



MESCO PHARMACEUTICALS LIMITED

31st Annual Report 2016-2017

Mesco Pharmaceuticals Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY INFORMATION

CIN: L24111UR1986PLC015895
Upper Kesalton, Tallital,
Nainital-263001, Uttarakhand
Tel: 9871862796
Website: www.mescopharma.com

STATUTORY AUDITORS

M/s N. Dhawan & Co.
Chartered Accountants
411, Bhera Enclave, Paschim Vihar
Outer Ring Road, Delhi-110 087
Ph: 011-42342154

REGISTRAR AND SHARE TRANSFER AGENT

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

INVESTOR RELATION CENTRE

H-1, Zamrudpur Community Centre,
Kailash Colony, New Delhi-110 048
Tel: 011-41587085
E-mail: nsparameswaran@mescosteel.com
Website: www.mescopharma.com

ALL CORRESPONDENCE RELATING TO TRANSFER OF SHARES, CHANGE IN ADDRESS ETC. SHOULD BE SENT TO THE REGISTRAR AND SHARE TRANSFER AGENT OR INVESTORS RELATION CENTRE

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NOTICE

MESCO PHARMACEUTICALS LIMITED

CIN: L24111UR1986PLC015895

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

Website: www.mesopharma.com, E-mail: nsparameswaran@mescosteel.com, Tel No. +91-9871862796

Notice is hereby given that the Thirty First Annual General Meeting of the shareholders of Mesco Pharmaceuticals Limited will be held on Saturday, 30th September, 2017 at 10:00 A.M. at Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the Financial Year ended on 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dushyant Kumar Singh (DIN: 00091193), who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Sangram Paul & Co., Chartered Accountants, Bhubaneswar (Registration No. 111009W) be and is hereby appointed as Statutory Auditor of the Company in place of M/s. N. Dhawan & Co., Chartered Accountants, Delhi (Registration No.: 007095N), the retiring Statutory Auditor, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 36th Annual General Meeting of the Company, subject to ratification by the Members at every Annual General Meeting, at such remuneration plus Goods and Service Tax as applicable and reimbursement of out-of pocket expenses in connection with the audit as the Board of Directors may fix in this behalf."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 94 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of members be and is hereby accorded to keep and maintain the Register of Members, the Index of Members, at Skyline Financial Services Pvt Ltd, Registrar and Share Transfer Agent of the company at D-153A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110 020 and other statutory registers and the copies of all annual returns and copies of certificates and documents required to be annexed thereto at corporate office situated at New Delhi instead of the Registered Office of the Company.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto."

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

"RESOLVED THAT pursuant to the provisions of Sections 5, 14 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof), and subject to the necessary registrations, approvals, consents, permissions and sanctions required, if any, from the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, consent of the members of the Company be and is hereby accorded for adoption of the new set of

Articles of Association (Table F of Schedule I of the Act) in place and entire exclusion and substitution of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds, matters and things and execute and sign all such documents and papers, as may be necessary in this regard, including but not limited to:

- i. to sign and submit the various Forms / E-Forms and other papers/documents to be filed with the Registrar of Companies, Ministry of Corporate Affairs, Government of India or any other Competent Authority.
- ii. delegation of all or any of the authorities conferred above, to any other director(s) or executive(s) / officer(s) of the Company as may be necessary to give effect to the aforesaid resolution."

By order of the board
For Mesco Pharmaceuticals Ltd

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

Date: 14th August, 2017
Place: New Delhi

NOTES

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item no. 4 to 5 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 INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY OR AT SKYLINE FINANCIAL SERVICES PRIVATE LIMITED, AT D-153A, 1ST FLOOR, OKHLA INDUSTRIAL AREA, PHASE-1, NEW DELHI-110 020 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, 25th September, 2017 to Saturday, 30th September, 2017 (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 31st March, 2017 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 5th October, 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 www.mescopharma.com
8. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the 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 Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by ICSI the brief profile of Director eligible for re-appointment vide item no. 2 is as follows: -

Particulars	Mr. Dushyant Kumar Singh
DIN	00091193
Age	66 Years
Date of appointment	12 th August, 1986
Qualifications	Law Graduate
Expertise in specific functional areas	Mr. D.K. Singh aged 66 years is a law graduate and possesses nearly a decade's experience in the Leather and Pharmaceutical Industry.
Directorships in other Companies	Mesco Steels Ltd Mesco Laboratories Ltd. Twenty First Century Finance Ltd. Mesco Logistics Ltd. Mesco Hotels Ltd. Mesco India Ltd. Chhindwara Energy Limited Mesco Aerospace Ltd Forrester Foods Private Limited
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Mesco Aerospace Ltd – Member in Audit Committee
Number of shares held in the Company	87,100 Shares

Relationship with any Director(s) of the Company	Brother of Mr. Jitendra Kumar Singh, Director of the Company
Terms & Conditions of Appointment/Re-appointment	Re-appointment pursuant to Section 152 of Companies Act, 2013
Remuneration Details	NIL
No. of Board meetings attended out of 6 meetings held during the year	6

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

Under the provisions of the Companies Act, 2013 (the "Act") certain documents such as the register of members and index of members – separately for each class of equity and preference shares, register and index of debenture holders, register and index of any other Security holders, Register of Renewed and Duplicate Shares/Debentures/Securities Certificates, Register of Sweat Equity Shares, Register of ESOP, and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Act, and other related books, are required to be maintained at the registered office of the company unless a special resolution is passed in a general meeting authorizing the keeping of the register at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside.

