |
| Repayment of short term Borrowings   | 367.92          | (44.57)         |
| Govt Grants  | -8.61           | (8.61)          |
| Other equity Adjustment  |                 | (88.20)         |
| <b>Net cash flow (used in) financing activities (C)</b>  | <b>207.36</b>   | <b>(179.04)</b> |
| <b>Net (decrease) in Cash and cash equivalents (A+B+C)</b>                                     | <b>2.34</b>     | <b>(14.68)</b>  |
| <b>Cash and cash equivalents at the beginning of the year</b>                                  | <b>1.21</b>     | <b>15.89</b>    |
| Effect of exchange differences on translation of foreign<br>currency Cash and cash equivalents | -               | -               |
| <b>Cash and cash equivalents at the end of the year (Refer Note (i) below)</b>                 | <b>3.55</b>     | <b>1.21</b>     |
| * Comprises:   |                 |                 |
| Balances with Banks  | 0.08            | 0.08            |
| Others   | 3.46            | 1.13            |
|  | <b>3.55</b>     | <b>1.21</b>     |

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  
Chairman & Whole time Director  
DIN:01764665

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

Place: Hyderabad  
Date: 28.06.2021

Sd/-  
Jyothi Goyal  
Company Secretary

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## CONCORD DRUGS LIMITED

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### 1. Corporate information.

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 and presentation and significant Accounting policies.

#### 2.1 Basis of Preparation.

The financial statements are prepared in accordance with the Indian Accounting standards ( Ind As), under historical cost convention on 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 is 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.

#### 2.1.1a 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.

#### 2.1.b Use of Estimates

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

#### 2.1.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;

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## CONCORD DRUGS LIMITED

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- 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.

### 2.2. Significant Accounting Policies.

#### a. 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.

#### b. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are 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.

## CONCORD DRUGS LIMITED

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### **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.

### **c. 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 non refundable taxes and other incidental expenses incurred during the acquisition, construction and installation of the respective assets. The company has not obtained the technical evaluation for recognizing the decommissioning cost of the property, plant and equipment installed.

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

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

## CONCORD DRUGS LIMITED

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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.

### **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.

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## CONCORD DRUGS LIMITED

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**d. 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 effected in the Other Comprehensive Income of the statement of profit and loss.

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

**e. Borrowing costs:**

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

**f. Earnings per share:**

Basic earnings per share are 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.

**g. Financial Instruments:**

**i. Recognition and initial measurement**

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## CONCORD DRUGS LIMITED

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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**

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

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

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

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

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

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

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

## CONCORD DRUGS LIMITED

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### 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 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

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## CONCORD DRUGS LIMITED

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- 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 is substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

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

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

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

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

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

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

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

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

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

## **iii. Derecognition**

### **Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to

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## CONCORD DRUGS LIMITED

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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 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

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## CONCORD DRUGS LIMITED

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reorganization; or

- The disappearance of an active market for a security because of financial difficulties

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

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

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

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

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

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

### **Write off**

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

### **h. Income Tax**

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

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## CONCORD DRUGS LIMITED

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### **Current Tax**

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

### **Deferred Tax**

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

**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.

**j. 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.

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## CONCORD DRUGS LIMITED

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**k. 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.

