

**Mesco Pharmaceuticals Ltd**

**30th Annual Report  
2015-16**

**Mesco Pharmaceuticals Ltd**

## NOTICE

### MESCO PHARMACEUTICALS LIMITED

CIN: L24111UR1986PLC015895

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

E-mail: nsparameswaran@mescosteel.com, Tel No. 09871862796

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of the Members of M/s Mesco Pharmaceuticals Limited will be held on Friday, 30<sup>th</sup> September, 2016 at 11:30 A.M. at Hotel Coronation, Opposite Nainital club, (near high court), Mallital, 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, 2016 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nurani Shankar Parameswaran (DIN 00091097), who retires by rotation and being eligible, offers himself for re-appointment.
3. Ratification of Appointment of Auditors

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

**“Resolved that** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s N. Dhawan & Co., Chartered Accountants (Firm Registration No. 007095N), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 31<sup>st</sup> AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

#### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“Resolved that** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of Companies Act, 2013, Regulation 17 of the SEBI Listing Regulations and other applicable provisions, if any Mr. Rajeev Moudgil (DIN :05209327), who was appointed as an Additional Director of the Company with effect from 19<sup>th</sup> April, 2016 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 19<sup>th</sup> April, 2016.”

5. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“Resolved that** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of Companies Act, 2013, Regulation 17 of the SEBI Listing Regulations and other applicable provisions, if any Mr. Subhash Chander Seth (DIN :07496990), who was appointed as an Additional Director of the Company with effect from 19<sup>th</sup> April, 2016 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 19<sup>th</sup> April, 2016.”

6. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“Resolved that** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of Companies Act, 2013, Regulation 17 of the SEBI Listing Regulations and other applicable provisions, if any Mrs. Savita Sethi (DIN :07558948), who was appointed as an Additional Director of the Company with effect from 2<sup>nd</sup> July, 2016 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 2<sup>nd</sup> July, 2016.”

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

**“Resolved that** the consent of the company be and is hereby accorded to the Board of Directors of the company under Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), to borrow any sum or sums of money from time to time at their discretion, for the purpose of business of the company, notwithstanding that the money or moneys to be borrowed together with moneys already borrowed by the company, apart from temporary loans obtained from the company’s bankers in the ordinary course of business, may exceed the aggregate of the paid up share capital and free reserves of the company, provided however, that the total amount so borrowed shall not exceed Rs 50,00,00,000 (Rupees Fifty Crore only).”

**Resolved further that** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all acts, deeds matters and things and to execute all documents, writings as may be necessary, proper or desirable or expedient to give effect to this resolution.”

**Regd. Office:**  
Upper Kesalton, Tallital, Nainital-263 001  
Uttarakhand

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

**Date: 13<sup>th</sup> August, 2016**  
**Place: New Delhi**

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

## **NOTES**

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item no. 4 to 7 of the notice set out above is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL TO VOTE INSTEAD OF HIMSELF. THE 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 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. The Share Transfer Books and Register of Members of the Company will remain closed from Monday, 26<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016 (both days inclusive).
6. In accordance with section 20 of the Companies Act, 2013 service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report for the year ended March 31, 2016 has been sent to all the members whose email address(es) are registered with the Company unless any member has

requested for a hard copy of the same. Further, in terms of SEBI Circular No. CIR/CFD/DIL/7/2011 dated 05.10.2011 the hard copies of Annual Report have been sent to all other members who have not registered their email address(es). Members, who have not yet registered their email address with the Company/RTA, are requested to do the same at the earliest by to the Company/RTA. Members can also submit their form along with Attendance Slip at the Registration Counter at AGM.

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 <http://mescosteel.in/mpl-invs.php>
8. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Company Secretary 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. Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Director eligible for appointment/re-appointment vide item no. 2, 4 to 6 is as follows:-

<b>Particulars</b>	<b>Mr. N.S. Parameswaran</b>	<b>Mr. Rajeev Moudgil</b>
DIN	00091097	05209327
Date of Birth	30 <sup>th</sup> January, 1936	1 <sup>st</sup> August, 1964
Date of appointment	1 <sup>st</sup> January, 2015	19 <sup>th</sup> April, 2016
Qualifications	Fellow Member (No. F2252) of Institute of Company Secretaries of India, New Delhi	MBA from Cranfield school of Management
Expertise in specific functional areas	Mr. N.S. Parameswaran is having more than 40 years of experience in the field of Finance & Accounts in National Aluminium Company Ltd, Hindustan Aeronautics Ltd etc.	Mr. Rajeev Moudgil is having over 20 years of expertise in strategic management, overseas joint venture, and to make investments, and negotiating business deals.
Directorships in other Companies	Mesco Laboratories Ltd Forrester Foods Pvt Ltd SAARC Helicopters Pvt Ltd	Forrester Foods Pvt Ltd Mesco Kalinga Steel Ltd Mesco Mining Ltd
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL	Mesco Kalinga Steel Ltd- <i>Chairman in Audit Committee</i>  Mesco Mining Ltd- <i>Member in Audit Committee</i>
Number of shares held in the Company	NIL	NIL
Relationship with any Director(s) of the Company	NIL	NIL

<b>Particulars</b>	<b>Mr. Subhash Chander Seth</b>	<b>Mrs. Savita Sethi</b>
DIN	07496990	07558948
Date of Birth	15 <sup>th</sup> December, 1935	10 <sup>th</sup> March, 1973
Date of appointment	19 <sup>th</sup> April, 2016	2 <sup>nd</sup> July, 2016
Qualifications	Masters degree in Economics from Punjab University	Graduate in Chemistry Honors from Delhi University and PG Diploma in Human Resource Management
Expertise in	Mr. Subhash Chander Seth has 37	Mrs. Savita Sethi has over 15 years of

specific functional areas	Years of experience specializing in Logistics for movement of Food Grains, Fertilizer and Iron ore. During his tenure of 10 years with Mesco steel he has been instrumental in Construction of Railway Siding in the plant with the latest facilities available over Indian Railways.	experience of working in the social sector, and consulting in public sector. Her specialization includes; project management and monitoring & evaluation of development projects, and documentation. Formulating project implementation plans, developing M & E tools, and applying project management tools are her area of expertise. She had implemented projects supported by Government, national and international agencies; MHA, MHRD, USAID, and UN agencies.
Directorships in other Companies	NIL	NIL
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL	NIL
Number of shares held in the Company	NIL	NIL
Relationship with any Director(s) of the Company	NIL	NIL

10. 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.

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

#### **Item No. 4**

The Board of Directors of the Company ('the Board') at their meeting held on 19<sup>th</sup> April, 2016 have approved the appointment of Mr. Rajeev Moudgil as Additional Director and subject to the approval of the Members also as Independent Director, with immediate effect.

Notice under Section 160 of the Act proposing the appointment of Mr. Rajeev Moudgil as Independent director in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and/or any amendment thereto or modification thereof ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') has been received. Requisite consent, pursuant to Section 152 of the Act, has been filed by Mr. Rajeev Moudgil.

In the view of your Board, the association of Mr. Rajeev Moudgil and the rich experience he brings with him, would benefit the Company. Declaration has been received from Mr. Rajeev Moudgil that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations. In the opinion of your Board, Mr. Rajeev Moudgil fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations for appointment as Independent Director.

Mr. Rajeev Moudgil does not hold any share in the Company in his individual capacity or on a beneficial basis for any other person. Additional information in respect of Mr. Rajeev Moudgil, pursuant to the Listing Regulations and the Secretarial Standard on General Meetings issued by ICSI is annexed to the notice of the Annual General Meeting.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution except Mr. Rajeev Moudgil. Mr. Rajeev Moudgil is not related to any of the Directors or Key Managerial Personnel of the Company.

Your directors recommend the appointment of Mr. Rajeev Moudgil as Independent Director of the Company for a period of five years with effect from 19<sup>th</sup> April, 2016.

#### **Item No. 5**

The Board of Directors of the Company ('the Board') at their meeting held on 19<sup>th</sup> April, 2016 have approved the appointment of Mr. Subhash Chander Seth as Additional Director and subject to the approval of the Members also as Independent Director, with immediate effect.

Notice under Section 160 of the Act proposing the appointment of Mr. Subhash Chander Seth as Independent director in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and/or any amendment thereto or modification thereof ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') has been received. Requisite consent, pursuant to Section 152 of the Act, has been filed by Mr. Subhash Chander Seth.