More than One-tenth of the total members of company resides at Delhi, so in the interest of operational and administrative convenience, it is proposed to maintain Register of Members, the Index of Members, at Skyline Financial Services Pvt Ltd, Registrar and Share Transfer Agent of the company at D-153A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110 020 and other statutory registers and the copies of all annual returns and copies of certificates and documents required to be annexed thereto at corporate office situated at H-1, Zamrudpur Community Centre, Kailash Colony, New Delhi-110048 instead of the Registered Office of the Company.

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Kanpur, Uttar Pradesh as required under the said Section 94 (1) of the Companies Act, 2013.

Approval of Shareholders is required under Section 94 of the Companies Act, 2013 for effecting the change in place at which the Register and Index of Members etc. are to be kept. The Board recommends the special resolution set out under Item No. 4 of the Notice for approval by the shareholders. None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise in the special resolution set out under Item No. 4 of the Notice.

Item No. 5

The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the New Companies Act, 2013. Hence, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders. The draft AOA shall be available for inspection during the meeting and can be inspected by members during the business hours at the registered office of the company.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

The Board recommends the Special Resolution set out at Item No.5 of the Notice for approval by the shareholders.

By order of the board
For Mesco Pharmaceuticals Ltd

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

Date: 14th August, 2017
Place: New Delhi

DIRECTORS' REPORT

TO THE MEMBERS OF MESCO PHARMACEUTICALS LTD

Your Directors are pleased to present 31st Annual Report and the Statement of Accounts for the financial year ended on March 31, 2017

FINANCIAL HIGHLIGHTS

Particulars	(Amount in Rs.)	
	2016-17	2015-16
Revenue from operations	-	-
Other Income	-	3,75,000
Profit/(Loss) before Tax	(25,79,969)	3,13,951
Tax Expenses:		
Current Tax	-	1,05,785
Earlier Years	9,705	-
Profit/(Loss) after Tax	(25,89,674)	2,08,166
Transfer to General Reserve	-	10,79,15,000
Reserves and surpluses	(30,15,58,502)	(29,89,68,828)
Earnings per share	(0.13)	0.01

COMPANY PERFORMANCE/ STATEMENT OF COMPANY'S AFFAIR

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

CHANGE IN NATURE OF BUSINESS OF THE COMPANY

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

MATERIAL CHANGES 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-31st March, 2017 and the date of this Report.

During the year under review, company has filed the application for revocation of suspension of its trading of its equity shares at Bombay Stock Exchange.

TRANSFER TO RESERVES

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

DIVIDEND

Directors have not recommended any dividend for the financial year ended on 31st March, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

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

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 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 to the Financial Statements.

DISCLOSURE ON DEPOSIT UNDER CHAPTER V

The Company has neither accepted nor renewed any deposits during the Financial Year 2016-17 in terms of Chapter V of the Companies Act, 2013.

REPORT ON SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

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

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

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

LISTING

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

CORPORATE GOVERNANCE

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

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mrs. Vijaya Batth resigned from the Board w.e.f. 2nd July, 2016. The Board placed on record appreciation of the contribution made by Mrs. Batth during her tenure

Mr. Rajeev Moudgil and Mr. Subhash Chander Seth appointed as Additional Independent Director w.e.f. 19th April, 2016 and Mrs. Savita Sethi also appointed as Additional Independent Director w.e.f. 2nd July, 2016 and all of them are appointed as Independent Director in the Annual General Meeting held on 30th September, 2016.

RETIRE BY ROTATION OF DIRECTOR

Pursuant to Sections 149, 152 of the Companies Act, 2013 Mr. Dushyant Kumar Singh, (DIN: 00091193), 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. The information on the particulars of Director eligible for appointment in terms of Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial

Standard-2 issued by ICSI has been provide in the notes to the notice convening the Annual General Meeting. Your Directors recommend his re-appointment.

DECLARATION OF INDEPENDENCE

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

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

Particulars to be given as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in Point No. VI in MGT-9, Extract on of Annual Return, which forms part of this report.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2016-17, the board of Directors of the Company met 6 (Six) times i.e. 19th April, 2016, 13th May, 2016, 2nd July, 2016, 13th August, 2016, 14th November, 2016 and 14th February, 2017. The gap between two consecutive meetings did not exceed 120 (One hundred Twenty) days. Further, a separate Meeting of the Independent Directors of the Company was also held on 14th February, 2017.

AUDIT COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

STATUTORY AUDITORS AND THEIR REPORT

The term of M/s Naresh Dhawan & Co., Chartered Accountants, statutory auditors of the company will be expires in the conclusion of 31st AGM. Therefore, the Board, in terms of Section 139 of the Act, on the recommendation of the Audit Committee, has recommended the appointment of M/s Sangram Paul & Co., Chartered Accountants, Bhubaneswar (Registration No. 111009W) as Statutory Auditor of the Company in place of M/s. N. Dhawan & Co., Chartered Accountants, Delhi (Registration No.: 007095N), the retiring auditor, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 36th Annual General Meeting of the Company, The certificate from the Auditors have been received to the