

CONCORD DRUGS LIMITED

**20th
ANNUAL REPORT
2014-2015**

CONCORD DRUGS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. S. Nagi Reddy	-	Managing Director (DIN 01764665)
Mr. K. Ramchandra Reddy	-	Non-Executive Director (DIN 02285257)
Mr. S. Koni Reddy	-	Non-Executive Director (DIN 02829319)
Mr. M. Eswar Rao	-	Independent Director (DIN 03177152)
Mr. P. Venkatram Reddy	-	Independent Director (DIN 07001606)
Ms. P. Chandra Kala	-	Independent Director (DIN 07138391)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Sonia Bidla

REGISTERED OFFICE:

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

ADMINISTRATIVE OFFICE:

H.No.3-11-1/1, L.B. Nagar
Hyderabad – 500 074
Phone no – 040-24037763
E-mail: concorddrugsltd@gmail.com

FACTORY: I

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

FACTORY: II

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

AUDIT COMMITTEE:

Mr. M. Eswar Rao
Mr. P. Venkatram Reddy
Mr. K. Ramachandra Reddy

NOMINATION & REMUNERATION COMMITTEE:

Mr. M. Eswar Rao
Mr. S. Koni Reddy

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Mr. P. Venkatram Reddy

STAKEHOLDER RELATIONSHIP COMMITTEE:

Mr. M. Eswar Rao

Mr. S. Koni Reddy

Mr. P. Venkatram Reddy

INDEPENDENT DIRECTORS COMMITTEE:

1. Mr. P. Venkatram Reddy - Chairman

2. Mr. M. Eswar Rao - Chairman

2. Ms. P. Chandra Kala – Member

RISK MANAGEMENT COMMITTEE:

1. S. Nagi Reddy - Chairman

2. S. Koni Reddy - Member

3. Ms. P. Chandra Kala – Member

STATUTORY AUDITORS:

M/s. M M REDDY & CO.

Chartered Accountants

Hyderabad.

BANKERS:

STATE BANK OF INDIA

Ramakrishna Puram

Kothapet, Hyderabad

REGISTRARS & SHARE TRANSFER AGENTS:

AARTHI CONSULTANTS PRIVATE LIMITED

1-2-285, Domalguda, Hyderabad

Ph No: 040-27638111/27634445

LISTED:

Bombay Stock Exchange Limited (BSE)

Ahmedabad Stock Exchange (ASE)

CORPORATE IDENTITY NUMBER

L24230TG1995PLC020093

WEBSITE:

www.concorddrugs.in

ISIN:

INE858L01010

CONCORD DRUGS LIMITED

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Shareholders of M/s Concord Drugs Limited will be held on Wednesday, the 30th day of September, 2015 at 11.00 A.M. at the registered office of the Company situated at Survey No.249, Brahmanapally Village, Hayathnagar Mandal, R.R. Dist-501511 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.
2. To appoint a director in place of Mr. S. Koni Reddy who retires by rotation and being eligible, offers himself for re-appointment.
3. 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:

4. 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 149, 152 of the Companies Act, 2013 and the Rules made there under, Ms. P. Chandra Kala (DIN 07138391), who was appointed as Additional Director in the Board of the Company on 30.03.2015 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 read with Articles of Association to the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intension to propose Ms. P. Chandra Kala as candidate for the office of a director of the company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years up to 31st March, 2020”.

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5. RE-APPOINTMENT OF MR. S. NAGI REDDY AS A MANAGING DIRECTOR:

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 196, 197, 198, 203 read with Schedule V and any other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, the approval of the members of the Company be and is hereby accorded to appoint Mr. S. Nagi Reddy as Managing Director of the Company for a period of five years with effect from 30th May, 2015 with a remuneration of Rs. 18,00,000 per annum:

RESOLVED FURTHER THAT in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and hereby authorized to vary or increase the remuneration including Basic Salary, Commission, Perquisites, and Allowances etc. within such prescribed limits.

Adequate Profits

Where in any Financial Year, during the tenure of Mr. S. Nagi Reddy, the Company has adequate profits; the Company shall pay to Mr. S. Nagi Reddy, remuneration by way of Basic Salary, Commission, Perquisites and Allowance exceeding the amount approved by the Central Government and Which shall not exceed the limits prescribed from time to time under sections 196, 197, 203 read with Schedule V to the Companies Act 2013 for the time being in force.

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

6. AMENDMENT OF ARTICLES OF ASSOCIATION OF THE COMPANY:

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

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“RESOLVED THAT pursuant to provisions of Section 5 read with section 14 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the new draft Articles as contained in the Articles of Association submitted be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) and the Company Secretary of the Company, be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

For and on behalf of the Board
For Concord Drugs Limited

Place: Hyderabad
Date: 14.08.2015

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

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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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2015 to 30.09.2015 (Both days inclusive).
3. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
4. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
5. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
6. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. 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.
9. 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 Private Limited, Share Transfer Agents of the Company for their doing the needful.

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10. Electronic copy of the Annual Report for 2014-15 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 2014-2015 is being sent in the permitted mode.
11. Members may also note that the Notice of the 20th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website www.concorddrugsltd.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.
12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
14. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 25.09.2015.
15. 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.

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16. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Company 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.
17. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 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.

18. 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 Members, whose names appear in the Register of Members / list of Beneficial Owners as on 25.09.2015 are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 a.m. on 27th September, 2015 and will end at 5.00 p.m. on 29th September, 2015. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the meeting and the members attending the meeting who have not cast their vote by e-voting shall be able to vote at the meeting through 'Insta Poll'. The Company has appointed Mr. Vivek Surana, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the Insta Poll and remote 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:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab to cast your votes.
- (iii) Now, select the Electronic Voting Sequence Number - "EVS" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"

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- (iv) Enter your User ID- For CDSL: 16 digits beneficiary ID followed by 8 Digits Client ID, Members holding shares in Physical form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and click on login.
- (v) If you are holding shares in Demat form and have already voted earlier on www.evotingindia.co.in for a voting of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For CDSL: 16 digits beneficiary ID For NSDL: 8 Character DP ID followed by 8 Digits Client ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* 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 sequence number (available in the Address Label pasted in the cover and/or in the e-mail sent to Members) 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. Eg. If your name is Ram with sequence number 1 then enter RA00000001 in the PAN Field.

please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company, please enter the Member id/folio number in the Dividend Bank details field.

- (i) After entering these details appropriately, click on "SUBMIT" tab.

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- (ii) Members holding shares in physical form will then reach directly the EVSN 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. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ % & *). Kindly note that this password is also to be 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. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- (iii) Click on the relevant EVSN on which you choose to vote.
- (iv) 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.
- (v) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (vi) 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.
- (vii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (viii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (ix) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (II) **In case of members receiving the Physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**
 - (A) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.

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- (B) Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorized to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
- (C) The voting period begins on 27.09.2015 at 9.00 A.M. and ends on 29.09.2015 at 5.00.P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 25.09.2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (D) 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.
- (xvi). Mr. Vivek Surana, Practicing Company Secretary, bearing C.P. Number 12901 has been appointed as the Scrutinizer to scrutinize the e-voting process.
- (xvii). The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xviii). The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.concorddrugsLtd.in and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and ASE.

