

Mesco Pharmaceuticals Limited

29th Annual Report
2014-15

MESCO PHARMACEUTICALS LIMITED

Regd. Office: MOHABEWALAN INDUSTRIAL AREA, STATE BANK ROAD,
DEHRADUN, UTTARAKHAND-248001

CIN NO: L24111UR1986PLC015895 **EMAIL ID:** mescogroup@rediffmail.com **Tel:** 011-40587085

NOTICE

NOTICE is hereby given that the Twenty Ninth (29th) Annual General Meeting of the Members of Mesco Pharmaceuticals Limited will be held on Wednesday, the 30th day of September, 2015 at 10:00 A.M. at 271, Nashvillia Road, Dehradun-248001 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company as at 31st March 2015 including the Balance Sheet as at 31st March 2015, the Statement of Profit & Loss for the year ended on that date, and the Reports of the Auditor's and Directors' thereon.
2. To appoint a Director in place of Mr. Jitendra Kumar Singh (DIN: 00090649), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s N. Dhawan & Co., Chartered Accountants, (FRN-007095N), as an Auditor who were appointed as Auditor for 3 years in 28th AGM held on 27th day of September, 2014 and to pass the following resolution, with or without modification as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sec. 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, as amended from time to time, the appointment of M/s N. Dhawan & Co., Chartered Accountants, (Firm Registration Number-007095N), be and is hereby ratified by the members of the Company, as Statutory Auditors of the company to hold office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at such remuneration as shall be fixed by the Chairman/ Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such act(s), deed(s) and thing(s) as may be considered necessary, proper or expedient in order to give effect to the above resolution.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any amendment(s) or modification(s) thereof for the time being in force), (here in after referred as ‘Act’), Mr. N. S. Parameswaran (DIN: 00091097) who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting in terms of Sec. 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a member u/ Sec. 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT any of the Board of Directors be and is hereby authorised to do all such act(s), deed(s) and thing(s) as may be considered necessary, proper or expedient in order to give effect to the above resolution.”

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

“RESOLVED THAT in pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and

Articles of Association of the Company and subject to the approval of Central Government or other authority, if any, and subject to the approval of shareholders of the Company, Mr. N.S. Parameswaran (DIN: 00091097) be and is hereby appointed as Managing Director of the Company for a period of three years with effect from 30.09.2015 on a consolidated remuneration of Rs. 10 Lakhs per annum on the terms and conditions including remuneration as set out in the Explanatory statement annexed to the Notice convening this Annual General Meeting.

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

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

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

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

For and on behalf of the Board
For Mesco Pharmaceuticals Limited

Date: 04.09.2015
Place: New Delhi

N.S. Parameswaran
Chairman
DIN: 00091097

NOTES:

- 1) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to the Special Business to be transacted at Annual General Meeting is annexed hereto.
- 2) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. The instrument appointing proxy should be deposited at the registered office of the company not less than forty-eight hours before commencement of the meeting.