**l. Contingent Liabilities and commitments :**

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

**m. 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.



# CONCORD DRUGS LIMITED

**Note 3 : Fixed Assets  
For the year (2020-21)**

| Particulars              | Gross Block         |                   |                  |                      | Depreciation Amortization |                      |                      |                      | Net Block            |                    |
|--------------------------|---------------------|-------------------|------------------|----------------------|---------------------------|----------------------|----------------------|----------------------|----------------------|--------------------|
|                          | As at April 1, 2020 | Additions         | Deletion         | As at March 31, 2021 | As at April 1, 2020       | As at March 31, 2021 | Deletion during year | As at March 31, 2021 | As at March 31, 2021 | As at Mar 31, 2020 |
| Land & Land Development  | 78,59,768           | -                 | 14,65,000        | 63,94,768            | -                         | -                    | -                    | -                    | 63,94,768            | 78,59,768          |
| <b>Sub-Total</b>         | <b>78,59,768</b>    | -                 | <b>14,65,000</b> | <b>63,94,768</b>     | -                         | -                    | -                    | -                    | <b>63,94,768</b>     | <b>78,59,768</b>   |
| Building                 | 4,92,59,087         | 2,30,58,320       | 47,19,284        | 6,75,98,123          | 3,21,44,524               | 16,22,451            | 37,22,238            | 3,00,44,737          | 3,75,53,386          | 1,71,14,563        |
| Furniture & Fixtures     | 40,00,630           | 3,67,500          | -                | 43,68,130            | 31,98,110                 | 2,11,943             | -                    | 34,10,053            | 9,58,077             | 8,02,520           |
| Plant & Machinery        | 13,98,54,816        | 2,38,16,866       | -                | 16,36,71,682         | 8,75,08,506               | 66,76,766            | -                    | 9,40,85,273          | 6,95,86,409          | 5,23,46,310        |
| Office equipment         | 28,13,519           | 15,69,122         | -                | 43,82,641            | 26,46,648                 | 2,11,055             | -                    | 28,57,703            | 15,24,938            | 1,68,871           |
| Vehicles                 | 60,52,695           | 47,500            | 6,43,818         | 94,56,577            | 51,82,715                 | 2,54,756             | 6,27,804             | 46,09,668            | 6,46,909             | 8,69,980           |
| Air Handling Systems     | 3,59,17,595         | -                 | -                | 3,59,17,595          | 2,69,66,551               | 16,20,139            | -                    | 2,85,86,690          | 73,30,905            | 89,51,044          |
| Lab Equipment            | 3,04,05,609         | -                 | -                | 3,04,05,609          | 2,20,50,152               | 15,12,338            | -                    | 2,35,62,490          | 66,43,119            | 83,55,457          |
| Electrical Installations | 2,99,18,049         | -                 | -                | 2,99,18,049          | 2,21,33,990               | 14,08,915            | -                    | 2,35,42,905          | 63,75,144            | 77,84,059          |
| Generator                | 35,68,140           | -                 | -                | 35,68,140            | 26,34,666                 | 1,68,959             | -                    | 28,03,625            | 7,64,515             | 9,33,474           |
| Computers                | 1,70,030            | 3,35,683          | -                | 5,05,713             | 1,08,016                  | 66,032               | -                    | 1,74,048             | 3,31,665             | 62,014             |
| <b>Total</b>             | <b>30,19,60,170</b> | <b>49,194,991</b> | <b>53,62,902</b> | <b>34,57,92,269</b>  | <b>20,45,73,878</b>       | <b>1,36,53,354</b>   | <b>43,50,042</b>     | <b>21,38,77,190</b>  | <b>13,19,15,069</b>  | <b>97,36,629</b>   |
| Capital Work-in-Progress | 99,77,257           | 1,30,81,063       | 2,30,58,320      | 3,21,16,640          | -                         | -                    | -                    | -                    | -                    | 99,77,257          |
|                          | 31,97,97,195        | 6,22,76,054       | 2,98,66,222      | 35,21,87,027         | 20,45,73,878              | 1,36,53,354          | 43,50,042            | 21,38,77,190         | 13,83,09,836         | 11,52,23,317       |

## CONCORD DRUGS LIMITED

Rs. In Lakhs

|          |                                       | 31-Mar-21   | 31-Mar-20    |
|----------|---------------------------------------|-------------|--------------|
| <b>4</b> | <b>Other Non current assets</b>       |             |              |
| (a)      | <b>Capital advances</b>               |             |              |
|          | Secured, considered good              |             |              |
|          | Unsecured, considered good            | 1.44        | 39.29        |
|          | Doubtful                              | -           | -            |
|          | Less: Provision for doubtful advances | -           | -            |
| (b)      | advances to suppliers                 |             |              |
|          | <b>Total</b>                          | <b>1.44</b> | <b>39.29</b> |

| <b>Financial Assets</b> |   | <b>31-Mar-21</b> | <b>31-Mar-20</b> |
|-------------------------|---|------------------|------------------|
| <b>5</b>                | <b>Loans and Advances</b>   |                  |                  |
| (a)                     | Security Deposits   | 2.64             | 5.05             |
| (b)                     | Loans and advances to related parties (Refer footnote 1)  |                  |                  |
|                         | <b>Other Loans &amp; Advances</b>   |                  |                  |
|                         | Advance tax and tax deducted at source [Net of provision for income tax of Rs. ABC (previous year Rs. XYZ)] |                  |                  |
| (c)                     | Staff Advances  | -                | 36.17            |
|                         | VAT credit receivable   |                  |                  |
| (d)                     | Others  |                  | 12.40            |
|                         | <b>Total</b>  | <b>2.64</b>      | <b>53.62</b>     |