For and on behalf of the Board
For Concord Drugs Limited

Sd/-

S. Nagi Reddy
Managing Director
DIN: 01764665

Place: Hyderabad
Date: 14.08.2015

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EXPLANATORY STATEMENT

(Pursuant to Section 102(2) of the Companies Act, 2013)

Item No. 4:

Ms. P. Chandra Kala (DIN-07138391) was appointed as Additional Director on 30.03.2015, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive Independent'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office upto the date of the next Annual General Meeting and be eligible for appointment to the office of a director at any General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under section 160 of the Companies Act 2013, along with requisite deposit proposing the candidature of Ms. P. Chandra Kala for the office of director under the category of Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made thereunder and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Ms. P. Chandra Kala as 'Independent Director' for a term up to 31.03.2020, and pass the resolution set out at Item No. 4. The appointment of Ms. P. Chandra Kala is required to be in compliance with the provisions of Section 160 of the Companies Act, 2013.

Ms. P. Chandra Kala has confirmed compliance with the criteria of Independence as provided under Section 149 (6) of the Act. The Board is of the opinion that her continued association with the Company would be of benefit to the Company. Further, in the opinion of the Board Ms. P. Chandra Kala fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder, and she is independent of the Management.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director, Ms. P. Chandra Kala is concerned or interested, financially or otherwise, in this Resolution. The Board recommends the Ordinary Resolution as set out at item no. 4 for approval of the Members.

Item No. 5:

The Board of Directors at their meeting held on 30.05.2015 subject to the approval of the Shareholders, re-appointed Mr. S. Nagi Reddy (DIN 01764665) as Managing Director of the Company with effect from 30.05.2015 for a period of 5 years on the remuneration of Rs.1800,000 per annum and on such terms and conditions as recommended by the nomination and remuneration committee.

Taking into consideration the duties and responsibilities, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on

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30.05.2015 approved the remuneration payable within the limits of Schedule V of the Companies Act, 2015 and such other terms and conditions of the re-appointment of Mr. S. Nagi Reddy, subject to approval of the shareholders.

Except Mr. S. Nagi Reddy and Mr. S. Koni Reddy, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No. 6:

The Articles of Association of the Company ("Articles") as currently in force was adopted pursuant to the provisions under the Companies Act, 1956. The Companies Act, 1956 has been superseded by the Companies Act, 2013. The references to specific sections of the Companies Act, 1956 in the existing Articles of Association is hence to be amended to align the extant Articles with the provisions of the Companies Act, 2013 and rules thereunder.

Salient aspects of the proposed amended Articles:

Under the proposed amended Articles, salient aspects of sections of Table-F of Schedule I to the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares have been adopted. As mentioned in the previous para, changes that are required to be carried out pursuant to the Companies Act, 2013 and rules thereunder coming into force have been duly carried out.

The resolution as set out in item no. 6 has been recommended by the Board of Directors for approval of the Members by special resolution.

The proposed new draft of Articles of Association is also available for inspection by the Members at the Registered Office of the Company on any working day excluding public holidays and Sunday from the date here upto September, 2015.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the Special Resolution set out at item No. 6 of the Notice.

For and on behalf of the Board
For Concord Drugs Limited

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

Place: Hyderabad
Date: 14.08.2015

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DIRECTOR'S REPORT

To
The Members of Concord Drugs Limited,

We have pleasure in presenting the Twentieth Annual report together with Audited accounts for the year ended 31st March, 2015.

FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:

The performance during the period ended 31st March, 2015 has been as under:

(Rs.)

Particular	2014-2015	2013-2014
Total Income	40,39,36,830	34,07,45,848
Total Expenditure	39,34,42,198	33,64,61,328
Profit Before Tax	1,04,94,631	1,04,94,631
Provision for Tax	35,29,842	8,96,900
Profit after Tax	69,64,790	33,87,620
Transfer to General Reserves	-	-
Profit available for appropriation	69,64,790	33,87,620
Provision for Proposed Dividend	-	-
Provision for Corporate Tax	-	-
Balance Carried to Balance Sheet	5,33,65,775	4,64,00,985

PERFORMANCE REVIEW:

The Company has recorded a turnover of Rs. 40.39 Crores and a profit of Rs. 0.69 Crores in the current year against the turnover of Rs. 34.07 Crores and a profit of Rs. 0.33 Crores in the previous financial year ended on 31.03.2014.

The Board expects a better growth in future.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

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

CONCORD DRUGS LIMITED

CHANGE IN THE NATURE OF BUSINESS:

During the year the Company has changed not its business activities.

DIVIDEND:

Your Directors have not recommended any dividend for the year.

BOARD MEETINGS:

The Board of Directors met 5 times during the year on 30.05.2014, 13.08.2014, 14.11.2014, 14.02.2015 and 30.03.2015 and the maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year Ms. P. Chandra Kala was appointed as director in the category of Independent Director.

None of the Director resigned from the Directorship during the year.

Notice has been received from Member proposing candidature of Ms. P. Chandra Kala for the office of Independent Director of the Company. In the opinion of the Board, she fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.concorddrugs.in.

In accordance with the Companies Act, 2013 read with Articles of Association of the company the Director namely Mr. S. Koni Reddy retires by rotation and being eligible, offers himself for re-appointment at this ensuing Annual General Meeting. Your Directors recommend his re-appointment.

During the year, Mr. S. Koni Reddy was appointed as CFO of the Company w.e.f. 30.03.2015.

The term of Mr. S. Nagi Reddy, Managing Director of the Company expires on 29.05.2015 and the Board in its meeting held on 30.05.2015 has reappointed him for 5 years. The Board recommends his reappointment as Managing Director.

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Details of the Directors appointed/reappointed

Particulars	S. Nagi Reddy	S. Koni Reddy	P. Chandra Kala
Date of Birth	15/10/1969	21/06/1989	02/06/1976
Date of Appointment	04/04/2003	10/06/2011	30/03/2015
Qualifications	MBA	B.Com	B.Com
No. of Shares held in the Company	6,98,600	6,25,000	-
Directorships held in other companies (excluding private limited and foreign companies)	-	-	-
Positions held in mandatory committees of other companies	-	-	-

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

- 2.1 **“Director”** means a director appointed to the Board of a Company.
- 2.2 **“Nomination and Remuneration Committee** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the Equity Listing Agreement.
- 2.3 **“Independent Director”** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

3. Policy:

Qualifications and criteria

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- 3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
- 3.1.2 In evaluating the suitability of individual Board member the Nomination and Remuneration Committee may take into account factors, such as:
- General understanding of the company's business dynamics, global business and social perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 3.1.3 The proposed appointee shall also fulfill the following requirements:
- shall possess a Director Identification Number;
 - shall not be disqualified under the companies Act, 2013;
 - shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
 - shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
 - shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 - Such other requirements as any be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.
- 3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

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3.2 criteria of independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

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

3.3 other directorships/committee memberships.

