

# CONCORD DRUGS LIMITED

## **15<sup>th</sup> Annual General Meeting**

on Thursday, 30th September, 2010

at 11.00 a.m.

### **Registered office:**

Sy.No.249, Brahmanapally Village,  
Hayatnagar Mandal, R.R.Dist. A.P.

### **Contents :**

- ✧ Corporate Information
- ✧ Notice
- ✧ Directors' Report
- ✧ Auditor's Report
- ✧ Balance Sheet
- ✧ Profit & Loss Account
- ✧ Cash Flow Statement
- ✧ Schedules
- ✧ Notes on Accounts
- ✧ Abstract of Balance Sheet
- ✧ Attendance/Proxy

# CONCORD DRUGS LIMITED

## CORPORATE INFORMATION

### BOARD OF DIRECTORS :

<b>Sri S. Nagi Reddy</b>	-	Managing Director
<b>Sri M. Eswar Rao</b>	-	Director
<b>Sri K. Ramachandra Reddy</b>	-	Director
<b>Sri A. Ramesh Babu</b>	-	Director
<b>Smt M. Satya Devi</b>	-	Director
<b>Smt R. Tejaswi</b>	-	Director
<b>Smt S.N. Tulasi Devi</b>	-	Director

**Statutory Auditors:**  
**M/s. M M REDDY & CO.,**  
Chartered Accountants  
Hyderabad.

**Registered Office & Factory:**  
M/s Concord Drugs Limited  
Survey No.249  
Brahmanapally Village  
Hayatnagar Mandal  
Ranga Reddy Dist. A.P.

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

**Factory II:**  
Khasra No.165/3, Village Nalhera Ananthapur  
Paragana Bhagwanpur, Tehsil Roorkee,  
District Haridwar,  
Uttranchal State.

**Bankers:**  
The Lakshmi Vilas Bank Ltd  
Kothapet Branch  
Hyderabad.

**Punjab National Bank**  
Roorkee Civil Lines Branch, U.A.

**Punjab National Bank**  
Kothapet Branch,  
Hyderabad

# CONCORD DRUGS LIMITED

## **Notice**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the shareholders of the Company will be held at the Registered Office of the Company situated at Sy.No.249, Brahmanapally Village, Hayatnagar Mandal, R.R.Dist. A.P. on Thursday, 30th September, 2010 at 11-30 a.m. to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Profit & Loss account for the year ended 31st March, 2010 and the Balance Sheet as on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M. Eswar Rao, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mrs. M. Satya Devi, who retires by rotation.
4. To appoint a Director in place of Mrs. R. Tejaswi, who retires by rotation.
5. To appoint a Director in place of Mrs. S.N. Tulasi Devi, who retires by rotation.
6. To appoint M/s. M.M. Reddy & Co., Chartered Accountants as Auditors of the Company and to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

### **SPECIAL BUSINESS:**

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

“RESOLVED THAT Sri A. Ramesh Babu, who was appointed as additional director of the company pursuant to the provisions of Section 260 of the companies act, 1956 by the board of directors w.e.f 31.10.2009 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with requisite deposit proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation.”

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

# CONCORD DRUGS LIMITED

“RESOLVED THAT pursuant to Sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956 and with the approval of the members in the Annual General Meeting and in accordance with Articles of Association of the Company Mr. S. Nagi Reddy, Director be and is hereby appointed as Managing Director of the Company for a term of 5 (five) years with effect from 29th May, 2010 and all other terms and conditions remaining as same.”

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. S. Nagi Reddy, the remuneration, perquisites and other allowances, if any fixed by the Board of Directors shall be governed by the limits prescribed in Schedule XIII to the Act.”

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

Place: Hyderabad  
Date: 02.09.2010

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

# CONCORD DRUGS LIMITED

## NOTES:-

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM SELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing the Proxy should however be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
3. Members/Proxies should bring the attendance slip sent here with duly filled in for attending the meeting.
4. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M on any working day prior to the date of the meeting and also at the meeting.
5. Member intending to require information about Accounts to be explained at the meeting are requested to write the company at least ten days in advance of the Annual General Meeting.
6. Register of Members and share Transfer Books remain closed from 27.09.2010 to 30.09.2010 (Both days inclusive).

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

Place: Hyderabad  
Date: 02.09.2010

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

# CONCORD DRUGS LIMITED

## **Explanatory Statement (Pursuant to section 173 (2) of the Companies Act, 1956)**

### **ITEM No.7**

The members may note that Mr. A. Ramesh Babu, was inducted into Board as Additional Director of the company, under Independent Director Category with effect from 31.10.2009 pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from a member of the company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting.

Hence, the Board recommends the resolution for your approval.

None of Directors except Mr. A. Ramesh Babu may be deemed to be concerned or interested in the resolution.

### **ITEM No.8**

The Board subject to the approval of the shareholders in the general meeting, appointed Mr. S. Nagi Reddy as Managing Director of the company in the Board Meeting held on 29.05.2010 for a period of 5 years. Board is of the opinion that the rich and varied experience of Mr. S. Nagi Reddy would be great asset to the Company and Company will have immense benefit.

The appointment requires the approval of members. Hence the proposed resolution is recommended to the meeting of the Members for their approval.

None of the Directors of the Company except Mr. S. Nagi Reddy is concerned or interested in this resolution.

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

Sd/-

**(S.Nagi Reddy)**  
Managing Director

Place: Hyderabad  
Date: 02.09.2010

# CONCORD DRUGS LIMITED

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifteenth Annual report together with Audited accounts for the year ended 31st March, 2010.

### PROJECT IMPLEMENTATION:

During the year under review the company achieved the Sales turnover of Rs.973.54 Lakhs and the Job Works income of Rs.6.65 Lakhs and arrived Gross profit of Rs.70.65 Lakhs and arrived Net Profit of Rs.84.31 Lakhs and paid an amount of Rs.18.92 Lakhs towards Income tax.

