

**32<sup>nd</sup> Annual Report  
2017-18**

**MESCO PHARMACEUTICALS LIMITED**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. N.S. Parameswaran  
Mr. Jitendra Kumar Singh  
Mr. Dushyant Kumar Singh  
Mr. Rajeev Moudgil  
Mr. Subhash Chander Seth  
Mrs. Savita Sethi

Managing Director  
Director  
Director  
Independent Director  
Independent Director  
Independent Director

### **REGISTRAR AND SHARE TRANSFER AGENT**

Skyline Financial Services Private Limited  
Address: D-153A,  
Okhla Industrial Area, Phase-I  
New Delhi- 110 020  
Tel: 011-26812682  
E-mail: [admin@skylinerta.com](mailto:admin@skylinerta.com)

### **REGISTERED OFFICE**

CIN: L24111UR1986PLC015895  
Upper Kesalton, Tallital,  
Nainital-263001, Uttarakhand  
Tel: 9871862796  
Website: [www.mescopharma.com](http://www.mescopharma.com)

### **CORPORATE OFFICE**

H-1, Zamrudpur Community Centre,  
Kailash Colony, New Delhi-110 048  
Tel: 011-40587085  
E-mail: [nspameswaran@mescosteel.com](mailto:nspameswaran@mescosteel.com)  
Website: [www.mescopharma.com](http://www.mescopharma.com)

### **STATUTORY AUDITOR**

M/s Sangram Paul & Co.  
Chartered Accountants  
754-15 Jayadev Vihar.  
Bhubaneswar - 75 1 013  
Ph.: 0674-2360863.

### **SECRETARIAL AUDITOR**

M/s R S B & Associates  
Company Secretaries  
Inder Bhawan, Near TV Centre,  
Tulsipur, Cuttack-753 008, Odisha

## Contents

<b>S.No</b>	<b>Particulars</b>
1	Notice
2	Directors Report
3	Management Discussion and Analysis
4	Corporate Governance
5	Auditors Report
6	Balance Sheet
7	Profit & Loss Statement
8	Cash Flow Statement
9	Notes

**NOTICE**  
**MESCO PHARMACEUTICALS LIMITED**

CIN: L24111UR1986PLC015895

Registered Office: Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand

Website: [www.mesopharma.com](http://www.mesopharma.com), E-mail: [nsparameswaran@mescosteel.com](mailto:nsparameswaran@mescosteel.com), Tel No. +91-9871862796

Notice is hereby given that the Thirty Second Annual General Meeting of the shareholders of Mesco Pharmaceuticals Limited will be held on Saturday, 29<sup>th</sup> September, 2018 at 11:00 A.M. at Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements for the Financial Year ended on 31<sup>st</sup> March, 2018 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jitendra Kumar Singh (DIN: 00090649), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

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

**RESOLVED THAT** in pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other authority, if any, and subject to the approval of shareholders of the Company, Mr. Nurani Shankar Parameswaran (DIN: 00091097) be and is hereby appointed as Managing Director of the Company for a period of three years with effect from 30.09.2018 on the terms and conditions including remuneration as set out in the Explanatory statement annexed to the Notice convening this Annual General Meeting.

**RESOLVED FURTHER THAT** subject to necessary permissions / approvals, the Board of Directors of the Company be and is hereby authorised to fix, vary, reduce or amend the remuneration and other terms of his reappointment from time to time, as it may deem expedient or necessary during the tenure of his appointment or as may be prescribed by the authorities giving such sanction or approval.

**RESOLVED FURTHER THAT** the aggregate remuneration shall not exceed the limits provided in Section 197 of the Act and that the consent of the members be and is hereby accorded pursuant to Schedule V and other applicable provisions of the Act, if any, and subject to such approvals as may be necessary, including Central Government approval, that where in any Financial Year during the currency of tenure of Mr. N. S. Parameswaran as Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to him remuneration by way of salary and perquisites approved herein supra, as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation finalizing and executing any agreement, deeds and such other documents as may be necessary and to delegate all or any of the powers vested or conferred herein to any Director(s) or Officer(s) of the Company as may be required to give effect to the above resolutions.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.

By order of the board  
**For Mesco Pharmaceuticals Ltd**

**Nurani Shankar Parameswaran**  
**DIN: 00091097**  
**Managing Director**  
**N-1/152, I.R.C. Village, Bhubaneswar-751**  
**015, Odisha**

**Date: 14<sup>th</sup> August, 2018**  
**Place: New Delhi**

#### **NOTES**

1. An Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the ensuing Annual General Meeting is appended hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. a blank form of proxy is enclosed herewith and, if intended to be used, it should be returned duly completed at the registered office of the company or at skyline financial services private limited, at D-153A, 1<sup>st</sup> floor, Okhla Industrial Area, Phase-1, New Delhi-110020 not less than forty eight hours before the scheduled time of the commencement of annual general meeting.
3. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. however, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. Every member entitled to vote at the meeting, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the company.

5. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. The Share Transfer Books and Register of Members of the Company will remain closed from Tuesday, 25<sup>th</sup> September, 2018 to Saturday, 29<sup>th</sup> September, 2018 (both days inclusive).
7. The Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip duly completed and signed, for admission to the meeting hall. However, in case of non-receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same or download the same from Company's website [www.mescopharma.com](http://www.mescopharma.com)
8. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Managing Director at the Registered Office of the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready for replying at the meeting.
9. The Board of Directors has appointed Mr. Robinderpall Singh Batth, Practicing Company Secretary (Certificate of Practice No3836.), as the Scrutinizer for conducting poll in a fair and transparent manner.
10. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot papers and thereafter unlock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within 24 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman or any other Key Managerial Personnel who shall countersign the same and declare the results of the voting within 48 hours of conclusion of Annual General Meeting.
11. The results declared along with the report of Scrutinizer shall be placed on the website of the Company i.e. [www.mescopharma.com](http://www.mescopharma.com) and on the website of CDSL immediately after the declaration of results by the Chairman or any other Key Managerial Personnel. The results shall also be forwarded to the Stock Exchange within 48 hours of the conclusion of Annual General Meeting.

Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by ICSI the brief profile of Director eligible for re-appointment vide item no. 2 is as follows:-

<b>Particulars</b>	<b>Mr. Jitendra Kumar Singh</b>	<b>Mr. N S Parameswaran</b>
DIN	00090649	00091097
Age	73 Years	82
Date of appointment	26 <sup>th</sup> September, 1945	01/01/2015
Qualifications	Graduation	Masters
Expertise in specific functional areas	Mr. J. K. Singh is specialized in metallurgy, with a graduation from Yale University, USA in 1966. He is the founder promoter of the MESCO group. He is a driving force behind a host of companies in the MESCO group and the man on whose vision this group is established. MESCO has gone from strength to strength under his able business guidance and entrepreneurship.	Mr N S Parameswaran is a fellow member of institute of company secretaries of India. He has over forty years of experience in accounts, finance and law.

Directorships in other Companies	Twenty First Century Finance Ltd. Mesco Logistics Ltd. Mesco Hotels Ltd. Mesco India Ltd. Mideast (India) Limited Mesco Pharmaceuticals Limited Mesco Kalinga Steel Limited Mesco Mining Limited Maithan Ispat Limited	Forrester Foods Private Limited Mesco Laboratories Limited Saarc Helicopters Private Limited Twenty First Century Finance Ltd Chrisp Solutions Private Limited
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Mesco Kalinga Steel Limited- Member Audit Committee Mesco Mining Limited- Chairman Audit Committee Mideast (India) Limited- Member Audit Committee, Stakeholder Relationship Committee	Nil
Number of shares held in the Company	192000 Shares	-
Relationship with any Director(s) of the Company	Brother of Mr. Dushyant Kumar Singh, Director of the Company	-
Terms & Conditions of Appointment/Re-appointment	Re-appointment pursuant to Section 152 of Companies Act, 2013	Appointment as Managing Director subject to retire by rotation
Remuneration Details	NIL	As given in the explanatory statement to Annual Report
No. of Board meetings attended out of 4 meetings held during the year	3	

All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of Annual General Meeting. The Register of Directors' and Key Managerial Personnel & their Shareholding and the Register of Contracts & Arrangements in which directors are interested shall be open for inspection at the meeting to any person having right to attend the meeting.

By order of the board  
**For Mesco Pharmaceuticals Ltd**

**Nurani Shankar Parameswaran**  
DIN: 00091097  
Managing Director  
N-1/152, I.R.C. Village, Bhubaneswar-751 015,  
Orissa

Date: 14<sup>th</sup> August, 2018  
Place: New Delhi

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO  
SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 3**

It is proposed to re-appoint Mr. N. S. Parameswaran as Managing Director of the Company w.e.f. 30.09.2018. Mr. NS Parameswaran has more than 50 years' experience in Industry and has been associated with the group for more than 20 years. He is a member of ICSI since 1973 and at present he is a fellow member. He has worked in the Accountant General Office, was Accounts officer of the largest aircraft manufacturing company in India. He was also a company secretary in NALCO one of the Navratna Companies being largest companies in India and one of the 7 largest companies in the world.

Mr. Parameswaran, as is very senior, experienced and reliable and is associated with the group since long, is recommended to be appointed as Managing Director of the Company. He is largely responsible for the efficient operations of the Company, governance and its excellent financial performance.

The Board of Directors, at their meeting held on 14.08.2018 considered re-appointment of Mr. N S Parameswaran with increased role and responsibility by elevating him as Managing Director of the Company. The term of his re-appointment as Managing Director will be for a period of three years w,e,f 30.09.2018. He shall be paid a total remuneration of Rs. 10,00,000 Lakhs per annum including all perquisites provided that company makes an yearly profit of Rs.1,00,00,000.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. N. S. Parameswaran are in any way concerned or interested in the resolution.

