
CONCORD DRUGS LIMITED

NOTICE

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Place : Hyderabad
Date : 28.08.2017**

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NOTES:

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

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

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

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

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

10. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
11. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
12. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
13. Electronic copy of the Annual Report for 2016-2017 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-2017 is being sent in the permitted mode.
14. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2016-2017 will also be available on the

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

15. Voting through electronic means

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

The instructions for e-voting are as under:

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

Procedure of E-Voting

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

- (I) The voting period begins on 09.00 a.m. on 26.09.2017 and will end at 05.00 p.m. on 28.09.2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 08.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

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

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prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

16. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.

17. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.

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18. The Ministry of Corporate Affairs (vide circular nos. 17/2011 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

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

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

**Place : Hyderabad
Date : 28.08.2017**

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EXPLANATORY STATEMENT

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

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

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

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

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

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

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

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

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

(I) Objective of the Issue through preferential Allotment:

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

(II) Pricing of the Issue and Relevant Date:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(VII) Approvals:

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

(VIII) SEBI Takeover code:

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

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

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

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

(X) Lock-in Period:

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

(XI) Auditor Certificate:

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

(XII) Control:

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

(XIII) Undertakings:

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

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

(XIV) Compliances:

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

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

(XV) Approval under the Companies Act:

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

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

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

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

Item Nos.7, 8 and 9:

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

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

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

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

**Place : Hyderabad
Date : 28.08.2017**

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

CONCORD DRUGS LIMITED

ROUTE MAP FOR AGM VENUE