### FINANCIAL RESULTS:

Particulars	(Amount in Rs.)	
	2009-10	2008-09
Gross Income	995.20	886.89
Total Expenditure	872.03	803.15
Profit before Depreciation & Interest	123.17	83.74
Less: Interest & Fin. Charges	12.96	19.25
Less: Depreciation	39.55	43.09
Less: Provision for Tax including Deferred Tax	(13.66)	2.74
Net Profit	84.31	18.67

### DIVIDEND:

Your Directors do not recommend any Dividend for the current Financial Year- 2009-10.

### PUBLIC DEPOSITS:

Your Company has not accepted any deposits during the year under review.

### DIRECTORS:

During the year Mr. A. Ramesh Babu was appointed as additional director on the Board of the Company w.e.f.31.10.2009.

# CONCORD DRUGS LIMITED

Mr. M. Eswar Rao is retiring by rotation and has expressed his willingness for reappointment. Mrs. M. Satya Devi, Mrs. S.N. Tulasi Devi and Mrs. R. Tejaswi are retiring and have not opted for reappointment. The Board placed on record its sincere appreciation for the valuable services rendered by the directors Mrs. M. Satya Devi, Mrs. S.N. Tulasi Devi and Mrs. R. Tejaswi during their tenure as directors on the Board of the company.

Mr. N. Lakshmana Reddy, managing director passed away on 29.05.2010. The Board places its deep condolences to the family of Mr. N. Lakshmana Reddy. The Board placed on record its sincere appreciation for the valuable and incredible services rendered by Mr. N. Lakshmana Reddy to the company during his tenure as a director.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Your Directors confirm:

- (a) That in preparation of the annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material department.
- (b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the company at the end of the financial year ended on 31st March 2010 and of the profit of the company for that year.
- (c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records for the year ended 31st March 2010 in accordance with the provisions of the companies Act, 1956 for safe guarding the assets of the company and for prevention and detection of fraud and other irregularities.
- (d) That the Directors had prepared the Annual Accounts on an ongoing basis.

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

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

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

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



# CONCORD DRUGS LIMITED

## **B. Technology Absorption**

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

## **C. Foreign Exchange Earnings and Out Go**

Foreign Exchange Earnings	:	Nil
Foreign Exchange Outgo	:	Nil

### **PARTICULARS OF EMPLOYEES:**

None of the employees are in receipt of remuneration exceeding the limit and whose particulars are required to be given as prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

### **AUDITORS:**

M/s. M M REDDY & CO., Chartered Accountants, Hyderabad, the Company's Auditors retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. Your Directors recommend their appointment.

### **REPORT ON CORPORATE GOVERNANCE:**

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, is attached elsewhere in the annual report.

### **LISTING:**

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

### **ACKNOWLEDGEMENTS:**

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

# CONCORD DRUGS LIMITED

Declaration by Managing Director of affirmation by Directors and senior Management personnel of compliance with the code of conduct

The shareholders

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

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

Place: Hyderabad  
Date: 02.09.2010

Sd/-  
S. Nagi Reddy  
Managing Director

# CONCORD DRUGS LIMITED

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Code of Governance

Your Company strongly believes that the system of corporate governance protects the interests of all the stakeholders by inculcating transparent business operations and accountability from management. The core values viz. Customer Focus, Team Work, Leadership, Innovation, Respect for People, Integrity, Performance and Community - guide the Company towards fulfilling the consistently high standard of Corporate governance in all facets of the Company's operations.

### Board of Directors Composition:

Your Board comprises of seven directors - Two executive and five non executive independent directors. Various committees support the Board in its functions. The Board of Directors and its committees meet at regular intervals.

### Attendance of Directors in the Board and Annual General Meeting:

Sl. No.	Name of the Category Director	No. of Directorships held in other Public companies	No. of Memberships/ Chairmanships held in Committees of other Companies
1.	Mr. S. Nagi Reddy Promoter, Executive	Nil	-
2.	Mr. K. Ramachandra Reddy Promoter, Executive	Nil	-
3.	* Mr. N.L. Reddy Promoter, Executive	Nil	-
4.	Mr. M. Easwar Rao Independent, Non executive	Nil	-
5.	Mrs. M. Satya Devi Non executive	Nil	-
6.	Mrs. R. Tejaswi Non executive	Nil	-
7.	Mrs. S.N. Tulasi Devi Non-executive	Nil	-
8.	# Mr. A. Ramesh Babu Independent, Non executive	2	-

\* Ceased due to death 29.05.2010

# Appointed w.e.f. 31.10.2009

# CONCORD DRUGS LIMITED

The board duly met 5 times during the financial year 2009-2010; the dates are 30.04.2009; 31.07.2009; 10.08.2009, 31.10.2009 and 31.01.2010 the attendance of the board of directors are as follows.

Name of the directors	No of meetings held during the tenure of the Director	No of meetings attended by the Director	Whether present at the previous AGM	No. of shares held in the company
Mr. S. Nagi Reddy	5	5	Yes	
Mr. K. Ramachandra Reddy	5	5	Yes	
Mr. M. Easwar Rao	5	5	Yes	
# Mr. A. Ramesh Babu	2	2	No	
* Mr. N.L. Reddy Promoter, Executive	5	5	Yes	
Mrs. M. Satya Devi Non executive	5	5	Yes	
Mrs. R. Tejaswi Non executive	5	5	Yes	
Mrs. S.N. Tulasi Devi Non-executive	5	5	Yes	

\* Cessed due to death 29.05.2010

# Appointed w.e.f. 31.10.2009

## Audit Committee

As per Section 292A of the Companies Act, 1956 constituting Audit committee is mandatory in case of companies whose paid up capital is more than 5 crores and also as per Clause 49 of the Listing Agreement, accordingly the board constituted the audit committee, with the following composition.