All documents referred to in the above item will be available for inspection at the Company's Registered Office on all working days, except Saturdays and Sundays between 2 P.M to 4 P.M upto the date of the Annual General Meeting.



**DIRECTORS' REPORT****To The Members  
Mesco Pharmaceuticals Ltd**

Your Directors are pleased to present 32<sup>nd</sup> Annual Report and the Statement of Accounts for the financial year ended on March 31, 2018

**FINANCIAL HIGHLIGHTS**

Particulars	(Amount in Rs.)	
	2017-18	2016-17
Revenue from operations	-	-
Other Income	-	-
Profit/(Loss) before Tax	(8,73,490)	(25,79,969)
Tax Expenses:		
Current Tax	-	-
Earlier Years	-	9,705
Profit/(Loss) after Tax	(8,73,490)	(25,89,674)
Transfer to General Reserve	-	-
Reserves and surpluses	(30,24,31,993)	(30,15,58,502)
Earnings per share	(0.04)	(0.13)

**COMPANY PERFORMANCE/ STATEMENT OF COMPANY'S AFFAIR**

During the year under review there was no operation of business. Your Directors are putting in their best efforts to find out various alternatives to revive the company.

**CHANGE IN NATURE OF BUSINESS OF THE COMPANY**

There has been no change in the nature of business of the Company.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY.**

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company-31<sup>st</sup> March, 2018 and the date of this Report.

Your Company has filed the application for revocation of suspension of its trading of its equity shares at Bombay Stock Exchange. The Company has received in-principal approval letter for listing of its equity shares at Bombay Stock Exchange. The Company is in process of making trading application to Bombay Stock Exchange.

**TRANSFER TO RESERVES**

Your Board of Directors does not appropriate any amount to be transferred to General Reserves during the year under review.

**DIVIDEND**

Directors have not recommended any dividend for the financial year ended on 31<sup>st</sup> March, 2018.

**MANAGEMENT DISCUSSION AND ANALYSIS**

A detailed report on the Management Discussion and Analysis is provided as a separate Section in the Annual Report which forms part of the Directors Report.

**SHARE CAPITAL**

During the year under review the paid up Equity Share Capital as on 31<sup>st</sup> March, 2018 is Rs. 19,73,81,000 divided into 1,91,55,600 equity shares of Rs 10 each fully paid up and 11,65,000 equity shares of Rs 5 each partly paid up. During the year under review, the Company have not issued any shares. The Company has not issued shares with differential voting rights. It has

neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Pursuant to Section 134(3) (g) of the Companies Act, 2013 details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Notes to the Financial Statements.

#### **DISCLOSURE ON DEPOSITS**

The Company has neither accepted nor renewed any deposits during the Financial Year 2017-18 in terms of Chapter V of the Companies Act, 2013.

#### **REPORT ON SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

The Company has no subsidiaries, associates and joint ventures companies.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

- a) **Conservation of Energy & Technology Absorption:** Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not given.
- b) **Export Activities:** There was no export activity in the Company during the year under review.
- c) **Foreign Exchange Earnings and Outgo:** The Income & Expenditure in foreign exchange is as under during the year under review:

Foreign Exchange outgo	:	Rs. Nil (previous year Rs. Nil)
CIF Value of Imports	:	Rs. Nil (previous year Rs. Nil)
Foreign Exchange Earning	:	Rs. Nil (previous year Rs. Nil)

#### **LISTING**

At present, the equity shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE), Calcutta Stock Exchange and Ahmedabad Stock Exchange but trading of shares of the Company is suspended on the exchange(s) due to non-resolution of investor complaints. However, the company has filed the application for revocation of suspension of its trading of its equity shares at Bombay Stock Exchange and received in-principal approval letter for listing of its equity shares.

#### **CORPORATE GOVERNANCE**

In terms of Regulation 34 of the SEBI (LODR) Regulations, 2015, a Report on Corporate Governance along with Compliance Certificate issued by Statutory Auditors of the Company is provided as a separate Section in the Annual Report which forms integral part of this Report (hereinafter "Corporate Governance Report")

#### **CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, there were no change in Directors and Key Managerial Personnel of the Company.

However Mr Pawan Sharma, Company Secretary & Compliance Officer of the Company resigned from the Company w.e.f. 3<sup>rd</sup> April, 2018. The Company is in a process of appointing Company Secretary and Compliance Officer in the Company. Mr. N S Parameswaran, Managing Director of the Company is acting as interim compliance officer of the Company.

Board of Directors of your company is its meeting held on 14<sup>th</sup> August, 2018 has recommended reappointment of Mr. NS Parameswaran as a Managing Director of the Company w.e.f. 30<sup>th</sup> September, 2018 which is placed for shareholders approval in the AGM.

#### **RETIRE BY ROTATION OF DIRECTOR**

Pursuant to Sections 149, 152 of the Companies Act, 2013 Mr. Jitendra Kumar Singh, (DIN: 00090649), Director of the Company will retire by rotation at the ensuing AGM, and being eligible, offer himself for re-appointment in accordance with the provisions of the Companies Act, 2013. The information on the particulars of Director eligible for appointment in terms of Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 issued by ICSI has been provided in the notes to the notice convening the Annual General Meeting. Your Directors recommend his re-appointment.

#### **DECLARATION OF INDEPENDENCE**

The Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR), Regulations, 2015.

#### **REMUNERATION POLICY**

Pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and on remuneration of Directors, KMP and other employees is uploaded in the website of the Company [www.mescopharma.com](http://www.mescopharma.com). During the year under review, there was no change in the policy.

#### **PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/EMPLOYEES**

Particulars to be given as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure-1** respectively, which forms part of this report.

#### **NUMBER OF MEETINGS OF THE BOARD**

During the Financial Year 2017-18, the board of Directors of the Company met 4 (Four) times i.e. 30<sup>th</sup> May, 2017, 14<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017, 13<sup>th</sup> February, 2018,. The gap between two consecutive meetings did not exceed 120 (One hundred Twenty) days. Further, a separate Meeting of the Independent Directors of the Company was also held on 13<sup>th</sup> February, 2018.

#### **AUDIT COMMITTEE**

The composition, terms of reference etc. of the Audit Committee is provided in Corporate Governance Report which forms part of this Annual Report. There have been no instances of non-acceptance of any recommendations of the Audit Committee by the Board during the Financial Year under review.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The composition, terms of reference etc. of the Stakeholders Relationship Committee is provided in Corporate Governance Report which forms part of this Annual Report.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The composition, terms of reference etc. of the Nomination and Remuneration Committee is provided in Corporate Governance Report which forms part of this Annual Report.

#### **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

In terms of Section 134 of the Companies Act, 2013 and Regulation 17(10) of SEBI (LODR), Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders Relationship Committee. Elaborate details on the same are given in the Corporate Governance Report.

#### **STATUTORY AUDITORS AND THEIR REPORT**

The term of M/s Naresh Dhawan & Co., Chartered Accountants, statutory auditors of the company expired in the conclusion of 31<sup>st</sup> AGM. Therefore, the Board, in terms of Section 139 of the Act, on the recommendation of the Audit Committee, has appointed M/s Sangram Paul & Co., Chartered Accountants, Bhubaneswar (Registration No. 308001E) as Statutory Auditor of the Company in place of M/s. N. Dhawan & Co., Chartered Accountants, Delhi (Registration No.: 007095N), upto 36<sup>th</sup> Annual General Meeting of the Company.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor's Report are self-explanatory.

#### **COST AUDITORS AND THEIR REPORT**

As per Section 148 of the Companies Act, 2013 read with Rules framed thereunder maintenance of cost records is not required by the Company and accordingly such accounts and records are not made and maintained,

#### **SECRETARIAL AUDITORS**

Your Board, during the year, appointed Mr. Robinderpal Singh Batth to conduct secretarial audit of the Company for the financial year ended 31<sup>st</sup> March, 2018. The Report of Mr. Robinderpal Singh Batth in terms of Section 204 of the Act is provided in the **Annexure-2** forming part of this Report. Given below is the management reply on the observations made by the Secretarial Auditor in their report.

##### **Observation:**

- i. *The company did not provided the e-voting facility to its shareholders in the General Meeting held by the company during the Audit Period as required under Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014.*
- ii. *At present the company is suspended on BSE.*

##### **Management's Reply:**

- i. *Due to Financial constraints in the company, the company is not in the position of providing e-voting facility to its members.*
- ii. *The Company has already filed the application for revocation at BSE and has received in-principal approval letter for listing of its equity shares in Bombay Stock Exchange.*

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company doesn't fall under the preview of Section 135 of the Companies Act, 2013 in relation to Corporate Social Responsibility for the financial year 2017-18.

#### **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

The Statutory Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

#### **INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Details of internal financial control and its adequacy in compliance with the provisions of Rule 8 (5)(viii) of Companies (Accounts) Rules, 2014 are included in the Management Discussion and Analysis Report, which forms part of this Report.

#### **RISK MANAGEMENT POLICY**

In terms of the requirement of the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status.

#### **VIGIL MECHANISM POLICY**

The Company has adopted a Vigil Mechanism Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

#### **PREVENTION OF SEXUAL HARASSMENT**

At Mesco Pharmaceuticals Ltd, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, color, gender, religion, political opinion, national extraction, social origin, sexual orientation or age.