In the view of your Board, the association of Mr. Subhash Chander Seth and the rich experience he brings with him, would benefit the Company. Declaration has been received from Mr. Subhash Chander Seth that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations. In the opinion of your Board, Mr. Subhash Chander Seth fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations for appointment as Independent Director.

Mr. Subhash Chander Seth does not hold any share in the Company in his individual capacity or on a beneficial basis for any other person. Additional information in respect of Mr. Subhash Chander Seth, pursuant to the Listing Regulations and the Secretarial Standard on General Meetings issued by ICSI is annexed to the notice of the Annual General Meeting.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution except Mr. Subhash Chander Seth. Mr. Subhash Chander Seth is not related to any of the Directors or Key Managerial Personnel of the Company.

Your directors recommend the appointment of Mr. Subhash Chander Seth as Independent Director of the Company for a period of five years with effect from 19<sup>th</sup> April, 2016.

#### **Item No. 6**

The Board of Directors of the Company ('the Board') at their meeting held on 2<sup>nd</sup> July, 2016 have approved the appointment of Mrs. Savita Sethi as Additional Director and subject to the approval of the Members also as Independent Director, with immediate effect.

Notice under Section 160 of the Act proposing the appointment of Mrs. Savita Sethi as Independent director in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and/or any amendment thereto or modification thereof ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') has been received. Requisite consent, pursuant to Section 152 of the Act, has been filed by Mrs. Savita Sethi.

In the view of your Board, the association of Mrs. Savita Sethi and the rich experience she brings with her, would benefit the Company. Declaration has been received from Mrs. Savita Sethi that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations. In the opinion of your Board, Mrs. Savita Sethi fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations for appointment as Independent Director.

Mrs. Savita Sethi does not hold any share in the Company in her individual capacity or on a beneficial basis for any other person. Additional information in respect of Mrs. Savita Sethi, pursuant to the

Listing Regulations and the Secretarial Standard on General Meetings issued by ICSI is annexed to the notice of the Annual General Meeting.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution except Mrs. Savita Sethi. Mrs. Savita Sethi is not related to any of the Directors or Key Managerial Personnel of the Company.

Your directors recommend the appointment of Mrs. Savita Sethi as Independent Director of the Company for a period of five years with effect from 2<sup>nd</sup> July, 2016.

**Item No. 7**

In terms of the provisions of section 180(1)(c) of the Companies Act, 2013, the consent of the members by a Special Resolution is necessary to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

As required by provisions of section 180(1)(c) of the Companies Act, 2013 and keeping in view the company's future plan, it is considered desirable to increase the said limit to Rs 50,00,00,000 (Rupees Fifty Crore only).

Accordingly, the Board of Directors recommend the resolution for your approval by way of a special resolution.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.

**Regd. Office:**

Upper Kesalton, Tallital, Nainital-263 001  
Uttarakhand

By order of the board

**For Mesco Pharmaceuticals Ltd**

**Date: 13<sup>th</sup> August, 2016**  
**Place: New Delhi**

**Nurani Shankar Parameswaran**

**DIN: 00091097**

**Managing Director**

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

## DIRECTORS' REPORT

### TO THE MEMBERS OF MESCO PHARMACEUTICALS LTD

The Directors hereby present their 30<sup>th</sup> Annual Report on the business and operations of the Company and the financial accounts for the year ended 31<sup>st</sup> March, 2016.

#### Financial Highlights

(Amount in Rs.)

Particulars	Current Year	Previous Year
Revenue from operations	-	-
Other Income	3,75,000	-
Profit/(Loss) before Tax	3,13,951	(46,76,43,636)
Provision for Tax	1,05,785	-
Tax relating to prior years	-	62,77,609
Profit/(Loss) after Tax	2,08,166	(46,13,66,027)
Transfer to General Reserve	10,79,15,000	-
Reserves and surpluses	(29,89,68,828)	(29,91,76,994)
Earnings per share	0.01	(22.70)

#### Company Performance/ Statement of Company's Affair

During the year under review total income of the Company was Rs. 3,75,000 as against Nil in the previous year. The Company was able to earn a marginal profit for the year of Rs. 2,08,166 against a loss of Rs. 46,13,66,027 in the previous year. Your Directors are putting in their best efforts to improve the performance of 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 etc.

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, 2016 and the date of this Report.

#### Dividend

Directors have not recommended any dividend for the financial year ended on 31<sup>st</sup> March, 2016.

#### Share Capital

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2016 was 19.73 crores. During the year under review, the Company has 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 8 & 9 to the Financial Statements.

#### Disclosure on Deposit under Chapter V

The Company has neither accepted nor renewed any deposits during the Financial Year 2015-16 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. However trading of shares of the Company is suspended on the exchange(s).

## Corporate Governance

Corporate Governance is all about ethical conduct, openness, integrity and accountability of an enterprise. Good Corporate Governance involves a commitment of the Company to run the business in a legal, ethical and transparent manner and runs from the top and permeates throughout the organization. It involves a set of relationships between a company's management, its Board, shareholders and Stakeholders. It is a key element in improving the economic efficiency of the enterprise. Credibility offered by Corporate Governance helps in improving the confidence of the investors – both domestic and foreign, and establishing productive and lasting business relationship with all stakeholders.

At Mesco Corporate Governance is more a way of business life than a mere legal obligation. Strong governance practices of the Company have been rewarded in terms of improved share valuations, stakeholder's confidence, improved market capitalization, credit ratings, etc.

A certificate from Auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the Listing Regulations is attached in the Corporate Governance Report and forms part of this report.

Certificate of the CEO/CFO, *inter-alia*, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the internal control measures and reporting of matters to the auditors and the Audit committee in terms of Regulation 17 of the Listing Regulations is attached in the Corporate Governance report, and forms part of this report.

## Changes in Directors and Key Managerial Personnel

During the year under review, Mrs. Rita Singh was resigned from the Board of Directors w.e.f. 26<sup>th</sup> May, 2015. Mrs. Vijaya Batth was appointed as Additional Director (Woman Director) on the Board w.e.f. 1<sup>st</sup> October, 2015 and she also resigned from the Board w.e.f. 2<sup>nd</sup> July, 2016.

During the year under review, Mr. N.S. Parameswaran was appointed as Managing Director of the Company in the Annual General Meeting held on 30<sup>th</sup> September, 2015. Mr. Sandeep Nunwal appointed as Company Secretary of the Company w.e.f. 13<sup>th</sup> May, 2015, who was relieved from the Post of Company Secretary w.e.f. 16<sup>th</sup> September, 2015. Further Mr. Pawan Sharma is appointed as Company Secretary w.e.f. 15<sup>th</sup> March, 2016.

With effect from 19<sup>th</sup> April, 2016, Mr. Rajeev Moudgil and Mr. Subhash Chander Seth and from 2<sup>nd</sup> July, 2016 Mrs. Savita Sethi were appointed as Additional Director by the Board.

The Company has also received a notice in writing from a member proposing the candidature of Mr. Rajeev Moudgil, Mr. Subhash Chander Seth and Mrs. Savita Sethi for the office of Director along with a deposit of Rupees one lakh. They will not be subject to retirement by rotation.

A brief resume of the Directors proposed to be re-appointed, the nature of their expertise in specific functional areas, disclosure of relationships between Directors inter-se, names of companies in which they have held directorships, committee memberships/ chairmanships, their shareholding etc., are annexed to the notice of the ensuing AGM. The Directors recommend their re-appointment at the ensuing AGM.

Pursuant to the provisions under Section 134(3)(d) of the Companies Act, 2013, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Act, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of independence as provided in the said Section 149(6).

### **Retire by Rotation of Director**

Pursuant to Sections 149, 152 of the Act Mr. N.S. Parameswaran, Director 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.

### **Policy on Directors appointment and Policy on remuneration**

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 the policy on remuneration of Directors, KMP and other employees is attached as **Annexure-1** respectively, which forms part of this report.

### **Particulars of remuneration of Directors/ KMP/Employees**

There are no employees who are in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below: Not Applicable as at present Company is not paying any remuneration to the Managing Director of the company

### **Number of Meetings of the Board**

During the Financial Year 2015-16, 9 (Nine) meetings of the Board were held. For details, kindly refer the Corporate Governance Report forming part of this annual report

### **Performance Evaluation of the Board, its Committees and Individual Directors**

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.

A structured questionnaire has been prepared, covering various aspects of the functioning of the Board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board`s focus, regulatory compliances and Corporate Governance, etc. Similarly, for evaluation of Individual Director`s performance, the questionnaire covers various aspects like his/her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc.