Composition: This committee consists of following

- |    |                          |   |          |
|----|--------------------------|---|----------|
| 1. | #Mr. A. Ramesh Babu      | - | Chairman |
| 2. | Mr. M. Eswar Rao         | - | Member   |
| 3. | Mr. K. Ramachandra Reddy | - | Member   |
| 4. | Mrs. R. Tejaswi          | - | Member   |
| 5. | Mrs. S.N. Tulasi Devi    | - | Member   |

# CONCORD DRUGS LIMITED

# Appointed w.e.f. 31.10.2009

Headed by Mr. A. Ramesh Babu, role of Audit committee:

The terms of reference stipulated by the Board to the Audit Committee contained under clause 49 (II) of the Listing Agreement, are as follows:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- 3) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - a) Any changes in accounting policies and practices.
  - b) Major accounting entries based on exercise of judgement by management.
  - c) Qualification in draft audit report.
  - d) Significant adjustments arising out of audit.
  - e) The going concern assumption.
  - f) Compliance with accounting standards.
  - g) Compliance with stock exchange and legal requirements concerning financial statements.
- h) Any related party transactions i.e. transactions of the Company of material nature with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.
- 4) Reviewing with the management, external and internal auditors, the adequacy of the internal control systems.
- 5) Reviewing the adequacy of internal audit function, 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.
- 6) Discussion with internal auditors any significant findings and follow up thereon.
- 7) 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.
- 8) Discussion with the external auditors before the audit commences nature and scope of audit as well as have post audit discussion to ascertain any area of concern.

# CONCORD DRUGS LIMITED

- 9) Reviewing the company's financial and risk management policies.
- 10) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

The Audit committee met 4 times in the financial year, the dates are 30.04.2009; 31.07.2009; 31.10.2009 and 31.01.2010 attendance are as follows:

## Attendance of Audit Committee Members at their Meetings:

Sl. No	Name of the Director	Audit Committee meetings held during the tenure of the director	Attended at the Audit committee Meeting
1.	Mr. A. Ramesh Babu	2	2
2.	Mr. M. Easwar Rao	4	4
3	Mr. K. Ramachandra Reddy	4	4
4.	Mrs. R. Tejaswi	4	4
5.	Mrs. S.N. Tulasi Devi	4	4

## Remuneration committee:

Composition of compensation committee:

1. #Mr. A. Ramesh Babu - Chairman
2. Mr. M. Easwar Rao - Member
3. Mr. K. Ramachandra Reddy - Member
4. Mrs. R. Tejaswi - Member
5. Mrs. S.N. Tulasi Devi - Member

# Appointed w.e.f. 31.10.2009

- b) Remuneration Policy:** The remuneration of the whole time director(s) appointee(s) is decided by the Remuneration Committee based on criteria such as industry benchmark, the Company's performance, performance/track record of the whole time Director(s) appointee(s). The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive, remuneration and commission (variable component) to its whole time directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from 1st April, annually. The Remuneration Committee decides on the Commission payable to the whole time directors on determination of profits for the financial year with the ceilings on net profits prescribed under Sections 198 & 309 of the Companies Act, 1956 (the Act) as also the incentive remuneration.

# CONCORD DRUGS LIMITED

A sitting fee of Rs.1,000/- per meeting of the Board, Audit Committee, and is paid for attendance at the said Board /Committees to its Members (excluding Executive Directors). The sitting fees paid/payable to the non whole time Directors is excluded while calculating the above limits in accordance with Section 198 of the Act.

- c) **Remuneration to Directors:** in respect of the financial year 2009-10 the following remuneration and sitting fees were paid to the Directors:

**Directors:**

Name	Remuneration for FY 2009-10	Sitting fees paid during FY 2009-10
Mr. N. L. Reddy	240000	-
Mr. S. Nagi Reddy	-	-
Mr. M. Eswar Rao	-	-
Mr. K. Ramachandra Reddy	-	9000
Smt. M. Satya Devi	-	5000
Smt. R. Tejeswi	-	9000
Smt. S.N. Tulasi Devi	-	9000
Mr. Ramesh Babu	-	4000

**Share transfers and Investors Grievance Committee:**

The committee was formed with the object of providing immediate attention to the shareholders grievance and to look into the matter relating to share transfers, replacement of lost/ stolen/ mutilated share certificates, issue of duplicate share certificates, to attend shareholders complaints, to take care the conversion of physicals to demat.

Composition of compensation committee:

1. #Mr. A. Ramesh Babu - Chairman
2. Mr. M. Easwar Rao - Member
3. Mr. K. Ramachandra Reddy - Member
4. Mrs. M. Satya Devi - Member

# Appointed w.e.f. 31.10.2009

During the year company has not received any complaints, as on the date of the Directors' Report there are no pending transfers. There were held 2 Committee meetings, the dates are as follows 30.04.2009 and 31.10.2009.

The Investors' Grievance Committee of the Board is empowered to oversee the redressal of investor's complaints pertaining to share transfers, non-receipt of annual reports, issue

# CONCORD DRUGS LIMITED

of duplicate certificates, transmission (with and without legal representation) of shares. Its scope also includes delegation of powers to the executives of the Company share transfer agents to process share transfers and other investor allied matters.

Mr. S.Nagi Reddy, is the Compliance Officer can be contacted at:  
H.No.3-11-1/1, L.B. Nagar  
Hyderabad – 500 074.

## Disclosures:

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

There are no materially significant transactions made by the Company with its promoters, directors or the management their subsidiaries or relatives etc. which have potential conflict with the interests of the Company at large.

- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years **NONE**

## GENERAL BODY MEETINGS:

Venue and time of General Meetings:

Year	Type	Date	Venue	Time
2008-09	AGM	30th Sept, 2009	At Regd. Office	11.30 a.m.
2007-08	AGM	30th Sept, 2008	At Regd. Office.	11.30 a.m.
2006-07	AGM	29th Sept, 2007	At Regd. Office.	11-00 a.m.

Means of Communication:

The quarterly results are published in the newspapers and annual reports are sent to all the shareholders yearly.

## General Shareholder Information :

15th Annual General Meeting:

Date: Thursday, 30th September, 2010

Time: 11.30 A.M.

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



# CONCORD DRUGS LIMITED

**Financial Year:** April 1st, to March 31st

**Date of Book Closure:**

The Share Transfer books and Members Register of the company will remain closed from September 27th to September 30th, 2010 (both days inclusive).