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. Its redressal is placed on the intranet for the benefit of its employees. During the year under review, no complaints were reported to the Board.

We further confirm that the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

#### **EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is uploaded in the website of the Company at [www.mescopharma.com](http://www.mescopharma.com)

#### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013**

With reference to Section 134(3)(h) of the Companies Act, 2013, no contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year. Accordingly, there are no transactions that are required to be reported in form AOC-2. Your attention is drawn to the Related Party disclosures set out in the Notes to the Financial Statements.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE**

The Company has not received any significant or material orders passed by any regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm:

- a) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) That they had selected such accounting policies and applied them consistently, and made judgement 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) That they had 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) That they had prepared the annual accounts on a going concern basis;
- e) That they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**COMPLIANCES WITH SECRETARIAL STANDARDS**

During the year, the Company is in compliance of both erstwhile and revised Secretarial Standard -1 (Meetings of the Board of Directors), Secretarial Standard-2 (General Meetings) effective from 1<sup>st</sup> October, 2017.

**ACKNOWLEDGEMENTS**

Your Directors place on record their gratitude to the Central Government, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

By order of the board  
**For Mesco Pharmaceuticals Ltd**

**Nurani Shankar Parameswaran**  
**DIN: 00091097**  
**Managing Director**

**N-1/152, I.R.C. Village, Bhubaneswar-751**  
**015, Odisha**

**Jitendra Kumar Singh**  
**DIN: 00090649**  
**Director**

**D-3A, Ansal Villa, Satbari, New Delhi-110**  
**030**

**Date: 14<sup>th</sup> August, 2018**  
**Place: New Delhi**

**Encl:**

1. Particulars of Remuneration of Directors/ KMP/Employees- **Annexure-1**
2. Secretarial Audit Report-**Annexure-2**

**Particulars of Employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. Ratio of the each remuneration of director to the median remuneration of the employees of the company for the financial year

Name of Director	Ratio of the remuneration of, Whole-time Director to the median remuneration of the employees
Mr. N S Parameswaran	Nil

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Directors/KMP	% Increase
<b>Directors</b>	Nil
<b>KMP</b>	
Mr. Pawan Sharma- CS	Nil
Mr. Santosh Kumar Jha-CFO	Nil

3. Percentage increase in median remuneration of employees, if any, in the financial year: Nil
4. Number of permanent employees on the rolls of Company- 5
5. Average percentile Increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Nil
6. Key parameters for any variable component of remuneration availed by the directors;
7. Affirmation that the remuneration is as per the remuneration policy of the Company. **This is to affirm that remuneration is per the remuneration policy of the Company.**

Particulars of Employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014:

Sl No	Name of Employee	Designation	Remuneration Received/ per month	Nature of Employment	Qualification & Experience	Date of Commencement of Employment	Age	Last Employment held by such employee	% of equity shares held by such employee in the company	relative of any director or manager
There are no employees who are in receipt of remuneration in excess of as prescribed in section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014										

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**Mesco Pharmaceuticals Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mesco Pharmaceuticals Limited** (CIN L24111UR1986PLC015895) (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 (“Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) viz. :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. 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;
6. Other laws applicable to the company as per the representations made by the company.

I have also examined compliance with the applicable clauses of the following:

- a. The Listing Agreements entered into by the Company with Stock Exchanges along with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015;
- b. Secretarial Standards SS-1 and SS-2 issued by The Institute of Company Secretaries of India.

I further report that during the year under review there were no actions or events in pursuance of the following:

- a. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;



- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

On the basis information provided by the Company and on the basis of representation and explanation made by the management I report that during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned subject to following observations:

- a. The company did not provided the e-voting facility to its shareholders in the General Meeting held by the company during the Audit Period as required under Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014.
- b. At present the company is suspended on BSE.

I 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I, 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.

**Robinderpall Singh Batth**  
**Practicing Company Secretary**  
**FCS: 6586, CP No. 3836**

**Date :- 14<sup>th</sup> August, 2018**  
**Place :- Bhubaneswar**

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

*Annexure A*

To  
The Members  
**Mesco Pharmaceuticals Limited**

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

1. Maintenance of Secretarial record 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 process as were appropriate to obtain reasonable assurance about the correctness of the contents 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 process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Robinderpall Singh Batth**  
**Practicing Company Secretary**  
**FCS: 6586, CP No. 3836**

**Date :- 14<sup>th</sup> August, 2018**  
**Place :- Bhubaneswar**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS ENVIRONMENT**

Even though there is a global slowdown, Indian economy has recorded growth rate higher than the previous year although this is below expectation. Poor industrial growth is responsible for the below par performance of the company, though the situation has been salvaged to some extent by services and agriculture sector. Poor economic performance has been exacerbated by slippage on the fiscal point.

In such a scenario, low inflation is acting as a damper for creating demand. Lack of demand – both investment and consumption, has been identified as the root cause of the ills plaguing the economy.

### **MANAGING RISK AND TRANSFORMATION**

While the economic outlook still looks uncertain, some signs of revival are visible. With most market participant expecting the coming of decade to represent after subbed environment for both, financial return and transaction activity, the industrial growth is positive on years of double digit returns/ volume.

### **THREATS & CONCERNS**

The Company as being hit by financial crisis is unable to carry on any business activity during the year under review. Any slowdown in the growth of Indian economy or any volatility in global market, could also adversely affect the business. Moreover, the Company is also prone to risks pertaining to change in government regulations, tax regimes, and other statutes.

### **GROWTH & FUTURE PROSPECTS**

The management continues to be positive on the revival of the Company and is trying their level best for the same. Due to economy slow down and closure of the factory of the Company and other obstacles, Company was under immense pressure and still trying to come out of the same and is positive on the revival of the Company.

### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Our people are our most important asset and we value their talent, integrity and dedication. Our responsibilities towards our people, who are instrumental to our success with their devotion and relentless support covers a quantum part of the company strategy. We believe that training is essential to build skill sets in growing organization. The focus has been to create an environment where performance is rewarded, individuals are respected and associates get opportunities to realize their potential.

### **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has established internal control systems for ensuring optimum use of resources and safeguarding the assets. The Internal Control Systems and procedure are adequate and commensurate with the size of the Company. These are routinely tested and certified and which covered all offices, and key business areas. The Internal audit team reviews the quality of planning and execution of all ongoing projects and activities involving significant expenditure to ensure that management controls are adequate to yield “value for money”. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and status.

### **CAUTIONARY STATEMENT**

This Management Discussion and Analysis statements of Annual Report has been included in adherence to the spirit enunciated in the code of corporate Governance approved by the Securities and Exchange Board of India, Statement in the Management Discussion and Analysis describing the Company’s objectives, projections estimates expectation may be “Forward-Looking Statement” within the meaning of applicable securities laws and regulation. These statements are subject to certain risks and uncertainties. Actual result could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include economic conditions affecting demand/ supply and price conditions in the Government policies, economic development, political factors and such other factors beyond the control of the Company.

## REPORT ON CORPORATE GOVERNANCE

### PURSUANT TO REGULATION 34(3) READ WITH SECTION C OF SCHEDULE V TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Mesco Pharmaceuticals Limited looks at Corporate Governance requirements as an integral part of business strategy which contributes to business growth in ethical perspective. The Company believes that Corporate Governance is about best practices of business to be imbibed into the culture of the organization and complying with value systems, ethical business practices, laws and regulations to achieve the main objectives of the Company.

The Company has strengthened its Corporate Governance practices and has set highest standards of Corporate Governance by implementing the code of Corporate Governance in accordance with regulations 34 (3) read with Schedule V of the SEBI (LODR) Regulations, 2015

#### 2. BOARD OF DIRECTORS

The Company maintains an optimum combination of Executive, Non-Executive and Independent Directors. The Board consists of total Six (6) directors on 31<sup>st</sup> March 2018. Mr. Nurani Shankar Parameswaran (DIN: 00091097) is the Managing Director, Mr. Jitendra Kumar Singh (DIN: 00090649), Mr. Dushyant Kumar Singh (DIN: 00091193) are two non-executive Promoter Director and Mr. Rajeev Moudgil (DIN: 05209327), Mr. Subhash Chander Seth (DIN: 07496990) and Mrs. Savita Sethi (DIN: 07558948) are three Independent Directors including one Woman Director.

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees (Committees being, Audit Committee and Stakeholders Relationship Committee) across all companies in which he is a Director.

Structure of Board of Directors during the financial year 2017-18, the number of Directorship and chairmanships/memberships of committee of each Director held in other public companies and relationship inter-se along with requisite information in respect of Directors as per Regulation 34 of SEBI (LODR) Regulations, 2015 is provided below:

Name of Director	Category	Relationship with other Directors	No. of positions held in other public Companies		
			Board	Committee	
				Membership	Chairmanship
Mr. N.S. Parameswaran (DIN: 00091097)	Managing Director	None	2	-	-
Mr. Jitendra Kumar Singh (DIN: 00090649)	Promoter Non-Executive	Brother of Mr. Dushyant Kumar Singh	8	3	1
Mr. Dushyant Kumar Singh (DIN: 00091193)	Promoter Non-Executive	Brother of Mr. Jitendra Kumar Singh	8	1	-
Mr. Rajeev Moudgil (DIN: 05209327)	Independent Non-Executive	None	2	1	-
Mr. Subhash Chander Seth (DIN: 07496990)	Independent Non-Executive	None	1	1	-
Mrs. Savita Sethi (DIN: 07558948)	Independent Non-Executive	None	-	-	-

During the year 2017-18, information as mentioned in Part A of Schedule II of the SEBI (LODR) Regulations, 2015 has been placed before the Board for its consideration. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

During the year, meeting of the Independent Directors was held on 13<sup>th</sup> February, 2018. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company. Your Company

has in place a structured induction and familiarization programme for all its Directors including the Independent Directors. Details of the director familiarization programme are available on [www.mescopharma.com](http://www.mescopharma.com).

### Directors' Attendance Record

During the Financial Year 2017-18, the Board of Directors of the Company met 4 times i.e. 30<sup>th</sup> May, 2017, 14<sup>th</sup> August 2017, 14<sup>th</sup> November, 2017 and 13<sup>th</sup> February, 2018. The Board was duly supplied with the agenda of the meetings incorporating all material information for facilitating meaningful and focused discussions at the meeting. The intervening period between the Board Meetings was well within the maximum time gap of one hundred and twenty days as stipulated under Companies Act, 2013, Regulation 17 of SEBI (LODR) Regulations, 2015 and Secretarial Standard. The necessary quorum was present for all the meetings.

Tabled below are attendance of directors at Board meetings, no of shares held and attendance at Annual General Meeting (AGM) held as per Regulation 34 of SEBI (LODR) Regulations, 2015

Name of the Director	No. of Board Meeting Held	No. of Board Meeting Attended	Whether attended Last AGM	Number of shares held
Mr. N.S. Parameswaran	4	4	Yes	-
Mr. Dushyant Kumar Singh	4	4	Yes	87,100
Mr. Jitendra Kumar Singh	4	3	No	192,000
Mr. Rajeev Moudgil	4	4	Yes	-
Mr. Subhash Chander Seth	4	4	Yes	-
Mrs. Savita Sethi	4	4	No	-

### 3. COMMITTEES OF BOARD OF DIRECTORS

Mesco Pharmaceuticals Ltd has three board level Committees as on 31<sup>st</sup> March, 2018:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders Relationship Committee

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for members of various Committees. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

#### A. AUDIT COMMITTEE

The Company had constituted an Audit Committee, which monitors and provides re-assurance to the Board on the existence of an effective internal control environment by supervising the financial reporting process, timely and proper disclosures and transparency, integrity and quality of financial reporting. Brief terms and reference of Audit Committee is as follows:

- a. To review the Company's financial reporting process and ensure that the financial statements give a true and fair view of the affairs of the Company.
- b. To review the Company's audit procedures and techniques.
- c. To review with the management, external and internal procedures and the adequacy of internal control systems.
- d. To review the quarterly and annual financial statements and submit the same to the Board.
- e. To approve or modify the transactions with related parties.
- f. To review the matters as prescribed under Companies Act, 2013 and SEBI(LODR) Regulations, 2015
- g. Any other matter that may be delegated by the Board from time to time.

#### Composition

As on 31<sup>st</sup> March, 2018 the Audit Committee of the Company comprises of two Non-Executive Independent Directors and one Promoter non-executive Director i.e. Mr Rajeev Moudgil – as Chairman; Mr. Subhash Chander Seth and Mr. Jitendra Kumar Singh as the Members of the Committee. The Company Secretary, if any of the Company acts as a Secretary of the Committee.

**Meetings & Attendance**

The Committee met four (4) times during the Financial Year 2017-2018 on the following dates: 30<sup>th</sup> May, 2017, 14<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017 and 13<sup>th</sup> February, 2018. Details of attendance of Directors in the Audit Committee meeting are as under:

Name of the Director	Category	Number of Meetings held	No. of Meetings Attended
Mr. Rajeev Moudgil Chairman	Non-Executive Independent Director	4	4
Mr. Subhash Chander Seth Member	Non-Executive Independent Director	4	4
Mr. Jitendra Kumar Singh Member	Non-Executive Promoter Director	4	3

**B. NOMINATION AND REMUNERATION COMMITTEE****Terms of Reference**

The Remuneration Committee has been constituted to recommend/ review and approve the remuneration payable to Managing Director, Whole Time Director or other directors of the Company based on their performance.

**Composition**

The Company has a Remuneration Committee of the Board of Directors. As on 31<sup>st</sup> March, 2018, it comprises of two Non-Executive Independent Director and One Promoter Director i.e. Mr Rajeev Moudgil – as Chairman; Mr. Subhash Chander Seth and Mr. Jitendra Kumar Singh as the Members of the Committee.

**Meetings & Attendance**

The Committee didn't met during the financial year 2017-18.

**Details of the Directors' Remuneration for the financial year ended 31<sup>st</sup> March, 2018**

Name of Director	Sitting fees	Salaries & Perquisites (In Rs.)	Commission, Bonus Ex-gratia	Total Amount (In Rs.)	No. of Shares held & %
Mr. N.S. Parameswaran	-	-	-	-	-
Mr. Jitendra Kumar Singh	-	-	-	-	192,000 (0.94)
Mr. Dushyant Kumar Singh	-	-	-	-	87,100 (0.43)
Mr. Rajeev Moudgil	-	-	-	-	-
Mr. Subhash Chander Seth	-	-	-	-	-
Mrs. Savita Sethi	-	-	-	-	-

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE****Terms of Reference**

The Company has constituted a "Stakeholders Relationship Committee" to look into redressal of Shareholder's / investors' complaints, to approve share transfer, share transmission etc. and to oversee all matters connected with the Shareholders.

**Composition**

As on 31<sup>st</sup> March, 2018, Committee comprises of two Non-Executive Independent Director and one Executive Director i.e. Mr. Subhash Chander Seth – as Chairman; Mr. Rajeev Moudgil and Mr N.S. Parameswaran as the Members of the Committee. Mr. N S Parameswaran, Managing Director of the Company acts as the Interim Compliance officer of the Company.

The Committee met four (4) times during the Financial Year 2017-2018 on the following dates: 30<sup>th</sup> May, 2017, 14<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017 and 13<sup>th</sup> February, 2018.

Name of the Director	Category	Number of Meetings held	No. of Meetings Attended
Mr. Subhash Chander Seth Chairman	Non-Executive Independent Director	4	4
Mr. Rajeev Moudgil Member	Non-Executive Independent Director	4	4
Mr. N.S. Parameswaran Member	Executive Professional Director	4	4

#### Investor Grievance Redressal

During the year, the complaints received from the shareholders were duly addressed in a timely manner and all the complaints were resolved. There were no pending complaints from any shareholder as on 31<sup>st</sup> March 2018.

Particulars	Status
Complaints outstanding as on April 1, 2017	-
Complaints received during the year ended March 31, 2018	1
Complaints resolved during the year ended March 31, 2018	1
Complaints not solved to the satisfaction of Shareholders as on March 31, 2018	-
Complaints Pending as on March 31, 2018	-

#### 4. GENERAL BODY MEETINGS

a) **Annual General Meetings:** Particulars of last three Annual General Meetings of the Company:

Year	Venue	Date	Time	Special Resolution
2016-17	Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand	30 <sup>th</sup> September, 2017	10.A.M.	<ul style="list-style-type: none"> <li>To Keep Register of Members and other Statutory Registers at a place other than the Registered Office of the Company</li> <li>Adoption of New Articles of Association as per Companies Act, 2013</li> </ul>
2015-16	Hotel Coronation, Opposite Nainital club, (near high court), Mallital, Nainital-263 001, Uttarakhand	30 <sup>th</sup> September, 2016	11:30 A.M.	<ul style="list-style-type: none"> <li>Authorisation to Board u/s 180(1)(c) of the Companies Act, 2013</li> </ul>
2014-15	271, Nashvilla Road, Dehradun-248 001, Uttarakhand	30 <sup>th</sup> September, 2015	10.00 A.M.	<ul style="list-style-type: none"> <li>Appointment of Mr. N.S. Parameswaran as Managing Director of the Company</li> </ul>

b) During Financial Year ended March 31, 2018, no resolution was passed through Postal Ballot. No resolution is proposed to be passed as Postal Ballot in the upcoming AGM

**5. MEANS OF COMMUNICATION**

The quarterly financial results were published in the English Newspaper in all edition and Hindi in Nainital. The results were also displayed on the Company's website [www.mescopharma.com](http://www.mescopharma.com). The shareholders can access the Company's website for financial information etc. No presentations have been made to institutional investors/analysts during the financial year.

**6. GENERAL SHAREHOLDERS INFORMATION****i) Annual General Meeting**

Day & Date	Time	Venue
29 <sup>th</sup> September, 2018	10 A.M.	Upper Kesalton, Tallital Nainital-263 001, Uttarakhand

**ii) Financial Calendar**

Events	Tentative time frame
Financial Reporting for the first quarter ended 30 <sup>th</sup> June, 2018	On or before 14 <sup>th</sup> August, 2018
Financial Reporting for the second quarter ending 30 <sup>th</sup> September, 2018	On or before 14 <sup>th</sup> November 2018
Financial Reporting for the third quarter ending 31 <sup>st</sup> December, 2018	On or before By 14 <sup>th</sup> February 2019
Financial Reporting for the fourth quarter ending 31 <sup>st</sup> March, 2019	On or before 30 <sup>th</sup> May 2019

iii) **Dividend Payment Date:** The Company has not declared any dividend during the financial year ended March 31, 2018.

iv) The Company follows a uniform financial year i.e. from 1<sup>st</sup> April to 31<sup>st</sup> March every year.

v) **Listing on Stock Exchanges:** The Equity Shares of the Company are listed on following Stock Exchange namely:

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001	The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata-700
--	---

vi) **Stock Code/ Symbol:** 500274 at the Bombay Stock Exchange.

vii) **Market Price Data:** No Market Price is available as the trading of the company is suspended.

**viii) Registrar and Share Transfer Agent & Share Transfer System**

The company has appointed **M/s Skyline Financial Services Pvt Ltd**, as its Registrar and Share Transfer Agent to carry out the process of share transfer in physical form. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Registrar and Share Transfer Agents at the address given below:

Particulars	Skyline Financial Services Pvt Ltd
Contact Person	Mr V K Rana
Address	D-153 A, 1st Floor, Okhla Industrial Area, Phase – I New Delhi-110 020
Telephone No.	011-64732681
Fax No.	Fax: 011-64732681
E mail	admin@skylinerta.com
Website	<a href="http://www.skylinerta.com">www.skylinerta.com</a>

**ix) Distribution of Shareholding as on 31<sup>st</sup> March 2018:**

No. of Equity Share held	No. of Equity Shareholders	% of Equity Shareholders	Total No. of Equity Shares held	% of Equity Shareholding
Up to 500	37996	93.15	9070176	44.64



501	1000	2230	5.47	1577486	7.76
1001	2000	401	0.98	574042	2.82
2001	3000	81	0.2	204236	1.01
3001	4000	24	0.06	85400	0.42
4001	5000	16	0.04	75410	0.37
5001	10000	21	0.05	147250	0.72
10001 and Above		20	0.05	8586600	42.26
<b>Total</b>		<b>40789</b>	<b>100</b>	<b>20320600</b>	<b>100</b>

x) **Category-Wise Summary Of Shareholding As On 31<sup>st</sup> March, 2018**

Category	No of Shares	% of Holding
<b>Promoters Shareholding</b>	7986100	39.30
<b>Non-promoters holding</b>		
Mutual funds and UTI	0	0
Banks, Financial Institutions, Insurance Companies, Clearing Member	500	
Overseas Corporate Bodies	1900	0.01
Foreign Venture Capital Investor/FII	0	0
Bodies Corporate	513882	2.53
India Public	10371823	51.04
Non-resident Indians	1446395	7.12
Trusts	0	0
Others	0	0
<b>Grand Total</b>	<b>20320600</b>	<b>100</b>

- xi) **Dematerialization of shares and liquidity:** As on 31<sup>st</sup> March, 2018, 0.07% of shares have been dematerialized.
- xii) There are no outstanding GDRs/ ADRs/ Warrants or any Convertible other Instruments as on the date.
- xiii) **Address for Correspondence:** The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at:

**Corporate Office**  
Mesco Pharmaceuticals Ltd  
Upper Kesalton, Tallital, Nainital-263001, Uttarakhan  
e-mail: [nsparameswaran@mescosteel.com](mailto:nsparameswaran@mescosteel.com)

7. **DISCLOSURES**

a) **Related Party Transactions**

There are no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the company at large. The other related party transactions are given in Notes on Accounts, annexed to and forming the part of Balance Sheet and Profit and Loss Account of the Company

The policy has been disclosed on the website of the Company at [www.mescopharma.com](http://www.mescopharma.com) Web link for the same is <http://mescosteel.in/assets2/mpl-docs/Policies/Related%20Party%20Transaction%20Policy.pdf>

b) **Non-compliance by the Company, Penalties, Structures**

At present the company is suspended on Bombay Stock Exchange due to non-resolution of investor complaints and listing agreements. However, after all compliances of the listing regulations, company has filed the application for revocation of its

suspension in trading of its equity shares and Company has received in-principal approval for listing of its equity shares from the Bombay Stock Exchange.

**c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (LODR) Regulations, 2015 for directors and employees to report concerns about unethical behaviour. Further no person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company.

**d) Compliance with Mandatory Requirements and adoption of the non-mandatory requirements:**

The Company has fully complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015.

**e) Disclosure of the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.**

**i. Maintenance of the Chairman's Office**

The Company has not appointed any Chairman of the Company. The present board appoints Chairman for conducting board meeting and general meeting.

**ii. Shareholders Rights**

The half-yearly financial results are not sent to the shareholders as the same are posted on the website of the Company.

**iii. Modified opinion(s) in Audit Report**

The Auditors have raised no qualifications on the financial statements of the Company.

**iv. Separate posts of Chairman and CEO**

The Company had not appointed any Chairman and CEO of the Company. Mr. N.S. Parameswaran is Managing Director of the Company.

**v. Reporting of Internal Auditors**

The Internal Auditor reports directly to the Audit Committee

**8. There has been no instance of non-compliance of any requirement of Corporate Governance Report.**

**9. Disclosure of compliance of regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46**

As on 31<sup>st</sup> March, 2018 the Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

**Annual Compliance with the Code of Conduct for the Financial Year 2017-18**

Pursuant to the Schedule V (Part D) of SEBI (LODR) Regulations, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2018 from all the Board Members and Senior Management Personnel.

By order of the board  
**For Mesco Pharmaceuticals Ltd**

Nurani Shankar Parameswaran  
DIN: 00091097  
Managing Director

Date: 14<sup>th</sup> August, 2018.  
Place: New Delhi

**CERTIFICATE BY MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We, N.S. Parameswaran, Managing Director and Santosh Kumar Jha, Chief Financial Officer, responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2018 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violating of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Mesco Pharmaceuticals Ltd**

**Date : 30<sup>th</sup> May, 2018**  
**Place: New Delhi**

**N.S. Parameswaran**  
**Managing Director**

**Santosh Kumar Jha**  
**Chief Financial Officer**

**CORPORATE GOVERNANCE CERTIFICATE**

TO THE MEMBERS OF  
**MESCO PHARMACEUTICALS LTD**

We have examined the compliance of the conditions of Corporate Governance by Mesco Pharmaceuticals Ltd for the year ended 31<sup>st</sup> March 2018, as stipulated in Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable

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

For **Sangram Paul & Co.**  
Chartered Accountants  
Firm Registration No.: 308001E

**Place: New Delhi**  
**Dated: 14<sup>th</sup> August, 2018**

**(Sangram Paul)**  
Proprietor  
M. No. : 013015

**Independent Auditor's Report  
To the Members of M/S MESCO PHARMACEUTICALS LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of M/s MESCO PHARMACEUTICALS LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting 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 and the Order issued section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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 standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the

accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us 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 aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss and its cash flows for the year ended on that date.

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

1. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
  - (c) There is no branch office of the company;
  - (d) The Balance sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with this report are in agreement with the books of account;
  - (e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act;
  - (f) In our opinion, there are no adverse observations and comments on the financial transactions or matters which have any adverse effect on the functioning of the company;
  - (g) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
  - (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
  - (i) In our opinion, there are no qualifications, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
  - (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements,
  - ii. The Company did not have any long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Sangram Paul & Co.**  
Chartered Accountant  
FRN: 308001E

**S.K. Paul**  
(Proprietor)  
M. No. 013015

Date:30.05.2018  
Place: New Delhi

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OR EVEN DATE ON THE FINANCIAL STATEMENTS OF M/S MESCO PHARMACEUTICALS LIMITED AS ON 31<sup>ST</sup> MARCH 2018**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

To the Members of M/s Mesco Pharmaceuticals Limited

We have audited the internal financial controls over financial reporting of M/S MESCO PHARMACEUTICALS LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Board of Director’s of the Company’ is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”), issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the



maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Sangram Paul & Co.**  
Chartered Accountant  
FRN: 308001E

**S.K. Paul**  
(Proprietor)  
M. No. 013015

Date: 30.05.2018  
Place: New Delhi

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of M/s Mesco Pharmaceuticals limited of even date)**

We report that:

- (i) In respect of the Company's fixed assets:
  - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) These fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanation given to us, The Company has not granted any secured or unsecured loans, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently clause 3 (iii) of the Order is not applicable.
- (iv) According to the information and explanation given to us, In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the companies Act, 2013 have been complied with.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) As per information and explanations provided to us, the Company is not required to maintain the cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales- Tax, Services Tax, Goods and Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities and there are no arrears of outstanding statutory dues as on 31<sup>st</sup> of March, 2018 for a period of more than six months from the date they became payable;
  - (b) There are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.

- (viii) The company has no dues to a financial institution or bank or Government or debenture holders. Hence Lender wise details of banks and financial institutions are not necessary consequently clause 3(viii) of the Order is not applicable.
- (ix) The company has not raised money either from public offer or from further public offer or from any term loan during the year; hence, clause 3(ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year
- (xi) In our opinion and according to the information and explanations given to us, the company has not paid any managerial remuneration during the year. Hence the provisions of clause 3(xi) of the Order are not applicable to the company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) During the year, the Company has not made any preferential allotment/ private placement of shares or fully or partly paid convertible debentures during the year under review. Consequently clause 3 (xiv) of Order is not applicable.
- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with the director. Hence Section 192 of the Companies Act, 2013 is not applicable to the Company. Consequently clause 3 (xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

