# CONCORD DRUGS LIMITED

**Notes to Financial Statements**

## 1. Corporate information.

Concord Drugs Limited ("the Company") the company was incorporated on 24th April , 1995. The principal activity of the company is to manufacture licensed drugs based on the formulations approved. The company is Listed only in the India and operating from only one geographical location.

## 2. Basis of preparation and presentation and significant Accounting policies.

### 2.1 Basis of Preparation.

The financial statements are prepared in accordance with the Indian Accounting standards ( Ind As),under historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the companies Act.2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange board of India (SEBI). The Ind AS is prescribed under Section 133 of the Act. Read with Rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules Issued thereafter.



### 2.1.1a Functional and presentation currency

The financial statements are presented in Indian Rupees (Rs.) which is also the company's functional currency and the amounts have been rounded off to lakhs with two decimal places, unless otherwise stated.

### 2.1.b Use of Estimates

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

### 2.1.c Current and non-current classification:

The company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current, when it satisfies any of the following criteria:

- It is expected to be realized or intended to sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non -current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**2.2. Significant Accounting Policies.**

**a. Inventories**

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

**b. Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, Taxes and amounts collected on behalf of third parties.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**Sale of Goods:**

Revenue from sale of the goods are recognized when all the risks and rewards pertinent to the goods are transferred to the customer.

**Interest Income:**

Interest income is recognized as it accrues to the company using the effective interest rate method.

**Dividend Income:**



Dividend Income is recognized when the right to receive the dividend is established.

**c. Property, plant and equipment**

Freehold land is measured at historical cost at each reporting period. All other items of property, plant and equipment are stated at deemed value historical cost less accumulated depreciation and impairment losses, if any. On the transition to Ind AS the company has elected to measure at its historical cost as at 1st April 2016 and use that historical costas its deemed cost on that date for property, plant and equipment. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. The cost of the property, plant and equipment includes freight, installation cost, duties and non refundable taxes and other incidental expenses incurred during the acquisition, construction and installation of the respective assets. The company has not obtained the technical evaluation for recognizing the decommissioning cost of the property, plant and equipment installed.

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

Cost of assets not ready for intended use as on the balance sheet date, is recognized as capital work-in-progress. Capital work in Progress comprises the direct expenditure on acquisition of property plant and equipment that are not yet ready for their intended use as at the balance sheet date. Other expenditure not relating to construction activity or incidental thereto is recognized in statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

If significant parts of an item of property plant and equipment have different useful lives, then they are accounted for as separate items (major components) of the said class of asset.

**Depreciation**

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives after taking into account their estimated residual value.

Depreciation is calculated using the written down value method to allocate their cost, net of their residual values, over their estimates useful lives. The depreciation methods, useful life and residual value, are viewed at each reporting date and adjusted prospectively.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e., from (up to) the date on which the assets is ready for use (disposed off). For the assets costing less than Rs.5,000, based on internal assessment and materiality the management has estimated that the same shall be depreciated in the year of purchase.

Gains and losses arising from derecognition of property plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**Derecognition:**

An item of property , plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss when the asset is derecognized.

**Impairment:**

At each reporting date, management reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately. The recoverable amount of an asset is the greater of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows., discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**d. Employee benefits:**

**i) Defined contribution plans:**



The company pays provident fund contributions to publicly administered funds as per local regulations. The company is not regular in depositing the Provident fund amount. For details please refer point no-vii of the Annexure- A to the auditor’s report.

**ii) Defined benefit plan:**

The company is required to provide for gratuity, defined benefit retirement plan covering eligible employees. However the company has not obtained Independent actuarial valuation to provide the liability in the books. The company has provided for the Gratuity liability on an Adhoc basis and hence the actuarial gains or loss is not effected in the Other Comprehensive Income of the statement of profit and loss.

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

**e. Borrowing costs:**

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

**f. Earnings per share:**

Basic earnings per share are calculated by dividing the profit attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**g. Financial Instruments:**

**i. Recognition and initial measurement**

Trade receivables are initially recognized when they are originated. Trade receivables are measured on initial recognition at the transaction price. All other financial assets and financial liabilities are initially recognized when the company becomes party to the contractual provisions of the instrument. Further the Working Capital loans, Trade receivables and Trade payables carrying values presented in the financial statements approximate their fair values.

**ii. Classification and subsequent measurement:**

Financial assets

On initial recognition, a financial asset is classified as measured at

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

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

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

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

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

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

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



Financial assets : Business Model assessment

The company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to the management. The information considered includes.

- how the performance of the portfolio is evaluated and reported to the Company's management
- the risks that affect the performance of the business model (and the financial assets held within that business model ) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about the future sales activity

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments for principal and interest.

For the purpose of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim tom cash flows from specified assets (e.g. on recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount is substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

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

Financial assets: Subsequent measurement and gains and losses

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

**Financial assets at amortized cost:**

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

**Debt investments at FVOCI:**

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

**Equity investments at FVOCI:**



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

iii. Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfer nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognized.

## Financial liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also derecognizes a financial liability when its terms are modified and its cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

## Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

## Impairment

**The Company recognizes the loss allowances for:**

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI-debt investment



At each reporting date, the company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit –impaired includes the following observable data.

- Significant financial difficulty of the borrower or issuer,
- The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- It is probable that the borrower will enter the bankruptcy or the financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties

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

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

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

Measurement and presentation of allowances for expected credit losses:

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



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

**Write off**

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

**h. Income Tax**

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

Current Tax

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

**Deferred Tax**

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



i. Cash Flow Statement:

i. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank over drafts. Bank over drafts are shown within borrowings in current liabilities in the balance sheet.

j. Measurement of earnings before interest, tax and depreciation ( EBIDT)

As permitted by schedule III of the companies Act, 2013, the company has elected to present earnings before interest, tax and depreciation (EBIDT) as a separate line item on the face of the statement of profit and loss. The company measures EBIDT on the basis of profit/loss from continuing operations. In its measurement, the company has not included the depreciation expenses, finance cost, tax expense and other income.

**k. Events occurring after the balance sheet date:**

Impact of events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet are adjusted to respective assets.

l. Contingent Liabilities and commitments :

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

**m. Critical estimates and judgments:**

The preparation of financial statements requires the use of accounting estimates and the management needs to exercise judgment in applying the accounting estimates and policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**2.1 Pending Litigations:**

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

**Rs. in Lakhs**

| Particulars | Demand U/S | Period to which The amount relates | Forum where the dispute is pending | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|---|---|
| Income tax Act, 1961 | 143(3) | A.Y.2011-12 | Commissioner of Income Tax (Appeals)-II | 258.83 | 258.83 |
| Income tax Act, 1961 | 143(3) | A.Y.2014-15 | Commissioner of Income Tax (Appeals)-II | 390.65 | 390.65 |

Note 3 : Fixed Assets

For the year (2019-20) Q4

| Particulars | Gross Block | | | | Depreciation /Amortization | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2019 | Additions | Deletion | As at March 31, 2020 | As at April 1, 2019 | As at March 31 , 2020 | Deletion during year | As at March 31, 2020 | As at March 31, 2020 | As at Mar 31, 2019 |
| Land & Land Development | 78,59,768 | | | 78,59,768 | - | - | | - | 78,59,768 | 78,59,768 |
| **Sub-Total** | **78,59,768** | - | - | **78,59,768** | - | - | - | - | **78,59,768** | **78,59,768** |
| Building | 4,92,59,087 | | | 4,92,59,087 | 3,03,47,968 | 17,96,556 | | 3,21,44,524 | 1,71,14,563 | 1,89,11,119 |
| Furniture & Fixtures | 40,00,630 | | | 40,00,630 | 29,17,753 | 2,80,357 | | 31,98,110 | 8,02,520 | 10,82,877 |
| Plant & Machinery | 13,84,92,329 | 13,62,485 | | 13,98,54,814 | 8,12,50,509 | 62,57,997 | | 8,75,08,506 | 5,23,46,307 | 5,72,41,820 |
| Office equipment | 27,82,270 | 31,249 | | 28,13,519 | 25,17,106 | 1,29,542 | | 26,46,648 | 1,66,871 | 2,65,164 |
| Vehicles | 60,52,695 | | | 60,52,695 | 47,87,638 | 3,95,077 | | 51,82,715 | 8,69,980 | 12,65,057 |
| Air Handling Systems | 3,59,17,595 | | | 3,59,17,595 | 2,49,88,360 | 19,78,192 | | 2,69,66,551 | 89,51,044 | 1,09,29,235 |
| Lab Equipment | 3,04,05,609 | | | 3,04,05,609 | 2,02,03,586 | 18,46,566 | | 2,20,50,152 | 83,55,457 | 1,02,02,023 |
| Electrical Installations | 2,99,18,049 | | | 2,99,18,049 | 2,04,13,703 | 17,20,287 | | 2,21,33,990 | 77,84,059 | 95,04,346 |
| Generator | 35,68,140 | | | 35,68,140 | 24,28,367 | 2,06,299 | | 26,34,666 | 9,33,474 | 11,39,773 |
| Computers | 1,70,030 | | | 1,70,030 | 79,854 | 28,162 | | 1,08,016 | 62,014 | 90,176 |
| **Total** | **30,84,26,202** | **13,93,734** | - | **30,98,19,936** | **18,99,34,843** | **1,46,39,035** | - | **20,45,73,878** | **9,73,86,374** | **11,06,31,591** |
| Capital Work-In Progress | 28,88,941 | 70,88,316 | | 99,77,257 | - | - | - | - | 99,77,257 | 28,88,941 |
| | **31,13,15,143** | **84,82,050** | - | **31,97,97,193** | **18,99,34,843** | **1,46,39,035** | - | **20,45,73,878** | **11,52,23,399** | **12,13,80,300** |

## Notes forming part of the Financial Statements for the year ended 31st March ,2020

### 4. Other Non current assets

Rs. In Lakhs

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| (a) Capital advances | | |
| Secured, considered good | 39.29 | 36.28 |
| Unsecured, considered good | - | - |
| Doubtful | - | - |
| Less: Provision for doubtful advances | | |
| (b) advances to suppliers | | |
| | **39.29** | **36.28** |

### 5. Financial Assets



| PARTICULARS | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| Loans and Advances | | |
| (a) Security Deposits | 5.05 | 5.05 |
| Other Loans & Advances | | |
| (b) Staff Advances | 36.17 | 36.17 |
| ( c) Others | 12.40 | 8.80 |
| | **53.62** | **50.02** |

## 6. Trade receivables

Rs. In Lakhs

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| a) Outstanding for a period less than six months from the date they are due for payment | | |
| Unsecured, considered good | 1,599.79 | 1,048.26 |
| | **1,599.79** | **1,048.26** |
| Less: Provision for doubtful receivables | - | - |
| (I) | **1,599.79** | **1,048.26** |
| b) Others | | |
| Unsecured, considered good | 944.81 | 3,795.21 |
| | **944.81** | **3,795.21** |
| Less: Provision for doubtful receivables | | |
| (II) | 944.81 | **3,795.21** |
| Total Trade receivables (I+II) | **2,544.60** | **4,843.47** |



## 7. Inventories

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| (Valued at lower of cost and net relisable value, unless stated other wise) | | |
| (a) Raw materials and components | 440.00 | 675.00 |
| (b) Work-in-progress | 403.51 | 455.23 |
| (c) Finished goods | 482.09 | 370.85 |
| (d) Packing Materials | 317.53 | 363.08 |
| **Total Inventories** | **1,643.13** | **1,864.15** |

## 8. Cash and bank balalnces

Rs. In Lakhs

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Cash and cash equivalants | | |
| Balances with banks | | |
| (a) In current accounts | 0.08 | 9.66 |
| (b) Cash on hand | 1.13 | 6.23 |
| Total cash and cash equivalants | 1.21 | 15.89 |
| (c ) Balances with banks other than above | 2.59 | 2.59 |
| **Total Cash and bank balances** | **3.80** | **18.48** |

## 9. Other current financial Asset

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| (Unsecured, considered good, unless stated otherwise) | | |
| (a) Security Deposits | 4.13 | 4.13 |
| (b) Other Advances (Imprest Cash) | | |
| **Total** | **4.13** | **4.13** |



## 10. Other Current Assets

| PARTICULARS | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| (a) Advances to Suppliers | 187.10 | 43.65 |
| (b ) Advance Tax | 87.65 | 87.65 |
| (c) TDS Receivable | 0.63 | 0.55 |
| (d) MAT Credit | 69.34 | 69.34 |
| (e) Other Current Assets | 16.03 | 42.34 |
| (f) Prepaid expenses | - | 2.98 |
| **Total** | **360.75** | **243.53** |

Rs. In Lakhs

## 11. Equity Share capital

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| The Company has only one class of share capital having a par value of Rs. 10 per share, referred to herein as equity shares. | | |
| **Authorised** | | |
| 1,10,00,000 (previous year 1,10,00,000) equity shares of Rs. 10/- each | 1,100 | 1,100 |
| **Issued, subscribed and paid up** | | |
| 8743750 (previous year 7861750) equity shares of Rs. 10/- each fully paid | 874.38 | **786.18** |
| **Total** | **874.38** | **786.18** |

| | 31-Mar-20 | | 31-Mar-19 | |
|---|---|---|---|---|
| | No.of Shares | Amount in Rs. | No.of Shares | Amount in Rs. |
| **(a) Reconciliation of shares outstanding at the beginning and at the end of the year** | | | | |
| Outstanding at the beginning of the year | 78.62 | 786.18 | 78.62 | 786.18 |
| Add: Issued during the year | 8.82 | 88.20 | - | - |
| Outstanding at the end of the year | 87.44 | 874.38 | 78.62 | 786.18 |

### (b) Rights, preferences and restrictions attached to shares

(i) The company has only one class of equity shares having par value of Rs. 10/- per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.(ii) During the year ended 31st March 2018, no dividend is recognized as distributions to equity shareholders. (iii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Name of the Holding Limited, the holding company (31st March 2018: No Holding Limited) equity shares of Rs. 10 each fully paid | Nil | Nil |
| Name of the ultimate holding company, the ultimate holding company (31st March 2018: No Ultimate Holding Company) equity shares of Rs. 10 each fully paid | Nil | Nil |
| Name of other Subsidiaries/Associate Company, subsidiary/ associate company (31st March 2018: No Subsidiary/Associate Company) equity shares of Rs.10 each fully paid | Nil | Nil |
| (d)Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: | Nil | Nil |
| Equity shares allotted as fully paid bonus shares by capitalization of securities premium | | |
| Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash | | |
| **Equity shares bought back by the company** | Nil | Nil |

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

| | 31-Mar-20 | | 31-Mar-19 | |
|---|---|---|---|---|
| | Number of shares | % of holding in the class | Number of shares | % of holding in the class |
| Koni Reddy Seelam | 9.75 | 11.15% | 7.97 | 10.14% |
| Nagi Reddy Seelam | 17.03 | 19.48% | 14.13 | 17.97% |
| S.Manoj Reddy | 6.65 | 7.61% | 4.51 | 5.74% |
| Vundela Rama Subba Reddy | 3.975 | 4.55% | 3.975 | 5.06% |

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

# CONCORD DRUGS LIMITED

## 12 Reserves and surplus

Rs. In Lakhs

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| (a) Capital Reserves | | |
| Opening balance | 41.00 | 41.00 |
| Add: Current year transfer from | | - |
| Less: Utilisation on account of / Transfer to | - | - |
| **Closing balance** | **41.00** | **41.00** |
| (b) Surplus/(deficit) in the Statement of Profit and Loss | | |
| Opening balance | 830.26 | 789.55 |
| Add: Net Profit/(Net Loss) for the current year | 32.83 | 40.70 |
| Transfer from reserves | | |
| Transfer to reserves | - | - |
| **Closing balance** | **863.08** | **830.26** |
| (c) Securities premium | 570.00 | 234.84 |
| **Total Reserves and surplus** | 1,474.08 | 1,106.10 |
| Other equity Unsecured Loans from Directors are grouped as Other equity | - | 423.36 |
| **Total Other equity** | **1,474.08** | **1,529.46** |

Rs. In Lakhs

**Non Current Liabilties**
**13. Financial Liabilities - Borrowings**

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Secured | | |
| (a) Term loans | | |
| from banks | - | - |
| (b) Interest Free Sales Tax Loan | 65.43 | 65.96 |
| Unsecured | - | - |
| (a) Loans and advances from related parties | 22.30 | 3.01 |
| Total long term borrowings including its current maturities | **87.72** | **68.97** |
| Less: Amount disclosed under the head "Other current liabilities" (refer note 18) | - | - |
| Total current maturities of long term borrowings | **87.72** | **68.97** |
| Un secured loan from Directors Grpd as Other equity | - | - |
| Adjustment of Interest Free Sales Tax loan ( recognised as Government Grants) | -45.53 | -54.13 |
| **Total** | **87.72** | **68.97** |

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

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Opening Deferred Tax Liability | 12.79 | 21.23 |
| For The Year | 0.91 | -8.44 |
| **Total** | **13.70** | **12.79** |

# CONCORD DRUGS LIMITED

## 15. Provisions

Rs. In Lakhs

| PARTICULARS | 31-Mar-20 | | 31-Mar-19 | |
|---|---|---|---|---|
| | Long term | Short term | Long term | Short term |
| (a) Provision for Creditor for Capital Expenses | - | - | - | - |
| (b) Other provisions (Specify nature) | - | - | - | - |
| Provision for Income tax | 198.88 | 11.91 | 207.73 | 11.72 |
| Provision for gratutiy | 9.50 | - | 9.50 | - |
| **Total Provisions** | **208.38** | **11.91** | **217.23** | **11.72** |

## 16. Borrowings

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Secured | | |
| (a) Loans repayable on demand | | |
| from banks | 869.10 | 913.68 |
| **Total Short -term borrwings** | **869.10** | **913.68** |



## 17. Trade payables

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Non Current | | |
| Trade payables | 377.49 | 2,631.62 |
| Current | | |
| (a)Trade payables | 902.13 | 1,632.11 |
| **Total** | **1,279.62** | **4,263.73** |

## 18. Other current Financial Liabilities

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Current maturities of long-term debts | - | - |
| **Total** | - | - |

# CONCORD DRUGS LIMITED

## 19. Other current liabilities

Rs. In Lakhs

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| (a) Provision for Expenses | 297.16 | 288.17 |
| (b) Advance Received from Customers | 429.16 | 111.60 |
| (c) Advance for Capital Assets | 191.00 | - |
| (c) ESI,PF, Other taxes Payable | 13.90 | 13.90 |
| (d) Unpaid dividends | | - |
| (e) TDS Payable | 5.90 | 5.30 |
| **Total** | **937.13** | **418.96** |

## 20. Revenue from operations

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Sale of products | | |
| Finished goods | 5,133.89 | 4,807.72 |
| Revenue from operations (Gross) | 5,133.89 | 4,807.72 |
| Less: Excise duty | - | - |
| **Total** | **5,133.89** | **4,807.72** |

## 21. Other income

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Interest income | 0.80 | 0.70 |
| Miscellaneous income | 0.20 | 0.27 |
| Interest from Govt Grant | 8.61 | 7.61 |
| creditors written off | 2.40 | - |
| **Total** | **12.01** | **8.59** |

Rs. In Lakhs

## 22. Cost of raw material consumed

| PARTICULARS | | 31-Mar-20 | 31-Mar-19 |
|---|---|---|---|
| **Raw material consumed** | | | |
| Inventory at the beginning of the year (Includes Goods in transit) | | 675.00 | 823.76 |
| Add : Purchases during the year | | 2,488.85 | 2,781.51 |
| Less: Inventory at the end of the year (Include Goods-in transit) | | 440.00 | 675.00 |
| **Cost of raw material consumed** | **(I)** | **2,723.85** | **2,930.27** |
| **Packing material consumed (if considered as part of raw material)** | | | |
| Inventory at the beginning of the year [Include Goods-in transit] | | 363.08 | 55.87 |
| Add : Purchases during the year | | 1,547.85 | 1,177.94 |
| Less: Inventory at the end of the year [Include Goods-in transit] | | 317.53 | 363.08 |
| **Cost of packing material consumed** | **(II)** | **1,593.40** | **870.73** |
| Finished Goods Consumed | | | |
| Inventory at the beginning of the year [Include Goods-in transit] | | 370.85 | 481.49 |
| Add : Purchases during the year | | - | 2.21 |
| Less: Inventory at the end of the year [Include Goods-in transit] | | 482.09 | 370.85 |
| **Cost of other material consumed** | **(III)** | **-111.24** | **112.85** |
| **Total raw material consumed** | **(I+II+III)** | **4,206.02** | **3,913.85** |

# CONCORD DRUGS LIMITED

**23. Changes in inventories of finished goods, work in progress and stock-in trade** Rs. In Lakhs

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Inventories at the beginning of the year: | | |
| Work in progress | 455.23 | 500.82 |
| (I) | **455.23** | **500.82** |
| Inventories at the end of the year: | | |
| Work in progress | 403.51 | 455.23 |
| (II) | **403.51** | **455.23** |
| (Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade | **51.72** | **45.59** |

## 24. Employee benefits expense

| PARTICULARS | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| Salaries, wages, bonus and other allowances | 322.22 | 221.32 |
| Directors Remuneration | 24.00 | 24.00 |
| Contribution to provident and other funds | - | 3.53 |
| Staff welfare expenses | 4.49 | 4.07 |
| **Total** | **350.72** | **252.92** |



## 25. Finance cost

| PARTICULARS | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| Interest expense | | |
| On bank loan | 144.60 | 149.47 |
| Other borrowing costs | - | 0.06 |
| Bank charges | 1.16 | 2.15 |
| Interest on VAT loan | 8.61 | 7.61 |
| **Total** | **154.37** | **159.30** |

## 26. Other Expenses

| PARTICULARS | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| Consumption of stores and spare parts | 12.46 | 1.95 |
| Power and fuel | 76.79 | 77.73 |
| Repairs and maintenance | | - |
| Buildings | 3.03 | 6.90 |
| Plant & machinery | 4.96 | 19.75 |
| Others | 2.06 | 0.55 |
| Vehicle Maintenance | 13.28 | 11.21 |
| Insurance | 6.90 | 7.54 |
| Listing Fees | 3.00 | 2.50 |
| Auditor's remuneration | 1.50 | 3.50 |
| Business Promotion Expenses | 11.20 | 11.33 |
| Duties and Taxes | 4.71 | 0.16 |
| Travelling, Boarding & Lodging Expenses | 1.38 | 1.27 |
| Freight & Transportation Expenses | 10.77 | 7.08 |
| Postage & Courier Charges | 0.71 | 0.51 |
| Legal & Professional Charges | 7.53 | 3.60 |
| Printing & Stationery | 5.52 | 5.77 |
| Registration & Renewals | 11.52 | 3.85 |
| Telephone Charges | 1.05 | 1.37 |
| Factory Maintenance Expenses | 6.43 | 4.47 |
| Debits written off/credits written back (Net) | - | 54.24 |
| Miscellaneous | 3.51 | 4.22 |
| Security Chargers | 2.73 | - |
| **Total** | **191.03** | **229.50** |

## 2.2 Auditor's Remuneration:

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

Rs. In Lakhs

| PARTICULARS | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| Statutory audit fees | 3.00 | 3.00 |
| Limited review fees | 0.00 | 0.00 |
| Tax audit fees | 0.50 | 0.50 |

## 2.3 Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2016

The Management has identified enterprises which have provided goods and services of the company and which qualify under the definition of Micro and Small enterprises, as defined under Micro and Small Enterprises Development Act, 2006.

Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

The company has not received any claim for interest from any supplier under the said Act.

Rs. in Lakhs

| Sl no | Particulars | 31-Mar-20 | 31-Mar-19 |
|---|---|---|---|
| a) | The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period; | NIL | NIL |
| b) | The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the period; | NIL | NIL |
| c) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act; | NIL | NIL |
| d) | The amount of interest accrued and remaining unpaid at the end of the period; | NIL | NIL |
| e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006 | NIL | NIL |

## 2.4 Related party disclosures:

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

| | |
|---|---|
| Subsidiary Companies | NIL |
| Companies controlled by key management Personnel/ relatives who are substantially interested | Cortex Laboratories Pvt Ltd, Proton remedies Pvt Ltd , Austrazen Bio Pharmaceuticals pvt Ltd |
| Key managerial personnel | Nagireedy Seelam (MD)<br>Konireddy seelam |
| Directors | Tathireddy Narsimha reddy<br>Chandrakala Panthamvar<br>Jyoti Goyal |

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

| Details | Associate Companies / Concerns | Key Management Personnel | Associate Companies / Concerns | Key Management Personnel |
|---|---|---|---|---|
| | 2019-20 Rs. | | 2018-19 Rs. | |
| Remuneration | - | 24.00 | - | 24.00 |
| Sales | 256.90 | - | 902.46 | - |
| Purchase of Raw material | 361.87 | - | 1318.65 | - |
| Unsecured loans (net) | | | | |
| S. Nagireddy | 9.97 | | 0.05 | |
| S. Koni Reddy | 0.00 | | 1.30 | |
| S Manoj Kumar | 0.13 | | 0.18 | |

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

| Details | Associate Companies / Concerns | Key Management Personnel | Associate Companies / Concerns | Key Management Personnel |
|---|---|---|---|---|
| | 2019-20 Rs. | | 2018-19 Rs. | |
| Remuneration Payable | - | 25.26 | - | 19.28 |
| Cortex laboratories Pvt Ltd. | 89.09 | | 2269.59 | - |
| S Nagi Reddy | 9.98 | | 0.05 | |
| S Koni Reddy | 0.00 | | 1.30 | |
| S. Manoj Reddy | 0.31 | | 0.18 | |

## 2.5. Earnings Per share (EPS):

The computation of earnings per share is set out below

(Amount in Rs.)

| PARTICULARS | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---|---|---|
| Earnings (Amt in Rs.): | | |
| Profit/Loss as per the statement | 32.83 | 40.70 |
| Shares: | | |
| Number of shares at the beginning of the year | 87.44 | 78.62 |
| Total number of equity shares outstanding at the end of the year | 87.44 | 78.62 |
| Weighted average number of equity shares outstanding during the year-Basic and Additional | 87.44 | 78.62 |
| Earnings per share in Rs. Par value Rs.10 per share: Basic and diluted | 0.38 | 0.52 |

## 2.6 Income taxes relating to continuing operations:

Income tax recognized in profit or loss

Rs. in Lakhs

| PARTICULARS | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---|---|---|
| **Current tax** | | |
| In respect of the current year | 11.91 | 11.72 |
| In respect of the prior year | - | - |
| | 11.91 | 11.72 |
| **Deferred Tax** | | |
| In respect of the current year | 0.91 | (8.44) |
| | 0.91 | (8.44) |

## 2.7 Segment Reporting:

The Company is engaged in the manufacture of pharmaceutical Formulations.



(Amount in Rs.)

| PARTICULARS | Total |
|---|---|
| Sales | 5133.89 |
| Profit before interest & Depreciation | 346.41 |
| Depreciation | 146.39 |
| Interest | 154.37 |
| **Profit Before Tax** | 45.65 |
| Taxes | 12.82 |
| **Profit After Tax** | 32.83 |

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

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

G. Nageswara Rao
Partner
Mno-207300

Place: Hyderabad
Date: 27/06/2020

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

Sd/-
S. Nagi Reddy
Chairman and Wholetime Director
DIN:01764665

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

Sd/-
Jyoti Goyal
Company Secretary