Board members had submitted their response on a scale of 5 (excellent) – 1 (poor) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members, including Chairman of the Board.

### **Composition of Audit Committee**

As on 31<sup>st</sup> March, 2016, the Audit Committee of the Company comprises the following directors:

Mr. Jitendra Kumar Singh–Chairman (Non-executive and Promoter Director)

Mr. N.S. Parameswaran -Member (Executive and Professional Director)

Mr. D.K. Singh- Member (Non-executive and Promoter Director)

Further, all recommendations of Audit Committee were accepted by the Board of Directors.

### **Statutory Auditors and their Report**

The Auditors, M/s Naresh Dhawan & Co., Chartered Accountants were appointed with your approval at the 28<sup>th</sup> AGM to hold such office till the conclusion of the 31<sup>st</sup> AGM. The Board, in terms of Section 139 of the Act, on the recommendation of the Audit Committee, has recommended for the ratification of the Members the appointment of M/s Naresh Dhawan & Co from the conclusion of the ensuing AGM till the conclusion of the 31<sup>st</sup>AGM.

The Board, in terms of Section 142 of the Act, on the recommendation of the Audit Committee, has also recommended for the approval of the Members the remuneration of M/s Naresh Dhawan & Co. for the financial year 2016-17.

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, Cost Audit is not applicable on the company during the year 2015-16.

### **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, 2016. 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.

The responses of your Directors on the observations made by the Secretarial Auditor are as follows:-

Response to Point No. 1

*Due to possession of the Factory Premises at Dehradun by the Uttar Pradesh Financial Corporation (UPFC), the operational activities of the Company has standstill since February 1998, so the company is not in the position of providing e-voting facility to its members.*

Response to Point No. 2

*During the year under review, company has not found any suitable person to appoint as Independent Director. However Board vide its meeting held on 19<sup>th</sup> April, 2016 has appointed Mr. Rajeev Moudgil and Mr. Subhash Chander Seth and vide its meeting held on 2<sup>nd</sup> July, 2016 appointed Mrs. Savita Sethi as Independent directors.*

Response to Point No. 3

*The Company is already in the process of revocation of suspension on BSE by complying SEBI (Listing Obligations and Disclosure Requirements), 2015*

### **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 judgements 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.

### **Corporate Social Responsibility (CSR)**

The Company does not come under the preview of Section 135 of the Companies Act, 2013 in relation to Corporate Social Responsibility for the financial year 2015-16.

### **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**

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company 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.

The Company has a well-placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's IFC system also comprises due compliances with Company's policies and Standard Operating Procedures (SOP's) and audit and compliance by in-house Internal Audit Division, supplemented by internal audit checks from M/s S. Agarwal & Co., the Internal Auditors and various transaction auditors. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

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**

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Internal Audit Department facilitates the execution of Risk Management Practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. Through this programme, each Function and Unit addresses opportunities and risks through a comprehensive approach aligned to the Company's objectives. 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.

Sustainability is embedded in the Corporate Enterprise Risk Management programme, which gives an opportunity to Increase the effectiveness of risk management practices and for improving business efficiency. The Company's social and environmental policies correlate strongly with the risk management strategy and ultimately the financial performance.

This risk management process, which is facilitated by internal audit, covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlights risks associated with chosen strategies. The current risk slate and the comprehensive risk policy have been further redefined during the year. The major risks forming part of the Enterprise Risk Management process are linked to the audit universe and are covered as part of the annual risk based audit plan.

## **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, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, colour, 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.

## **Extract of Annual Return**

Extract of Annual Return of the Company is annexed herewith as **Annexure 3** to this Report.

## **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 Note no. 20 of 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.

## **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**

**Jitendra Kumar Singh**  
**DIN: 00090649**  
**Director**  
**D-3A, Ansal Villa, Satbari,**  
**New Delhi-**  
**110 030**

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

**Date: 13<sup>th</sup> August, 2016**  
**Place: New Delhi**

## **Encl:**

1. Company's Policy on Directors' appointment and remuneration-**Annexure-1**
2. Secretarial Audit Report-**Annexure-2**
3. Extract of Annual Return in MGT-9-**Annexure-3**

## **Annexure 1**

### **Company's Policy on Directors' appointment and remuneration**

Our policy on the appointment and remuneration of directors and key managerial personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The nomination and remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act and Clause 49(VI)(B)4) of the Listing Agreement. The policy is also available on our website [www.mescosteel.in/mpl-invs.php](http://www.mescosteel.in/mpl-invs.php).

### **NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

#### **Definitions:**

**"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

**"Key Managerial Personnel"** means:

- (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- (ii) Chief Financial Officer;
- (iii) Company Secretary; and
- (iv) Such other officer as may be prescribed.

**"Senior Managerial Personnel"** mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

#### **Objective:**

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### **Role of the Committee:**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.

- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

#### **TERM / TENURE**

##### **a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

#### **EVALUATION**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

#### **REMOVAL**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

## **RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

### **1) Remuneration to Managing Director / Whole-time Directors:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director/ Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

### **2) Remuneration to Non- Executive / Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive/Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i. The Services are rendered by such Director in his capacity as the professional; and
  - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

### **3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.



- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>  
MARCH, 2016

*[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, 2016 (“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, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. 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.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - 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, 1992.

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
  - f) 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;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- vi. 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:

- i. Secretarial Standards SS-1 and SS-2 issued by The Institute of Company Secretaries of India
- ii. SEBI (Listing Obligations and Disclosure Regulations), 2015.

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

- 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. The Company has not appointed Independent Director(s) in the Board. Consequently, the composition of the Board and the committees is not fulfilling the provisions of Companies Act 2013 and rules made thereunder and SEBI (LODR) Regulations, 2015.
- iii. At present the company is suspended on BSE.

**I further report that**

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.

**Sd/-**  
**Robinderpal Singh Batth**  
Practicing Company Secretary  
CP No. 3836

Date :- 13<sup>th</sup> August, 2016  
Place :- Odisha

## Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR  
ENDED ON **31/03/2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

<b>i.</b>	CIN	<b>L24111UR1986PLC015895</b>
<b>ii.</b>	Registration Date	<b>12/08/1986</b>
<b>iii.</b>	Name of the Company	<b>Mesco Pharmaceuticals Limited</b>
<b>iv.</b>	Category/Sub-Category of the Company	<b>Public/ Limited by Shares</b>
<b>v.</b>	Address of the Registered office and contact details	Upper Kesalton, Tallital, Nainital-263 001 Uttarakhand Phone No. 09871862796
<b>vi.</b>	Whether listed company	<b>Yes</b>
<b>vii.</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Skyline Financial Services Private Limited Registered office: D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020 Phone No. – 011-26812682-83</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
<b>No Business done by the Company during the year under review</b>			

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
<b>NOT APPLICABLE</b>					

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>		.							
a) Individual/ HUF	0	1024400	1024400	5.04	0	1222400	1222400	6.02	0.98
b) Central Govt	0	0	0	0	0	0	0	0	-
c) State Govt(s)	0	0	0	0	0	0	0	0	-
d) Bodies Corp	0	6961700	6961700	34.26	0	6763700	6763700	33.28	(0.98)
e) Banks / FI	0	0	0	0	0	0	0	0	-
f) Any Other	0	0	0	0	0	0	0	0	-
<b>Sub-total(A)(1):-</b>	<b>0</b>	<b>7986100</b>	<b>7986100</b>	<b>39.30</b>	<b>0</b>	<b>7986100</b>	<b>7986100</b>	<b>39.30</b>	<b>-</b>
<b>2) Foreign</b>									
g) NRIs- Individuals	0	0	0	0	0	0	0	0	-
h) Other- Individuals	0	0	0	0	0	0	0	0	-
i) Bodies Corp.	0	0	0	0	0	0	0	0	-
j) Banks / FI	0	0	0	0	0	0	0	0	-
k) Any Other....	0	0	0	0	0	0	0	0	-
<b>Sub-total(A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>0</b>	<b>7986100</b>	<b>7986100</b>	<b>39.30</b>	<b>0</b>	<b>7986100</b>	<b>7986100</b>	<b>39.30</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	0	0	0	0	0	0	0	0	
a) Mutual Funds	0	0	0	0	0	0	0	0	-
b) Banks / FI	0	500	500	0	0	500	500	0	-
c) Central Govt.	0	0	0	0	0	0	0	0	-
d) State Govt.(s)	0	0	0	0	0	0	0	0	-
e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	-
g) FIIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture	0	0	0	0	0	0	0	0	-