| <b>6 Trade receivables</b> |   | <b>31-Mar-21</b> | <b>31-Mar-20</b> |
|----------------------------|---|------------------|------------------|
| (a)                        | <b>Outstanding for a period less than six months from the date they are due for payment</b> |                  |                  |
|                            | Unsecured, considered good  | 2,072.80         | 1,599.79         |
|                            |   | <b>2,072.80</b>  | <b>1,599.79</b>  |
|                            | Less: Provision for doubtful receivables  | -                | -                |
|                            | (I)   | <b>2,072.80</b>  | <b>1,599.79</b>  |
| (b)                        | <b>Others</b>   |                  |                  |
|                            | Unsecured, considered good  |                  | 944.81           |
|                            |   | -                | <b>944.81</b>    |
|                            | Less: Provision for doubtful receivables  |                  | -                |
|                            | (II)  | -                | <b>944.81</b>    |
|                            | <b>Total Trade receivables (I+II)</b>   | <b>2,072.80</b>  | <b>2,544.60</b>  |

| <b>7 Inventories</b> |  | <b>31-Mar-21</b> | <b>31-Mar-20</b> |
|----------------------|--|------------------|------------------|
|                      | <b>(Valued at lower of cost and net relisable value, unless stated other wise)</b> |                  |                  |
| (a)                  | Raw materials and components   | 379.74           | 440.00           |
| (b)                  | Work-in-progress   | 234.85           | 403.51           |
| (c)                  | Finished goods   | 216.32           | 482.09           |
| (d)                  | Packing Materials  | 356.28           | 317.53           |
|                      | <b>Total Inventories</b>   | <b>1,187.18</b>  | <b>1,643.13</b>  |

## CONCORD DRUGS LIMITED

| 8   | Cash and bank balances   | 31-Mar-21   | 31-Mar-20   |
|-----|--|-------------|-------------|
|     | <b>Cash and cash equivalents</b>                                     |             |             |
|     | <b>Balances with banks</b>   |             |             |
| (a) | In current accounts  | 0.08        | 0.08        |
|     | Deposits with original maturity of less than three months            | -           | 0.00        |
|     | On unpaid dividend accounts  | -           | 0.00        |
|     | Deposits with original maturity of less than three months under lien | -           | 0.00        |
|     | Cheques, drafts on hand  | -           | 0.00        |
| (b) | Cash on hand   | 3.46        | 1.13        |
|     | <b>Total cash and cash equivalents</b>                               | <b>3.55</b> | <b>1.21</b> |
| (c) | Balances with banks other than above                                 | 2.10        | 2.59        |
|     | <b>Total Cash and bank balances</b>                                  | <b>5.65</b> | <b>3.80</b> |

| 9   | Other current financial Asset                                | 31-Mar-21   | 31-Mar-20   |
|-----|--|-------------|-------------|
|     | <b>(Unsecured, considered good, unless stated otherwise)</b> |             |             |
| (a) | Security Deposits  | 4.42        | 4.13        |
| (b) | Other Advances (Imprest Cash)                                |             | -           |
|     | <b>Total</b>   | <b>4.42</b> | <b>4.13</b> |

| 10  | Other Current Assets  | 31-Mar-21     | 31-Mar-20     |
|-----|-----------------------|---------------|---------------|
| (a) | Advances to Suppliers | 78.04         | 187.10        |
| (b) | Advance Tax           | 87.65         | 87.65         |
| (c) | TDS Receivable        | 3.36          | 0.63          |
| (d) | MAT Credit            | 69.34         | 69.34         |
| (e) | Other Current Assets  | 62.09         | 16.03         |
| (f) | GST Inputs            | 30.57         |               |
| (g) | Prepaid expenses      |               | 0.00          |
|     | <b>Total</b>          | <b>331.04</b> | <b>360.75</b> |