- 3) A person can act as proxy on behalf of not more than fifty members and holding not more than ten percent of the total share capital of the company. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder. A Proxy form is sent herewith.
- 4) The instrument appointing proxy in order to be effective should be duly stamped, completed and signed and should be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
- 5) Members/ proxies should bring the Attendance Slip duly filled in for attending the meeting. The form of attendance slip and proxy form are attached at the end of the Annual Report.
- 6) For members who have not registered their email address, physical copies of the Notice of the 29th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 7) Members who hold shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members are advised to avail of the nomination facility by filing Form SH-13 in their own interest. Blank forms will be supplied by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
- 8) During the period beginning 24 hours before the time fixed for the commencement of the Annual General meeting and ending with the conclusion of the meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
- 9) As required under Clause 49 of the Listing Agreement, relevant information in respect of Directors recommended by the Board for appointment/re-appointment at the Annual General Meeting forms part of the 'Report on Corporate Governance' in the Annual Report.
- 10) Corporate Members intending to send their authorized representative to attend the meeting are requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
- 11) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Companies Act, 2013 will be available for inspection by the members at the AGM.
- 12) The Register of Contracts or Arrangements in which directors are interested, as maintained under the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 13) Members desiring to claim previous years' dividend(s), which remained unclaimed, are requested to correspond with the Company Secretary at the Company's registered office. Members to note that dividends not encashed or not claimed within 7 years from the date of transfer to the Company's Unpaid Dividend Account, shall as per Section 205A and 205C of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
- 14) The Register of Members and Share Transfer Books will remain closed from Wednesday, September 23, 2015 to Tuesday, September 29, 2015 (both days inclusive).
- 15) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit PAN with their Depository Participants with whom they are maintaining their demat accounts. It has also been made mandatory for the transferee to furnish a copy of PAN to the Company's Registrar and Share Transfer Agent for their registration of transfers and securities market transactions and off- market/ private transactions involving transfer of shares of listed Companies in physical form. Accordingly, members holding shares in physical mode should attach a copy of their PAN Card for every transfer request sent to the Company/ Company's Registrar and Share Transfer Agent.
- 16) In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of name and attending the meeting, will be entitled to vote.
- 17) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- 18) Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
- 19) Members holding shares in physical form are requested to notify/send any change in their address to the Company's Registrars and Share Transfer Agents or to the Company at its Registered Office. Members holding shares in dematerialized form are requested to notify/send any change in their address to the concerned depository participant (s).
- 20) Members desirous of obtaining any information / clarification concerning the Financial Statements for the financial year ended March 31, 2015 of the Company, may send their queries in writing atleast seven days before the Annual General Meeting to the Company Secretary at the Registered Office of the Company or at E-Mail Id : mescogroup@rediffmail.com
- 21) All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of the declaration of the result of the 29th Annual General Meeting of the Company.
- 22) Route Map as per Secretarial Standard 2 is annexed herewith.
- 23) Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio.
- 24) In all correspondences with the Company, members are requested to quote their account / folio numbers and in case their shares are held in the dematerialized form, they must quote their DP I.D. and Client I.D. No(s).

- 25) Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
- 26) Guidelines for attending the ensuing Annual General Meeting of the Company:
- a) Entry to the venue will be strictly against the exchange of duly filled in, signed and valid Attendance Slip.
 - b) Any briefcase/bags/eatables or other articles are not allowed inside the Auditorium/Hall.
 - c) Member(s) are requested to bring the copy of the Annual Report to the meeting.
 - d) The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 31st March, 2015.
 - e) Members can opt for only one mode of voting, i.e., either by physical poll or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical poll will be treated as invalid.
 - f) The results declared will also be communicated to the Stock Exchanges
- 27) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

For and on behalf of the Board
For Mesco Pharmaceuticals Limited

Date: 04.09.2015
Place: New Delhi

N.S. Parameswaran
Chairman
DIN: 00091097

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

ITEM No 4.

Mr. N.S. Parameswaran was appointed as an Additional Director of the Company by the Board of Directors on 01.01.2015. Notice under Section 160 of the Companies Act, 2013 has been received from a member proposing his candidature for the office of Director of the Company.

Your Board recommends the Ordinary Resolution as set out in Item No. 4 for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. N. S. Parameswaran (whose regularisation is proposed in this resolution) are in any way concerned or interested in the resolution.

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

ITEM No 5.

It is proposed to appoint Mr. N. S. Parameswaran as Managing Director of the Company w.e.f. 30.09.2015. He is a Company Secretary and had worked as Account Officer in one of the biggest Public Sector Undertaking of the Country. Further he has more than 50 years of experience.

As a group, as a whole require several Managerial personnel and one person cannot be appointed as managerial personnel in more than one entity. Mr. Parameswaran, as is very senior, experienced and reliable and is associated with the group since long, is recommended to be appointed as Managing Director of the Company.