Stock exchanges where shares are listed:  
Ahmedabad Stock Exchange, Madras Stock Exchange and Pune Stock exchange.

**Market Price Date:** Not traded.

**Registrars & Share Transfer Agents:**

**Aarhi Consultants.**

1-2-285, Domalguda,  
Hyderabad – 500 029.

**Address for correspondence:**

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

**Exemption from applicability of provision of SEBI Regulations**

The following is the list of persons constituting “Group” (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the said Regulations) as provided in Clause 3(1) (e) of the said Regulations:

1. S.Nagi Reddy
2. M.Eswar Rao
3. K.Ramachandra Reddy
4. A. Ramesh Babu
5. V. Ramasubba Reddy
6. S. Naga Rathanamma.

# CONCORD DRUGS LIMITED

## Share Transfer System:

Securities lodged for transfers are normally processed within 15 days from the date of lodgment. If the documents are clear in all respects. Senior Executives of the Company are empowered to approve transfer of shares. Grievances received from investors and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrars within 30 days.

## Share Holding pattern :

Category	As on 31st March, 2010		As on 31st March, 2009	
	No. of Shares	%	No. of Shares	%
<b>A) Promoters Holding:</b>				
1. Promoters:				
- Indian Promoters	2000500	35.67	2000500	35.67
-Foreign Promoters	-	-	-	-
2. Persons acting in concert	-	-	-	-
<b>Sub Total</b>	<b>2000500</b>	<b>35.67</b>	<b>2000500</b>	<b>35.67</b>
<b>B) Non-promoters Holding:</b>				
1. Institutional Investors	-	-	-	-
2. Mutual Funds and UTI	-	-	-	-
3. Banks, Financial Institutions, Insurance Companies, Central/State Govt. Institutions/ Non Government Institutions	- - -	- - -	- - -	- - -
4. FIs	-	-	-	-
5. Private Corporate Bodies	-	-	-	-
6. Indian Public	3609500	64.33	3609500	64.33
7. NRIs/OCBs	-	-	-	-
8. Any other	-	-	-	-
<b>Sub Total</b>	<b>3609500</b>	<b>64.33</b>	<b>3609500</b>	<b>64.33</b>
<b>GRAND TOTAL:</b>	<b>5610000</b>	<b>100.00</b>	<b>5610000</b>	<b>100.00</b>

Dematerialization of Shares: The Company has applied for Demat connectivity from both CDSL and NSDL.

## Address for Correspondence:

M/s Concord Drugs Limited  
H.No.3-11-1/1, L.B. Nagar  
Hyderabad – 500 074

# CONCORD DRUGS LIMITED

## AUDITOR'S REPORT

TO  
The Members,  
CONCORD DRUGS LIMITED

1. We have audited the attached Balance Sheet of CONCORD DRUGS LIMITED, as at March 31, 2010, the Profit and Loss Account and also the related Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Accounts and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Accounts and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.

## CONCORD DRUGS LIMITED

- (v) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
  - (b) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
  - (c) In the case of the Cash Flow Statement, the Cash Flow for the year ended on that date;

**For M.M. REDDY & CO.,**  
Chartered Accountants  
Firm Reg. No. 010371S  
Sd/-

**(M. Madhusudhan Reddy)**  
Proprietor  
Memberships no : 213077

Place: Hyderabad  
Date: 02.09.2010

# CONCORD DRUGS LIMITED

## ANNEXURE TO THE AUDITORS' REPORT

(referred to in paragraph 3 of our Report of even date to the Members of CONCORD DRUGS LIMITED for the year ended March 31, 2010)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) Fixed Assets have been physically verified by the management and, in our opinion, the verification is reasonable having regard to the size of the company and the nature of its assets. There is no discrepancies were noticed on such verification.  
  
(c) No substantial part of fixed assets has been disposed off during the year.
2. (a) The inventory excluding materials in transit, has been physically verified by the management during the year. In our opinion, the frequency of the verification is reasonable.  
  
(b) In our opinion, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of the its business.  
  
(c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. In our opinion, the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
3. (a) As informed the Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(III) (b) to (d) of the Order are not applicable.  
  
(b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the re register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(III) (f) and (g) of the Order are not applicable.
4. On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there are adequate internal control procedures commensurate with the size of the company and the nature of its business; for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

## CONCORD DRUGS LIMITED

5. In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered. Accordingly, clause (v)(b) of paragraph 4 of the Order is not applicable to the company.
  - b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 209 (i) (d) of the Companies Act, 1956 in respect of the Company's nature of business.
9.
  - (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income Tax, Wealth Tax, Customs Duty, Excise duty, cess and other material statutory dues applicable at the end of the year for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no income tax, wealth tax, sales tax, customs duty and excise duty, which have not been deposited on account of any dispute. There were no dues on account of cess under 441A of the Companies Act 1956, since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
10. The company does not have the accumulated losses as at the end of the financial year and it has not incurred any cash losses during the current financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company did not have any outstanding dues to financial institutions, banks or debenture holders.

## CONCORD DRUGS LIMITED

12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The company is not in the business of dealing or trading in shares, securities, debenture and other instruments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. The company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The term loans obtained have been applied for the purpose for which they were taken.
17. Based on our examination of the balance sheet of the company as at 31.03.2010, since there is no loans availed by the company, the utilization of funds does not arise.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. During the year covered by our audit report, the Company does not have any outstanding debentures during the year.
20. During the year the company has not raised money through the Public Issue, the utilization of funds does not arise.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For M.M. REDDY & CO.,**  
Chartered Accountants  
Firm Reg. No. 010371S  
Sd/-  
**(M. Madhusudhan Reddy)**  
Proprietor  
Membership no : 213077

Place : Hyderabad  
Date : 02.09.2010

# CONCORD DRUGS LIMITED

## BALANCE SHEET AS ON 31-03-2010

Particulars	Schedule No	As on 31/03/10	As on 31/03/09
<b>SOURCE OF FUNDS</b>			
Shareholder's Funds			
Share Capital	1	5 61 00 000	5 61 00 000
Reserves & Surplus	2	44 64 487	41 00 000
Secured Loans	3	1 94 00 929	1 81 75 571
Deferred Tax Liability	4	- 32 45 205	14 058
<b>TOTAL</b>		<b>7 67 20 210</b>	<b>7 83 89 629</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets			
Gross Block	5	6 80 26 170	6 57 80 431
Less: Depreciation		3 33 60 834	2 94 05 067
Net Block		3 46 65 336	3 63 75 364
Current Assets, Loans & Advances			
Inventories	6	91 60 518	1 00 93 572
Sundry debtors	7	4 06 05 888	3 24 12 964
Cash & bank balances	8	31 84 820	31 63 874
Loans & advances	9	11 04 074	17 12 333
		5 40 55 300	4 73 82 743
Less: Current liabilities & provisions	10	1 28 09 277	1 45 14 094
<b>Net Current Assets</b>		<b>4 12 46 023</b>	<b>3 28 68 649</b>
<b>Misc. not written off</b>			
Public issue Expenses	11	8 08 851	10 78 467
Profit & Loss Account		-	80 67 149
<b>TOTAL</b>		<b>7 67 20 210</b>	<b>7 83 89 629</b>
Notes on Accounts	9		

The schedules referred to above form an integral part of the Balance Sheet

As per our Report of even date

**For. M.M. Reddy & Co.,**

Chartered Accountant

Firm Registration No.010371S

Sd/-

**(CA M. Madhusudhana Reddy)**

Proprietor

M.No. 213077

Place : Hyderabad

Date : 02.09.2010

for and on behalf of the Board

**For CONCORD DRUGS LIMITED**

Sd/-

Managing Director

Sd/-

Director



# CONCORD DRUGS LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2010

Particulars	Schedule No	As on 31/03/010	As on 31/03/09
<b>INCOME:</b>			
Net Sales		9 73 54 360	8 62 76 816
Job Work Charges		6 65 894	12 74 789
Increase / decrease in stock	12	15 00 384	11 38 271
<b>TOTAL</b>		<b>9 95 20 638</b>	<b>8 86 89 876</b>
<b>EXPENDITURE</b>			
Raw materials consumed	13	7 70 41 314	7 09 23 628
Personnel costs	14	7 14 874	37 21 667
Other direct expenses	15	57 28 226	28 48 728
Administration and selling expenses	16	37 18 846	28 20 954
<b>TOTAL - B</b>		<b>8 72 03 260</b>	<b>8 03 14 977</b>
Operating profit before Interest & depreciation		1 23 17 378	83 74 899
Interest & finance charges	17	12 96 268	19 24 855
Operating profit before depreciation		1 10 21 110	64 50 044
Depreciation	5	39 55 767	43 09 342
Operating profit after depreciation		70 65 342	21 40 702
Other Income		-	-
<b>Net profit before tax</b>		<b>70 65 342</b>	<b>21 40 702</b>
Provision for current IT & FBT		18 92 970	2 74 190
Provision for deferred tax		- 32 59 263	-
Profit after tax (PAT)		84 31 636	18 66 512
Balance Brought forward from Previous Year		- 80 67 149	- 99 33 661
<b>Net profit transferred to balance sheet</b>		<b>3 64 487</b>	<b>- 80 67 149</b>
Profit & Loss for the Year		84 31 636	18 66 512
Earnings per share - Basic / Diluted		1.50	0.33
Significant Accounting Policies & Notes to Accounts 18			

The schedules referred to above form an integral part of the Profit and loss Account

As per our Report of even date

**For. M.M. Reddy & Co.,**

Chartered Accountant

Firm Registration No.010371S

Sd/-

**(CA M. Madhusudhana Reddy)**

Proprietor

M.No. 213077

Place : Hyderabad

Date : 02.09.2010

for and on behalf of the Board

**For CONCORD DRUGS LIMITED**

Sd/-

Managing Director

Sd/-

Director

# CONCORD DRUGS LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2010

Particulars	As on 31/03/2010	As on 31/03/2009
<b><u>Schedule No. 1</u></b>		
<b>Authorised Capital</b>		
60,00,000 No of Equity Shares of Rs.10/- each Issued, subscribed and paid up capital	6 00 00 000	6 00 00 000
56,10,000 No of Equity Shares of Rs.10/- each	5 61 00 000	5 61 00 000
<b>TOTAL</b>	<b>5 61 00 000</b>	<b>5 61 00 000</b>
<b><u>Schedule No. 2</u></b>		
Reserves & Surplus		
Opening Balance	41 00 000	20 00 000
Reserves & Surplus (Subsidy)	-	21 00 000
	41 00 000	41 00 000
Profit & Loss account	3 64 487	-
	44 64 487	41 00 000
<b><u>Schedule No. 3</u></b>		
Secured Loan		
PNB, Term Loan	14 09 880	20 07 882
OCC from PNB, Roorkee	1 10 08 536	97 05 656
Interest free Sales tax Loan	69 82 513	64 62 033
<b>TOTAL</b>	<b>1 94 00 929</b>	<b>1 81 75 571</b>
<b><u>Schedule No. 4</u></b>		
Deferred tax liability		
Opening Balance	14 058	14 058
For the year	- 32 59 263	-
<b>Net Deferred tax liability / (asset)</b>	<b>- 32 45 205</b>	<b>14 058</b>
<b><u>Schedule No 6</u></b>		
<b>INVENTORIES</b>		
(valued at lower of cost or net realizable value as certified by the management)		
Raw material	30 83 008	58 61 046
Work-in-process	25 26 589	7 13 258
Finished goods	11 77 856	14 90 803
Packing Material	23 73 065	20 28 465
<b>Total</b>	<b>91 60 518</b>	<b>1 00 93 572</b>

# CONCORD DRUGS LIMITED

## Schedule 5 DEPRECIATION STATEMENT FOR THE PERIOD ENDED 31.03.2010 As per Companies Act

Amount in Rs.