**For Sangram Paul & Co.**  
Chartered Accountant  
FRN: 308001E

**S.K. Paul**  
(Proprietor)  
M. No. 013015

Date: 30.05.2018  
Place: New Delhi

**Mesco Pharmaceuticals Limited**  
**Balance Sheet as at 31st March, 2018**

(Figures in Rs.)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
1	2	3	4
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	2(i)	1,798,760	1,798,760
(b) Capital work-in-progress	2(ii)	-	-
(c) Investment Property			
(d) Goodwill			
(e) Other Intangible assets	2(iii)	-	-
(f) Intangible assets under development			
(g) Biological Assets other than bearer plants			
(h) Financial Assets			
(i) Investments	3	285,000	285,000
(ii) Trade Receivables	4	-	-
(iii) Loans	5	-	-
(iv) Others (to be specified)			
(i) Deferred tax assets (net)			
(j) Other non-current assets	6	1,800	-
<b>(2) Current Assets</b>			
(a) Inventories			
(b) Financial Assets			
(i) Investments			
(ii) Trade Receivables			
(iii) Cash and cash equivalents	7	395,918	394,768
(iv) Bank balances other than (iii) above			
(v) Loans	8	-	-
(vi) Others (to be specified)			
(c) Current Tax Assets (Net)			
(d) Other current assets			
<b>Total Assets</b>		<b>2,481,478</b>	<b>2,478,529</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	9	-	197,381,000
(b) Other Equity	10	(302,431,993)	(301,558,502)
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	107,461,040	106,579,937
(ii) Trade Payables	12		73,595
(iii) Other financial liabilities (other than those specified in item (b), to be specified)			
(b) Provisions	13	431	2,500
(c) Deferred tax liabilities (Net)			
(d) Other non-current liabilities			
<b>(2) Current Liabilities</b>			
(a)			
(ii) Trade Payables			
(iii) Other financial liabilities (other than those specified in item (c))			
(b) other current liabilities			
(c) Provisions			
(d) Current Tax Liabilities (Net)			
<b>Total Equity and Liabilities</b>		<b>(194,970,522)</b>	<b>2,478,529</b>
<b>Notes forming part of the Financial Statements</b>			
	1-28		

The accompanying notes form an integral part of the financial statements.

As per our Audit Report of even date attached hereto

For and on Behalf of Board of Directors

**For Sangram Paul & Co.**

Chartered Accountants

Firm Registration No. 308001E

**(S.K.Paul)**

Proprietor

M.No. 013015

**(J.K. Singh)**

Director

DIN 00090649

**(N. S. Parameswara)**

Managing Director

DIN 00091097

Place: New Delhi

Date: 30.05.2018

**(Santosh Kumar Jh)**

CFO

<b>Mesco Pharmaceuticals Limited</b>				
<b>Statement of Profit and Loss for the year ended 31st March, 2018</b>				
<b>(Figures in Rs.)</b>				
<b>S.No.</b>	<b>Particulars</b>	<b>Note no.</b>	<b>For the year ended 31st March, 2018</b>	<b>For the year ended 31st March, 2017</b>
I	Revenue from operations		-	-
II	Other income	14	-	-
III	<b>Total Revenue (I+II)</b>		-	-
IV	<b>Expenses:</b>			
	Cost of materials consumed		-	-
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		-	-
	Employee benefits expense		305,581	374,505
	Finanace Cost	15	150	-
	Depreciation and amortization expense		-	-
	Other expenses	16	567,759	2,205,464
	<b>Total Expenses (IV)</b>		873,490	2,579,969
V	Profit/(loss) before exceptional items and tax (III-IV)		(873,490)	(2,579,969)
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		(873,490)	(2,579,969)
VIII	Tax expenses:			
	(1) Current Tax		-	-
	(2) Earlier years		-	9,705
	(3) Deferred tax		-	-
IX	Profit (Loss) for the period from continuing operations		(873,490)	(2,589,674)
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		(873,490)	(2,589,674)
XIV	Other Comprehensive Income			
	A (i) Items that will not be classified to profit or (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss (ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(873,490)	(2,589,674)
XVI	Earnings per equity share (for continuing operation): (1) Basic and Diluted	23	(0.04)	(0.13)
XVII	Earnings per equity share (for discontinued operation): (1) Basic and Diluted		-	-
XVIII	Earnings per equity share (for discontinued & continuing operations): (1) Basic and Diluted	23		(0.13)

As per our Audit Report of even date attached hereto

**For Sangram Paul & Co.**

Chartered Accountants

Firm Registration No. 308001E

Place: New Delhi

**Date: 30.05.2018**

Proprietor

M.No. 013015

For and on Behalf of Board of Directors

**(J.K. Singh)**

Director

DIN 00090649

**(N. S. Parameswaran)**

Managing Director

DIN 00091097

Place: Delhi

Dated: 30.05.2018

**(Santosh Kumar Jha)**

CFO

Mesco Pharmaceuticals Limited  
Statement of Changes in Equity for the period ended 31st March, 2018

(Figures in Rs.)

A. Equity Share Capital

Balance as at April 1, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
197,381,000	-	197,381,000

Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
197,381,000	-	197,381,000

B. Other Equity

	Share Application money pending allotment	Equity component of compound financials instruments	Reserves and Surplus				Total
			Capital Reserve	Security Premium Reserve	General Reserve	Retained Earnings	
As at April 1, 2016	-	-	-	378,347,000	211,417,034	(888,732,862)	(298,968,828)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	378,347,000	211,417,034	(888,732,862)	(298,968,828)
Total Comprehensive Income for the Year	-	-	-	-	-	(2,589,674)	(2,589,674)
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-

<b>As at March 31, 2017</b>	-	-	-	<b>378,347,000</b>	<b>211,417,034</b>	<b>(891,322,536)</b>	<b>(301,558,502)</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	378,347,000	211,417,034	(891,322,536)	(301,558,502)
Total Comprehensive Income for the Year	-	-	-	-	-	(873,490)	(873,490)
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-
<b>As at March 31, 2018</b>	-	-	-	<b>378,347,000</b>	<b>211,417,034</b>	<b>(892,196,026)</b>	<b>(302,431,993)</b>

The accompanying notes form an integral part of these consolidated financial statements.

As per our Audit Report of even date attached hereto

For and on Behalf of Board of Directors

**For Sangram Paul & Co.**

Chartered Accountants

Firm Registration No. 308001E

**(S.K.Paul)**

Proprietor

M.No. 013015

**(J.K. Singh)**

Director

DIN 00090649

**(N. S. Parameswaran)**

Managing Director

DIN 00091097

**(Santosh Kumar Jha)**

CFO

Mesco Pharmaceuticals Limited  
Cash Flow Statement for the year ended 31st March, 2018

(Figures in Rs.)

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A.	<b><u>Cash Flow from Operating Activities</u></b>			
	Net Profit (Loss) before Tax & extra ordinary Item		(873,490)	(2,579,969)
	Adjustments for:			
	Provision for Income tax reversal		-	-
	Amortisation and Write off		-	-
	<b>Operating profit before working capital changes</b>		<b>(873,490)</b>	<b>(2,579,969)</b>
	Working Capital changes:			
	Trade receivables		-	-
	Short term loans and advances		-	-
	Short Term Provisions		(2,069)	(103,285)
	Trade payable		(73,595)	51,000
	Other current assets		-	-
	Cash generated from operations		(949,154)	(2,632,254)
	Direct Taxes Paid		1,800	9,705
	<b>Net Cash from operating activities</b>		<b>(950,954)</b>	<b>(2,641,959)</b>
B.	<b><u>Cash Flow from Investing Activities</u></b>			
	Change in Fixed Asset		-	-
	Loans & Advances		-	-
	Interest on deposits		-	-
	<b>Net Cash from investing activities</b>		<b>-</b>	<b>-</b>
C.	<b><u>Cash Flow from Financing Activities</u></b>			
	Proceeds from issue of Share Capital		-	-
	Payment to Borrowings		-	-
	Proceeds from Loans and advances		881,103	2,641,959
	<b>Net cash from financing activities</b>		<b>881,103</b>	<b>2,641,959</b>
	<b>Net change in cash &amp; cash equivalent (A+B+C)</b>		<b>(69,851)</b>	<b>0</b>
	Cash & Cash equivalents opening balance		394,768	394,768
	<b>Cash &amp; Cash Equivalents at the End of the Year</b>	7	<b>324,917</b>	<b>394,768</b>

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

**For Sangram Paul & Co.**

Chartered Accountants

Firm Registration No. 308001E

For and on Behalf of Board of Directors

(Proprietor)  
M.No. 013015

**(J.K. Singh)**  
Director  
DIN 00090649

**(N. S. Parameswaran)**  
Managing Director  
DIN 00091097

Place: New Delhi  
Date: 30.05.2018

**(Santosh Kumar Jha)**  
CFO



## Notes forming part of financial statement

## 2) FIXED ASSETS

(Figures in Rs.)