Capital Funds									
i) Others (specify)	0	0	0	0	0	0	0	0	-
<b>Sub-total(B)(1)</b>	<b>0</b>	<b>500</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>500</b>	<b>0</b>	<b>-</b>
<b>2. Non Institutions</b>									
a) Bodies Corp. (i) Indian (ii) Overseas	0	513182	513182	2.53	0	513182	513182	2.53	-
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	10249603	10249603	50.44	0	10249803	10249803	50.44	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	120800	1,20800	0.59	0	120800	1,20,800	0.59	-
c) Others (Specify) NRI	0	1448515	1448515	7.13	0	1448315	1448315	7.13	-
d) Others (Specify) OCBs	0	1900	1900	0.01	0	1900	1900	0.01	-
<b>Sub-total(B)(2)</b>	<b>0</b>	<b>12334000</b>	<b>12334000</b>	<b>60.70</b>	<b>0</b>	<b>12334000</b>	<b>12334000</b>	<b>60.70</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>0</b>	<b>12334500</b>	<b>12334500</b>	<b>60.70</b>	<b>0</b>	<b>12334500</b>	<b>12334500</b>	<b>60.70</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>20320600</b>	<b>20320600</b>	<b>100</b>	<b>0</b>	<b>20320600</b>	<b>20320600</b>	<b>100</b>	<b>-</b>

## ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Ashoka Kumari	30000	0.15	-	30000	0.15	-	-
2.	Kusum Singh	30000	0.15	-	30000	0.15	-	-
3.	Gunjan Munjal	32000	0.16	-	0	0	-	(0.16)
4.	Shipra Singh	47000	0.23	-	47000	0.23	-	-
5.	Chitra Singh	50000	0.25	-	50000	0.25	-	-
6.	Natasha Singh	77800	0.38	-	307800	1.52	-	1.14
7.	D.K. Singh	87100	0.43	-	87100	0.43	-	-
8.	D.K. Singh (HUF)	97500	0.48	-	97500	0.48	-	-

9.	Rita Singh	171000	0.84	-	171000	0.84	-	-
10.	J.K. Singh	192000	0.94	-	192000	0.94	-	-
11.	J.K. Singh (HUF)	210000	1.03	-	210000	1.03	-	-
12.	Twenty First Century Finance Ltd	6763700	33.28	-	6763700	33.28	-	-
13.	Mesco Exports Ltd	30000	0.15	-	0	0	-	(0.15)
14.	Mideast (India) Ltd	168000	0.83	-	0	0	-	(0.83)
	<b>Total</b>	<b>7986100</b>	<b>39.30</b>	<b>-</b>	<b>7986100</b>	<b>39.30</b>	<b>-</b>	<b>-</b>

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no	Shareholder's Name	Shareholding at the beginning of the year		Transaction Details			Cumulative Shareholding during the year		Reason
		No. of Shares	% of total Shares of the Company	Sale	Purchase	Date	No. of Shares	% of total Shares of the Company	
1.	Ashoka Kumari	30000	0.15	-	-	-	30000	0.15	No Change
2.	Kusum Singh	30000	0.15	-	-	-	30000	0.15	No Change
3.	Gunjan Munjal	32000	0.16	32000	-	01-12-2015	0	0	Share Purchase Agreement
4.	Shipra Singh	47000	0.23	-	-	-	47000	0.23	No Change
5.	Chitra Singh	50000	0.25	-	-	-	50000	0.25	No Change
6.	Natasha Singh	77800	0.38	-	32000	01-12-2015	109800	0.54	Share Purchase Agreement
					30000	07-12-2015	139800	0.69	Share Purchase Agreement
					168000	24-12-2015	307800	1.51	Share Purchase Agreement
7.	D.K. Singh	87100	0.43	-	-	-	87100	0.43	No Change
8.	D.K. Singh (HUF)	97500	0.48	-	-	-	97500	0.48	No Change
9.	Rita Singh	171000	0.84	-	-	-	171000	0.84	No Change
10.	J.K. Singh	192000	0.94	-	-	-	192000	0.94	No Change
11.	J.K. Singh (HUF)	210000	1.03	-	-	-	210000	1.03	No Change
12.	Twenty First Century Finance Ltd	6763700	33.28	-	-	-	6763700	33.28	No Change
13.	Mesco Exports Ltd	30000	0.15	30000	-	07-12-2015	0	0	Share Purchase Agreement
14.	Mideast (India) Ltd	<b>168000</b>	<b>0.83</b>	168000	-	24-12-2015	<b>0</b>	<b>0</b>	Share Purchase Agreement
	<b>Total</b>	<b>7986100</b>	<b>39.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7986100</b>	<b>39.30</b>	

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs):**

Sr. no	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Radico Khaitan Finance Ltd	285700	1.41	285700	1.41
2.	Bank of India A/c BOI Mutual Fund	181600	0.89	181600	0.89
3.	T.S. Dhillon	30600	0.15	30600	0.15
4.	Deepak Singh	27400	0.13	27400	0.13
5.	Poonam Singh	27300	0.13	27300	0.13
6.	Kailash Khandelwal	14300	0.07	14300	0.07
7.	Ashok P Nanavati	12400	0.06	12400	0.06
8.	Om Prakash	10600	0.05	10600	0.05
9.	Mohanlal Daga	10600	0.05	10600	0.05
10	Om Prakash	9600	0.05	9600	0.05

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. no	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Rita Singh*	171000	0.84	171000	0.84
2.	J.K. Singh	192000	0.94	192000	0.94
3.	D.K. Singh	87100	0.43	87100	0.43

\* Mrs. Rita Singh, resigned from the Board w.e.f. 26.05.2015



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Amount (in Rs.)
				Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	11,18,15,143	-	11,18,15,143
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
<b>Total(i+ii+iii)</b>		<b>11,18,15,143</b>		<b>11,18,15,143</b>
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	(78,77,165)	-	(78,77,165)
<b>Net Change</b>	-	<b>(78,77,165)</b>	-	<b>(78,77,165)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	-	10,39,37,978	-	10,39,37,978
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>10,39,37,978</b>	-	<b>10,39,37,978</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration of KMP

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. N.S. Parameswaran*	Mr. Sandeep Nunwal**	Mr. Pawan Sharma***	Mr. Santosh Kumar Jha	
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.	Commission - as % of profit -others specify...	NIL	NIL	NIL	NIL	NIL
5.	Others please specify	NIL	NIL	NIL	NIL	NIL
6.	Total	NIL	NIL	NIL	NIL	NIL

\*Mr. N.S. Parameswaran appointed as Managing Director of the Company w.e.f. 30.09.2015.

\*\*Mr. Sandeep Nunwal has been appointed as Company Secretary of the Company w.e.f. 13<sup>th</sup> May, 2015 and also resigned w.e.f. 16<sup>th</sup> September, 2015.

\*\*\*Mr. Pawan Sharma has been appointed as Company Secretary of the Company w.e.f. 15<sup>th</sup> March, 2016.

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. J.K. Singh	Mrs. Rita Singh*	Mrs. Vijaya Bath	
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	NIL	NIL	NIL	NIL
	Total(1)	NIL	NIL	NIL	NIL
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	NIL	NIL	NIL	NIL
	Total(2)	NIL	NIL	NIL	NIL
	Total(B)=(1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act		Not Applicable		

\* Mrs. Rita Singh, resigned from the Board w.e.f. 26.05.2015

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>B. Directors</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>C. Other Officers In Default</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

## **Management Discussion and Analysis Report**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **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.

#### **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 subdued 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, 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.

#### **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, factories 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.

## REPORT ON CORPORATE GOVERNANCE

Corporate Governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled so as to fulfill its goal and objectives in a manner that adds to the value of the company and benefit to all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the Board of Directors, management, shareholders to customers, suppliers, financiers, employees and society at large. Strong and improved Corporate Governance practices are indispensable in today's competitive world and complex economy.

Mesco Pharmaceuticals Limited looks at Corporate Governance requirements as an integral part of business strategy which contributes to business growth in ethical perspective. Besides complying with the prescribed Corporate Governance Practices as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), the Company has voluntarily adopted various practices of governance in terms of highest ethical and responsible standard of business, globally bench marked.

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

Our Company's philosophy on Corporate Governance envisages attainment of highest levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers and the communities in which we operate. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

### 2. BOARD OF DIRECTORS

The Board consists of total Four (4) directors on 31<sup>st</sup> March 2016. Mr. Nurani Shankar Parameswaran (DIN: 00091097) is the Managing Director, Mr. Jitendra Kumar Singh (DIN:00090649) and Mr. Dushyant Kumar Singh (DIN:00091193) are other two non-executive Promoter Director and Mrs. Vijaya Batth (DIN: 07138528) is non-executive Professional 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 the companies in which he is a Director.