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The Nomination and Remuneration Committee shall take into account the nature of, and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

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

3.3.3 A Director shall not serve as independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

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

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

CONCORD DRUGS LIMITED

Remuneration policy for Directors, key managerial personnel and other employees

1. **Scope:**

- 1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. **Terms and Reference:**

In this policy the following terms shall have the following meanings:

- 2.1 **“Director”** means a director appointed to the Board of the company.
- 2.2 **“key managerial personnel”** means
- (i) The Chief Executive Officer or the managing director or the manager;
 - (ii) The company secretary;
 - (iii) The whole-time director;
 - (iv) The chief financial Officer; and
 - (v) Such other office as may be prescribed under the companies Act, 2013
- 2.3 **“Nomination and Remuneration committee”** means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and clause 49 of the Equity Listing Agreement.

3. **Policy:**

- 3.1 Remuneration to Executive Director and key managerial personnel.
- 3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.
- 3.1.2 The Board on the recommendation of the Nomination and Remuneration committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

CONCORD DRUGS LIMITED

- 3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
- (i) Basic pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options
 - (iv) Commission (Applicable in case of Executive Directors)
 - (v) Retrial benefits
 - (vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3.2 Remuneration to Non – Executive Directors

3.2.1 The Board, on the recommendation of the Nomination & Remuneration Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of Companies Act, 2013.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof.

3.3 Remuneration to other employees

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declaration from Mr. M. Eswar Rao, Mr. P. Venkatram Reddy and Ms. P. Chandra Kala Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that they as Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6). **(Annexure II)**

CONCORD DRUGS LIMITED

AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 177 of the Companies Act, 2013.

- II) The terms of reference of the Audit Committee include a review of the following:
- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
 - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
 - Reviewing with management the annual financial statements before submission to the Board, focusing on:
 1. Any changes in accounting policies and practices;
 2. Qualification in draft audit report;
 3. Significant adjustments arising out of audit;
 4. The going concern concept;
 5. Compliance with accounting standards;
 6. Compliance with stock exchange and legal requirements concerning financial statements and
 7. Any related party transactions
 - Reviewing the company's financial and risk management's policies.
 - Disclosure of contingent liabilities.
 - Reviewing with management, external and internal auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
-

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- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

III) The previous Annual General Meeting of the Company was held on 30.09.2013 and Chairman of the Audit Committee, attended previous AGM.

IV) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2014-2015, (4) four meetings of the Audit Committee were held on the **30.05.2014, 14.08.2014, 14.11.2014 and 14.02.2015**.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of meetings held during their tenure	No. of meetings attended
Mr. M. Eswar Rao	Chairman	NED (I)	4	4
Mr. K. Ramachandra	Member	ED (P)	4	4
Mr. P. Venkatram Reddy	Member	NED (I)	4	4

NED (I): Non Executive Independent Director

ED (P): Executive Director Promoter

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NOMINATION & REMUNERATION COMMITTEE:

The details of composition of the Committee are given below:

Name	Designation	Category	No. of meetings held during their tenure	No. of meetings attended
Mr. M. Eswar Rao	Chairman	NED (I)	4	4
Mr. S. Koni Reddy	Member	NED(P)	4	4
Mr. P. Venkatram Reddy	Member	NED (I)	4	4

NED (I): Non Executive Independent Director

ED (P): Executive Director Promoter

Terms of reference:

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director of the Company and while approving:

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

Remuneration Policy:

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

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

No remuneration has been paid to the Executive Directors during the year.

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STAKEHOLDER RELATIONSHIP COMMITTEE (SHAREHOLDERS/INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE):

Composition, meetings and the attendance during the year:

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

A. The details of composition of the Committee are given below:

Name	Designation	Category	No. of meetings held during their tenure	No. of meetings attended
Mr. M. Eswar Rao	Chairman	NED (I)	4	4
Mr. S. Koni Reddy	Member	NED(P)	4	4
Mr. P. Venkatram Reddy	Member	NED (I)	4	4

NED (I): Non Executive Independent Director

ED (P): Executive Director Promoter

B. Powers:

The Committee has been delegated with the following powers:

- to redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of Annual Reports, non-receipt of declared dividend and other allied complaints.
- to approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgment in the case of shares held in physical form.

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The Board has appointed Ms. Sonia Bidla as Company Secretary and Compliance Officer of the Company.

The Company has designated an e-mail ID called concorddrugsLtd@gmail.com for redressal of shareholders' complaints/grievances.

RISK MANAGEMENT COMMITTEE

A.) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category
Mr. S. Nagi Reddy	Chairperson	ED(P)
Mr. S. Koni Reddy	Member	NED(P)
Ms. P. Chandra Kala	Member	NED(I)

.ED (P) : Executive Promoter Director

NED(I) : Non Executive Independent

Role and Responsibilities of the Committee includes the following:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimization.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

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VIGIL MECHANISM:

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

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Sec. 134(5) of the Companies Act, 2013 the Board of Directors of your Company hereby certifies and confirms that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the Annual accounts on a going concern basis.
- e. The Directors of the Company had laid down internal financial controls and such internal financial controls are adequate and were operating effectively.
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY COMPLIANCE:

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

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SUBSIDIARY COMPANY:

Your Company does not have any subsidiary.

EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report (FORMAT IN ANNEXURE I)

AUDITORS:

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

INTERNAL AUDITORS:

M/s. Chanamolu & Co., Chartered Accountants, Hyderabad are the internal Auditors of the Company.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 134(3)(f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by Mr. Vivek Surana, Practising Company Secretaries is annexed to this Report as annexure.

AUDIT REPORTS:

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2015 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system

CONCORD DRUGS LIMITED

and procedures to meet all kinds of challenges and growth in the market expected in view of the robust capital market in the coming years.

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks.

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

The required information as per Sec.134 of the Companies Act 2013 is provided hereunder:

A. Conservation of Energy

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

B. Technology Absorption

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

C. Foreign Exchange Earnings and Out Go

Foreign Exchange Earnings	:	Nil
Foreign Exchange Outgo	:	Nil

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year under review.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

During the period under review there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

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INSURANCE:

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

RISK MANAGEMENT POLICY:

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well structured risk management process.

CORPORATE SOCIAL RESPONSIBILITY POLICY:

Since your Company does not has the net worth of Rs. 500 crores or more, or turnover of Rs. 1000 crores or more, or a net profit of Rs. 5 crores or more during the financial year, so section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable to the Company and hence the Company need not adopt any Corporate Social Responsibility Policy

RELATED PARTY TRANSACTIONS:

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at www.concorddrugs.in.

Your Directors draw attention of the members to Note to the financial statement which sets out related party disclosures.

FORMAL ANNUAL EVALUATION:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 30.03.2015 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

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- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 3 (three) non-independent directors namely:

- i. S. Nagi Reddy – Managing Director
- ii. S. Koni Reddy – Non-Executive Director.
- iii. K. Ramachandra Reddy - Non-Executive Director

The meeting recognized the significant contribution made by Mr. S. Nagi Reddy Managing Directors in the shaping up of the company and putting the company on accelerated growth path. They devoted more time and attention to bring up the company to the present level.

The meeting also reviewed and evaluated the performance of the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

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It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable to your Company.

RATIO OF REMUNERATION TO EACH DIRECTOR:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014, a remuneration of Rs. 18,00,000/- per annum is being paid to Mr. S. Nagi Reddy, Managing director of the Company.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Since the paid up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores, Corporate Governance as specified under clause 49 of the Listing Agreement is Not Applicable.

INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

SECRETARIAL STANDARDS

EVENT BASED DISCLOSURES

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

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EMPLOYEE RELATIONS:

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 5,00,000/- and above per month or Rs.60,00,000/- and above in aggregate per annum, the limits prescribed under Section 134 of the Companies Act, 2013

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

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: 14.08.2015

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

Sd/-
S. Koni Reddy
Director cum CFO
DIN: 02829319

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Annexure - I

MGT 9

Extract of Annual Return

as on the Financial Year 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:			
i.	CIN:-	L24230TG1995PLC020093	
ii.	Registration Date	24.04.1995	
iii.	Name of the Company	Concord Drugs Limited	
iv.	Category / Sub-Category of the Company	Company limited by shares	
v.	Address of the Registered office and contact details	Survey No.249, Brahmanapally Village Hayatnagar, Mandal R.R.Dist-501511, Telangana	
vi.	Whether listed company Yes / No	Yes	
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Aarthi Consultants Private Limited 1-2-285, Domalguda, Hyderabad Ph No: 040-27638111/27634445	
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1.	Manufacture of pharmaceuticals, medicinal chemicals and botanical products	2423	99.08
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NA			
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)			

CONCORD DRUGS LIMITED

i) Category-wise Share Holding:-									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/ HUF	2840500	0	2840500	39.21	2840500	0	2840500	39.21	-
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1) :-	2840500	0	2840500	39.21	2840500	0	2840500	39.21	-
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2840500	0	2840500	39.21	2840500	0	2840500	39.21	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0

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e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp.	0	0	0	0	6743	0	6743	0.09	+0.09
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	9600	1286900	1296500	17.90	177457	753259	930716	12.85	-5.05
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2239050	867700	3106750	42.89	2312850	1152841	3465691	47.84	+4.95
c) Others (specify)	0	0	0	0	100	-	100	0.00	-
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	2248650	2154600	4403250	60.79	2497150	1906100	4403250	60.79	-
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	5089150	2154600	7243750	100	5337650	1906100	7243750	100	0

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(ii) Shareholding of Promoters										
Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
										Nil
1.	S. Nagarathamma	804400	Nil	804400	11.1	804400	Nil	804400	11.1	Nil
2.	S. Nagi Reddy	698600	Nil	698600	9.64	698600	Nil	698600	9.64	Nil
3.	S. Koni Reddy	625000	Nil	625000	8.63	625000	Nil	625000	8.63	Nil
4.	Ramasubba Reddy	397500	Nil	397500	5.49	397500	Nil	397500	5.49	Nil
5.	S. Manoj Kumar Reddy	315000	Nil	315000	4.35	315000	Nil	315000	4.35	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change): No changes					
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the End of the year				

CONCORD DRUGS LIMITED

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	1. V. Raja Sekhar Reddy	632350	8.73	576050	7.95
	2. M. Ramachandra Reddy	385500	5.32	125000	1.73
	3. K. konamma	300000	4.14	300000	4.14
	4. Sai Saranya Reddy Seelam	246700	3.41	246700	3.41
	5. Gopidi Ravali	207900	2.87	207900	2.87
	6. N.L Reddy	151700	2.09	131000	1.81
	7. K. Satyanarayana	138900	1.92	138900	1.92
	8. SN Thulasi Devi	121200	1.67	121200	1.67
	9. M. Eshwar Rao	109000	1.50	109000	1.50
	10. V. Rama SUBba Rao	-	-	397500	5.49
	11. S. Jhansi	-	-	348950	4.82
	12. S. Ramakrishna Reddy	-	-	249400	3.44
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the End of the year				

CONCORD DRUGS LIMITED

(v) Shareholding of Directors and Key Managerial Personnel:					
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	S. Nagi Reddy	698600	9.64	698600	9.64
	S. Koni Reddy	625000	8.63	625000	8.63
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the End of the year				
	S. Nagi Reddy	698600	9.64	698600	9.64
	S. Koni Reddy	625000	8.63	625000	8.63

CONCORD DRUGS LIMITED

V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount	15,44,04,382	1,86,54,534	Nil	17,30,58,916
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	15,44,04,382	1,86,54,534	Nil	17,30,58,916
Change in Indebtedness during the financial year	+ 1,57,06,576	+ 4434880	Nil	+ 2,01,41,456
Addition				
Reduction				
Net Change	+ 1,57,06,576	+ 4434880	Nil	+ 2,01,41,456
Indebtedness at the end of the financial year	17,01,10,958	2,30,89,414	Nil	19,32,00,372
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	17,01,10,958	2,30,89,414	Nil	19,32,00,372

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Nagi Reddy Seelam, Managing Director				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	18,00,000	0	0	0	18,00,000
2.	Stock Option	0	0	0	00	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission - as % of profit - Others, specify...	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
6.	Total (A)	18,00,000	0	0	0	18,00,000

CONCORD DRUGS LIMITED

<i>B. Remuneration to other directors:</i>						
Sl. no.	Particulars of Remuneration	Name of Director				Total Amount
	3. Independent Directors	0	0	0	0	0
	· Fee for attending board / committee meetings · Commission · Others, please specify					
	Total (1)	0	0	0	0	0
	4. Other Non-Executive Directors · Fee for attending board / committee meetings · Commission · Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration					
<i>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD</i>						
Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
	CEO	Company	Secretary	CFO	Total	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	20,000 P.M	-	2,40,000	
2.	Stock Option	-	-	-	-	
3.	Sweat Equity	-	-	-	-	
4.	Commission - as % of profit - others, specify...	-	-	-	-	
5.	Others, please specify	-	-	-	-	
6.	Total	-	20,000 P.M	-	2,40,000	

CONCORD DRUGS LIMITED

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

CONCORD DRUGS LIMITED

ANNEXURE II

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To,
The Board of Directors
M/s Concord Drugs Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Date: 30.05.2014
Place: Hyderabad

Yours Faithfully,
Movidi Eswar Rao
(Independent director)

CONCORD DRUGS LIMITED

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To,
The Board of Directors
M/s Concord Drugs Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Date: 30.05.2014
Place: Hyderabad

Yours Faithfully,
P. Venkatram Reddy
(Independent director)

CONCORD DRUGS LIMITED

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s Concord Drugs Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Date: 30.03.2015
Place: Hyderabad

Yours Faithfully,
P. Chandrakala
(Independent director)

CONCORD DRUGS LIMITED

FORM MR-3 SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

To
The Members of
M/s. Concord Drugs Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Concord Drugs Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2014 and ending on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by "The Company" for the financial year ended on 31st March, 2015, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came in to effect from 12th September, 2013 and sections and Rules notified and came in to effect from 1st April, 2014;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

CONCORD DRUGS LIMITED

- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings.
 - v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act').
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report except disclosures in terms of SEBI Takeover Regulations & Insider Trading Regulations.
- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - v. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - vii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
3. Other allied laws as stated below other than the applicable Tax Laws :

Pharmaceutical Sector:

- i. The Drugs and Cosmetics Act, 1940
- ii. The Drugs and Cosmetics Rules, 1945
- iii. The Pharmacy Act, 1948
- iv. Narcotic Drugs and Psychotropic Substances Act, 1985

CONCORD DRUGS LIMITED

Intellectual Property Rights:

- i. The Patents Act, 1970
- ii. The Trade & Merchandise Marks Act, 1958
- iii. Trade Marks Act, 1999

Labour Laws

- i. Industrial Employment Standing Order Act, 1946.
- ii. Industrial Disputes Act, 1947.
- iii. Payment of Wages Act, 1936
- iv. Minimum Wages Act, 1948
- v. Factories Act, 1948.