# CONCORD DRUGS LIMITED

| 11 Equity Share capital  |  | 31-Mar-21            | 31-Mar-20         |
|--|--|----------------------|-------------------|
| The Company has only one class of share capital having a par value of Rs. 10 per share, referred to herein as equity shares.   |  |                      |                   |
| <b>(i) Authorised</b><br>1,10,00,000 (previous year 1,10,00,000) equity shares of Rs. 10/- each  |  | <b>1,100</b>         | <b>1,100</b>      |
| <b>(ii) Issued, subscribed and paid up</b><br>8743750 (previous year 7861750) equity shares of Rs. 10/- each fully paid  |  | 874.38               | 874.38            |
| <b>Total</b>   |  | 874.38               | 874.38            |
| <b>Reconciliation of shares outstanding at the beginning and at the end of the year</b>  |  | <b>31-Mar-21</b>     |                   |
|  |  | <b>31-Mar-20</b>     |                   |
|  |  | <b>No. of Shares</b> | <b>Amount</b>     |
| Outstanding at the beginning of the year   |  | 87.44                | 874.38            |
| Add: Issued during the year  |  | -                    | -                 |
| Outstanding at the end of the year   |  | 87.44                | 874.38            |
| <b>(b) Rights, preferences and restrictions attached to shares</b>   |  |                      |                   |
| (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 31 <sup>st</sup> March 2021, 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   |  |                      |                   |
| <b>(c) Shares held by holding company/ultimate holding company and/ or their subsidiaries/ associates</b>  |  | <b>31-03-2021</b>    | <b>31-03-2020</b> |
| <b>Name of the Holding Limited, the holding company</b><br>(31 <sup>st</sup> March 2021: No Holding Limited) equity shares of Rs. 10 each fully paid   |  | Nil                  | Nil               |
| <b>Name of the ultimate holding company, the ultimate holding company</b><br>(31 <sup>st</sup> March 2021: No Ultimate Holding Company) equity shares of Rs. 10 each fully paid  |  | Nil                  | Nil               |
| <b>Name of other Subsidiaries/Associate Company, subsidiary/associate company</b><br>(31 <sup>st</sup> March 2021: No Subsidiary/Associate Company) equity shares of Rs.10 each fully paid   |  | Nil                  | Nil               |
| <b>(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:</b>   |  |                      |                   |
| Equity shares allotted as fully paid bonus shares by capitalization of securities premium  |  | Nil                  | Nil               |
| Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash  |  | Nil                  | Nil               |
| <b>Equity shares bought back by the company</b>  |  | Nil                  | Nil               |

## CONCORD DRUGS LIMITED

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

| Name of the shareholder  | 31-Mar-21        |                           | 31-Mar-20        |                           |
|--------------------------|------------------|---------------------------|------------------|---------------------------|
|                          | Number of shares | % of holding in the class | Number of shares | % of holding in the class |
| Koni Reddy Seelam        | 9.75             | 11.15%                    | 9.75             | 11.15%                    |
| Nagi Reddy Seelam        | 17.03            | 19.48%                    | 17.03            | 19.48%                    |
| S.Manoj Reddy            | 6.65             | 7.61%                     | 6.65             | 7.61%                     |
| Vundela Rama Subba Reddy | 3.975            | 4.55%                     | 3.975            | 4.55%                     |

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.

| 12 Reserves and surplus  | 31-Mar-21       | 31-Mar-20       |
|--|-----------------|-----------------|
| <b>(a) Capital Reserves</b>                                      |                 |                 |
| Opening balance  | 41.00           | 41.00           |
| Add: Current year transfer from                                  |                 | -               |
| Less: Utilisation on account of / Transfer to                    | -               | -               |
| <b>Closing balance</b>   | <b>41.00</b>    | <b>41.00</b>    |
| <b>(b) Revaluation Reserve</b>                                   |                 |                 |
| Opening balance  | -               | -               |
| Add: Current year transfer from                                  | -               | -               |
| Less: Utilisation on account of / Transfer to                    | -               | -               |
| <b>Closing balance</b>   | <b>-</b>        | <b>-</b>        |
| <b>(c) Surplus/(deficit) in the Statement of Profit and Loss</b> |                 |                 |
| Opening balance  | 863.08          | 830.26          |
| Add: Net Profit/(Net Loss) for the current year                  | 328.17          | 32.83           |
| Transfer from reserves   |                 |                 |
| Transfer to reserves   | -               | -               |
| <b>Closing balance</b>   | <b>1,191.25</b> | <b>863.08</b>   |
| <b>(d) Securities premium</b>                                    | 570.00          | 570.00          |
| <b>Total Reserves and surplus</b>                                | <b>1,802.25</b> | <b>1,474.08</b> |
| Other equity   |                 |                 |
| Unsecured Loans from Directors are grouped as Other equity       |                 | -               |
| <b>Total Other equity</b>  | <b>1,802.25</b> | <b>1,474.08</b> |

**Non Current Liabilities**

**13 Financial Liabilities - Borrowings**

| Particulars   | 31-Mar-21    | 31-Mar-20    |
|---|--------------|--------------|
| <b><u>Secured</u></b>   |              |              |
| <b>(a) Term loans</b>   |              |              |
| from banks  |              | -            |
| <b>(b) Interest Free Sales Tax Loan</b>   | 59.44        | 65.43        |
| <b><u>Unsecured</u></b>   |              |              |
| <b>(a) Loans and advances from related parties</b>                                  | 0.86         | 22.30        |
| Total long term borrowings including its current maturities                         | <b>60.30</b> | <b>87.72</b> |
| Less: Amount disclosed under the head "Other current liabilities" (refer note 18)   | -            | -            |
| Total current maturities of long term borrowings                                    | <b>60.30</b> | <b>87.72</b> |
| <b>Un secured loan from Directors Grpd as Other equity</b>                          |              | -            |
| <b>Adjustment of Interest Free Sales Tax loan( recognised as Government Grants)</b> | -36.92       | -45.53       |
| <b>Total</b>  | <b>60.30</b> | <b>87.72</b> |

## CONCORD DRUGS LIMITED

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

| Particulars                        | 31-Mar-21 | 31-Mar-20    |
|------------------------------------|-----------|--------------|
| (a) Opening Deferred Tax Liability |           | 12.79        |
| For The Year                       |           | 0.91         |
| <b>Total</b>                       | -         | <b>13.70</b> |

### 15 Provisions

| Particulars                                     | 31-Mar-21     |              | 31-Mar-20     |              |
|---|---------------|--------------|---------------|--------------|
|   | Long Term     | Short Term   | Long Term     | Short Term   |
| (a) Provision for Creditor for Capital Expenses |               |              | -             |              |
| (b) Other provisions (Specify nature)           |               |              | -             | -            |
| Provision for Income tax                        | 198.88        | 47.07        | 198.88        | 11.91        |
| Provision for gratuity                          | 9.50          |              | 9.50          | -            |
| <b>Total Provisions</b>                         | <b>208.38</b> | <b>47.07</b> | <b>208.38</b> | <b>11.91</b> |

Rs. In Lakhs

### 16 Borrowings

| Particulars                              | 31-Mar-21       | 31-Mar-20     |
|--|-----------------|---------------|
| <u>Secured</u>                           |                 |               |
| (a) Loans repayable on demand from banks | 1,237.02        | 869.10        |
| <b>Total</b>                             | <b>1,237.02</b> | <b>869.10</b> |

### 17 Trade payables

| Particulars        | 31-Mar-21     | 31-Mar-20       |
|--------------------|---------------|-----------------|
| <b>Non Current</b> |               |                 |
| Trade payables     | 314.77        | 377.49          |
| <b>Current</b>     |               |                 |
| (a) Trade payables |               | 902.13          |
| <b>Total</b>       | <b>314.77</b> | <b>1,279.62</b> |

### 18 Other current Financial Liabilities

| Particulars                               | 31-Mar-21 | 31-Mar-20 |
|---|-----------|-----------|
| (a) Current maturities of long-term debts | -         | -         |
| <b>Total</b>                              | <b>-</b>  | <b>-</b>  |

### 19 Other current liabilities

| Particulars                         | 31-Mar-21     | 31-Mar-20     |
|-------------------------------------|---------------|---------------|
| (a) Provision for Expenses          | 259.75        | 297.16        |
| (b) Advance Received from Customers | 57.63         | 429.16        |
| (c) Advance for Capital Assets      | -             | 191.00        |
| (d) ESI, PF, Other taxes Payable    | 13.77         | 13.90         |
| (e) Unpaid dividends                |               |               |
| (f) TDS Payable                     | 8.37          | 5.90          |
| <b>Total</b>                        | <b>339.52</b> | <b>937.13</b> |

## CONCORD DRUGS LIMITED

| 20 | Revenue from operations                | 31-Mar-21       | 31-Mar-20       |
|----|--|-----------------|-----------------|
|    | Sale of products                       |                 |                 |
|    | Finished goods                         | 5,135.70        | 5,133.89        |
|    | <b>Revenue from operations (Gross)</b> | <b>5,135.70</b> | <b>5,133.89</b> |
|    | Less: Excise duty                      | -               | -               |
|    | <b>Total</b>                           | <b>5,135.70</b> | <b>5,133.89</b> |

| 21 | Other income             | 31-Mar-21   | 31-Mar-20    |
|----|--------------------------|-------------|--------------|
|    | Interest income          | 0.81        | 0.80         |
|    | Miscellaneous income     | 0.04        | 0.20         |
|    | Interest from Govt Grant | 8.61        | 8.61         |
|    | creditors written off    |             | 2.40         |
|    | <b>Total</b>             | <b>9.46</b> | <b>12.01</b> |

| 22 | Cost of raw material consumed  | 31-Mar-21       | 31-Mar-20       |
|----|--|-----------------|-----------------|
|    | <b>Raw material consumed</b>   |                 |                 |
|    | Inventory at the beginning of the year (Includes Goods in transit)       | 440.00          | 675.00          |
|    | Add : Purchases during the year  | 2,165.10        | 2,488.85        |
|    | Less: Inventory at the end of the year (Include Goods-in transit)        | 379.74          | 440.00          |
|    | <b>Cost of raw material consumed (I)</b>                                 | <b>2,225.36</b> | <b>2,723.85</b> |
|    | <b>Packing material consumed (if considered as part of raw material)</b> |                 |                 |
|    | Inventory at the beginning of the year [Include Goods-in transit]        | 317.53          | 363.08          |
|    | Add : Purchases during the year  | 1,596.78        | 1,547.85        |
|    | Less: Inventory at the end of the year [Include Goods-in transit]        | 356.28          | 317.53          |
|    | <b>Cost of packing material consumed (II)</b>                            | <b>1,558.03</b> | <b>1,593.40</b> |
|    | <b>Finished Goods Consumed</b>   |                 |                 |
|    | Inventory at the beginning of the year [Include Goods-in transit]        | 482.09          | 370.85          |
|    | Add : Purchases during the year  |                 | -               |
|    | Less: Inventory at the end of the year [Include Goods-in transit]        | 216.32          | 482.09          |
|    | <b>Cost of other material consumed (III)</b>                             | <b>265.76</b>   | <b>-111.24</b>  |
|    | <b>Total raw material consumed (I+II+III)</b>                            | <b>4,049.15</b> | <b>4,206.02</b> |

## CONCORD DRUGS LIMITED

|    |   | Rs. In Lakhs       |               |
|----|---|--------------------|---------------|
| 23 | Particulars   | 31-Mar-21          | 31-Mar-20     |
|    | Changes in inventories of finished goods, work in progress and stock-in trade             |                    |               |
|    | <b>Inventories at the beginning of the year:</b>  |                    |               |
|    | Work in progress  | 403.51             | 455.23        |
|    |   | <b>(I) 403.51</b>  | <b>455.23</b> |
|    | <b>Inventories at the end of the year:</b>  |                    |               |
|    | Work in progress  | 234.85             | 403.51        |
|    |   | <b>(II) 234.85</b> | <b>403.51</b> |
|    | (Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade | <b>168.67</b>      | <b>51.72</b>  |

| 24 | Employee benefits expense                   | 31-Mar-21     | 31-Mar-20     |
|----|---|---------------|---------------|
|    | Salaries, wages, bonus and other allowances | 340.85        | 322.22        |
|    | Directors Remuneration                      | 29.00         | 24.00         |
|    | Contribution to provident and other funds   | 1.74          | -             |
|    | Staff welfare expenses                      | 3.96          | 4.49          |
|    | <b>Total</b>                                | <b>375.55</b> | <b>350.72</b> |

| 25 | Finance cost          | 31-Mar-21     | 31-Mar-20     |
|----|-----------------------|---------------|---------------|
|    | Interest expense      |               |               |
|    | On bank loan          | 124.53        | 144.60        |
|    | Other borrowing costs |               | -             |
|    | Bank charges          | 8.89          | 1.16          |
|    | Interest on VAT loan  | 8.61          | 8.61          |
|    | <b>Total</b>          | <b>142.03</b> | <b>154.37</b> |



## CONCORD DRUGS LIMITED

| 26 | Other Expenses                                | 31-Mar-21     | 31-Mar-20     |
|----|---|---------------|---------------|
|    | Consumption of stores and spare parts         | 10.22         | 12.46         |
|    | Power and fuel                                | 55.11         | 76.79         |
|    | Buildings                                     | 1.97          | 3.03          |
|    | Plant & machinery                             | 21.36         | 4.96          |
|    | Others  | 2.35          | 2.06          |
|    | Vehicle Maintenance                           | 18.46         | 13.28         |
|    | Insurance                                     | 4.78          | 6.90          |
|    | Listing Fees                                  | 3.00          | 3.00          |
|    | Auditor's remuneration                        |               | 1.50          |
|    | Business Promotion Expenses                   | 24.01         | 11.20         |
|    | Duties and Taxes                              |               | 4.71          |
|    | Discount                                      | 2.85          | -             |
|    | Travelling, Boarding & Lodging Expenses       | 0.22          | 1.38          |
|    | Freight & Transportation Expenses             | 18.68         | 10.77         |
|    | Postage & Courier Charges                     | 0.92          | 0.71          |
|    | Legal & Professional Charges                  | 17.50         | 7.53          |
|    | Printing & Stationery                         | 4.97          | 5.52          |
|    | Registration & Renewals                       | 17.94         | 11.52         |
|    | Telephone Charges                             | 1.00          | 1.05          |
|    | Factory Maintenance Expenses                  | 3.78          | 6.43          |
|    | Debits written off/credits written back (Net) |               | -             |
|    | Miscellaneous                                 | 0.85          | 3.51          |
|    | Security Chargers                             | 2.63          | 2.73          |
|    | Packing And Forwaring Expenses-Purchases      | 1.91          |               |
|    | Certification Charges & Plate charges         | 0.10          |               |
|    | Penalty & Late Fee Chages                     | 5.74          |               |
|    | <b>Total</b>                                  | <b>220.35</b> | <b>191.03</b> |

## CONCORD DRUGS LIMITED

### 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 <sup>st</sup> March 2021 | As at 31 <sup>st</sup> March 2020 |
| Income tax Act, 1961 | 143(3)     | A.Y.2011-12                        | Commissioner of Income Tax (Appeals)-II | 258.83                            | 258.83                            |
| Income tax Act, 1961 | 143(3)     | A.Y.2014-15                        | Commissioner of Income Tax (Appeals)-II | 390.65                            | 390.65                            |

### 2.2 Auditor's Remuneration:

Professional & consultancy charges include the remuneration paid (including service tax/GST) to auditors as follows:

| Particulars          | Rs. in Lakhs        |                     |
|----------------------|---------------------|---------------------|
|                      | As at 31 March 2021 | As at 31 March 2020 |
| Statutory audit fees | 3.00                | 3.00                |
| Limited review fees  | 0.00                | 0.00                |
| Tax audit fees       | 0.50                | 0.50                |

### 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 2021 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.

## CONCORD DRUGS LIMITED

Rs. in Lakhs

| Sl no | Particulars  | 31-Mar-21 | 31-Mar-20 |
|-------|--|-----------|-----------|
| 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       |

### 2.4 Related party disclosures:

#### a) Names of related parties and nature of relationship:

| Subsidiary Companies  | Nil   |
|---|---|
| companies controlled by key management<br>Personnel/ relatives who are substantially interested | Cortex Laboratories<br>Private Limited<br>Proton Remedies Pvt Ltd<br>AustrazenBioPharmaceuticals<br>Pvt Ltd |
| Key managerial personnel  | Nagireedy Seelam (MD)<br>Konireddy seelam<br>Jyoti Goyal  |
| Directors   | Tathireddy Narsimha reddy<br>Chandrakala Panthamvar   |

## CONCORD DRUGS LIMITED

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

| Rs. in Lakhs                 |                                  |                             |                                  |                             |
|------------------------------|----------------------------------|-----------------------------|----------------------------------|-----------------------------|
| Details                      | Associate Companies/<br>Concerns | Key Management<br>Personnel | Associate Companies/<br>Concerns | Key Management<br>Personnel |
|                              | 2020-21 Rs.                      |                             | 2019-20 Rs.                      |                             |
| Remuneration                 | -                                | 29.00                       | -                                | 24.00                       |
| Sales                        | 259.71                           | -                           | 256.90                           | -                           |
| Purchase of Raw material     | 95.36                            | -                           | 361.87                           |                             |
| <b>Unsecured loans (net)</b> |                                  |                             |                                  |                             |
| S. Nagi reddy                | 0.00                             |                             | 9.97                             |                             |
| S.Manoj Reddy                |                                  |                             | 0.13                             |                             |
|                              | 0.55                             |                             |                                  |                             |

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

| Rs. in Lakhs                            |                                  |                             |                                  |                             |
|---|----------------------------------|-----------------------------|----------------------------------|-----------------------------|
| Details                                 | Associate Companies/<br>Concerns | Key Management<br>Personnel | Associate Companies/<br>Concerns | Key Management<br>Personnel |
|   | 2020-21 Rs.                      |                             | 2019-20 Rs.                      |                             |
| Remuneration Payable                    |                                  | 4.12                        | -                                | 25.26                       |
| Cortex laboratories Pvt Ltd.            | (5.94)                           |                             | 89.09                            | -                           |
| Proton Remedies Pvt Ltd.                | 59.96                            |                             | 166.39                           |                             |
| AustrazenBioPharmaceuticals<br>Pvt Ltd. | (29.13)                          |                             | 54.50                            |                             |
| S Nagi Reddy                            |                                  |                             |                                  |                             |
| S Koni Reddy                            | 0.00                             |                             | 9.98                             |                             |
| S. Manoj Reddy                          |                                  |                             |                                  |                             |
|   | 0.00                             |                             | 0.00                             |                             |
|   | 0.86                             |                             | 0.31                             |                             |

## 25 Earnings Per share (EPS):

The computation of earnings per share is set out below

| Rs. in Lakhs  |  |  |
|---|--|--|
| Particulars   | Year ended<br>31 <sup>st</sup> March<br>2021 | Year ended<br>31 <sup>st</sup> March<br>2020 |
| <b>Earnings (Amt in Rs.):</b>   |  |  |
| Profit/Loss as per the statement  | 328.17                                       | 32.83  |
| <b>Shares:</b>  |  |  |
| Number of shares at the beginning of the year   | 87.44  | 87.44  |
| Total number of equity shares outstanding at the end of the year                          | 87.44  | 87.44  |
| Weighted average number of equity shares outstanding during the year-Basic and Additional | 87.44  |  |
|   |  | 87.44  |
| <b>Earnings per share in Rs. Par value Rs.10 per share:</b>                               |  |  |
| Basic and diluted   | 3.75   |  |
|   |  | 0.38   |

## CONCORD DRUGS LIMITED

### 2.06 Income taxes relating to continuing operations:

Income tax recognized in profit or loss

| Particulars                    | Rs. in Lakhs                                  |   |
|--------------------------------|---|---|
|                                | Year ended<br>31 <sup>st</sup> March,<br>2021 | Year ended<br>31 <sup>st</sup> March,<br>2020 |
| <b>Current tax</b>             |   |   |
| In respect of the current year | 47.07   | 11.91   |
| In respect of the prior year   | -   | -   |
|                                |   | 11.91   |
| <b>Deferred Tax</b>            | 47.07   |   |
| In respect of the current year |   | 0.91  |
|                                | 53.96   | 0.91  |
|                                | 53.96   |   |

### 2.07 Segment Reporting:

The Company is engaged in the manufacture of pharmaceutical Formulations.

| Particulars   | Rs. in Lakhs  |
|---|---------------|
|   | Total         |
| Sales   | 5135.70       |
| Profit before interest & Depreciation               | 331.44        |
| Depreciation  | 136.53        |
| Interest  | 142.03        |
| <b>Profit Before Tax</b>                            | <b>52.88</b>  |
| <b>Profit From Exceptional Items</b>                | <b>376.32</b> |
| <b>Profit Before Tax Including Exceptional Item</b> | <b>429.2</b>  |
| Taxes   |               |
| <b>Profit After Tax</b>                             | <b>101.03</b> |
|   | <b>328.17</b> |

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

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

G. Nageswara Rao  
Partner  
Mno-207300

Place: Hyderabad  
Date: 28.06.2021

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

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

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

Sd/-  
Jyothi Goyal  
Company Secretary

*If Undelivered, please return to:*

**CONCORD DRUGS LIMITED**

Survey No.249, Brahmanapally Village

Hayatnagar Mandal R.R.Dist-501511

Telangana, India.