Following is the list of Directors and other details as on 31<sup>st</sup> March, 2016:

Name of the Director & Designation	Category	No. of positions held in other Public Companies <sup>1</sup>		
		Board	Committee	
			Members-hip	Chairm-anship
Mr. N.S. Parameswaran Managing Director	Professional & Executive	1	Nil	Nil
Mr. Jitendra Kumar Singh Director	Promoter & Non-Executive	9	3	Nil
Mr. Dushyant Kumar Singh Director	Promoter & Non-Executive	8	1	2
Mrs. Vijaya Batth <sup>2</sup> Additional Director	Professional & Non-Executive	Nil	Nil	Nil

<sup>1</sup>Excludes directorships in Associations, Private, Foreign and Section 25 companies.

<sup>2</sup> Mrs. Vijaya Batth appointed as Additional Director w.e.f. 01.10.2015.

During the year 2015-16, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

## Directors' Attendance Record

During the Financial Year 2015-16, (9) Nine meetings of the Board of Directors were held on 14<sup>th</sup> May, 2015, 26<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 4<sup>th</sup> September, 2015, 1<sup>st</sup> October, 2015, 21<sup>st</sup> October, 2015, 14<sup>th</sup> November, 2015, 13<sup>th</sup> February, 2016 & 21<sup>st</sup> March, 2016. 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 Regulation 17 of the Listing Regulations and Secretarial Standard.

The necessary quorum was present for all the meetings.

Details of attendance of Directors in the Board meeting during the financial year 2015-16 are as under:

Name of the Director	No. of Board Meeting Held	No. of Board Meeting Attended	Whether attended Last AGM
Mr. N.S. Parameswaran	9	9	Yes
Mr. D.K. Singh	9	9	Yes
Mr. J.K. Singh	9	9	No
Mrs. Rita Singh*	9	1	No
Mrs. Vijaya Batth#	9	-	No

\* Mrs. Rita Singh resigned from the Board w.e.f. 14.05.2015

# Mrs. Vijaya Batth appointed as Director w.e.f. 01.10.2015

### 3. COMMITTEES OF BOARD OF DIRECTORS

**Mesco Pharmaceuticals Ltd has Three Board level Committees as on 31<sup>st</sup> March, 2016:**

- 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.

The Audit Committee shall have the authority to investigate into any matter that may be prescribed and the matters listed below and for this purpose the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary:

- 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. Any other matter that may be delegated by the Board from time to time.

#### Composition

As on 31<sup>st</sup> March, 2016 the Audit Committee of the Company comprises of two Non-Executive and one Promoter Director i.e. Mr Jitendra Kumar Singh – as Chairman; Mr Dushyant Kumar Singh and Mr. Nurani Shankar Parameswaran as the Members of the Committee.

## Meetings & Attendance

The Committee met four (4) times during the Financial Year 2015-2016 on the following dates: 14<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 14<sup>th</sup> November, 2015 & 13<sup>th</sup> February, 2016. Details of attendance of Directors in the Audit Committee meeting are as under:

Name of the Director	Category	Attendance at the Audit Committee Meeting
Mr Jitendra Kumar Singh Chairman	Non-Executive Promoter Director	4
Mr Dushyant Kumar Singh Member	Non-Executive Promoter Director	4
Mr N.S. Parameswaran Member	Executive Professional Director	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, 2016 it comprises of two Non-Executive and one Promoter Director i.e. Mr. Jitendra Kumar Singh – as Chairman; Mr. Dushyant Kumar Singh and Mr. N.S. Parameswaran as the Members of the Committee.

### Meetings & Attendance

The Committee met three (3) times during the Financial Year 2015-2016 on the following dates: 26<sup>th</sup> May, 2015, 14<sup>th</sup> November 2015 & 21<sup>st</sup> March, 2016. Details of attendance of Directors in the Audit Committee meeting are as under:

Name of the Director	Category	Attendance at the Meeting
Mr Jitendra Kumar Singh Chairman	Non-Executive Promoter Director	3
Mr Dushyant Kumar Singh Member	Non-Executive Promoter Director	3
Mr N.S. Parameswaran Member	Executive Professional Director	3

### Remuneration Policy of the Company

The remuneration policy of the Company is directed towards rewarding performance. The Managing Director and the Whole Time Director of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 2013. Directors are also entitled for the sitting fee for attending Board/ Committee Meeting except the Managing Director and Whole Time Director. However, all the Non-executive Directors of the Company have waived the sitting fee payable to them for attending Board/ Committee Meeting of the Company.

### Details of the Directors' Remuneration for the financial year ended 31<sup>st</sup> March, 2016

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	Nil	Nil	Nil	Nil	Nil
Mr. Jitendra Kumar Singh	Nil	Nil	Nil	Nil	192000 (0.94)

Mr. Dushyant Kumar Singh	Nil	Nil	Nil	Nil	87100 (0.43)
Mrs. Rita Singh	Nil	Nil	Nil	Nil	171000 (0.84)
Mrs. Vijaya Batth	Nil	Nil	Nil	Nil	Nil

### 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, 2016, Committee comprises of two Non-Executive and one Promoter Director i.e. Mr Jitendra Kumar Singh – as Chairman; Mr Dushyant Kumar Singh and Mr N.S. Parameswaran as the Members of the Committee.

The committee met 3 (Three) times during the year on 14<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015 & 13<sup>th</sup> February, 2016.

Name of the Director	Category	Attendance at the Meeting
Mr Jitendra Kumar Singh Chairman	Non-Executive Promoter Director	3
Mr Dushyant Kumar Singh Member	Non-Executive Promoter Director	3
Mr N.S. Parameswaran Member	Executive Professional Director	3

#### Investor Grievance Redressal

During the year, the Company received 2 (Two) complaints from the shareholders. All the complaints were resolved. There were no pending complaints from any shareholder as on 31<sup>st</sup> March 2016.

### 4. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time	Special Resolution
2014-15	271, Nashvilla Road, Dehradun-248 001, Uttarakhand	30 <sup>th</sup> September, 2015	10.00 A.M.	Appointment of Mr. N.S. Parameswaran as Managing Director of the Company
2013-14	Old Grove, Middle China Mall, Birla Road, Tallital, Nainital-263 001, Uttarakhand	27 <sup>th</sup> September, 2014	10.00 A.M.	No Special Resolution passed
2012-13	271, Nashvilla Road, Dehradun-248 001, Uttarakhand	27 <sup>th</sup> September, 2013	10.00 A.M.	No Special Resolution passed

The Extra-Ordinary General Meetings during the financial year 2015-16 were held as under:

Year	Venue	Date	Time	Special Resolution
2015-16	Mohabewalan Industrial Area, State Bank Road, Dehradun-248001 Uttarakhand	24 <sup>th</sup> November, 2015	11.00 A.M.	Shifting of Registered Office from Mohabewalan Industrial Area, State Bank Road, Dehradun to Upper Kesalton, Tallital, Nainital, Uttarakhand

b) No special resolution is proposed to be conducted through postal ballot at the AGM to be held on September 30, 2016

### Postal Ballot

During previous year ended 31<sup>st</sup> March, 2015 no resolution was passed through postal ballot. During financial year ended 31<sup>st</sup> March, 2016, 1 (One) Special Resolutions were passed through Postal Ballot procedures on 24<sup>th</sup> November, 2015. The details of voting pattern in respect of all these Special Resolutions are mentioned below:

Sr. No.	Particulars	No. of Postal Ballot forms	No. of shares	% to the total shares representing valid votes
(a)	Total postal ballot forms received	32	8048100	
	Total E-voting options received	-	-	
	<b>Total (1+2)</b>	<b>32</b>	<b>8048100</b>	
(b)	Less: Invalid postal ballot Forms	-	-	
(c)	Net valid postal Ballot Forms	32	8048100	
	Net E-voting options	-	-	
	<b>Total (1+2)</b>	<b>32</b>	<b>8048100</b>	<b>100%</b>
(d)	postal ballot forms with assent for the resolution	29	8047800	
	E-voting options with assent for the resolution			
	<b>Total (1+2)</b>	<b>29</b>	<b>8047800</b>	<b>99.99%</b>
(e)	1. postal ballot forms with dissent for the resolution	3	300	
	2. E-voting options with dissent for the resolution.	-	-	
	<b>Total (1+2)</b>	<b>3</b>	<b>300</b>	<b>0.02</b>
(f)	Postal ballot forms with not voted for / against the resolution.	-	-	

## 5. MEANS OF COMMUNICATION

- a) The Company's quarterly results are displayed on its website ([www.mescosteel.in/mpl-invs.php](http://www.mescosteel.in/mpl-invs.php))
- b) **Website:** The Company's website ([www.mescosteel.in/mpl-invs.php](http://www.mescosteel.in/mpl-invs.php).) contains a separate dedicated section 'Investor Relations' where shareholders' information is available.