4. We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company secretaries of India complied though not applicable to the Company.
- ii. The Listing Agreements entered into by the Company with BSE Limited, MSE, PSE and ASE.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Vivek Surana & Associates

Vivek Surana

Proprietor

C.P. No. 12901

Place: Hyderabad

Date: 14.08.2015

CONCORD DRUGS LIMITED

Annexure A

To
The Members of
M/s. Concord Drugs Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Vivek Surana & Associates

Vivek Surana
Proprietor
C.P. No. 12901

Place: Hyderabad
Date: 14.08.2015

CONCORD DRUGS LIMITED

Independent Auditors' Report on Financial Statements

To
The Members of
CONCORD DRUGS LIMITED
Hyderabad.

Report on the financial Statements

We have audited the accompanying financial Statements of M/s. CONCORD DRUGS LIMITED which comprise the Balance Sheet as at 31st March 2015, the statement of Profit & Loss and Cash Flow Statement for the year ended and a summary of the significant accounting policies and other explanatory information.

Managements Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

CONCORD DRUGS LIMITED

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us the said accounts read with other notes to accounts and accounting policies give the information required by the Companies Act 2013, in the manner so required and give a true and fair view:-

- i) In the case of Balance Sheet of the state of the affairs of the Company as at 31st March 2015 and
- ii) In the case of Profit & Loss Account of the Profit of the Company for the year ended on that date.
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

CONCORD DRUGS LIMITED

2. As required by Section 143 (3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of accounts as required by the law have been kept by the company as far as appears from our examination of these accounts.
 - c. The company's Balance Sheet and Statement of Profit & Loss and Cash Flow statement dealt with by the report are in agreement with the books of accounts.
 - d. In our opinion the Balance Sheet and Statement of Profit & Loss and Cash Flow Statement comply with the accounting standards referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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

Sd/-
M. Madhusudhana Reddy
Partner
Membership No.213077

Place: Hyderabad
Date : 30.05.2015

CONCORD DRUGS LIMITED

Annexure to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the Year ended 31 March 2015, we report that:

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- ii. a. According to the information and explanations given to us, the management has conducted physical verification of inventories at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures followed by the management for physical verification of inventories are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans to body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- iv. In our opinion and according to the information and explanations given to us, the Company has an adequate internal control system commensurate with its size and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

CONCORD DRUGS LIMITED

- v. The Company has not accepted any deposits from the public directly.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including duty of excise, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year *except in the case of income tax dues (TDS Payable)*, by the Company with the appropriate authorities.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable except the following.

Financial Year	Section under which TDS Due	Amount in Rs.
2014-15	194 J	2,10,000
2014-15	194 C	3,964

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

CONCORD DRUGS LIMITED

Particulars	Demand U/s	Period to which the amount relates	Forum where the dispute is pending	Amount in Rs.
Income Tax Act, 1961	148	A.Y.2006-07	Commissioner of Income Tax (Appeals)-II	1,19,87,841
Income Tax Act, 1961	148	A.Y. 2007-08	Commissioner of Income Tax (Appeals)-II	22,44,779
Income Tax Act, 1961	148	A.Y. 2008-09	Commissioner of Income Tax (Appeals)-II	16,06,275
Income Tax Act, 1961	143(1)	A.Y. 2010-11	Jurisdictional AO	16,77,610
Income Tax Act, 1961	143(3)	A.Y. 2011-12	Commissioner of Income Tax (Appeals)-II	3,81,28,810
Income Tax Act, 1961	143(3)	A.Y. 2012-13	Jurisdictional AO	4,43,910
Income Tax Act, 1961	143 1(a)	A.Y. 2013-14	Jurisdictional AO	11,83,700

- d. According to the information and explanations given to us the company does not have any liability to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules there under.
- viii. The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. The company has not defaulted in repayment of dues to a financial institution or bank.
- x. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions
- xi. Term Loans were applied for the purpose for which the loans were obtained.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

Sd/-
M. Madhusudhana Reddy
Partner
Membership No.213077

Place: Hyderabad
Date : 30.05.2015

CONCORD DRUGS LIMITED

Balance Sheet as at March 31, 2015

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

	Note No's	2014-15 As at March 31, 2015	2013-14 As at March 31, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	91,970,000	91,970,000
(b) Reserves and Surplus	3	60,733,275	53,768,485
(c) Money received against share warrants		-	-
	A	152,703,275	145,738,485
(2) Share application money pending allotment		-	-
		-	-
(3) Non - current liabilities			
a) Long-term borrowings	4	106,826,896	116,756,676
(b) Deferred tax liabilities (Net)	5	1,384,482	3,881,654
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
	B	108,211,379	120,638,330
Current liabilities			
(a) Short-term borrowings	6	86,373,476	56,302,240
(b) Trade payables	7	177,582,001	105,957,337
(c) Other current liabilities	8	10,033,272	11,287,315
(d) Short-term provisions	9	7,252,375	6,915,085
	C	281,241,123	180,461,977
Total	(A+B+C)	542,155,777	446,838,792
II. ASSETS			
Non-current assets			
(1) (a) Fixed assets			
(i) Tangible assets	10	183,155,847	208,408,098
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
	A	183,155,847	208,408,098
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	11	2,689,728	5,280,545
(e) Other non-current assets	12	-	-
	B	2,689,728	5,280,545
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	13	56,281,715	49,235,275
(c) Trade receivables	14	274,020,573	168,201,751
(d) Cash and cash equivalents	15	506,748	1,059,346
(e) Short-term loans and advances	16	9,220,572	2,214,625
(f) Other current assets	17	16,280,593	12,439,152
	C	356,310,202	233,150,149
Total	(A+B+C)	542,155,777	446,838,792

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

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

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

Sd/-
M Madhusudhana Reddy
Partner
Membership No. 213077

Sd/-
Nagi Reddy Seelam
Managing Director

Place : Hyderabad
Date : 30/05/2015

Sd/-
Koni Reddy Seelam
Director

CONCORD DRUGS LIMITED

Statement of Profit and Loss for the year ended March 31, 2015

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

		2014-15	2013-14
	Note No's	Year Ended Mar' 31, 2015	Year Ended Mar' 31, 2014
INCOME			
Turnover (Gross)			
Revenue from operations		400,236,858	339,520,746
Other Income		3,699,972	1,225,102
			-
Total Revenue		403,936,830	340,745,848
EXPENDITURE			
Material Costs	18	312,228,751	275,113,060
Other Direct Expenses	19	9,081,091	18,847,803
Personal Costs	20	4,698,714	4,739,918
Administration & Selling expenses	21	3,992,852	8,530,244
Interest And Finance Charges	22	27,164,511	17,805,260
Depreciation/amortization	10	36,276,279	11,425,043
Total		393,442,198	336,461,328
Profit / (Loss) before tax		10,494,631	4,284,520
Provision for taxation			
- Current Year Tax		6,027,014	816,415
- Deferred tax		(2,497,172)	896,900
- MAT Credit		-	816,415
Total tax expense		3,529,842	896,900
Profit/(Loss) from continuing operations		6,964,790	3,387,620
Balance brought forward from previous year		46,400,985	43,013,365
Balance carried to Balance Sheet		53,365,775	46,400,985
Earnings per share			
Basic		0.96	0.47
Weighted Average Number of Shares		7,243,750	7,243,750
Nominal value		10	10

The Notes referred to above are an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date.

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

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

Sd/-
M Madhusudhana Reddy
Partner
Membership No. 213077

Sd/-
Nagi Reddy Seelam
Managing Director

Place : Hyderabad
Date : 30/05/2015

Sd/-
Koni Reddy Seelam
Director

CONCORD DRUGS LIMITED

Cash Flow Statement for the year ended March 31, 2015

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

	2014-15 As at Mar' 31, 2015	2013-14 As at Mar' 31, 2014
A. Cash flow from operating activities		
Net profit / (Loss) before tax	10,494,631	4,284,520
Adjustments for:		
Preliminary Expences Written Off	-	-
Depreciation	36,276,279	11,425,043
Dividend Income	-	-
Finance Charges	27,164,511	17,805,260
Operating profit before working capital changes	73,935,421	33,514,823
Movements in working capital :		
Increase in sundry debtors	(105,818,822)	(10,484,763)
Increase in inventories	(7,046,440)	(13,538,010)
Increase / (Decrease) in loans and advances	(7,005,947)	456,500
Increase in other current assets	(3,841,441)	(1,506,284)
Increase in current liabilities	65,578,106	14,383,605
Cash generated from /(used in) operations	15,800,877	22,825,871
Taxes paid	897,210	-
Net cash used in /(generated from) operating activities	14,903,667	22,825,871
B. Cash flows from investing activities		
Purchase of fixed assets	(11,024,028)	(26,638,635)
(Increase)/Decrease in Non current assets	2,590,817	5,286,218
Fixed deposits	-	-
Dividends received	-	-
Net cash used in investing activities	(8,433,211)	(21,352,417)
C. Cash flows from financing activities		
Proceeds Share Application Money	-	-
Fianancial Charges	(27,164,511)	(17,805,260)
General Reserve Received for the year		
Other Long term Borrowings(Net)	(9,929,780)	3,305,903
Other Short term Borrowings (Net)	30,071,236	12,743,097
Net cash generated from /(used in) financing activities	(7,023,054)	(1,756,260)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(552,598)	(282,806)
Cash and cash equivalents at the beginning of the year	1,059,346	1,342,152
Cash and cash equivalents at the end of the year	506,748	1,059,346

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

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

Sd/-
M Madhusudhana Reddy
Partner
Membership No. 213077

Place : Hyderabad
Date : 30/05/2015

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

Sd/-
Nagi Reddy Seelam
Managing Director

Sd/-
Koni Reddy Seelam
Director

Notes to Financial Statements

1. Significant Accounting Policies

a. Basis of preparation of Financial Statements

The accompanying financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the basis of a going concern basis, while revenue, expenses, assets and Liabilities accounted/recognized on accrual basis. GAAP comprises mandatory accounting as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI) Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the required amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

d. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use.

e. Depreciation

Depreciation on fixed assets has been provided on written down value method based on useful life of asset specified in Schedule II of the Companies Act, 2013 on pro-rata basis.

CONCORD DRUGS LIMITED

f. Borrowing costs:

Borrowing costs that are directly attributable to the acquisition or the construction of a qualifying asset is capitalized for the period until the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time i.e more than 12 months to get ready for intended use. All other borrowing costs are charged to revenues

g. Inventories

Materials are valued at the lower of cost and estimated net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to affect the sale.

h. Income Tax

i. Current tax :

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

ii. Deferred tax :

Deferred income taxes is recognized, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Where the Company has carry forward of unabsorbed depreciation or tax losses deferred tax assets are recognized only if it is virtually certain backed by convincing evidence that such deferred tax assets can be realized against future taxable profits.

i. Earnings per share

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

j. Provisions

A Provision is recognized when the Company has a present obligation as a result of past event i.e it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate

CONCORD DRUGS LIMITED

can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

k. Cash Flow Statement:

Cash Flow Statement has been prepared under indirect method as per the Accounting Standard-3 "Cash Flow Statement" .

i. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

CONCORD DRUGS LIMITED

Notes to Accounts

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

	2014-15	2013-14
	As at Mar' 31, 2015	As at Mar' 31, 2014
Note 2 : (a) Share Capital		
Authorised:		
110,00,000 No of Equity Shares of Rs.10/- each	110,000,000	110,000,000
Issues, Subscribed and Paid up		
72,43,750 No of Equity Shares of Rs.10/- each	72,437,500	72,437,500
Share Application Money pending for allotment	19,532,500	19,532,500
	91,970,000	91,970,000
Note 3 : (b) Reserves and Surplus		
General Reserve		
Balance as per last account	3,267,500	3,267,500
Add: Recd for the year (Share Premium)	-	-
	3,267,500	3,267,500
Capital Reserve		
Subsidy From government	4,100,000	4,100,000
Profit & Loss A/c Surplus		
Balance in the statement of profit & loss	46,400,985	43,013,365
Additions during the year	6,964,790	3,387,620
	60,733,275	53,768,485
Note 4 : a) Long-term borrowings		
Term loans (Secured)		
From banks		
Term loans (Secured)	83,737,482	98,102,142
SBI demand Loan		-
From others		
Interest Free Sales tax loan	13,277,408	13,277,409
Unsecured Loans From related parties	9,812,006	5,377,125
	106,826,896	116,756,676
Note 6 : (a) Short-term borrowings		
Loans repayable on demand		
From banks (Cash Credit Facility from State Bank of India)	84,349,129	56,302,240
HDFC Car Loan	2,024,347	
	86,373,476	56,302,240

CONCORD DRUGS LIMITED

Notes to Accounts

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

	2014-15	2013-14
	As at	As at
	Mar' 31, 2015	Mar' 31, 2014
Note 7 : (b) Trade payables		
Sundry Creditors- Trade	108,789,916	90,634,797
Creditors for Expenses	27,980,225	6,454,540
Creditors for Capital Goods & others	40,811,860	8,868,000
	177,582,001	105,957,337
Note 9 : (d) Short-term provisions		
Provision for Income tax	6,027,014	3,401,639
Income Tax Payable for 2011-12	1,225,361	1,872,245
Others Provisions	-	1,641,201
	7,252,375	6,915,085
Note 8: Other Current Liabilities		
Advances from customers	-	875,745
Out Standing Expenses	519,385	3,481,173
VAT Payable	-	1,138,795
TDS payable	267,500	10,300
Other Current Liabilities	9,246,387	5,781,302
	10,033,272	11,287,315
Note:5 Deferred Tax Liabilities		
Opening Balance	3,881,654	2,984,754
Add/ Less: Provision for the year	(2,497,172)	896,900
	1,384,482	3,881,654
Note 11 : (d) Long-term loans and advances		
Capital advances	2,576,131	760,000
Security deposits	-	4,015,406
Others	113,597	505,139
	2,689,728	5,280,545
Note 12 : (e) Other non-current assets		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses	-	-
Less: W/o during the year	-	-
	-	-

CONCORD DRUGS LIMITED

Notes to Accounts

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

Note 10 : Fixed Assets

Particulars	Gross Block		Depreciation / amortization / Block		As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
	As at April 1, 2014	As at March 31, 2015	As at April 1, 2014	For the year March 31, 2015			
Land & Land Development	7859768	7,859,768	-	-	-	7,859,768	7,859,768
Building	48302095	49,101,740	799,645	2,921,942	21,079,313	28,022,427	30,144,724
Furniture & Fixtures	2621462	3,092,866	471,404	646,290	1,129,342	1,963,524	2,138,410
Plant & Machinery	116631862	118,877,089	2,245,227	16,412,477	43,875,479	75,001,610	89,168,860
Office equipment	2282649	2,320,130	37,481	778,943	1,351,055	969,075	1,710,537
Vehicles	720692	3,636,505	2,915,813	771,671	1,451,280	2,185,225	41,083
Air Handling Systems	30926419	34,017,568	3,091,149	4,860,299	11,879,288	22,138,280	23,907,430
Lab Equipment	28064130	29,403,953	1,339,823	4,696,426	7,894,870	21,509,083	24,865,686
Electrical Installations	29643631	29,767,117	123,486	4,628,374	8,793,540	20,973,577	25,478,464
Generator	3568140	3,568,140	-	559,858	1,034,862	2,533,278	3,093,136
Capital WIP incl. advances	-	-	-	-	-	-	-
Total	270,620,848	281,644,876	11,024,028	36,276,279	98,489,028	183,155,847	208,408,099
Previous year	243,982,213	270,620,848	26,638,635	11,425,043	62,212,749	208,408,098	193,194,507

CONCORD DRUGS LIMITED

Notes to Accounts

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

	2014-15	2013-14
	As at	As at
	Mar' 31, 2015	Mar' 31, 2014
Note 13 : (b) Inventories		
Raw material	32,775,493	23,936,955
Work-in-process	11,254,675	4,487,650
Finished goods	1,136,086	894,428
Packing Material	11,115,461	19,916,242
	56,281,715	49,235,275
Note 14 : (c) Trade receivables (Unsecured, considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months		
Considered good	30,283,744	27,546,560
Considered doubtful	-	-
Other debts		
Considered good	243,736,829	140,655,191
	274,020,573	168,201,751
Less: Provision for doubtful debts	-	-
	274,020,573	168,201,751
Note 15 : (d) Cash and cash equivalents		
Cash on hand	468,138	563,864
Balances with scheduled banks		
On current accounts	38,610	495,482
On deposit accounts	-	-
	506,748	1,059,346
Note 16 : (e) Short-term loans and advances		
Advances given to suppliers	1,900,000	2,214,625
Other receivables	7,320,572	-
	9,220,572	2,214,625
Note 17 : (f) Other current assets		
Cenvat Credit Recievable	1,944,117	1,746,626
TDS Receivable	84,198	32,248
MAT Credit	6,934,114	6,934,114
Unmatured HPF Charges		57,125
Vat Input @ 5%	577,420	1,165,611
CENVAT on Capital Goods		2,463,901
I.T.C (Outstanding)		28,723
CST		10,804
Other Current assets	6,740,744	
	16,280,593	12,439,152

CONCORD DRUGS LIMITED

Notes to Accounts

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

	2014-15	2013-14
	Year Ended Mar' 31, 2015	Year Ended Mar' 31, 2014
Note 18 : Material Costs		
<u>a. Increase in inventories</u>		
Opening stock of inventories		
Work- in- progress	4,487,650	3,555,250
Finished goods	894,428	855,900
	5,382,078	4,411,150
Closing stock of inventories		
Work- in- progress	11,254,675	4,487,650
Finished goods	1,136,086	894,428
	12,390,761	5,382,078
Increase / (Decrease) In Stocks	7,008,683	970,928
<u>b. Raw materials consumed</u>		
Opening stock	23,936,955	17,545,962
Add : Purchases	269,682,336	248,942,499
Less : Closing stock	32,775,493	23,936,955
Total value of Raw materials consumed	260,843,798	242,551,506
<u>c. Consumption of packing material</u>		
Op. Stock of PM	19,916,242	13,740,153
Add. Purchases	49,592,855	39,708,571
Less: Closing stock	11,115,461	19,916,242
Total value of Packing material consumed	58,393,636	33,532,482
	312,228,751	275,113,060
Note 19 : Other Direct Expenses		
Cousumable Stores	507,946	354,544
Carriage Inward & outward	32,388	765,484
Wages & Factory Expenses	2,868,882	4,254,850
Power Charges	2,752,129	2,581,487
Diesel for Boiler & Generator	616,565	2,415,460
Transport Charges	557,234	913,548
Analytical Report Charges	1,079	346,584
Repairs and maintenance charges	1,744,868	7,215,846
	9,081,091	18,847,803

CONCORD DRUGS LIMITED

Notes to Accounts

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

	2014-15	2013-14
	Year Ended Mar' 31, 2015	Year Ended Mar' 31, 2014
Note 20 : Personal Costs		
Salaries, allowances, wages and bonus	2,784,539	2,624,120
Directors remuneration	1,800,000	1,800,000
Staff welfare expenses	66,489	236,546
Contribution to PF and & ESI	47,686	79,252
	4,698,714	4,739,918
Note 21 : Administration & Selling expenses		
Advertisement Expenses	206,960	146,545
Business Promotion Expenses	283,940	669,458
Books & Periodicals	12,732	18,245
Marketing Expenses	30,750	954,561
Computer Maintenance	41,818	117,700
Vehicle Maintenance	81,154	722,121
Insurance	336,806	459,517
Listing Fee	631,463	15,731
Rates & taxes	25,365	327,706
Registration & Renewals	743,500	407,344
Postage & Telegrams, Telephones	232,585	457,396
General Expenses	256,209	626,625
Office maintenance	112,869	425,353
Security Charges	282,799	164,603
Professional & Consultancy Fee	54,545	554,201
Printing & Stationary	142,171	568,565
Tavelling Expenses	88,270	1,264,761
Conveyance Expenses	3,916	204,812
Audit Fee	300,000	250,000
Processing charges	125,000	175,000
	3,992,852	8,530,244
Note 22 : Interest And Finance Charges		
Bank Charges	487,912	540,420
Interest on term loans	16,697,472	10,232,672
Interest on working capital loans	9,159,790	7,032,168
Interest on HP Loans	232,354	-
LC charges	586,983	-
	27,164,511	17,805,260

CONCORD DRUGS LIMITED

23. Contingent Liabilities and Commitments – NIL-

24. Related Party Transactions

a) List of Related Parties

Subsidiary Companies	NIL
Associates Companies controlled by key management personnel / relatives who are substantially interested	Cortex Laboratories Private Limited
Key managerial personnel	Nagireddy Seelam Ramachandra Reddy Kommula Konireddy Seelam Movid Eswar Rao Pathakota Venkatram Reddy Chandra Kala panthamva Sonia Bidlan Konireddy Seelam

b) Transactions with the Related Parties

Details	Associate Companies / Concerns	Key Management Personnel	Associate Companies / Concerns	Key Management Personnel
	2014-15 Rs.		2013-14 Rs.	
Remuneration	--	18,00,000	--	18,00,000
Sales	44,520	--	--	56,05,110
Purchases	10,376,929	--	--	2,705,628

c) Balance as at 31st March, 2015

Details	Associate Companies / Concerns	Key Management Personnel	Associate Companies / Concerns	Key Management Personnel
	2014-15 Rs.		2013-14 Rs.	
Remuneration	--	16,70,000	--	2,70,000
Debtors	--	--	--	--
Creditors	2,81,66,874	--	3,69,94,876	--

CONCORD DRUGS LIMITED

25. Value of Imports and Exports:

Imports on CIF Basis: NIL

Expenditure in foreign currency: NIL

Earnings in foreign exchange

Year ended 31st March	2014-15 Rs.	2013-14 Rs.
Sales	1,18,200	--

26. Auditors' Remuneration

Amount in Rs.

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Sales	3,00,000	2,50,000

27. Earnings Per Share

Amount in Rs.

S. No	Particulars	Year ended 31st March 2015	Year ended 31st March 2014
1	Net Profit available for Equity Shareholders	69,64,790	33,87,620
2	Weighted Average Number of Equity Shares (No.s)	72,43,750	72,43,750
3	Earnings Per Share – Basic and Diluted	0.96	0.47

28. Balances under trade receivable and trade payables are subjected to confirmation and reconciliation from respective parties and the classification / grouping of the parties under sundry debtors and creditors are as per the management representation. Grouping of parties are effected the extent of value of sundry debtors and creditors in the financials.

CONCORD DRUGS LIMITED

29. Segment Reporting

There are no separate reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17 – 'Segment Reporting' issued by the Institute of Chartered Accountants of India as the company operates only in the areas of Pharmaceuticals formulations only.

30. Quantitative Details

a) Details of Finished Goods and Turnover Particulars

S. No.	Description	Opening Stock	Production	Sales	Closing Stock
		Qty. No.s	Qty. No.s	Qty. No.s	Qty. No.s
1	Acelco/Para tabs	-	1,62,00,000	1,62,00,000	-
2	Cefixime tabs	-	1,89,38,000	1,89,38,000	-
3	Azithromycin tabs	-	1,58,25,000	1,58,25,000	-
4	CefpodoximeProxetil tabs	-	1,68,65,000	1,68,65,000	-
5	Ofloxacin tabs	-	1,49,65,000	1,49,65,000	-
6	Diclo/Para Tabs	-	4,28,00,000	4,28,00,000	-
7	Diclofenac 30ml Inj.	-	2,21,760	2,21,760	-
8	Dexamethasone injip 30ml	2,000	2,48,495	2,50,495	-
9	Amcrylate 0.25/0.5/1 ml	200	24,170	24,370	-
10	Pellets	-	15,271	15,271	-
11	Others	4,25,410	10,78,76,138	10,77,80,408	5,21,140
	Total	4,27,610	23,39,78,834	23,38,85,304	5,21,140

CONCORD DRUGS LIMITED

b) Details of Raw Materials Consumed, opening stock & closing stocks:

S. No.	Name of the Material	Opening Balance	Purchases	Closing Balance	Consumption
		Qty. Kg	Qty. Kg	Qty. Kg	Qty. Kg
1	Aceclofenac	50	2,050	150	1950
2	Azithromycin	250	690	420	520
3	Cefixime	310	665	325	650
4	Diclofenac Sodium	450	5,704	254	5900
5	CefpodoximeProxetil	265	571	321	515
6	Paracetamol	264	35,788	652	35400
7	Pralidoxime Chloride	354	210	114	450
8	Ciprofloxacin	150	1,914	364	1700
9	Ofloxacin	20	1030	450	600
10	Others	187	885	640	432
	Total	2300	49507	3690	48117

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

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

Sd/-
M Madhusudhana Reddy
Partner
Membership No. 213077

Place : Hyderabad
Date : 30/05/2015

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

Sd/-
Nagi Reddy Seelam
Managing Director

Sd/-
Koni Reddy Seelam
Director

CONCORD DRUGS LIMITED

Form No. MGT-11

Proxy form

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

CIN: L24230TG1995PLC020093
Name of the company: Concord Drugs Limited
Registered office: Survey No.249, Brahmanapally Village
Hayathnagar Mandal R.R.Dist-501511

Name of the member(s):

Registered Address:

E-mail Id:

Folio No./Client Id:

Address : _

E-mail Id :

Signature:, or failing him

2. Name :

Address:

E-mail Id :

Signature:, or failing him

3. Name :

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Wednesday, 30.09.2015 at Survey No.249, Brahmanapally Village, Hayathnagar Mandal, R.R.Dist-501 511 and at any adjournment thereof in respect of such resolutions as are indicated below:

CONCORD DRUGS LIMITED

Resolution No.

1. Approval of financial statements for the year ended 31.03.2015
2. Appointment of Mr. S. Koni Reddy as Director who retires by rotation
3. Appointment of statutory auditors and fixation of their remuneration
4. Regularisation of Ms. P. Chandrakala as a Director
5. Re-appointment of Mr. S. Nagi Reddy as Managing Director
6. Adoption of new articles as per Table F of the Companies Act, 2013.

Signed this day of..... 2015

Signature of shareholder

Signature of Proxy holder(s)

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

CONCORD DRUGS LIMITED
SURVEY NO.249, BRAHMANAPALLY VILLAGE HAYATNAGAR, MANDAL
R.R.D IST-501511.

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 20th Annual General Meeting of the members of the company to be held on Wednesday, 30.09.2015 at Survey No.249, Brahmanapally Village, Hayathnagar Mandal, R.R.Dist-501 511. and at any adjourned meeting thereof.

Shareholders/Proxy's Signature_____

Shareholders/Proxy's full name_____

(In block letters)

Folio No./ Client ID_____

No. of shares held_____

Note: Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

If undelivered please return to :

CONCORD DRUGS LIMITED

Survey No.249,

Brahmanapally Village,

Hayathnagar Mandal, R.R.Dist-501511