He is largely responsible for the efficient operations of the Company, governance and its excellent financial performance. The Board of Directors, at their meeting held on 18.12.2014 considered and decided to entrust Mr. N S Parameswaran with increased role and responsibility by elevating him as Managing Director of the Company. The term of his appointment as Managing Director will be for a period of three years w.e.f 30.09.2015. He shall be paid a total remuneration of Rs. 10 lacs per annum including all perquisites except any re-imbursement for which he shall be entitled as employee of the Company.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. N. S. Parameswaran (whose regularisation is proposed in this resolution) are in any way concerned or interested in the resolution.

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

For and on behalf of the Board
For **Mesco Pharmaceuticals Limited**

Date: 04.09.2015
Place: New Delhi

N.S. Parameswaran
Chairman
DIN: 00091097

MESCO PHARMACEUTICALS LIMITED

Regd. Office: MOHABEWALAN INDUSTRIES AREA, STATE BANK ROAD,
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CIN NO: L24111UR1986PLC015895 EMAIL ID: mescogroup@rediffmail.com Tel: 011-40587085

DIRECTORS' REPORT

TO

THE MEMBERS,
MESCO PHARMACEUTICALS LIMITED

Your Directors take pleasure in presenting the 29th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

1. Financial summary or highlights/ Performance of the Company

(Amount in Rs.)

Particulars	Financial Year ended	
	31 st March, 2015	31 st March, 2014
Revenue from Operations	0	0
Other income	0	327,779.44
Profit before Depreciation and Tax	(467,643,636)	(19,851)
less: Depreciation	0	0
Profit (loss) before Tax	0	0
Less: Provision for Tax	(6,277,609)	0
Add: Deferred Tax	0	0
Profit (Loss) after Tax	(461,366,027)	(19,851)

2. Dividend

No Dividend was declared for the current financial year due to losses incurred by the Company.

3. Reserves

No amounts were proposed by Board to be carried to the reserves.

4. Brief description of the Company's working during the year/State of Company's affairs

During the year under review, total loss of the Company was Rs. 461,366,027/- as against the loss of Rs. 19,851/- during previous year. Your Directors are putting in their best efforts to improve the performance of the Company.

5. Change in the nature of business

There was no change in the nature of business.

6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

7. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

8. Details in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has designed and implemented process driven framework for internal financial controls within the meaning of explanation to Section 134 (5) (e) of the Companies Act, 2013. For the year ended 31 March, 2015, the Board is of the opinion that the Company has sound internal financial controls commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and / or improved controls, wherever the effect of such gaps would have a material effect on the Company's operation.

9. Details of Subsidiary/Joint Ventures/Associate Companies

The Company does not have any Subsidiary, Joint venture or Associate Company.

10. Deposits

The Company has neither accepted nor renewed any deposits during the year under review.

11. Reports on Management Discussion Analysis and Corporate Governance

As required under the Listing Agreement with Stock Exchanges ("Listing Agreement"), management discussion and analysis and corporate governance report are annexed as **Annexure I** and **Annexure II** respectively to this Report

12. Auditors

M/s N. Dhawan & Co., Chartered Accountants, (Firm Registration Number-007095N), has been appointed as Statutory Auditors of the company for a period of 3 years in the Annual General Meeting held on 27/09/2014. Their continuance of appointment and payment of remuneration are to be confirmed/ratify and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

13. Auditors' Report

There are no qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their report on the Financial Statements of the Company for the Financial Year ended 31st March, 2015.

14. A) Share Capital

During the Financial Year 2014-15, the paid up share capital of the Company was Rs. 197,381,000/- divided into 20,320,600 Equity Shares of Rs. 10/- each. (Paid up share capital- Rs. 203,206,000 less Allotment money in arrears- Rs. 5,825,000)

B) Issue of equity shares with differential rights/ Buy Back of Securities/ Issue of sweat equity shares/ Bonus Shares/ Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

During the year under consideration no transactions were covered under Companies (Share Capital and Debentures) Rules, 2014.

C) Issue of employee stock options

The Company has **not issued** any shares as employee stock options scheme during the year under consideration.

15. Extract of the annual return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure - III** and is attached to this Report.

16. 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) |

17. Corporate Social Responsibility (CSR)

The company is not covered in the limits prescribed under section 135 of the Companies Act, 2013 therefore Corporate Social Responsibility is **not applicable**.

18. Directors

A) Changes in Directors and Key Managerial Personnel

Mr. **Jitendra Kumar Singh** (DIN: 00090649) retires by rotation and being eligible, offers himself for **re-appointment** as director of the company.

Ms. Rita Singh was acting as Women Director in the Company who resigned on 26th May 2015.

In accordance with the provisions of Sec. 203 of the Act, Mr. Sandeep Nunwal has been appointed as Company Secretary from 13th day of May 2015.

During the year **Mr. Nurani Shankar Parameswaran** (DIN: 00091097) was **appointed** as Additional director w.e.f. 01/01/2015. In accordance with the provisions of Sec. 160 of the Act, he has been proposed to be regularized in the forthcoming Annual General Meeting. Further he has been proposed to be appointed as Managing Director in accordance with the provisions of Sec. 203 of the Act w.e.f. forthcoming Annual General Meeting, subject to approval of the members in the said meeting.

During the year **Santosh Kumar Jha** (PAN: ACQPJ4530L) was appointed as **CFO** of the Company w.e.f. 25/02/2015 in accordance with the provisions of Sec. 203 of the Act.

B) Declaration by the Independent Director(s)/ Formal Annual Evaluation

The Provisions of declaration & Appointment of Independent director are **applicable** on the company. But due to non availability of independent Director(s) having experience in the field in which Company is working at competitive remuneration/ cost, presently the Company does not have any Independent Director on the Board.

19. Number of meetings of the Board of Directors

During the year the Board of Directors met Nine (9) times. The maximum interval between any two board meetings did not exceed 120 (one hundred and twenty) days.

20. Audit Committee

The committee presently consists of three directors out of which none is independent. The composition of the committee is not in conformity with the provision of section 177 of Companies' Act, 2013 read with clause 49 of the listing agreement.

Four meetings of the audit committee were held during the year 2014-15.

The name of the committee members as on 31.03.2015 are:-

- i. Mr. Jitendra Kumar Singh
- ii. Mr. Dushyant Kumar Singh
- iii. Mrs. Rita Singh

21. Details of establishment of vigil mechanism for directors and employees

The Company has established vigil mechanism for employees and Directors. The Company is committed to provide adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the directors for the issues concerning the interests of company employees. However due to non availability of independent directors the work of vigil mechanism committee is done by the members of the Audit Committee.

22. Nomination and Remuneration Committee

The committee presently consists of three directors out of which none is independent director. The composition of the committee is not in conformity with the provision of section 178 of Companies' Act 2013 read with clause 49 of the listing agreement.

The name of the committee members as on 31.03.2015 are:-

- i. Mr. Jitendra Kumar Singh
- ii. Mr. Dushyant Kumar Singh
- iii. Mrs. Rita Singh

23. Particulars of loans, guarantees or investments under section 186:

During the year there was no such transaction.

24. Particulars of contracts or arrangements with related parties:

There was no contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013.

For other details of related parties transactions (other than referred to in sub-section (1) of section 188 of the Companies Act, 2013) **refer Note-20.**

25. Policy on Directors Appointment and Remuneration

Company follows draft has policy on the Director's appointment while appointing any director. During the year under consideration the company has not paid any remuneration to the Directors. Further Managing Director's appointment and remuneration is being proposed for approval of shareholders in the forthcoming AGM.

26. Managerial Remuneration:

- A) There are no Directors/ employees drawing salary and thus the clause is not applicable.
- B) There are no employees drawing salary in excess of limits prescribed under section 197 of the Companies Act' 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- C) The company does not have any Holding or subsidiary company, therefore disclosure required under section 197 of the Companies Act, 2013 regarding remuneration or commission received by the directors from the holding or subsidiary company of the company is not applicable.

27. Secretarial Audit Report

During the year under review, Ms. Sugandh Jain, Practising Company Secretary who was appointed as the Secretarial Auditor of the Company has issued the audit report in respect of the secretarial audit