## 6. GENERAL SHAREHOLDERS INFORMATION

### i) Annual General Meeting

Day & Date	Time	Venue
Friday, September 30, 2016	11.30 A.M.	Hotel Coronation, Opposite Nainital club, (near high court), Mallital, Nainital-263 001, Uttarakhand

### ii) Financial Calendar

Events	Tentative time frame
Financial Reporting for the first quarter ended 30 <sup>th</sup> June, 2016	On 13 <sup>th</sup> August, 2016 (actual)
Financial Reporting for the second quarter ending 30 <sup>th</sup> September, 2016	On or before 14 <sup>th</sup> November 2016
Financial Reporting for the third quarter ending 31 <sup>st</sup> December, 2016	On or before By 14 <sup>th</sup> January 2017
Financial Reporting for the fourth quarter ending 31 <sup>st</sup> March, 2017	On or before 30 <sup>th</sup> May 2017 (Audited)



- iii) **Dividend Payment Date:** Not applicable
- iv) **Listing on Stock Exchanges:** The Shares of the Company is listed on the Bombay Stock Exchange (BSE), Calcutta Stock Exchange & Ahmedabad Stock Exchange.
- v) **Stock Code/ Symbol:** 500274 at the Bombay Stock Exchange.
- vi) **Market Price Data:** No Market Price is available as the trading of the company is suspended.
- vii) **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 (10 Lines)
Fax No.	Fax: 011-64732681
E mail	admin@skylinerta.com

viii) **Distribution of Shareholding as on 31<sup>st</sup> March 2016:**

No. of Equity Share held	No. of Equity Shareholders	% of Equity Shareholders	Total No. of Equity Shares held	% of Equity Shareholding
<b>Up to 500</b>	38045	93.17	90805760	44.69
501   1000	2224	5.45	15718060	7.74
1001   2000	399	0.98	5710220	2.81
2001   3000	81	0.2	2042360	1.01
3001   4000	25	0.06	885000	0.44
4001   5000	15	0.04	710100	0.35
5001   10000	21	0.05	1468500	0.72
10000 and Above	20	0.05	85866000	42.26
<b>Total</b>	<b>40830</b>	<b>100</b>	<b>203206000</b>	<b>100</b>

**CATEGORY-WISE SUMMARY OF SHAREHOLDING AS ON 31<sup>ST</sup>MARCH, 2016**

Category	No of Shares	% of Holding
<b>Promoters Shareholding</b>	7986100	39.30
<b>Non-promoters holding</b>		
Mutual funds and UTI	0	0.00
Banks, Financial Institutions, Insurance Companies, Clearing Member	500	0.00
Overseas Corporate Bodies	1900	0.01
Foreign Venture Capital Investor/FII	0	0.00
Bodies Corporate	513182	2.53
India Public	10370603	51.03
Non-resident Indians	1448315	7.13
Trusts	0	0.00
Others	0	0
<b>Grand Total</b>	<b>20320600</b>	<b>100</b>

- ix) **Dematerialization of shares and liquidity:** As on 31<sup>st</sup> March 2016 none of the Company's equity paid-up capital had been dematerialized.
- x) There are no outstanding GDRs/ ADRs/ Warrants or any Convertible other Instruments as on the date.

- xi) 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:

**Investor Relation Centre**  
Mesco Pharmaceuticals Ltd  
Upper Kesalton, Tallital,  
Nainital-263 001, Uttarakhand  
Phone: 09871862796  
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 Point no. 20 of 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 <http://www.mescosteel.in/mpl-invs.php>. Web link for the same is <http://www.mescosteel.in/mpl-invs.php?page=investor&&tab=governance>

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

At present the company is suspended on Bombay Stock Exchange due to non-compliance of listing agreements. However company is in the process of complying with the same in letter and spirit.

### **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 Listing Regulations 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 the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **e) Commodity Price Risk / Foreign Exchange Risk and Hedging Activities**

Your Company has a robust framework and governance mechanism in place to ensure that the organization is adequately protected from the market volatility in terms of price and availability based on procurement team's monitoring and intelligence, forecasts of commodity prices and movements. A robust planning and strategy ensure the Company's interests are protected despite volatility in commodity prices. Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with the policies of the Company. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitment. The Company does not enter into any derivate instruments for trading or speculative purposes.

### **f) 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 complete Annual Report is sent to every Shareholder of the Company. Company at present is not sending quarterly/half-yearly reports to shareholders at their household.

**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 on their observations if any on a quarterly basis.

**g) 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, 2016 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 except to the extent of appoint of Independent Director. However Board vide its meeting held on 19<sup>th</sup> April, 2016 has appointed Mr. Rajeev Moudgil and Mr. Subhash Chander Seth and vide its meeting held on 2<sup>nd</sup> July, 2016 appointed Mrs. Savita Sethi as Independent directors.

**Annual Compliance with the Code of Conduct for the Financial Year 2015-16**

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, 2016 from all the Board Members and Senior Management Personnel.

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

**Date: 13<sup>th</sup> August, 2016**  
**Place: New Delhi**

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

**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 2016 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 are 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 :13<sup>th</sup> August, 2016**  
**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 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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 provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

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 **N. Dhawan & Co.**  
Chartered Accountants  
Firm Registration No.: 007095N

**Place: New Delhi**  
**Dated: 13<sup>th</sup> August, 2016**

**(Naresh Dhawan)**  
Proprietor  
M. No. : 85968

## **Independent Auditor's Report**

**To the Members of  
M/s MESCO PHARMACEUTICALS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of MESCO PHARMACEUTICALS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016, and its profit and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 appears from our examination of those books of accounts;
  - (c) There is no branch office of the company;
  - (d) The Balance sheet, the Profit and loss statement and Cash Flow Statement dealt with this report are in agreement with the books of account;
  - (e) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of sub-section (2) of section 164;
  - (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 B";
  - (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, 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, if any, of pending litigations as at 31st March, 2016 on its financial position in its 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.

**For N. Dhawan & Co.**  
**Chartered Accountants**  
**FRN: 007095N**

**Naresh Dhawan**  
**(Proprietor )**  
**Membership No. 085968**

**Place:-New Delhi**  
**Date: May 13, 2016**

## Annexure 'A'

### **The Annexure referred to in paragraph 1 of Our Report on “Other Legal and Regulatory Requirements”.**

We report that:

- (i) (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) The title deeds of immovable properties are held in the name of the company.
- (ii) The Company does not have any inventory, consequently clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) 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 (iii) of paragraph 3 of the Order is not applicable.
- (iv) 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 any deposits, consequently clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act;
- (vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales- tax, services tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and there are no arrears of outstanding statutory dues as on 31<sup>st</sup> of March, 2016 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 (viii) of paragraph 3 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 (ix) of Para 3 of the Order is not applicable to the Company.
- (x) 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) Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 Refer note no 18.
- (xii) The provisions of clause (xii) of the para 3 of the Order are not applicable to the company as the company is not a Nidhi Company.
- (xiii) 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; Refer Note No 20.
- (xiv) 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 xiv of Para 3 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 (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 and consequently clause (xvi) of Para 3 of Companies(Auditor's Report) Order is not applicable.