Description	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	Total as at 01.04.2017	Addition/Ad justment during the year	Deductions/ Adjustments during the year	Impairment /(reversal) during the year	Total as at 31.03.2018	Total as at 01.04.2017	Provided during the year	Amortisation during the year	Deductions/ Adjustments during the year	Total as at 31.03.2018	Total as at 31.03.2018	Total as at 01.04.2017
<b>i) Tangible assets</b>												
Land at Site Development	1,459,195	-	-	-	1,459,195	-	-	-	-	-	1,459,195	1,459,195
Land at Kalol (Gujrat)	339,565	-	-	-	339,565	-	-	-	-	-	339,565	339,565
Factory Building	80,121,635	-	80,121,635	-	-	80,121,635	-	80,121,635	-	-	-	-
Plant & Machinery	44,925,196	-	44,925,196	-	-	44,925,196	-	44,925,196	-	-	-	-
Electrical Insulation	994,700	-	994,700	-	-	994,700	-	994,700	-	-	-	-
Air Conditioner	1,758,000	-	1,758,000	-	-	1,758,000	-	1,758,000	-	-	-	-
Office Equipment	3,554,000	-	3,554,000	-	-	3,554,000	-	3,554,000	-	-	-	-
Generator	1,545,000	-	1,545,000	-	-	1,545,000	-	1,545,000	-	-	-	-
Road & Building	7,536,000	-	7,536,000	-	-	7,536,000	-	7,536,000	-	-	-	-
<b>Total</b>	<b>142,233,291</b>	<b>-</b>	<b>140,434,531</b>	<b>-</b>	<b>1,798,760</b>	<b>140,434,531</b>	<b>-</b>	<b>-</b>	<b>140,434,531</b>	<b>-</b>	<b>1,798,760</b>	<b>1,798,760</b>
Previous year	142,233,291	-	-	-	142,233,291	140,434,531	-	-	-	140,434,531	1,798,760	1,798,760
<b>ii) Intangible assets</b>												
<b>Total</b>	<b>53,344,000</b>	<b>-</b>	<b>53,344,000</b>	<b>-</b>	<b>-</b>	<b>53,344,000</b>	<b>-</b>	<b>-</b>	<b>53,344,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous year	53,344,000	-	-	-	53,344,000	53,344,000	-	-	-	53,344,000	-	-
<b>iii) Capital work in Progress</b>												
<b>Total</b>	<b>281,335,095</b>	<b>-</b>	<b>281,335,095</b>	<b>-</b>	<b>-</b>	<b>281,335,095</b>	<b>-</b>	<b>-</b>	<b>281,335,095</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous year	281,335,095	-	-	-	281,335,095	281,335,095	-	-	-	281,335,095	-	-
<b>Grand Total</b>	<b>476,912,386</b>	<b>-</b>	<b>475,113,626</b>	<b>-</b>	<b>1,798,760</b>	<b>475,113,626</b>	<b>-</b>	<b>-</b>	<b>475,113,626</b>	<b>-</b>	<b>1,798,760</b>	<b>1,798,760</b>

**Mesco Pharmaceuticals Limited**  
**Notes forming part of financial statements**

	As at 31st March, 2018 (Rs.)	As at 31st March, 2017 (Rs.)		
<b>3) NON- CURRENT INVESTMENT</b> (Valued at Cost)				
<b>Quoted</b>				
Mideast (India) Limited				
150000 (150000) equity shares of Rs. 10 each fully paid up*	285,000	285,000		
(*Market value not available as trading of the security was suspended)				
	<u>285,000</u>	<u>285,000</u>		
Aggregate amount of Quoted investments	285,000	285,000		
Aggregate amount of Unquoted investments	-	-		
<b>4) TRADE RECEIVABLES</b>				
Trade Receivables	-	-		
	<u>-</u>	<u>-</u>		
<b>5) LONG TERM LOANS AND ADVANCES</b> (Unsecured, Considered good)				
Loans and advances	-	-		
	<u>-</u>	<u>-</u>		
<b>6) OTHER NON-CURRENT ASSETS</b>				
Others	1,800	-		
	<u>1,800</u>	<u>-</u>		
<b>7) CASH AND CASH EQUIVALENTS</b>				
Balances with banks	379,567	379,567		
Cash in hand	16,351	15,201		
	<u>395,918</u>	<u>394,768</u>		
<b>8) SHORT TERM LOANS AND ADVANCES</b> (Unsecured, Considered good)				
Deposits and Securities	-	-		
Other Advances	-	-		
	<u>-</u>	<u>-</u>		
<b>9) EQUITY SHARE CAPITAL</b>				
<b>Authorised</b>				
i) 30000000 (Previous Year: 30000000) equity shares of Rs. 10/- each	300,000,000			
	<u>300,000,000</u>			
<b>Issued, Subscribed &amp; Paid up</b>				
20320600 (Previous Year: 2032600) equity shares of Rs. 10/- each fully paid up	203,206,000.00	203,206,000.00		
Less: Allotment money in arrears- by others	5,825,000.00	5,825,000.00		
<b>Place: New Delhi</b>		<u>197,381,000.00</u>		
<b>Date: 30.05.2018</b>				
<b>A) Reconciliation of number of shares</b>				
	<b>As at 31st March, 2018</b>		<b>As at 31st March, 2017</b>	
<b>Equity Shares</b>	<b>No. of shares</b>	<b>in Rs.</b>	<b>No. of shares</b>	<b>in Rs.</b>
<b>Date</b> Opening Balance	20,320,600	197,381,000	20,320,600	197,381,000
Changes during the year		-		-
Closing Balance		<u>197,381,000</u>		<u>197,381,000</u>
<b>B) Rights, preferences and restrictions attached to shares</b>				
<b>Equity Shares</b>				
The company has one class of equity shares having a par value of Rs. 10 each, rank pari passu in all respects including voting rights and entitlement to dividend.				
<b>C) Shareholders holding more than 5% of the ordinary shares in the company</b>				
	<b>As at 31st March, 2018</b>		<b>As at 31st March, 2017</b>	
<b>Equity Shares:</b>	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
Twenty First Century Finance Ltd.	6,763,700	33.28	6,763,700	33.28
<b>Place: New Delhi</b>				

**Data RESERVES AND SURPLUS****Share Premium Account**

Opening Balance	378,347,000	378,347,000
Add: Adjustment during the year	-	-
Closing Balance	<u>378,347,000</u>	<u>378,347,000</u>

**General Reserve**

Opening Balance	211,417,034	211,417,034
Add: Adjustment during the year	-	-
Closing Balance	<u>211,417,034</u>	<u>211,417,034</u>

**Surplus to the Profit & Loss A/c**

Opening Balance	(891,322,536)	(888,732,862)
Add: Profit/(Loss) during the year	(873,490)	(2,589,674)
Closing Balance	<u>(892,196,026)</u>	<u>(891,322,536)</u>
	<u>(302,431,993)</u>	<u>(301,558,502)</u>

**11) LONG TERM BORROWINGS****Unsecured Loan**

From Companies (related parties) (refer note no.21)	107,461,040	106,579,937
	<u>107,461,040</u>	<u>106,579,937</u>

**12) TRADE PAYABLE**

Trade payables	65,000	67,595
Staff Security	6,000	6,000
	<u>71,000</u>	<u>73,595</u>

**13) SHORT TERM PROVISIONS**

Others	432	2,500
	<u>431</u>	<u>2,500</u>

<b>For the year ended 31st March, 2018 (Rs.)</b>	<b>For the year ended 31st March, 2017 (Rs.)</b>
--	--

**14) OTHER INCOME**

Misc. Income	-	-
	<u>-</u>	<u>-</u>

**15) FINANCE COST**

Interest Charges	150	-
	<u>150</u>	<u>-</u>

**16) OTHER EXPENSES**

Payment to Auditors as:		
a) Statutory Auditor	20,000	20,000
b) Others	-	-
Advertisement Expenses	95,631	29,449
Travelling & Conveyance	-	47,520
Fees & subscription	428,168	2,005,955
Rent, Rates and Taxes	-	83,430
Miscellaneous	23,960	19,110
	<u>567,759</u>	<u>2,205,464</u>

## Mesco Pharmaceuticals Limited

### Notes forming Part of Accounts for the year ended 31<sup>st</sup> March 2018

#### 1) SIGNIFICANT ACCOUNTING POLICIES

**a. System of Accounting:**

The financial statements have been prepared and presented under the historical cost convention and in accordance to Generally Accepted Accounting Principles in India, including Indian Accounting Standards (Ind AS) notified under the relevant provisions of the Companies Act, 2013 “the Act”. For all periods upto and including the year ended March 31, 2017 were prepared in accordance with the accounting standard notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the companies (Accounts) Rules, 2014 (Indian GAAP) and other relevant provisions of the Act. These financials statement for the year ended March 31, 2018 are the first financial statement under Ind AS. The date of transition to Ind AS is April 1, 2016. The financials as on the 31<sup>st</sup> March, 2017 have been drawn up according to Ind AS so that they are comparable. The financial statements have been prepared on a historical cost basis, except where the financial assets and liabilities had to be measured at fair value.

**b. Use of Estimates**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. The management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision of accounting estimates is recognized prospectively in current and future periods.

**c. Revenue Recognition:**

Revenue from sale of goods is recognized when of all significant risk and rewards of ownership are transferred to buyer, it can be reliably measured and it is reasonable to expect ultimate collection. The amount recognized as sale excludes sales tax and trade and quantity discounts.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Dividend income is recognised when the right to receive payment is established.

**d. Property, Plant and Equipment and Depreciation:**

Tangible Assets

Tangible assets are carried at cost of acquisition net of recoverable taxes and discounts less accumulated depreciation and impairment loss, if any. Cost is inclusive of all expenses directly attributable to bring the assets to their working condition for intended use.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. Cost is inclusive of all expenses directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

### Depreciation and Amortization

Company is following Straight Line Method for calculation of depreciation. Depreciation on the assets has been provided on the basis of useful life of the assets as prescribed in Schedule II to Companies Act, 2013 after retaining 5% residual value of Gross.

### Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2016 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### **e. Leases:**

Operating Leases: Rentals are expensed on a straight line basis with reference to the lease terms and other considerations.

Finance leases: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as Fixed Assets with corresponding amount disclosed as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Profit and Loss Statement.

#### **f. Investments:**

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

#### **g. Inventories:**

Inventories are valued at lower of cost or estimated net realizable value. Cost of raw material is determined on first in first out (FIFO) basis.

#### **h. Impairment:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **i. Foreign Currency Transactions:**

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (ii) At the Balance sheet date all monetary assets & liabilities denominated in foreign currency are reported at the exchange rate prevailing at the Balance sheet date.
- (iii) The difference between the exchange rate of the balance sheet date and transaction date is recognized as income/expenses.

#### **j. Retirement Benefits:**

Employee benefits are charged to Statement of Profit and loss as and when paid.

**k. Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized, till the date on which the asset is put to use, as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**l. Taxation:**

**Current Tax:** Provision of current income tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the provisions of the Income Tax Act, 1961.

**Deferred Tax:** Deferred Tax assets and liabilities are recognized for the future tax attributable to timing difference that result between the profit/loss offered for income taxes and the profit/loss as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted at the Balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future.

**m. Contingent Liabilities:**

Contingent liabilities are disclosed separately in the Notes to Accounts. Provisions are made on all present obligations on which reliable estimates are possible and for which there is probability of outflow of cash.

**n. First-Time Adoption of Ind-As**

These financial statements, for the year ended March 31, 2018, are the first financials the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its India GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) **Deemed Cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipments as recognized in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. This exemption can also be used for Intangible Assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its investments, property, plant and equipments and intangible assets at their previous GAAP carrying value.

b) **Estimates**

The estimate as at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP.

Statement of Reconciliation of Equity as per GAAP and Ind-AS for the Previous year ended March 31, 2017

<b>Particulars</b>	<b>Year ended March 31, 2017 (Rs.)</b>
Total Equity as per Previous GAAP	50,20,53,980
Adjustments relating to Ind-AS	-
Total Adjustments relating to Ind-AS	-
Total Equity as per Ind-AS	50,20,53,980

Reconciliation of Net Profit / (Loss) from previous GAAP to Ind AS for the quarter and year ended March 31, 2017

<b>Particulars</b>	<b>Year ended March 31, 2017 (Rs.)</b>
Net Profit/(Loss) as per Indian GAAP	(25,89,674)
Adjustments to restate to Ind AS:	-
Total Adjustments relating to Ind-AS	-
Net Profit/(Loss) as per Ind AS	(25,89,674)

17) **Contingent Liabilities not provided for in respect of:**

Particulars	31 <sup>st</sup> March'18	(Rs. In Lacs)
		31 <sup>st</sup> March'17
Contingent Liabilities:		
a) Guarantee given to the bank on Behalf of the Company	Nil	Nil
b) Letter of Credit opened by bank	Nil	Nil
c) Claim against the company not Acknowledge as debt	Nil	Nil

18) **Deferred Tax**

No Provision of deferred tax is made as there is no timing difference in terms of Accounting Standard-22 issued by the Institute of Chartered Accountants of India.

19) **Breakup of Director's Remuneration:**

Particulars	2017-18	(Rs.)
		2016-17
i) Remuneration to Directors	Nil	Nil

20) Balances outstanding in Trade Receivables, Loans & Advances and Trade Payables are subject to their confirmation from respective parties.

21) **Related Party transactions disclosure as Accounting Standard-18:**

a. Related parties:

Name	Relationship
Mr. J.K. Singh	Key Management Personnel (KMP)
Mr. D.K. Singh	
Mr. Nurani Shankar Parmeswaran (MD)	
Mr. Santosh Kumar Jha (CFO)	
M/s Mesco Aerospace Ltd.	Entities in which KMP can exercise significant influence
M/s Mesco Logistics Ltd.	
M/s Mesco Steel Ltd.	
M/s Mesco Kalinga Steel Ltd.	
M/s Mideast (India) Ltd.	

b. Details of transactions with related parties:

(Rs.)

Name	2017-18	2016-17	Nature	Relationship
M/s Mesco Logistics Ltd.	Nil	Nil	Net Loan taken/ (Repaid)	Entities in which KMP can exercise significant influence
M/s Mesco Steels Ltd.	80,500	2,01,378	Net Loan taken/ (Repaid)	
M/s Mideast Integrated Steels Ltd.	52,014	2,79,827	Net Loan taken/ (Repaid)	
M/s Mideast (India) Ltd.	7,48,589	21,60,754	Net Loan taken/ (Repaid)	

c. Balances Outstanding:

(Rs.)

Name	2017-18	2016-17	Nature	Relationship
M/s Mesco Aerospace Ltd.	37,88,360	37,88,360	Loan taken	Entities in which KMP can exercise significant influence
M/s Mesco Steels Ltd.	10,04,31,496	10,03,50,996	Loan taken	
M/s Mideast Integrated Steels Ltd.	3,31,841	2,79,827	Loan taken	
M/s Mideast (India) Ltd.	29,09,343	21,60,754	Loan taken	



22) In the opinion of the board and to the best of the knowledge and belief, the value of realization in respect of current assets, loans and advances in the ordinary course of business would not be less than the amount of which they are stated in the Balance sheet, the provision for all known determined liabilities is adequate and is not in excess of amount reasonably required.

23) **Earnings per Share**

The computation of basic/diluted earnings per share is set out below:

	<b>2017-18</b>	<b>(Rs.) 2016-17</b>
Profit as per Statement of Profit & Loss	(8,73,490)	(25,89,674)
Net Profit/(Loss) attributable to Equity Shareholders – (A)	(8,73,490)	(25,89,674)
Basic/Weighted average number of Equity Shares outstanding during the year – (B)	2, 03, 20,600	2, 03, 20,600
Nominal Value of Equity Share	10	10
Basic/Diluted Earnings per Share	(0.04)	(0.13)

24)

**Payment to Auditors:**

	<b>2017-18</b>	<b>(Rs.) 2016-17</b>
(a) Statutory Audit Fee and Limited review	20,000	20,000

	<b>2017-18</b>	<b>(Rs.) 2016-17</b>
<b>a. Expenditure in foreign currency:</b>		
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Travelling	0	0
Technical Know How	0	0
<b>b. Earning in foreign currency (on accrual basis):</b>		
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
FOB Value of Export	0	0
<b>c. Value of Imports on CIF Basis:</b>		
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Purchase of Raw Material	0	0
Capital Goods	0	0

25) **Employee's Benefit**

Gratuity and other terminal benefits are provided on payment basis.

26) **Segment reporting**

Company is operating in only one segment 'Pharmaceuticals', therefore separate segment reporting is not given.

27) **Sundry Creditors (Due to Micro and Small Enterprises):**

The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the end of the year together with the interest paid/payable as required under the Act have not been furnished.

- 28) Previous year figures have been regrouped / recast whenever considered necessary to make these comparable with those of the current year.

As per our Audit Report of even date  
Attached hereto

For **Sangram Paul & Co.**  
Chartered Accountants  
Firm Registration No.:308001E

For and on behalf of Board of Directors

**(S.K. Paul)**  
Proprietor  
Membership No.: 013015

**(J.K. Singh)**  
Director  
DIN No:00090649

**(N.S. Parameswaran)**  
Managing Director  
DIN No:00091097

Date: 30.05.2018  
Place: New Delhi

**(Santosh Kumar Jha)**  
CFO

**MESCO PHARMACEUTICALS LIMITED**

CIN: L24111UR1986PLC015895

Registered Office: Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand

Website: [www.mesopharma.com](http://www.mesopharma.com), E-mail: [nsparameswaran@mescosteel.com](mailto:nsparameswaran@mescosteel.com), Tel No. +91-9871862796

**ATTENDANCE SLIP**

(To be presented at the entrance)

**32<sup>nd</sup> Annual General Meeting of the Company held on Saturday, 29<sup>th</sup> September, 2018 at 10:00 A.M. at Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand**

DP ID*		Folio No.	
Client ID*		No. of Shares	

Name of the Shareholder: .....

Address of the Shareholder: .....

.....  
.....  
.....  
.....

I hereby record my presence at the **32<sup>nd</sup> Annual General Meeting** of the Company held on Saturday, 29<sup>th</sup> September, 2018 at 10:00 A.M. at Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand and at any adjournment thereof.

\*Applicable for investors holding shares in electronic form.

Signature of Shareholder/Proxy

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

**MESCO PHARMACEUTICALS LIMITED**

CIN: L24111UR1986PLC015895

Registered Office: Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand

Website: [www.mesopharma.com](http://www.mesopharma.com), E-mail: [nsparameswaran@mescosteel.com](mailto:nsparameswaran@mescosteel.com), Tel No. +91-9871862796

**PROXY FORM**

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

Name of the Shareholder		Folio No:	
		Client ID*	
		DP ID*	
Registered address		E-mail id:	

I/We, being the member(s) of \_\_\_\_\_ Shares of Mesco Pharmaceuticals Ltd, hereby appoint:

1. .... of ..... having e-mail id ..... or failing him
2. .... of ..... having e-mail id ..... or failing him
3. .... of ..... having e-mail id ..... or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 32<sup>nd</sup> **Annual General Meeting** of the Company held on Saturday, 29<sup>th</sup> September, 2018 at 10:00 A.M. at Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand

S. No.	Resolutions	For	Against
1.	To receive, consider and adopt the Audited financial statements of the Company for the financial year ended March 31, 2018 together with the reports of the Board of Directors and Auditors thereon		
2.	To appoint director in the place of Mr. Jitendra Kumar Singh (DIN 00090649), Director of the Company, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment		
3.	To re-appoint Mr. N S Parameswaran (DIN: 00091097) as Managing Director of the Company.		

<b>Affix Revenue Stamp of Re. 1</b>
---

Signed this..... day of .....2018 .....  
Signature of Shareholder

.....  
Signature of the 1<sup>st</sup> Proxy Holder                      Signature of 2<sup>nd</sup> Proxy holder                      Signature of 3<sup>rd</sup> Proxy holder

**Notes:**

1. **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.**
2. **A Proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for other person or share-holder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In case of joint holders, the signatures of any holder will be sufficient, but names of all joint holders should be stated.

# Route Map as per Secretarial Standard-2