S.No	Name of the Asset	Fixed Assets			Depreciation			Net Block as on 31.03.2010	Net Block as on 31.03.2009	Net Block as
		Op Balance As on 01.04.09	Additions during the year	Total	Opening Balance	Depreciation for the year	Total on 31.03.2010			
1	Land & Land Development	4,530,641	-	4,530,641	-	-	-	4,530,641	4,530,641	4,530,641
2	Building	22,704,518	1,894,898	24,599,416	8,472,376	1,496,335	9,968,711	14,630,705	14,232,142	14,232,142
3	Furniture & Fixtures	473,483	-	473,483	318,038	28,136	346,174	127,309	155,445	155,445
4	Plant & Machinery	21,729,002	-	21,729,002	11,090,309	1,479,842	12,570,151	9,158,851	10,638,693	10,638,693
5	Office equipment	550,972	42,198	593,170	334,173	32,128	366,301	226,869	216,799	216,799
6	Vehicles	720,692	-	720,692	536,922	47,578	584,500	136,192	183,770	183,770
7	Air Handling Systems	7,278,011	-	7,278,011	4,525,872	382,823	4,908,695	2,369,316	2,752,139	2,752,139
8	Lab Equipment	2,871,605	-	2,871,605	1,723,779	159,663	1,883,442	988,163	1,147,826	1,147,826
9	Electrical Installations	4,325,072	-	4,325,072	2,125,466	305,965	2,431,431	1,893,641	2,199,606	2,199,606
10	Generator	445,625	-	445,625	278,132	23,298	301,430	144,195	167,493	167,493
	Capital Work in Progress	150,810	308,643	459,453	-	-	-	459,453	150,810	150,810
	<b>TOTAL</b>	<b>65,780,431</b>	<b>2,245,739</b>	<b>68,026,170</b>	<b>29,405,067</b>	<b>3,955,767</b>	<b>33,360,834</b>	<b>34,665,336</b>	<b>36,375,364</b>	<b>36,375,364</b>

# CONCORD DRUGS LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2010

Particulars	As on 31/03/2010	As on 31/03/2009
<b><u>Schedule No 7</u></b>		
<b>Sundry Debtors</b>		
(Un secured and considered goods)		
Debts outstanding for more than six months	64 23 705	57 17 153
Other Debts	3 41 82 183	2 66 95 811
<b>Total</b>	<b>4 06 05 888</b>	<b>3 24 12 964</b>
<b><u>Schedule No 8</u></b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash on Hand	13 57 353	2 34 749
With Scheduled Bank accounts		
In current accounts	18 27 467	29 29 125
in margin money deposit accounts	-	-
<b>TOTAL</b>	<b>31 84 820</b>	<b>31 63 874</b>
<b><u>Schedule No 9</u></b>		
<b>Loans &amp; Advances</b>		
(Unsecured, considered good)		
(advances recoverable in cash or kind or for vale to be received)		
Advances for purchases / rendering services	4 60 000	9 42 700
EMD and other deposits	2 26 172	2 28 194
other advances	4 17 902	5 41 439
<b>TOTAL</b>	<b>11 04 074</b>	<b>17 12 333</b>
<b><u>Schedule No 10</u></b>		
<b>Current Liabilities &amp; Provisions</b>		
Sundry creditors for services and expenses		
Dues to SSI units		
Dues to Others	1 19 88 394	1 31 92 478
Creditors for expenses	4 01 148	4 05 247
Other Liabilities	4 15 625	6 42 179
<b>PROVISIONS</b>		
Provision for tax - Income Tax	4 110	2 46 615
Provision for tax - FBT	-	27 575
<b>TOTAL</b>	<b>1 28 09 277</b>	<b>1 45 14 094</b>

# CONCORD DRUGS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2010

Particulars	As on 31/03/2010	As on 31/03/2009
<b>Schedule No 11</b>		
<b>MISCELLANEOUS EXPENSES</b>		
(to the extent not written off or adjusted)		
Preliminary Expenses	10 78 467	13 48 083
Less: W/o during the year	2 69 616	2 69 616
<b>TOTAL</b>	<b>8 08 851</b>	<b>10 78 467</b>
<b>Schedule No 12</b>		
<b><u>INCREASE / (DECREASE) IN STOCKS</u></b>		
Opening stock:		
Work In Process	7 13 258	5 12 280
Finished goods	14 90 803	5 53 510
<b>TOTAL</b>	<b>22 04 061</b>	<b>10 65 790</b>
<b>Closing stock</b>		
Work In Process	25 26 589	7 13 258
Finished goods	11 77 856	14 90 803
<b>TOTAL</b>	<b>37 04 445</b>	<b>22 04 061</b>
<b><u>INCREASE / (DECREASE) IN STOCKS</u></b>		
	<b>15 00 384</b>	<b>11 38 271</b>
<b>Schedule No 13</b>		
<b>RAW MATERIAL CONSUMED</b>		
<b>Raw material consumed</b>		
Opening stock	58 61 046	25 96 845
Add: Purchases	5 86 94 508	6 38 06 571
	6 45 55 554	6 64 03 416
Less: Closing Stock	30 83 008	58 61 046
Consumption	6 14 72 546	6 05 42 370
<b>Packing Materials Consumed</b>		
Opening stock	20 28 465	10 26 965
Add: Purchases	1 59 13 368	96 17 408
	1 79 41 833	1 06 44 373
Less: Closing Stock	23 73 065	20 28 465
Consumption	1 55 68 768	86 15 908
Stock Tr. From Branch ( Stock of Fin. Goods )	-	17 65 350
<b>TOTAL</b>	<b>7 70 41 314</b>	<b>7 09 23 628</b>

# CONCORD DRUGS LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2010

Particulars	As on 31/03/2010	As on 31/03/2009
<b><u>Schedule No 14</u></b>		
<b><u>PERSONNEL COSTS</u></b>		
Salaries, allowances, wages and bonus	1 22 000	30 57 551
Directors remuneration	4 80 000	2 40 000
staff welfare expenses	46 087	3 34 429
Provident Fund	66 787	89 687
<b>TOTAL</b>	<b>7 14 874</b>	<b>37 21 667</b>
<b><u>Schedule:15</u></b>		
<b><u>OTHER DIRECT EXPENSES</u></b>		
Consumable Stores	76 684	1 29 265
Carriage Inwards	2 15 738	4 99 069
Factory Expenses - Wages	28 24 048	1 775
Power Charges	10 58 403	10 00 624
Diesel for Boiler & Generator	8 29 672	7 31 095
Transport Charges	1 31 499	68 700
Analytical Report Charges	128578	66002
Repairs and maintenance charges	4 63 604	3 52 198
<b>TOTAL</b>	<b>57 28 226</b>	<b>28 48 728</b>
<b><u>Schedule: 16</u></b>		
<b><u>ADMINISTRATION AND SELLING EXPENSES</u></b>		
Business Promotion Expenses	388079	70330
Repairs & maintenace	147617	191397
Rent, Rates and taxes	727322	1165356
Communication expenses	202568	193221
General Office Expenses	167843	109580
Professional & Consultancy Fee	77678	19687
Printing & Stationary	127849	139169
Tavelling and conveyance	609376	405298
Audit Fee	110300	110300
Technical Know How W/off	147000	147000
Bad Debts written off	743599	0
Public issue exp.	269616	269616
<b>TOTAL</b>	<b>37 18 846</b>	<b>28 20 954</b>

# CONCORD DRUGS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2010

Particulars	As on 31/03/2010	As on 31/03/2009
<b><u>Schedule No 17</u></b>		
<b><u>INTEREST AND FINANCE CHARGES</u></b>		
Bank Charges	1 07 395	2 29 696
Interest on term loans	2 01 998	3 17 068
Interest on working capital loans	9 86 875	13 78 091
<b>TOTAL</b>	<b>12 96 268</b>	<b>19 24 855</b>

# CONCORD DRUGS LIMITED

## Schedules forming part of Balance Sheet and Profit & Loss Account

### SCHEDULE: 18

#### 1. Significant Accounting Policies:

##### a. Basis of Preparation

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

##### b. Use of Estimates

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

##### c. Fixed Assets:

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

##### d. Depreciation:

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

##### e. Foreign Currency Transactions

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

##### f. Investments:

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



# CONCORD DRUGS LIMITED

## **g. Inventories**

### **a) Raw Material & Components**

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

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

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

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

## **h. Revenue Recognition:**

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

## **i. Sales:**

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

## **j. Purchase:**

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

## **k. Excise duty:**

The excise duty is applicable to Raw Material and finished goods of the company. The company is eligible for Cenvat credit for excise duty paid on purchase of Raw material, Components and Stores. The Balance of Cenvat credit remained unavailed at the end of the year is eligible for carry forward for the purpose of set-off against excise duty payable on sales in subsequent year.

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

# CONCORD DRUGS LIMITED

## **I. Sales tax:**

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

Value Added Tax collected on sales and eligible for VAT set-off as per the provision of AP Value Added Tax Act, 2003 and is accounted separately in VAT- Input Credit Account and not included in the sales of the company. The Debit balance of VAT- Input Credit Account represents the excess of VAT paid on purchase over the VAT collected on sales and is shown under the head Loans and Advances under the schedule of Current Assets, Loans and Advances forming part of Balance Sheet.

## **m. Borrowing Costs**

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

## **n. Provision for Current and Deferred Tax**

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

## **o. Provision, Contingent Liabilities and Contingent Assets**

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

## **2. Notes to the Accounts**

### **a. Contingent Liabilities:**

Outstanding Bank Guarantees: Nil

There are no claims outstanding against company as on 31.03.2010.

# CONCORD DRUGS LIMITED

- b. The Company has provided benefits to the employees during the year as per the management estimates in the books of accounts.
- c. Secured Loans:  
 Term Loan of Rs.40 lakhs and Cash Credit (Hypothecation) of Rs.100 lakhs from Punjab National Bank, Civil Lines, Roorkee are Secured by equitable mortgage of immovable property i.e. Factory, Land & Building situated at Roorkee and Hypothecation of Machinery, Vehicles, other assets, raw materials, semi finished goods, finished goods and book debts.
- d. In view of insufficient information from suppliers regarding their status as SSI Units, amount due to such undertakings could not be ascertained.
- e. Balance of Debtors, Creditors, Advances and Loans etc., are subject to confirmations and reconciliations.
- f. Particulars of Remuneration paid to Auditors  
 Statutory Audit fees: Rs.110,300 p.a. (previous Year Rs.110,300)
- g. Directors remuneration: Rs.4,80,000 p.a. (Previous year Rs.2,80,000)
- h. Deferred Tax liability comprise of the following:

Particulars	2009-2010	2008-2009
Opening Balance	14 058	14 058
For the year	- 32 59 263	-
Net Deferred tax liability / (asset)	- 32 45 205	14 058

- i. As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:
- i. List of related parties where control exists and related parties with whom transactions have taken place and relationships

S.No.	Name of the related party	Relationship
1.	S.Nagi Reddy	Key Managerial Personnel
2.	N.Lakshmana Reddy	Key Managerial Personnel

- ii. Transactions during the year with related parties

Nature of transaction	Amount Rs.
Remuneration paid	4,80,000

# CONCORD DRUGS LIMITED

## j. Segmental Reporting:

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

- k. Additional information pursuant to paragraphs 3 & 4 of part II of schedule VI to the Companies Act, 1956 as certified by management.

## A. Capacities of Production:

### i. INSTALLED CAPACITY :

Iso Amyl 2-Cyanoacrylate : 500 Lts.

### ii. Small Volume Parenterals:

- a. Automatic Ampoules Line 3 Nos. : 1.50 Crores  
 b. 4 Stroke Automatic Liquid vial line : 60 Lakhs  
 c. 4 Head Automatic Sterile Powder filling line : 1.50 Crores

iii. Licensed Capacity : As above

## B. Details of Finished Goods and Turnover Particulars:

S.No.	Description	Opening Stock		Production		Sales		Closing Stock	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1	Acelco/Para tabs	-	-	16500000	-	16500000	15120821	-	-
2	Cefixime tabs	-	-	4935000	-	4935000	13785354	-	-
3	Azithromycin tabs	-	-	4852000	-	4852000	9855849	-	-
4	Cefpodoxime Proxetil tabs	-	-	2568000	-	2568000	12109373	-	-
5	Ofloxacin tabs	-	-	4862000	-	4862000	5556066	-	-
6	Diclo/Para Tabs	-	-	45200000	-	45200000	22194244	-	-
7	Diclofenac 30ml Inj.	15000	49500	1033880	-	1048880	5784548	-	-
8	PAM inj. 1g	-	-	41600	-	41600	3398241	-	-
9	Amcrylate 0.25/0.5/1 ml	201	20960	26039	-	26240	9307376	-	-
10	Others	-	1420343	-	-	-	- 242487	-	1177856
	<b>Total</b>	-	<b>1490803</b>	-	-	-	<b>97354360</b>	-	<b>1177856</b>

# CONCORD DRUGS LIMITED

## C. Details of Raw Materials Consumed, opening stock & closing stocks:

S. No.	Name of the Material	Opening Balance		Purchases		Closing Balance		Consumption	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1	Aceclofenac	-	-	2,100	4723585	150	405593	1,950	4317991
2	Azithromycin	-	-	350	6342595	20	435690	330	5906905
3	Cefixime	2	24000	485	10674264	-	-	487	10698264
4	Diclofenac Sodium	200	112200	4,900	5354112	420	551496	4,680	4914815
5	Cefpodoxime Proxetil	-	-	315	8831282	12	404430	303	8426852
6	Paracetamol	676	162240	33,500	9704547	1,870	540360	32,306	9326427
7	Pralidoxime Chloride	-	-	40	1515796	-	-	40	1515796
8	Ciprofloxacin	-	-	1,350	3784835	60	202215	1,290	3582620
9	Ofloxacin	-	-	475	3039753	15	115394	460	2924358
10	Others	-	5562606	-	4723740	-	427830	-	9858516
	<b>Total -</b>	<b>-</b>	<b>5861046</b>	<b>-</b>	<b>58694508</b>	<b>-</b>	<b>3083008</b>	<b>-</b>	<b>61472546</b>

### I. Foreign Currency/Exchange Transactions

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

m. Preliminary expenses to be written off over a period of ten years commencing of operations.

n. The previous years have been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our Report of even date

**For. M.M. Reddy & Co.,**

Chartered Accountant

Firm Registration No.010371S

Sd/-

**(CA M. Madhusudhana Reddy)**

Proprietor

M.No. 213077

Place : Hyderabad

Date : 02.09.2010

for and on behalf of the Board

**For ORIPRO LIMITED**

Sd/-

Managing Director

Sd/-

Director

# CONCORD DRUGS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

Particulars	Year ended 31.03-2010	Year ended 31.03.2009
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation, and extraordinary items	7065342	2140702
<b>Adjusted for :</b>		
Depreciation	39 55 767	43 09 342
Bad debts written off	7 43 599	-
Public issue expenses w/o	2 69 616	2 69 616
Operating profits before working capital charges	1 20 34 325	67 19 660
<b>Changes in current assets and liabilities</b>		
Inventories	933054	(5403972)
Sundry debtors	(8192924)	3165624
Loans and advances	6 08 259	(531848)
Current liabilities and provisions	(2810699)	(690394)
Cash generated from operations	25 72 015	32 59 070
Income taxes paid (net of provisions)	15 30 688	3 06 000
Net cash generated from operating activities	10 41 327	29 53 070
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets incl. capital work-in-progress	(2245739)	(3426802)
Net cash used in investing activities	(2245739)	(3426802)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from investment subsidy	-	21 00 000
Proceeds from secured loans (net of repayments)	12 25 358	( 34 55 597)
Dividends and dividend tax paid during the year	-	-
Net Cash generated from financing activities	12 25 358	(13 55 597)
<b>D. Net increase / (decrease) in cash and cash equivalents</b>	20946	(1829329)
<b>E. Cash and cash equivalents at the beginning of the year</b>	31 63 874	49 93 203
<b>F. Cash and cash equivalents at the end of the year</b>	31 84 820	31 63 874

As per our Report of even date

**For. M.M. Reddy & Co.,**

Chartered Accountant

Firm Registration No.010371S

Sd/-

**(CA M. Madhusudhana Reddy)**

Proprietor

M.No. 213077

Place : Hyderabad

Date : 02.09.2010

for and on behalf of the Board  
**For CONCORD DRUGS LIMITED**

Sd/-

Managing Director

Sd/-

Director



# CONCORD DRUGS LIMITED

## CONCORD DRUGS LIMITED

### 15th ANNUAL GENERAL MEETING

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

#### Proxy Form

Folio No:----- Dp ID:----- Client ID:-----

I/We-----of-----

In the District of-----being a member/members of the above named company, hereby appoint Mr/Mrs/Ms-----in the District of-----

-----as my/our Proxy to attend and vote for me /us on my/ our behalf at the 15th Annual General Meeting of the Company to be held at Survey No. 249, Brahmanapally (V), Hayathanagar(M), Ranga Reddy (Dist) – 501 511 at 11.30 A.M on Thursday, 30.09.2010 and at any adjournment there of.

Signed this-----day of -----2010

Address-----

-----

Signature-----

Note: The proxy form duly signed completed must be signed deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. A proxy need not be a member.



## CONCORD DRUGS LIMITED

### 15th ANNUAL GENERAL MEETING

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

#### Attendance Slip

I hereby record my presence at the 15th Annual General Meeting of the Company at the registered office on

Date	Venue	Time
Thursday, 30.09.2010	Survey No. 249, Brahmanapally(V), Hayathnagar(M), Ranga Reddy (Dist), A.P. India.	11.30 A.M.

Name of the Shareholder/ Proxy

Folio No./DP id No. of Shares & Client id

Member's/Proxy Signature

Note: Shareholder/Proxy holder wishing to attend the meeting must bring the Admission Slip and hand over at the entrance duly signed.

**NO GIFTS WILL BE DISTRIBUTED AT THE AGM**