**For N. Dhawan & Co.**  
**Chartered Accountants**  
**FRN: 007095N**

**Naresh Dhawan**  
**(Proprietor )**  
**Membership No. 085968**

**Place:-New Delhi**  
**Date: May 13, 2016**

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

We have audited the internal financial controls over financial reporting of MESCO PHARMACEUTICALS LIMITED (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company’s management 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”) and the Standards on Auditing, issued by ICAI and deemed to be 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 and, both issued by the Institute of Chartered Accountants of India. 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 authorisations 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, 2016, 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 N. Dhawan & Co.**  
**Chartered Accountants**  
**FRN: 007095N**

**Naresh Dhawan**  
**(Proprietor )**  
**Membership No. 085968**

**Place:-New Delhi**  
**Date: May 13, 2016**

Mesco Pharmaceuticals Limited Balance Sheet as at 31st March, 2016				
	Particulars	Note no.	As at	As at
			31st March, 2016	31st March, 2015
			(Rs.)	(Rs.)
<b>I.</b>	<b>Equity and Liabilities</b>			
	<b>Shareholders' funds</b>			
	(a) Share Capital	2	197,381,000	197,381,000
	(b) Reserves and surplus	3	(298,968,828)	(299,176,994)
	<b>Non-Current Liabilities</b>			
	(a) Long-term borrowings	4	103,937,978	111,815,143
	<b>Current liabilities</b>			
	(a) Trade Payables	5	22,595	2,595
	(b) Short-term provisions	6	105,785	-
	<b>Total</b>		<b>2,478,529</b>	<b>10,021,743</b>
<b>II.</b>	<b>Assets</b>			
	<b>Non-current assets</b>			
	(a) Fixed assets	7		
	(i) Tangible assets		1,798,761	1,593,114
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(b) Non-current Investment	8	285,000	285,000
	(c) Long Term Loans and Advances	9	-	8,123,576
	<b>Current Assets</b>			
	(a) Trade receivables	10	-	-
	(b) Cash and cash equivalents	11	394,768	20,053
	(c) Short-term loans and advances	12	-	-
	(d) Other current assets		-	-
	<b>Total</b>		<b>2,478,529</b>	<b>10,021,743</b>
<b>III.</b>	<b>Notes forming part of the Financial Statements</b>	1-28		

As per our Audit Report of even date attached hereto  
For N. Dhawan & Co.  
Chartered Accountants  
Firm Registration No. 007095N

(Naresh Dhawan)  
Proprietor  
M. No. 85968

Place: Delhi  
Dated: May 13, 2016

For and on behalf of the board

(J.K. Singh) (N S Parameswaran)  
Director Managing Director  
DIN 00090649 DIN 00091097

(Pawan Sharma) (Santosh Kumar Jha)  
Company Secretary CFO

Mesco Pharmaceuticals Limited				
Statement of Profit and Loss for the year ended 31st March, 2016				
S.No.	Particulars	Note no.	For the year ended	For the year ended
			31st March, 2016	31st March, 2015
			(Rs.)	(Rs.)
I.	Revenue from operations		-	-
II.	Other income	13	375,000.00	-
III.	<b>Total Revenue (I+II)</b>		375,000.00	-
IV.	Expenses:			
	Employee benefits expense		21,344	-
	Finance Cost	14	-	2,052,736.00
	Other expenses	15	39,705	465,590,900
	<b>Total Expenses</b>		61,049	467,643,636
V.	<b>Profit before tax (III-IV)</b>		313,951	(467,643,636)
VI.	Tax expenses:			
	Current tax		105,785	-
	Earlier years		-	(6,277,609)
	Deferred tax		-	-
VII.	Profit/ (Loss) for the period (V-VI)		208,166	(461,366,027)
VIII.	<b>Earnings per Equity share:</b>			
	Basic & Diluted	22	0.01	(22.70)
IX.	<b>Notes forming part of the Financial Statements</b>	1-28		

As per our Audit Report of even date attached hereto

For N. Dhawan & Co.

Chartered Accountants

Firm Registration No. 007095N

(Naresh Dhawan)

Proprietor

M. No. 85968

Place: Delhi

Dated: May 13,2016

For and on behalf of the board

(J.K. Singh)

Director

DIN 00090649

(N S Parameswaran)

Managing Director

DIN 00091097

(Pawan Sharma)  
Company Secretary

(Santosh Kumar Jha)  
CFO

Mesco Pharmaceuticals Limited  
Cash Flow Statement for the year ended 31st March, 2016

Particulars	Note no.	For the year ended	For the year ended
		31st March, 2016	31st March, 2015
		(Rs.)	(Rs.)
<b>A. Cash Flow from Operating Activities</b>			
Net Profit (Loss) before Tax & extra ordinary Item		313,951	(467,643,636)
Adjustments for:			
Provision for Income tax reversal			
Amortisation and Write off		0	465,587,605
Operating profit before working capital changes		313,951	(2,056,031)
Working Capital changes:			
Trade receivables			-
Short term loans and advances			-
Short Term Provisions			
Trade payable		20,000	(126,400)
Other current assets		0	-
Cash generated from operations		333,951	(2,182,431)
Direct Taxes Paid		-	-
Net Cash from operating activities		333,951	(2,182,431)
<b>B. Cash Flow from Investing Activities</b>			
Change in Fixed Asset		(205,647)	
Loans & Advances			
Interest on deposits		-	-
Net Cash from investing activities		(205,647)	-
<b>C. Cash Flow from Financing Activities</b>			
Proceeds from issue of Share Capital		-	-
Payment to Borrowings		(7,877,165)	2,053,247
Proceeds from Loans and advances		8,123,576	
Net cash from financing activities		246,411	2,053,247
<b>Net change in cash &amp; cash equivalent (A+B+C)</b>		374,715	(129,184)
Cash & Cash equivalents opening balance		20,053	149,237
Cash & Cash equivalents closing balance	11	394,768	20,053
<b>Notes forming part of the Financial Statements</b>	1-28		

As per our Audit Report of even date attached hereto  
For N. Dhawan & Co.  
Chartered Accountants  
Firm Registration No. 007095N

(Naresh Dhawan)  
Proprietor  
M. No. 85968

Place: Delhi  
Dated: May 13, 2016

For and on behalf of the board

(J.K. Singh) (N S Parameswaran)  
Director Managing Director  
DIN 00090649 DIN 00091097

(Pawan Sharma) (Santosh Kumar Jha)  
Company Secretary CFO

## Mesco Pharmaceuticals Limited

### Notes forming Part of Accounts for the year ended 31<sup>st</sup> March 2016

#### 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 Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

**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 amortisation/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 Amortisation

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.

**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 capitalised 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.

Mesco Pharmaceuticals Limited

	As at 31st March, 2016 (Rs.)	As at 31st March, 2015 (Rs.)
<b>2) SHARE CAPITAL</b>		
<b>Authorised</b>		
i) 30000000 (Previous Year: 30000000) equity shares of Rs. 10/- each	300,000,000	300,000,000
	<u>300,000,000</u>	<u>300,000,000</u>
<b>Issued, Subscribed &amp; Paid up</b>		
20320600 (Previous Year: 20320600) equity shares of Rs. 10/- each fully paid up	203,206,000.00	203,206,000.00
Less: Allotment money in arrears- by others	<u>5,825,000.00</u>	<u>5,825,000.00</u>
	<u>197,381,000.00</u>	<u>197,381,000.00</u>

**A) Reconciliation of number of shares**

	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	in Rs.	No. of shares	in Rs.
<b>Equity Shares</b>				
Opening Balance	20320600	197,381,000	20,320,600	197,381,000
Changes during the year	-	-	-	-
Closing Balance	<u>20320600</u>	<u>197,381,000.00</u>	<u>20320600</u>	<u>197,381,000.00</u>

**B) Rights, preferences and restrictions attached to shares**

**Equity Shares**

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.

**C) Shareholders holding more than 5% of the ordinary shares in the company**

	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	%	No. of shares	%
<b>Equity Shares:</b>				
Twenty First Century Finance Ltd.	6763700	33.28	6763700	33.28

**3) 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	103,502,034
Add: Adjustment during the year	-	-
Closing Balance	<u>211,417,034</u>	<u>103,502,034</u>

**Debenture Redemption Reserve**

Opening Balance	-	107,915,000
Add: Adjustment during the year	-	-
Closing Balance	<u>-</u>	<u>107,915,000</u>

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

Opening Balance	(888,941,028)	(427,575,001)
Add: Profit/(Loss) during the year	<u>208,166</u>	<u>(461,366,027)</u>
Closing Balance	<u>(888,732,862)</u>	<u>(888,941,028)</u>
	<u>(298,968,828)</u>	<u>(299,176,994)</u>

<b>4) LONG TERM BORROWINGS</b>		
<b>Unsecured Loan</b>		
From Companies (related parties) (refer note no. 20)	103,937,978	111,815,143
	<b>103,937,978</b>	<b>111,815,143</b>
<b>5) TRADE PAYABLE</b>		
Trade payables	22,595	2,595
	<b>22,595</b>	<b>2,595</b>
<b>6) SHORT TERM PROVISIONS</b>		
Income tax	105,785	-
	<b>105,785</b>	<b>-</b>
<b>8) NON- CURRENT INVESTMENT</b>		
<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)		
<b>Unquoted</b>		
Dhana Pharmaceutical Private Limited		
5000 (5000) equity shares of Rs. 10 each fully paid up	-	-
	<b>285,000</b>	<b>285,000</b>
Aggregate amount of Quoted investments	285,000	285,000
Aggregate amount of Unquoted investments	-	-
<b>9) LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good)		
To Companies (related parties) (refer note no. 20)	-	8,123,576
	<b>-</b>	<b>8,123,576</b>
<b>10) TRADE RECEIVABLES</b>		
Trade Receivables	-	-
	<b>-</b>	<b>-</b>
<b>11) CASH AND CASH EQUIVALENTS</b>		
Balances with banks	379,567	4,852
Cash in hand	15,201	15,201
	<b>394,768</b>	<b>20,053</b>
<b>12) SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good)		
Deposits and Securities	-	-
Other Advances	-	-
	<b>-</b>	<b>-</b>
	<b>For the year</b>	<b>For the year</b>
	<b>ended 31st</b>	<b>ended 31st</b>
	<b>March, 2016</b>	<b>March, 2015</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
<b>13) OTHER INCOME</b>		
Misc. Income	375,000	-
	<b>375,000</b>	<b>-</b>
<b>14) FINANCE COST</b>		
Interest Charges	-	2,052,736
	<b>-</b>	<b>2,052,736</b>
<b>15) OTHER EXPENSES</b>		
Payment to Auditors as:		
a) Auditor	20,000	2,500
b) Others	-	-
Bank Charges	285	284
Printing & Stationary	-	-
Postage and Telegram	-	-
Legal & Professional	-	-
Rent, Rates and Taxes	19,420	512
Amortisation	-	465,587,604
	<b>39,705</b>	<b>465,590,900</b>

## 7) FIXED ASSETS

Description	GROSS BLOCK						DEPRECIATION/AMORTISATION					NET BLOCK	
	Total as at 01.04.2015	Addition/Adjustment during the year	Deductions/Adjustments during the year	Impairment/(reversal) during the year	Total as at 31.03.2016	Total as at 01.04.2015	Provided during the year	Amortisation during the year	Deductions/Adjustments during the year	Total as at 31.03.2016	Total as at 31.03.2016	Total as at 01.04.2015	
<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)	133,919	205,646			339,565	-	-	-	-	-	339,565	133,919	
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>	142,027,645	205,646	-	-	142,233,291	140,434,531	-	-	-	140,434,531	1,798,760	1,593,114	
Previous year	142,027,645	-	-	-	142,027,645	4,165,000	-	-	-	140,434,531	1,593,114	-	
<b>Intangible assets</b>													
<b>Total</b>	53,344,000	-	-	-	53,344,000	53,344,000	-	-	-	53,344,000	-	-	
Previous year	53,344,000	-	-	-	53,344,000	-	-	-	-	-	53,344,000	53,344,000	
<b>Capital work in Progress</b>													
<b>Total</b>	281,335,095	-	-	-	281,335,095	281,335,095	-	-	-	281,335,095	-	-	
Previous year	281,335,095	-	-	-	281,335,095	281,335,095	-	-	-	281,335,095	-	281,335,095	
<b>Grand Total</b>	476,706,740	205,646	-	-	476,912,386	475,113,626	-	-	-	475,113,626	1,798,760	1,593,114	

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

Particulars	31 <sup>st</sup> March'16	(Rs. In Laacs)
		31 <sup>st</sup> March'15
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

**17) 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.

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

Particulars	2015-16	(Rs.)
		2014-15
i) Remuneration to Directors	Nil	Nil

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

**20) Related Party transactions disclosure:**

a. Related parties:

Name	Relationship
Mr. J.K. Singh	Key Managerial Persons (KMP)
Mr. D.K. Singh	
Mr. Nurani Shankar Parameswaran	
Mr. Santosh Kumar Jha	
M/s Mesco Airlines 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:

Name	2015-16	2014-15	Nature	(Rs.)
				Relationship
M/s Mesco Logistics Ltd.	(6,25,29,129)	Nil	Net Loan taken/ (Repaid)	Entities in which KMP can exercise significant influence
M/s Mesco Steels Ltd.	5,46,61,964	20,53,248	Net Loan taken/ (Repaid)	
M/s Mesco Kalinga Steel Ltd.	(5,15,998)	Nil	Net Loan given/ (Repaid)	
M/s Mideast (India) Ltd.	(76,07,577)	Nil	Net Loan given/ (Repaid)	

c. Balances Outstanding:

(Rs.)

Name	2015-16	2014-15	Nature	Relationship
M/s Mesco Airlines Ltd.	37,88,360	37,88,360	Loan taken	Entities in which KMP can exercise significant influence
M/s Mesco Logistics Ltd.	Nil	6,25,39,129	Loan taken	
M/s Mesco Steels Ltd.	10,01,49,618	4,54,87,654	Loan taken	
M/s Mesco Kalinga Steel Ltd.	Nil	5,15,998	Loan given	
M/s Mideast (India) Ltd.	Nil	76,07,578	Loan given	

21) 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.

22) **Earnings per Share**

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

	2015-16	2014-15
Profit as per Statement of Profit & Loss	2,08,166	(46, 13, 66,027)
Net Profit/(Loss) attributable to Equity Shareholders – (A)	2,08,166	(46,13,66,027)
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	0.01	(22.70)

23) **Payment to Auditors:**

	2015-16	2014-15
(a) Statutory Audit Fee	20,000	2,500

24)

(Rs.)

a. **Expenditure in foreign currency:**

Particulars	2015-16	2014-15
Travelling	0	0
Technical Know How	0	0

b. **Earning in foreign currency (on accrual basis):**

Particulars	2015-16	2014-15
FOB Value of Export	0	0

c. **Value of Imports on CIF Basis:**

Particulars	2015-16	2014-15
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**  
During the year there were no operations in the company, therefore segment details are 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)** These financial statements have been prepared in the format prescribed by the Schedule III of the Companies Act, 2013. Previous year figures have been regrouped / recast whenever considered necessary to make these comparable with those of the current year.

For N Dhawan & Co.  
Chartered Accountants  
Firm Registration no.: 007095N

For and on behalf of the board

(Naresh Dhawan)  
Proprietor  
Membership No.: 85968

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

(N S Parameswaran)  
Managing Director  
DIN: 00091097

Place: Delhi  
Dated: May 13, 2016

(Pawan Sharma)  
Company Secretary

(Santosh Kumar Jha)  
CFO

**MESCO PHARMACEUTICALS LIMITED**

CIN: L24111UR1986PLC015895

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

E-mail: nsparameswaran@mescosteel.com, Tel No. 09871862796

**ATTENDANCE SLIP**

(To be presented at the entrance)

**30<sup>th</sup> Annual General Meeting of the Company held on Friday, 30<sup>th</sup> September, 2016 at 11:30 A.M. at Hotel Coronation, Opposite Nainital club, (near high court), Mallital, Nainital-263 001, Uttarakhand**

Folio No.	
No. of Shares	

Name of the Shareholder: .....

Address of the Shareholder: .....

.....

.....

I hereby record my presence at the **30<sup>th</sup> Annual General Meeting** of the Company held on Friday, 30<sup>th</sup> September, 2016 at 11:30 A.M. at Hotel Coronation, Opposite Nainital club, (near high court), Mallital, Nainital-263 001, Uttarakhand and at any adjournment thereof.

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

E-mail: nsparameswaran@mescosteel.com, Tel No. 09871862796

**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:	
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 30<sup>th</sup> **Annual General Meeting** of the Company held on Friday, 30<sup>th</sup> September, 2016 at 11:30 A.M. at Hotel Coronation, Opposite Nainital club, (near high court), Mallital, 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, 2016 together with the reports of the Board of Directors and Auditors thereon		
2.	To appoint director in the place of Mr. N.S. Parameswaran (DIN 00091097), Managing Director of the Company, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment		
3.	To ratify the appointment of Statutory Auditors of the Company.		
4.	Appointment of Mr. Rajeev Moudgil as Independent Director of Company		
5.	Appointment of Mr. Subhash Chander Seth as Independent Director of Company		
6.	Appointment of Mrs. Savita Sethi as Independent Director of Company		
7.	Authorisation to board u/s 180(1)(c) of the Companies Act, 2013		

<b>Affix Revenue Stamp of Re. 1</b>
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Signed this,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, day of ..... 2016

.....  
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 Standards-2 issued by ICSI is as under:

